

# **MAGNA PRIMA BERHAD**

Company No.: 369519-P

(Incorporated in Malaysia)

**Interim Financial Statements**

**31 December 2019**

# **MAGNA PRIMA BERHAD**

**Company No.: 369519-P  
(Incorporated in Malaysia)**

## **Interim Financial Statements - 31 December 2019**

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# MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

(The figures have not been audited)

	AS AT 31/12/2019 RM'000 (Unaudited)	AS AT 31/12/2018 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	536	697
Investment properties	520,769	520,769
Land held for property development	65,100	65,100
Deferred tax assets	1,077	5,443
	<u>587,482</u>	<u>592,009</u>
<b>Current Assets</b>		
Inventories	237,936	260,465
Trade and other receivables	15,221	19,354
Tax recoverable	70	384
Cash held under Housing Development Accounts	3,748	3,895
Fixed and short term deposits with licensed banks	1,132	14,085
Cash and bank balances	1,011	4,379
<b>TOTAL CURRENT ASSETS</b>	<u>259,118</u>	<u>302,562</u>
<b>TOTAL ASSETS</b>	<u>846,600</u>	<u>894,571</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	7,825	10,956
Retained profits	358,387	394,154
	<u>484,836</u>	<u>523,734</u>
<b>Non-controlling interests</b>	<u>2,232</u>	<u>4,033</u>
<b>TOTAL EQUITY</b>	<u>487,068</u>	<u>527,767</u>
<b>Non-Current Liabilities</b>		
Borrowings	44,938	133,422
Deferred tax liabilities	25,701	27,668
	<u>70,639</u>	<u>161,090</u>
<b>Current Liabilities</b>		
Trade and other payables	93,328	87,351
Borrowings	156,689	79,386
Current tax liabilities	38,876	38,977
	<u>288,893</u>	<u>205,714</u>
<b>TOTAL LIABILITIES</b>	<u>359,532</u>	<u>366,804</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>846,600</u>	<u>894,571</u>
<b>Net assets per share at par value of RM0.25 each attributable to Owners of the Company (RM)</b>	<u>1.46</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 31 December 2019

*(The figures have not been audited)*

	3 months ended		12 months ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM'000	RM'000	RM'000	RM'000
Revenue	<b>9,269</b>	(15,066)	<b>32,241</b>	33,123
Cost of sales	<b>(5,736)</b>	(2,173)	<b>(22,903)</b>	(29,563)
Gross profit	<b>3,533</b>	(17,239)	<b>9,338</b>	3,560
Other operating income	<b>1,725</b>	4,464	<b>4,728</b>	16,187
Selling and distribution expenses	<b>(178)</b>	(1,991)	<b>(1,818)</b>	(3,561)
Administration expenses	<b>(5,734)</b>	(3,740)	<b>(18,464)</b>	(14,343)
Other operating expenses	<b>(1,292)</b>	(16,256)	<b>(5,481)</b>	(18,742)
Profit/(Loss) before interest and tax	<b>(1,946)</b>	(34,762)	<b>(11,697)</b>	(16,899)
Finance costs	<b>(7,657)</b>	(3,474)	<b>(19,795)</b>	(13,802)
Profit/(Loss) before taxation	<b>(9,603)</b>	(38,236)	<b>(31,492)</b>	(30,701)
Taxation	<b>(2,767)</b>	(29,671)	<b>(3,037)</b>	(26,017)
Profit/(Loss) for the period	<b>(12,370)</b>	(67,907)	<b>(34,529)</b>	(56,718)
Other comprehensive income / (expense) :				
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	<b>2,653</b>	(3,837)	<b>(2,935)</b>	(14,063)
Other comprehensive income for the period	<b>2,653</b>	(3,837)	<b>(2,935)</b>	(14,063)
Total comprehensive income for the period	<b>(9,717)</b>	(71,744)	<b>(37,464)</b>	(70,781)
Profit/(Loss) attributable to:				
Owners of the Company	<b>(11,848)</b>	(67,460)	<b>(32,728)</b>	(55,260)
Non-controlling interests	<b>(522)</b>	(447)	<b>(1,801)</b>	(1,458)
	<b>(12,370)</b>	(67,907)	<b>(34,529)</b>	(56,718)
Total comprehensive income/(expense) attributable to:				
Owners of the Company	<b>(9,195)</b>	(71,297)	<b>(35,663)</b>	(69,323)
Non-controlling interests	<b>(522)</b>	(447)	<b>(1,801)</b>	(1,458)
	<b>(9,717)</b>	(71,744)	<b>(37,464)</b>	(70,781)
Earnings per share attributable to Owners of the Company:				
- Basic (sen)	<b>(3.56)</b>	(20.28)	<b>(9.84)</b>	(16.61)
- Diluted (sen)	<b>(3.46)</b>	(18.51)	<b>(9.55)</b>	(15.42)

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 31 December 2019

*(The figures have not been audited)*

	Attributable to Owners of the Company							
	Non-Distributable				Distributable			
	Share capital	Treasury shares	Capital 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
<b>Balance as at 1 January 2019</b>	<b>121,009</b>	<b>(2,385)</b>	<b>19,706</b>	<b>(8,750)</b>	<b>394,154</b>	<b>523,734</b>	<b>4,033</b>	<b>527,767</b>
<b>Prior year adjustment</b>				<b>(196)</b>	<b>(3,039)</b>	<b>(3,235)</b>		<b>(3,235)</b>
<b>Profit for the year</b>	-	-	-	-	<b>(32,728)</b>	<b>(32,728)</b>	<b>(1,801)</b>	<b>(34,529)</b>
<b>Other comprehensive expense for the year</b>	-	-	-	<b>(2,935)</b>		<b>(2,935)</b>	-	<b>(2,935)</b>
<b>Total comprehensive income / (expense) for the year</b>	-	-	-	<b>(2,935)</b>	<b>(32,728)</b>	<b>(35,663)</b>	<b>(1,801)</b>	<b>(37,464)</b>
<b>Balance as at 31 December 2019</b>	<b>121,009</b>	<b>(2,385)</b>	<b>19,706</b>	<b>(11,881)</b>	<b>358,387</b>	<b>484,836</b>	<b>2,232</b>	<b>487,068</b>
	-	-	-	-	-	-	-	-
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 year	-	-	-	-	(55,260)	(55,260)	(1,458)	(56,718)
Other comprehensive income for the year	-	-	-	(14,063)	-	(14,063)	-	(14,063)
Total comprehensive income / (expense) for the year	-	-	-	(14,063)	(55,260)	(69,323)	(1,458)	(70,781)
Balance as at 31 December 2018	121,009	(2,385)	19,706	(8,750)	394,154	523,734	4,033	527,767

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 31 December 2019

*(The figures have not been audited)*

	12 months 31/12/2019 RM'000	12 months 31/12/2018 RM'000
<b>Cash Flows From Operating Activities</b>		
Loss before taxation	(31,492)	(30,701)
Adjustments for :-		
Depreciation of property, plant and equipment	214	198
Impairment of trade receivables		3,717
Impairment of other receivables	41	1,814
Net gain on disposal of property, plant & equipment	-	(32)
Property, plant and equipment written off	1	-
Fair value adjustments on investment properties		12,350
Overprovision for liquidated and ascertained damages	(420)	-
Reversal impairment loss of trade receivables	(569)	-
Unrealised foreign exchange gain	(2,988)	(13,386)
Loss on deconsolidation of a subsidiary	(4,257)	-
Finance income	(335)	(130)
Finance expense	19,795	13,802
Operating profit before changes in working capital	<u>(20,010)</u>	<u>(12,368)</u>
Changes in working capital		
Inventories	23,372	37,271
Trade and other receivables	4,689	17,352
Trade and other payables	12,545	4,816
	<u>40,606</u>	<u>59,439</u>
Net cash generated from operations	20,596	47,071
Interest paid	(17,883)	(15,951)
Interest received	335	130
Tax paid	(943)	(3,117)
Tax refund	-	3,320
	<u>(18,491)</u>	<u>(15,618)</u>
Net cash from operating activities	2,105	31,453
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(54)	-
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	<u>168</u>	<u>32</u>
<b>Cash Flows From Financing Activities</b>		
Repayment of hire purchase liabilities	(87)	(99)
Repayment of bank borrowings	(13,005)	(78,022)
Fixed deposits with licensed banks	12,980	(9,605)
Drawdown of bank borrowings	280	85,000
Net cash generated from/(used in) financing activities	<u>168</u>	<u>(2,726)</u>
<b>Net change in cash &amp; cash equivalents</b>	<u>2,441</u>	<u>28,759</u>
<b>Cash &amp; cash equivalents at the beginning of the financial year</b>	<u>8,435</u>	<u>(6,209)</u>
<b>Effect of exchange rate changes</b>	<u>(5,928)</u>	<u>(14,115)</u>
<b>Cash &amp; cash equivalents at the end of the financial year</b>	<u><u>4,948</u></u>	<u><u>8,435</u></u>

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

	As at 31/12/2019 RM'000	As at 31/12/2018 RM'000
Cash and bank balances	1,011	4,379
Cash held under Housing Development Accounts	3,748	3,895
Fixed and short term deposits with licensed banks	1,132	14,085
	<u>5,891</u>	<u>22,359</u>
Less: Fixed deposits pledged with licensed banks	(943)	(13,924)
	<u><u>4,948</u></u>	<u><u>8,435</u></u>

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:**

<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 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 year 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 year 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 / 31 December 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 year 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>Year ended 31/12/2019 :</u></b>						
Total revenue	31,259	-	-	982	-	32,241
Intersegment revenue	-	-	-	-	-	-
<b>Segment revenue :</b>	<u>31,259</u>	<u>-</u>	<u>-</u>	<u>982</u>	<u>-</u>	<u>32,241</u>
<b><u>Primary geographical markets:</u></b>						
Australia	-	-	-	-	-	-
Malaysia	31,259	-	-	982	-	32,241
	<u>31,259</u>	<u>-</u>	<u>-</u>	<u>982</u>	<u>-</u>	<u>32,241</u>
<b><u>Nature of product</u></b>						
Commercial properties	11,708	-	-	982	-	12,690
Residential properties	19,551	-	-	-	-	19,551
	<u>31,259</u>	<u>-</u>	<u>-</u>	<u>982</u>	<u>-</u>	<u>32,241</u>
<b><u>Timing of revenue recognition:</u></b>						
Good transferred at a point in time	239,838	-	-	-	-	239,838
Good transferred over time	(208,579)	-	-	982	-	(207,597)
	<u>31,259</u>	<u>-</u>	<u>-</u>	<u>982</u>	<u>-</u>	<u>32,241</u>
<b>Segment profit / (loss) before tax :</b>	<u>(19,526)</u>	<u>(1,977)</u>	<u>(13)</u>	<u>194,219</u>	<u>(204,195)</u>	<u>(31,492)</u>
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	330	-	-	5	-	335
<b>Segment assets :</b>	<u>856,618</u>	<u>42,047</u>	<u>6</u>	<u>562,349</u>	<u>(614,420)</u>	<u>846,600</u>
<b>Segment liabilities :</b>	<u>630,408</u>	<u>61,913</u>	<u>2,443</u>	<u>130,978</u>	<u>(466,210)</u>	<u>359,532</u>



Year ended 31/12/2018 :

Total revenue	32,093	-	-	1,030	-	33,123
Intersegment revenue	-	(17,890)	-	17,890	-	-
Segment revenue :	<u>32,093</u>	<u>(17,890)</u>	<u>-</u>	<u>18,920</u>	<u>-</u>	<u>33,123</u>

Primary geographical markets:

Australia	-	-	-	-	-	-
Malaysia	32,093	(17,890)	-	18,920	-	33,123
	<u>32,093</u>	<u>(17,890)</u>	<u>-</u>	<u>18,920</u>	<u>-</u>	<u>33,123</u>

Nature of product

Commercial properties	14,099	(17,890)	-	18,920	-	15,129
Residential properties	17,994	-	-	-	-	17,994
	<u>32,093</u>	<u>(17,890)</u>	<u>-</u>	<u>18,920</u>	<u>-</u>	<u>33,123</u>

Timing of revenue recognition:

Good transferred at a point in time	32,093	-	-	-	-	32,093
Good transferred over time	-	(17,890)	-	18,920	-	1,030
	<u>32,093</u>	<u>(17,890)</u>	<u>-</u>	<u>18,920</u>	<u>-</u>	<u>33,123</u>

Segment profit / (loss) before tax :	<u>(7,642)</u>	<u>(11,736)</u>	<u>-</u>	<u>(25,648)</u>	<u>14,325</u>	<u>(30,701)</u>
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*Included in the segment profit / (loss) are :-*

Finance income	106	4	-	20	-	130
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Segment assets :	<u>1,086,272</u>	<u>56,470</u>	<u>6</u>	<u>353,848</u>	<u>(602,025)</u>	<u>894,571</u>
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Segment liabilities :	<u>622,392</u>	<u>72,837</u>	<u>2,458</u>	<u>118,563</u>	<u>(451,906)</u>	<u>366,804</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 :-

	<b>Malaysia RM'000</b>	<b>Australia RM'000</b>	<b>Consolidated RM'000</b>
<b>Year ended 31/12/2019 :</b>			
<b>Total revenue</b>	32,241	-	32,241
<b>Intersegment revenue</b>	-	-	-
<b>Segment revenue :</b>	<u>32,241</u>	<u>-</u>	<u>32,241</u>
<b>Segment profit / (loss) before tax :</b>	<u>(32,861)</u>	<u>1,369</u>	<u>(31,492)</u>
<b>Segment assets :</b>	<u>756,129</u>	<u>90,471</u>	<u>846,600</u>
<b>Segment liabilities :</b>	<u>356,687</u>	<u>2,845</u>	<u>359,532</u>

Year ended 31/12/2018 :

Total revenue	33,123	-	33,123
Intersegment revenue	-	-	-
Segment revenue :	<u>33,123</u>	<u>-</u>	<u>33,123</u>
Segment profit before tax :	<u>(35,047)</u>	<u>4,346</u>	<u>(30,701)</u>
Segment assets :	<u>715,401</u>	<u>179,170</u>	<u>894,571</u>
Segment liabilities :	<u>366,369</u>	<u>435</u>	<u>366,804</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 year 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 year till 6 February 2020 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 31/12/2019 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	201,586	212,808
Utilised portion of corporate guarantees given to trade payables of subsidiary companies for credit facilities aranted to subsidiary companies:		
- Unsecured	<u>2</u>	<u>2</u>
	<u><b>201,588</b></u>	<u><b>212,810</b></u>

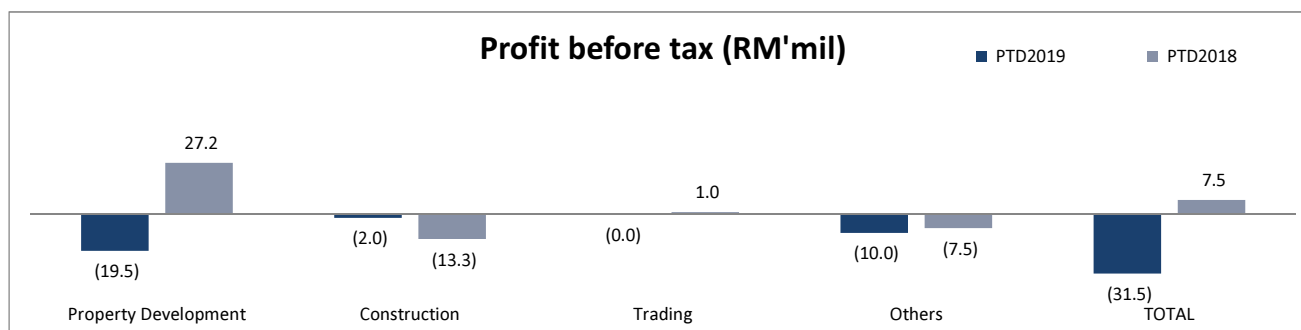
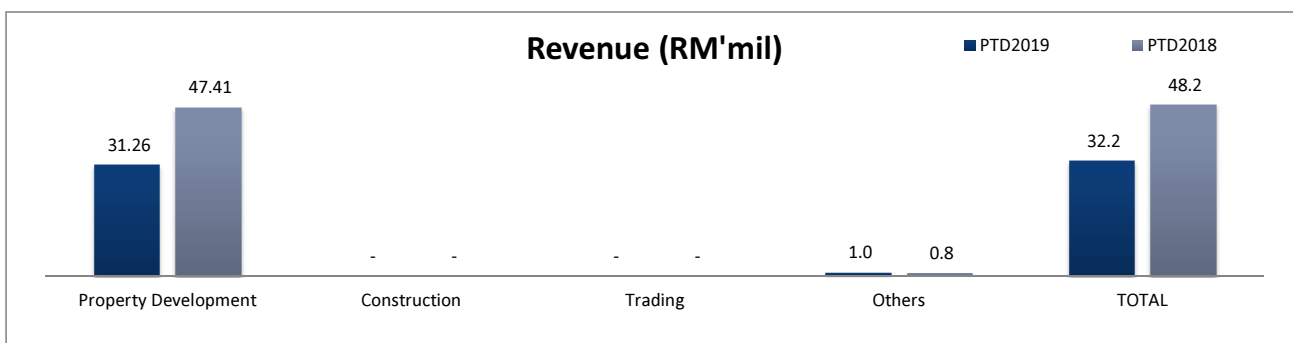
**B Bursa Malaysia Listing Requirements**

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

	3 months ended			12 months ended		
	31/12/2019 RM'000	31/12/2018 RM'000	Changes %	31/12/2019 RM'000	31/12/2018 RM'000	Changes %
Revenue	9,269	(15,066)	162%	32,241	33,123	(3%)
Cost of sales	(5,736)	(2,173)	(164%)	(22,903)	(29,563)	(23%)
Gross profit	3,533	(17,239)	120%	9,338	3,560	162%
Profit/(Loss) before interest and tax	(1,946)	(34,762)	94%	(11,697)	(16,899)	(31%)
Profit/(Loss) before taxation	(9,603)	(38,236)	75%	(31,492)	(30,701)	3%
Profit/(Loss) for the period	(12,370)	(67,907)	82%	(34,529)	(56,718)	39%
Profit/(Loss) attributable to: Owners of the Company	(11,848)	(67,460)	82%	(32,728)	(55,260)	41%

For the 12 months ended 31 December 2019, the Group achieved a revenue of RM32.2 million, a decrease of 3% compared to previous corresponding period amounting to RM33.1 million and a decrease of 3% for loss before tax of RM31.5 million compared to profit of RM-30.7 million recorded in the previous correspondina period ended 31 December 2018.

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

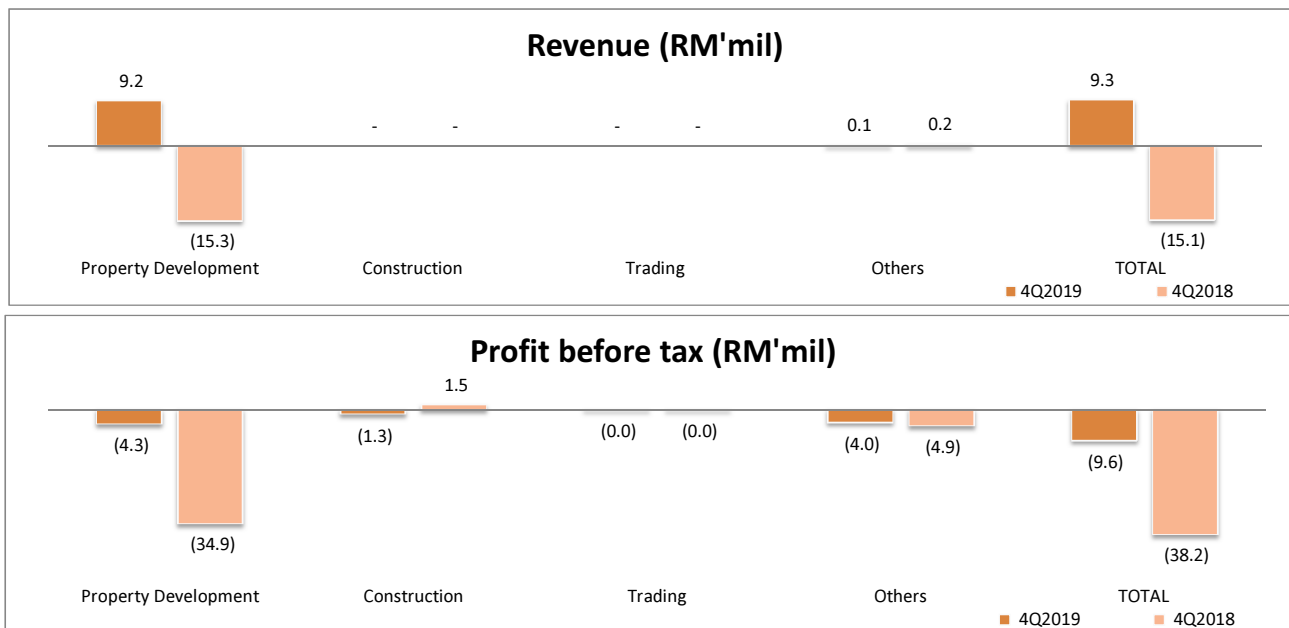


**B1 Review of Performance - Comparison with Previous Corresponding Period and Quarter (cont'd)**

For the current quarter ended 31 December 2019, the Group recorded a revenue of RM9.3 million, an increase of 162% from RM-15.1 million compared to the previous corresponding quarter ended 31 December 2018.

The increase revenue for current quarter compare to the previous corresponding quarter mainly due to shop office sale in Kepong project in current quarter.

The loss before tax for the current quarter is RM9.6 million, an increase of 75% as compared to loss before tax of RM-38.2 million in the corresponding quarter. This is mainly due to sale of shop office in Kepong project in the current quarter as compared with the previous corresponding quarter.



**Property Development**

The property development segment recorded a revenue of RM9.2 million and loss before tax of RM4.3 million in the current quarter compared to revenue of RM-15.3 million and profits before tax of RM-34.9 million in the corresponding quarter of the previous financial year.

The higher revenue achieved in current quarter mainly due to the sale of shop office in Kepong as compared with the previous quarter.

**Construction & Engineering**

The Construction & Engineering segment registered no revenue and loss before tax of RM1.34 million in current quarter as compared to no revenue and loss before tax of RM1.5 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.

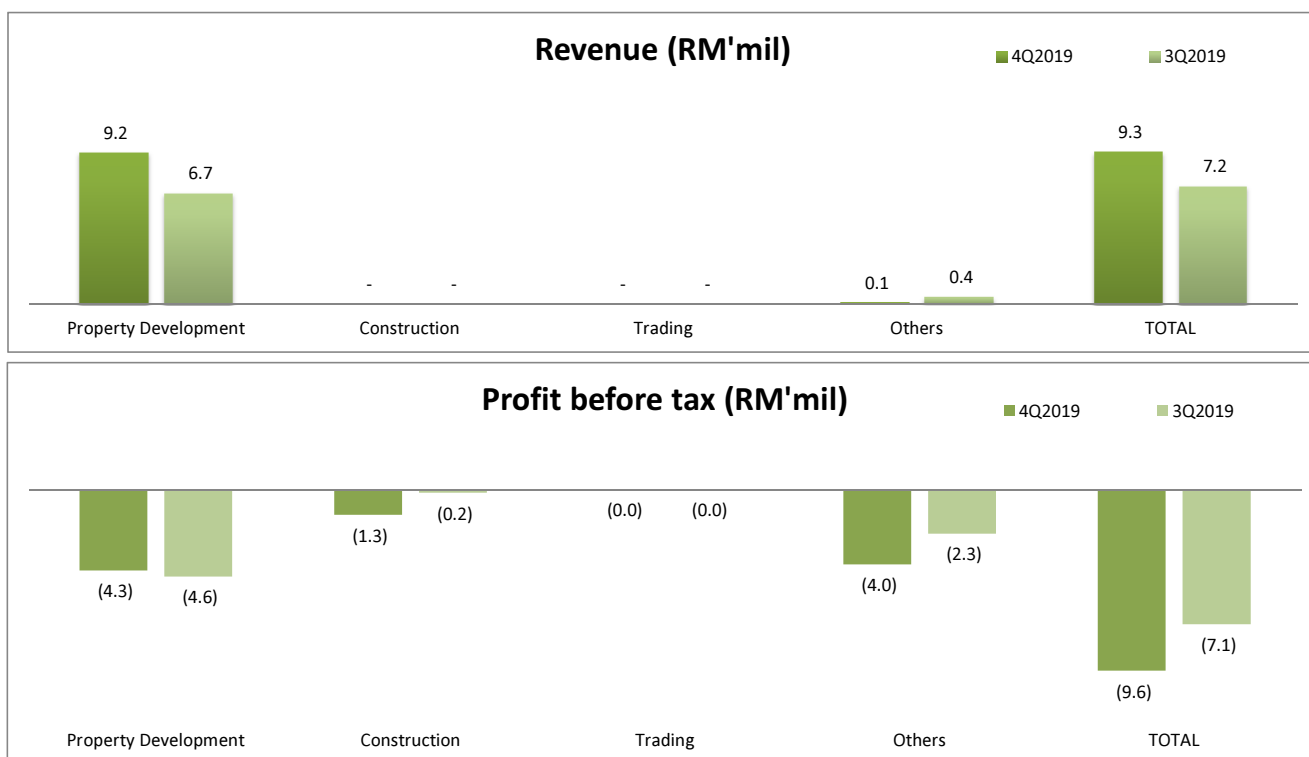
**B2 Review of Performance - Comparison with Immediate Preceding Quarter**

	<b>Current Quarter 31/12/2019 RM'000</b>	Immediate Preceding 30/09/2019 RM'000	Changes %
Revenue	<b>9,269</b>	7,161	29%
Cost of sales	<b>(5,736)</b>	(4,908)	17%
Gross profit	<b>3,533</b>	2,253	57%
Profit/(Loss) before interest and tax	<b>(1,946)</b>	(2,723)	(29%)
Profit/(Loss) before taxation	<b>(9,603)</b>	(7,135)	35%
Profit/(Loss) for the period	<b>(12,370)</b>	(7,135)	73%
Profit/(Loss) attributable to: Owners of the Company	<b>(11,848)</b>	(6,731)	76%

For the current quarter, the Group recorded a revenue of RM9.3 million, as compared to turnover RM7.2 million in the immediate preceding quarter ended 30 September 2019.

The Group posted a loss before tax of RM9.6 million in the current quarter, as compared to loss before tax of RM7.1 million in the immediate preceding quarter ended 30 September 2019.

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



**B3 Prospects for the Next 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	
	31/12/2019 RM'000	31/12/2018 RM'000
In respect of :		
- current year	594	8,366
- deferred taxation	2,443	17,651
	<u>3,037</u>	<u>26,017</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
	31/12/2019 RM'000	31/12/2018 RM'000
Realised	145,230	219,523
Unrealised	190,941	177,271
	<u>336,171</u>	<u>396,794</u>
Consolidation adjustments	22,216	(2,640)
Total retained profits	<u>358,387</u>	<u>394,154</u>

**B7 Corporate Proposals**

There were no corporate proposal announced not completed as at 06 February 2020, 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 31 December 2019 are as follows:

Secured	As at	As at
	31/12/2019 RM'000	31/12/2018 RM'000
Borrowings repayable		
- within 12 months	156,689	79,386
- after 12 months	44,938	133,422
Total borrowings	<u>201,627</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 year by the weighted average number of ordinary shares in issue.

	3 months ended		9 months ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	<b>(11,848)</b>	(67,460)	<b>(32,728)</b>	(55,260)
Weighted average number of ordinary shares in issue ('000)	332,627	332,627	<b>332,627</b>	332,627
Basic EPS (sen)	<b><u>(3.56)</u></b>	<u>(20.28)</u>	<b><u>(9.84)</u></b>	<u>(16.61)</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	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	<b><u>(11,848)</u></b>	<u>(67,460)</u>	<b><u>(32,728)</u></b>	<u>(55,260)</u>
Weighted average number of ordinary shares in issue ('000)	<b>332,627</b>	332,627	<b>332,627</b>	332,627
Effect of dilutive potential ordinary shares from the exercise of bonus warrants ('000)	<b>9,981</b>	31,838	<b>9,981</b>	25,720
Weighted average number of ordinary share in issue for diluted earnings per share ('000)	<b><u>342,608</u></b>	<u>364,465</u>	<b><u>342,608</u></b>	<u>358,347</u>
Diluted EPS (sen)	<b><u>(3.46)</u></b>	<u>(18.51)</u>	<b><u>(9.55)</u></b>	<u>(15.42)</u>

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

	9 months ended	
	31/12/2019 RM'000	31/12/2018 RM'000
Depreciation of property, plant and equipment	214	198
Interest expenses	19,795	13,802
Interest income	(335)	(130)
Other income	(335)	(248)
Overprovision of liquidated and ascertained damages (LAD)	(420)	-
Reversal impairment loss of trade receivables	(569)	-
Unrealised (gain)/loss of foreign exchange	(2,988)	(13,386)
Loss on deconsolidation of a subsidiary	<u>(4,257)</u>	<u>-</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  
 13 February 2020