

# **MAGNA PRIMA BERHAD**

**Company No.: 369519-P**

**(Incorporated in Malaysia)**

**Interim Financial Statements**

**31 December 2017**

# **MAGNA PRIMA BERHAD**

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(Incorporated in Malaysia)

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

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**MAGNA PRIMA BERHAD**

(Company No.: 369519-P)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2017

(The figures have not been audited)

	<b>AS AT</b> <b>31/12/2017</b> <b>RM'000</b> <b>(Unaudited)</b>	<b>AS AT</b> <b>31/12/2016</b> <b>RM'000</b> <b>(Restated)</b>	<b>AS AT</b> <b>01/01/2016</b> <b>RM'000</b> <b>(Restated)</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	895	1,501	961
Investment Properties	533,119	533,119	464,745
Land held for property development	65,100	65,037	65,025
Trade receivables	3,497	-	-
Deferred tax assets	16,706	17,873	10,311
	<u>619,317</u>	<u>617,530</u>	<u>541,042</u>
<b>Current Assets</b>			
Inventories	294,596	304,368	328,680
Contract assets	4,902	16,046	-
Amount owing by customers on contracts	-	-	2,057
Trade receivables	24,554	29,687	31,649
Other receivables	8,956	17,552	17,176
Tax recoverable	3,652	2,992	2,164
Cash held under Housing Development Accounts	4,670	4,193	4,050
Fixed and short term deposits with licensed banks	4,459	15,930	78,253
Cash and bank balances	4,078	15,175	21,569
<b>TOTAL CURRENT ASSETS</b>	<u>349,867</u>	<u>405,943</u>	<u>485,598</u>
<b>TOTAL ASSETS</b>	<u>969,184</u>	<u>1,023,473</u>	<u>1,026,640</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to Owners of the Company</b>			
Share capital	121,008	83,222	83,222
Share premium	-	35,566	35,566
Treasury shares	(2,385)	(2,385)	(77)
Other reserves	25,019	30,127	23,687
Retained profits	450,157	451,440	405,900
	<u>593,799</u>	<u>597,970</u>	<u>548,298</u>
<b>Non-controlling interests</b>	<u>5,491</u>	<u>4,626</u>	<u>6,378</u>
<b>TOTAL EQUITY</b>	<u>599,290</u>	<u>602,596</u>	<u>554,676</u>
<b>Non-Current Liabilities</b>			
Borrowings	124,482	143,294	191,041
Deferred tax liabilities	18,018	20,496	10,664
	<u>142,500</u>	<u>163,790</u>	<u>201,705</u>
<b>Current Liabilities</b>			
Trade payables	41,076	38,988	38,698
Other payables	53,548	73,115	55,078
Deferred revenue	-	-	27,167
Borrowings	96,544	92,354	77,296
Current tax liabilities	36,226	52,630	72,020
	<u>227,394</u>	<u>257,087</u>	<u>270,259</u>
<b>TOTAL LIABILITIES</b>	<u>369,894</u>	<u>420,877</u>	<u>471,964</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>969,184</u>	<u>1,023,473</u>	<u>1,026,640</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>1.81</u>	<u>1.66</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 December 2017

(The figures have not been audited)

	3 months ended		12 months ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Revenue	<b>10,443</b>	53,238	<b>100,959</b>	142,730
Cost of sales	<b>(956)</b>	(44,649)	<b>(55,975)</b>	(92,177)
Gross profit	<b>9,487</b>	8,589	<b>44,984</b>	50,553
Other operating income	<b>7,252</b>	17,247	<b>8,768</b>	69,005
Selling and distribution expenses	<b>(547)</b>	(1,366)	<b>(3,333)</b>	(3,948)
Administration expenses	<b>(5,253)</b>	(6,456)	<b>(14,625)</b>	(14,552)
Other operating expenses	<b>3,633</b>	(15,616)	<b>(7,613)</b>	(19,555)
Profit before interest and tax	<b>14,572</b>	2,398	<b>28,181</b>	81,503
Finance costs	<b>(3,246)</b>	(8,085)	<b>(14,296)</b>	(14,870)
Profit/(Loss) before taxation	<b>11,326</b>	(5,687)	<b>13,885</b>	66,633
Taxation	<b>1,200</b>	(4,975)	<b>(4,086)</b>	(24,176)
Profit/(Loss) for the period	<b>12,526</b>	(10,662)	<b>9,799</b>	42,457
Other comprehensive income / (expense) :				
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	<b>(9,199)</b>	4,417	<b>(4,707)</b>	6,440
Other comprehensive income for the period	<b>(9,199)</b>	4,417	<b>(4,707)</b>	6,440
Total comprehensive income / (expense) for the period	<b>3,327</b>	(6,245)	<b>5,092</b>	48,897
Profit/(Loss) attributable to:				
Owners of the Company	<b>13,302</b>	(8,977)	<b>11,421</b>	44,210
Non-controlling interests	<b>(776)</b>	(1,685)	<b>(1,622)</b>	(1,753)
	<b>12,526</b>	(10,662)	<b>9,799</b>	42,457
Total comprehensive (expense) / income attributable to:				
Owners of the Company	<b>4,103</b>	(4,560)	<b>6,714</b>	50,650
Non-controlling interests	<b>(776)</b>	(1,685)	<b>(1,622)</b>	(1,753)
	<b>3,327</b>	(6,245)	<b>5,092</b>	48,897
Earnings per share attributable to Owners of the Company:				
- Basic (sen)	<b>4.01</b>	(2.71)	<b>3.44</b>	13.34
- Diluted (sen)	<b>3.32</b>	(2.58)	<b>2.85</b>	12.69

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.: 369179-P)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the period ended 31 December 2017

(The figures have not been audited)

	Attributable to Owners of the Company									
	Non-Distributable					Distributable				
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Capital reserve RM'000	Capital redemption reserve RM'000	Foreign currency exchange reserve RM'000	Retained profits RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Balance as at 1 January 2017	83,222	35,566	(2,385)	19,706	400	10,020	451,442	597,971	4,625	602,596
Adjustments for effects of Companies Act 2016 *	35,966	(35,566)	-	-	(400)	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	11,421	11,421	(1,622)	9,799
Other comprehensive income for the year	-	-	-	-	-	(4,707)	(4,707)	(4,707)	-	(4,707)
Total comprehensive income / (expense) for the year	-	-	-	-	-	(4,707)	11,421	6,714	(1,622)	5,092
Acquisition of equity interest from non-controlling interest	-	-	-	-	-	-	(2,788)	(2,788)	2,488	(300)
Dividend paid	-	-	-	-	-	-	(9,918)	(9,918)	-	(9,918)
Exercise of warrants	1,820	-	-	-	-	-	-	1,820	-	1,820
Balance as at 31 December 2017	121,008	-	(2,385)	19,706	-	5,313	450,157	593,799	5,491	599,290
Balance as at 1 January 2016 (Restated)	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
Effect of correction of an error	-	-	-	-	-	(44)	(631)	(675)	-	(675)
Balance as at 1 January 2016 (Restated)	83,222	35,566	(77)	19,706	400	3,580	417,151	559,548	6,378	565,926
Profit / (loss) for the year	-	-	-	-	-	-	44,210	44,210	(1,753)	42,457
Other comprehensive income for the year	-	-	-	-	-	6,440	6,440	6,440	-	6,440
Total comprehensive income / (expense) for the year	-	-	-	-	-	6,440	44,210	50,650	(1,753)	48,897
Dividend paid	-	-	-	-	-	-	(9,919)	(9,919)	-	(9,919)
Acquisition of treasury shares	-	-	(2,308)	-	-	-	(2,308)	(2,308)	-	(2,308)
Balance as at 31 December 2016	83,222	35,566	(2,385)	19,706	400	10,020	451,442	597,971	4,625	602,596

\* 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 December 2017

*(The figures have not been audited)*

	<b>12 months 31/12/2017 RM'000</b>	12 months 31/12/2016 RM'000 (Restated)
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	13,885	66,633
Adjustments for :-		
Depreciation of property, plant and equipment	321	343
Amorisation of cost incurred to obtain a contract	1,520	476
Impairment of trade receivables	275	-
Impairment of other receivables	-	2,604
Net gain on disposal of property, plant & equipment	(33)	(5)
Property, plant and equipment written off	28	40
Fair value gain on investment properties	-	(58,146)
Provision for liquidated and ascertained damages	8,332	3,499
Overprovision for liquidated and ascertained damages	(197)	(72)
Reversal impairment loss of trade receivables	(95)	(183)
Write back of trade payables	(1,976)	-
Unrealised foreign exchange (gain)/loss	(4,676)	6,294
Finance income	(556)	(1,918)
Finance expense	14,296	14,870
Operating profit before changes in working capital	31,124	34,435
Changes in working capital		
Inventories	9,772	28,724
Contract assets	9,624	4,247
Trade receivables	1,457	2,144
Other receivables	8,595	(2,980)
Trade payables	4,065	289
Other payables	(23,026)	7,581
	10,487	40,005
Net cash generated from operations	41,611	74,440
Interest paid	(14,129)	(16,305)
Interest received	556	1,918
Tax paid	(22,597)	(47,680)
Tax refund	24	1,317
	(36,146)	(60,750)
Net cash from operating activities	5,465	13,690
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(28)	(416)
Purchase of investment property	-	(47,889)
Purchase of land held for property development	(63)	(12)
Acquisition of equity interest from non-controlling interest	(300)	-
Proceeds from disposal of property, plant and equipment	318	5
Net cash used in investing activities	(73)	(48,312)
<b>Cash Flows from Financing Activities</b>		
Dividend paid	(9,918)	(9,919)
Repayment of hire purchase liabilities	(144)	(96)
Repayment of bank borrowings	(72,107)	(55,737)
Fixed deposits with licensed banks	2,877	(1,169)
Proceeds from warrant exercised	1,820	-
Drawdown of bank borrowings	61,000	9,472
Repurchase of shares	-	(2,308)
Net cash used in financing activities	(16,472)	(59,757)
<b>Net change in cash &amp; cash equivalents</b>	(11,080)	(94,379)
<b>Cash &amp; cash equivalents at the beginning of the financial year</b>	9,471	97,409
<b>Effect of exchange rate changes</b>	(4,596)	6,441
<b>Cash &amp; cash equivalents at the end of the financial year</b>	(6,205)	9,471

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

	<b>As at 31/12/2017 RM'000</b>	As at 31/12/2016 RM'000
Cash and bank balances	4,078	15,175
Cash held under Housing Development Accounts	4,670	4,193
Fixed and short term deposits with licensed banks	4,459	15,930
Bank overdrafts	(15,098)	(18,636)
	(1,891)	16,662
Less: Fixed deposits pledged with licensed banks	(4,314)	(7,191)
	(6,205)	9,471

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 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 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 2017 / 31 December 2017	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.

During the financial period, 2,022,700 ordinary share of RM0.25 each were issued at an exercise price of RM0.90 per share. As at 31 December 2017, 164,422,270 Warrants 2015/2020 remain unexercised.

**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 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 31/12/2017 :</u></b>						
Total revenue	99,946	22,215	-	14,198	(35,400)	100,959
Intersegment revenue	-	(22,215)	-	(13,185)	35,400	-
<b>Segment revenue :</b>	<b>99,946</b>	<b>-</b>	<b>-</b>	<b>1,013</b>	<b>-</b>	<b>100,959</b>
<b><u>Primary geographical markets:</u></b>						
Australia	15,000	-	-	-	-	15,000
Malaysia	84,946	22,215	-	14,198	(35,400)	85,959
	<b>99,946</b>	<b>22,215</b>	<b>-</b>	<b>14,198</b>	<b>(35,400)</b>	<b>100,959</b>
<b><u>Nature of product</u></b>						
Commercial properties	22,987	22,215	-	14,198	(35,400)	24,000
Residential properties	76,959	-	-	-	-	76,959
	<b>99,946</b>	<b>22,215</b>	<b>-</b>	<b>14,198</b>	<b>(35,400)</b>	<b>100,959</b>
<b><u>Timing of revenue recognition:</u></b>						
Good transferred at a point in time	37,988	-	-	14,198	(13,185)	39,001
Good transferred over time	61,958	22,215	-	-	(22,215)	61,958
	<b>99,946</b>	<b>22,215</b>	<b>-</b>	<b>14,198</b>	<b>(35,400)</b>	<b>100,959</b>
<b>Segment profit / (loss) before tax :</b>	<b>6,930</b>	<b>6,615</b>	<b>(223)</b>	<b>(3,466)</b>	<b>4,029</b>	<b>13,885</b>
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	463	24	-	69	-	556
<b>Segment assets :</b>	<b>1,182,012</b>	<b>102,129</b>	<b>5,532</b>	<b>756,484</b>	<b>(1,076,973)</b>	<b>969,184</b>
<b>Segment liabilities :</b>	<b>670,129</b>	<b>105,590</b>	<b>8,943</b>	<b>494,599</b>	<b>(909,367)</b>	<b>369,894</b>



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

	Property devt	Const. & Engineering	Trading	Non-reportable segments	Intersegment eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Year ended 31/12/2016 :</i>						
Total revenue	194,651	92,944	-	13,895	(158,760)	142,730
Intersegment revenue	(52,631)	(92,944)	-	(13,185)	158,760	-
Segment revenue :	142,020	-	-	710	-	142,730
<i>Primary geographical markets:</i>						
Australia	51,139	-	-	-	-	51,139
Malaysia	143,512	92,944	-	13,895	(158,760)	91,591
	194,651	92,944	-	13,895	(158,760)	142,730
<i>Nature of product</i>						
Commercial properties	102,441	92,944	-	13,895	(158,760)	50,520
Residential properties	92,210	-	-	-	-	92,210
	194,651	92,944	-	13,895	(158,760)	142,730
<i>Timing of revenue recognition:</i>						
Good transferred at a point in time	120,209	-	-	-	(13,184)	107,025
Good transferred over time	74,442	92,944	-	13,895	(145,576)	35,705
	194,651	92,944	-	13,895	(158,760)	142,730
Segment profit / (loss) before tax :	18,606	11,307	82	54,361	(17,723)	66,633
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	1,750	3	-	165	-	1,918
Segment assets :	1,185,333	137,730	5,946	747,294	(1,052,830)	1,023,473
Segment liabilities :	658,184	142,045	9,128	476,653	(865,133)	420,877

**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>Year ended 31/12/2017 :</i>			
Total revenue	85,959	15,000	100,959
Intersegment revenue	-	-	-
Segment revenue :	85,959	15,000	100,959
Segment profit / (loss) before tax :	8,654	5,231	13,885
Segment assets :	789,256	179,928	969,184
Segment liabilities :	369,549	345	369,894
<i>Year ended 31/12/2016 :</i>			
Total revenue	91,591	51,139	142,730
Intersegment revenue	-	-	-
Segment revenue :	91,591	51,139	142,730
Segment profit before tax :	61,816	4,817	66,633
Segment assets :	825,080	198,393	1,023,473
Segment liabilities :	417,573	3,304	420,877

**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 21 February 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**

On 19 October 2017, Magna Prima Development Sdn Bhd ("MPD"), a wholly-owned subsidiary of Magna Prima Berhad, has acquired the balance of 9% equity in Magna Park Sdn Bhd ("MPK") comprising 675,000 ordinary shares for a total consideration of RM300,000. As a result of the acquisition, MPK become a wholly-owned subsidiary of MPD.

Save for the above mentioned, 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 :

Company	As at 31/12/2017 RM'000	As at 31/12/2016 RM'000
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	221,026	242,399
Utilised portion of corporate guarantees given to trade payables of subsidiary companies for credit facilities granted to subsidiary companies:		
- Unsecured	2	77
	<u>221,028</u>	<u>242,476</u>

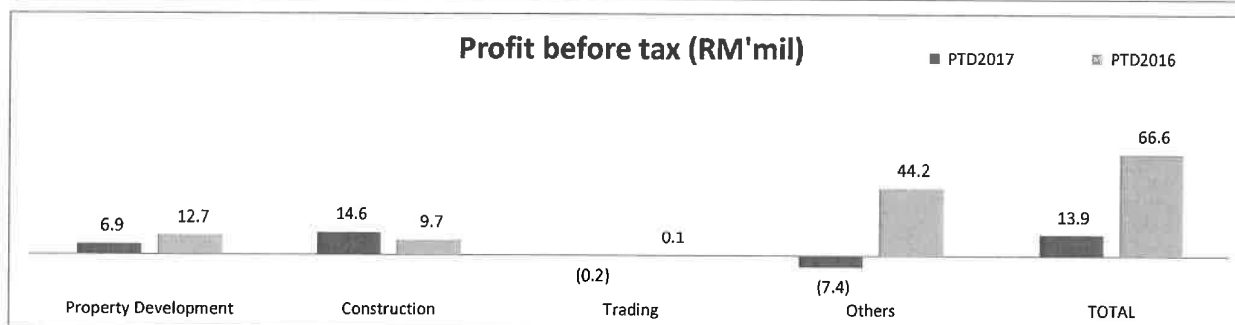
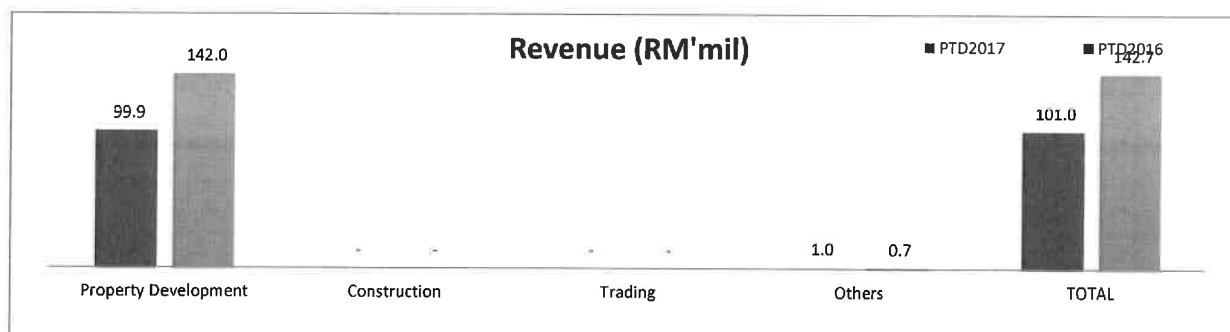
**B Bursa Malaysia Listing Requirements**

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

	3 months ended			12 months ended		
	31/12/2017 RM'000	31/12/2016 RM'000	Changes %	31/12/2017 RM'000	31/12/2016 RM'000	Changes %
Revenue	10,443	53,238	(80%)	100,959	142,730	(29%)
Cost of sales	(956)	(44,649)	(98%)	(55,975)	(92,177)	(39%)
Gross profit	9,487	8,589	10%	44,984	50,553	(11%)
Profit before interest and tax	14,572	2,398	508%	28,181	81,503	(65%)
Profit/(Loss) before taxation	11,326	(5,687)	(299%)	13,885	66,633	(79%)
Profit/(Loss) for the period	12,526	(10,662)	(217%)	9,799	42,457	(77%)
Profit/(Loss) attributable to: Owners of the Company	13,302	(8,977)	(248%)	11,421	44,210	(74%)

For the 12 months ended 31 December 2017, the Group achieved a revenue of RM101.0 million, a decrease of 29% compared to previous year's corresponding amount of RM142.7 million and a decrease of 79% for profit before tax of RM13.9 million compared to RM66.6 million recorded in the previous corresponding period ended 31 December 2016.

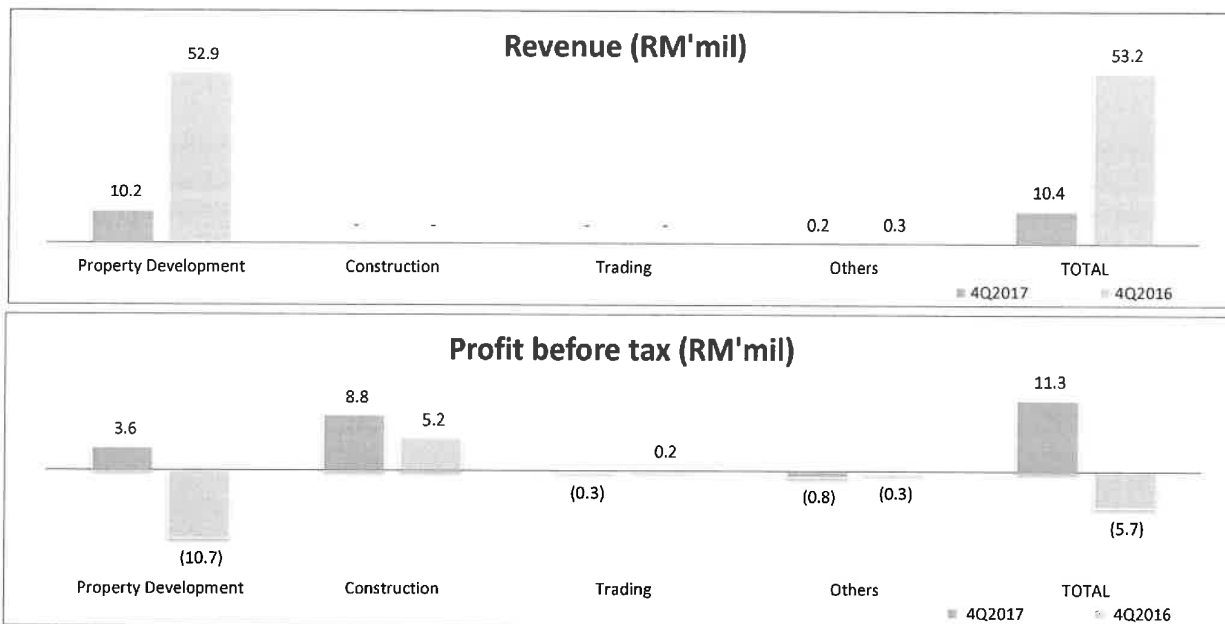
The decrease in profit before tax mainly due to the provision for liquidated and ascertained damages on Jalan Kuching residential project amounting to RM8.3 million (2016: RM3.5 million) during the financial period ended 31 December 2017 and the fair value gain on investment properties for current financial period was Nil compare to the previous corresponding period ended 31 December 2016 was RM49.3 million.



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

For the current quarter ended 31 December 2017, the Group recorded a revenue of RM10.4 million, a decrease of 80% from RM53.2 million in the previous corresponding quarter ended 31 December 2016.

The decrease of revenue for current quarter compare to the previous corresponding period mainly due to the completion of the Jalan Kuching residential project in previous quarter. Therefore the revenue for current quarter mainly derived from the sales of remaining completed properties such as "The Istana", "Desa Mentari" commercial project and Jalan Kuching residential project. 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.



**Property Development**

The property development segment recorded revenue of RM10.2 million and profit before tax of RM3.6 million in the current quarter compared to revenue of RM52.9 million and loss before tax of RM-10.7 million in the corresponding quarter of the previous financial year.

Revenue achieved amounting RM10.2 million in current quarter which mainly from sales of remaining completed units of "The Istana", "Jalan Kuching" residential project and "Desa Mentari" commercial project.

The corresponding quarter revenue and profit before tax were contributed mainly from sales of completed units of "The Istana" and "Jalan Kuching" commercial project, 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 a profit before tax of RM8.76 million in current quarter as compared to no revenue and profit before tax of RM5.2 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.

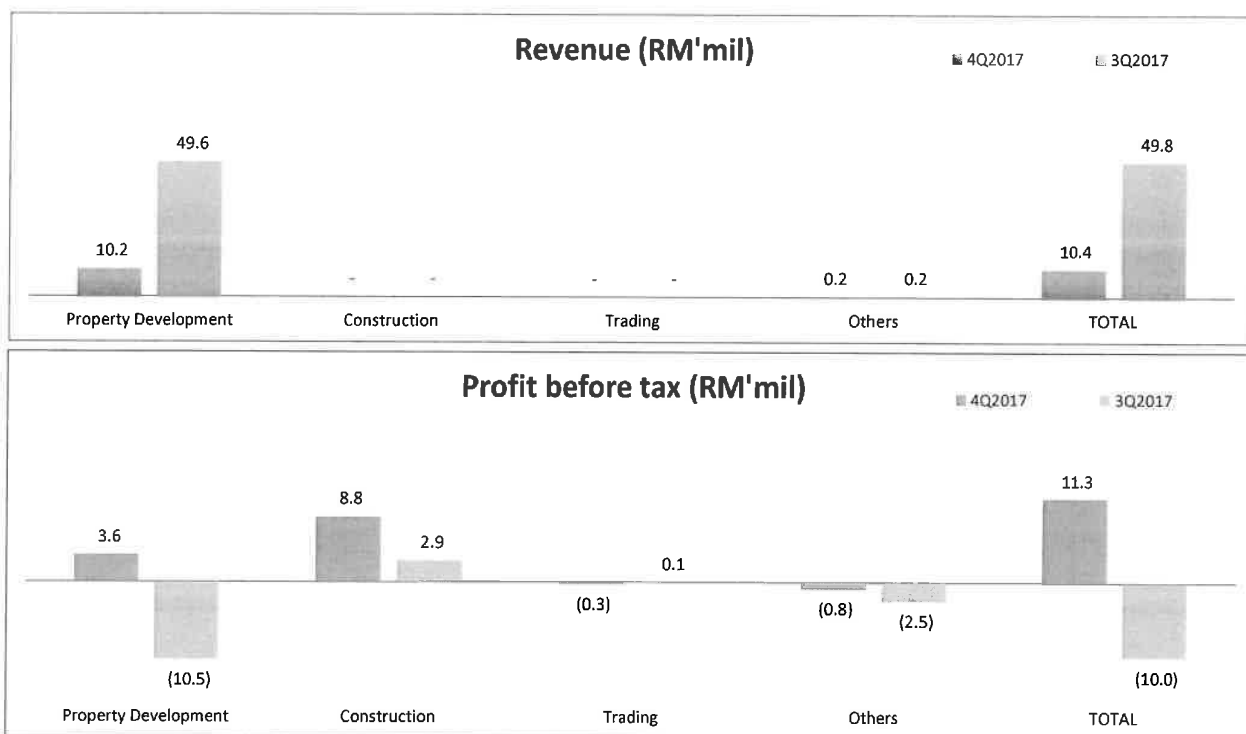
**B2 Review of Performance - Comparison with Immediate Preceding Quarter**

	<b>Current Quarter 31/12/2017 RM'000</b>	<b>Immediate Preceding 30/09/2017 RM'000</b>	<b>Changes %</b>
Revenue	<b>10,443</b>	49,773	(79%)
Cost of sales	<b>(956)</b>	(37,454)	(97%)
Gross profit	<b>9,487</b>	12,319	(23%)
Profit before interest and tax	<b>14,572</b>	(6,316)	(331%)
Profit/(Loss) before taxation	<b>11,326</b>	(10,026)	(213%)
Profit/(Loss) for the period	<b>12,526</b>	(8,549)	(247%)
Profit/(Loss) attributable to: Owners of the Company	<b>13,302</b>	(8,168)	(263%)

For the current quarter, the Group recorded a revenue of RM10.4 million, as compared to RM49.8 million in the immediate preceding quarter ended 31 December 2017.

The Group posted a profit before tax of RM11.3 million in the current quarter, as compared to loss before tax of RM10.0 million in the immediate preceding quarter ended 31 December 2017. The loss before tax posted in the immediate preceding quarter mainly due to the provision for liquidated and ascertained damages on Jalan Kuching residential project.

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



**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.

**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>12 months ended</b>	
	<b>31/12/2017 RM'000</b>	<b>31/12/2016 RM'000</b>
In respect of :		
- current year	<b>5,397</b>	11,246
- deferred taxation	<b>(1,311)</b>	7,955
	<b>4,086</b>	19,201

The effective tax rate of the Group for the financial period ended 30 September 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 :-

Group	As at	As at
	31/12/2017	31/12/2016
	RM'000	RM'000
Realised	219,364	235,651
Unrealised	231,055	225,284
	<u>450,419</u>	<u>460,935</u>
Consolidation adjustments	(262)	(9,495)
Total retained profits	<u>450,157</u>	<u>451,440</u>

**B7 Corporate Proposals**

There were no corporate proposal announced not completed as at 21 February 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 31 December 2017 are as follows:

Secured	As at	As at
	31/12/2017	31/12/2016
	RM'000	RM'000
Borrowings repayable		
- within 12 months	96,544	92,354
- after 12 months	124,482	143,294
Total borrowings	<u>221,026</u>	<u>235,648</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**

- (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:

- Declaration on unlawfully termination of the SPA dated 5 August 2009;
- Order for specific performance to complete the SPA; and
- 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.

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. However, the Federal Court had dismissed the leave application by Ibsul.

**B11 Dividend Proposed/Declared**

There were no dividend proposed for the current financial quarter ended 31 December 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 year by the weighted average number of ordinary shares in issue.

	3 months ended		12 months ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net (loss)/profit attributable to ordinary equity holders of the Company (RM'000)	13,302	(8,977)	11,421	44,210
Weighted average number of ordinary shares in issue ('000)	332,012	331,333	332,012	331,333
Basic EPS (sen)	<u>4.01</u>	<u>(2.71)</u>	<u>3.44</u>	<u>13.34</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		12 months ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net (loss)/profit attributable to ordinary equity holders of the Company (RM'000)	<u>13,302</u>	<u>(8,977)</u>	<u>11,421</u>	<u>44,210</u>
Weighted average number of ordinary shares in issue ('000)	332,012	331,333	332,012	331,333
Effect of dilutive potential ordinary shares from the exercise of bonus warrants ('000)	<u>68,536</u>	<u>16,980</u>	<u>68,536</u>	<u>16,980</u>
Weighted average number of ordinary share in issue for diluted earnings per share ('000)	<u>400,548</u>	<u>348,313</u>	<u>400,548</u>	<u>348,313</u>
Diluted EPS (sen)	<u>3.32</u>	<u>(2.58)</u>	<u>2.85</u>	<u>12.69</u>

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

	12 months ended	
	31/12/2017	31/12/2016
	RM'000	RM'000
Depreciation of property, plant and equipment	321	343
Interest expenses	14,296	14,870
Interest income	(556)	(1,918)
Fair value adjustments on investment properties	-	(49,296)
Gain on disposal of property plant and equipments	(33)	(5)
Other income	(477)	(426)
Property, plant and equipment written off	28	40
Provision for liquidated and ascertained damages (LAD)	8,332	3,499
(Over)/Underprovision of liquidated and ascertained damages (LAD)	(197)	(72)
Reversal impairment loss of trade receivables	(95)	(183)
Unrealised (gain)/loss of foregin exchange	<u>(4,676)</u>	<u>6,294</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  
28 February 2018