

MAGNA PRIMA BERHAD

Company No.: 369519-P

(Incorporated in Malaysia)

Interim Financial Statements

31 March 2018

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(Incorporated in Malaysia)

Interim Financial Statements - 31 March 2018

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MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

(The figures have not been audited)

	AS AT 31/03/2018 RM'000 (Unaudited)	AS AT 31/12/2017 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	849	895
Investment properties	533,119	533,119
Land held for property development	65,100	65,100
Trade receivables	3,526	3,497
Deferred tax assets	13,216	13,392
	<u>615,810</u>	<u>616,003</u>
Current Assets		
Inventories	288,420	295,587
Contract assets	993	4,902
Trade receivables	27,741	24,554
Other receivables	10,917	9,284
Tax recoverable	3,140	3,652
Cash held under Housing Development Accounts	4,662	4,670
Fixed and short term deposits with licensed banks	2,105	4,459
Cash and bank balances	6,151	4,079
TOTAL CURRENT ASSETS	<u>344,129</u>	<u>351,187</u>
TOTAL ASSETS	<u>959,939</u>	<u>967,190</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	22,218	25,019
Retained profits	452,630	449,414
	<u>593,472</u>	<u>593,057</u>
Non-controlling interests	<u>5,169</u>	<u>5,491</u>
TOTAL EQUITY	<u>598,641</u>	<u>598,548</u>
Non-Current Liabilities		
Borrowings	100,362	124,137
Deferred tax liabilities	16,789	18,018
	<u>117,151</u>	<u>142,155</u>
Current Liabilities		
Trade payables	38,447	41,073
Other payables	62,070	52,558
Borrowings	108,610	96,889
Current tax liabilities	35,020	35,967
	<u>244,147</u>	<u>226,487</u>
TOTAL LIABILITIES	<u>361,298</u>	<u>368,642</u>
TOTAL EQUITY AND LIABILITIES	<u>959,939</u>	<u>967,190</u>
Net assets per share at par value of RM0.25 each attributable to Owners of the Company (RM)	<u>1.78</u>	<u>1.78</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD*(Company No.: 369519-P)***(Incorporated in Malaysia)****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the quarter and period to-date ended 31 March 2018

(The figures have not been audited)

	3 months ended	
	31/03/2018	31/03/2017
	RM'000	RM'000
Revenue	12,905	9,634
Cost of sales	<u>(8,161)</u>	<u>(1,730)</u>
Gross profit	4,744	7,904
Other operating income	4,004	385
Selling and distribution expenses	<u>(369)</u>	<u>(591)</u>
Administration expenses	<u>(2,762)</u>	<u>(3,555)</u>
Other operating expenses	<u>(52)</u>	<u>3,478</u>
Profit before interest and tax	5,565	7,621
Finance costs	<u>(3,095)</u>	<u>(3,500)</u>
Profit before taxation	2,470	4,121
Taxation	424	(2,458)
Profit for the period	<u>2,894</u>	<u>1,663</u>
Other comprehensive income / (expense) :		
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	<u>(2,801)</u>	8,385
Other comprehensive income for the period	<u>(2,801)</u>	<u>8,385</u>
Total comprehensive income / (expense) for the period	<u>93</u>	<u>10,048</u>
Profit/(Loss) attributable to:		
Owners of the Company	3,216	2,099
Non-controlling interests	<u>(322)</u>	<u>(436)</u>
	<u>2,894</u>	<u>1,663</u>
Total comprehensive (expense) / income attributable to:		
Owners of the Company	415	10,484
Non-controlling interests	<u>(322)</u>	<u>(436)</u>
	<u>93</u>	<u>10,048</u>
Earnings per share attributable to Owners of the Company:		
- Basic (sen)	<u>0.97</u>	<u>0.63</u>
- Diluted (sen)	<u>0.85</u>	<u>0.53</u>

The Condensed Consolidated Statement of Profit or Loss And Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2018

(The figures have not been audited)

	Attributable to Owners of the Company						Retained profits RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Non-Distributable			Distributable						
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Capital reserve RM'000	Capital redemption reserve RM'000	Translation reserve RM'000				
Balance as at 1 January 2018	121,009	-	(2,385)	19,706	-	5,313	449,414	593,057	5,491	598,548
Profit for the period	-	-	-	-	-	-	3,216	3,216	(322)	2,894
Other comprehensive income for the period	-	-	-	-	-	(2,801)	-	(2,801)	-	(2,801)
Total comprehensive income / (expense) for the period	-	-	-	-	-	(2,801)	3,216	415	(322)	93
Balance as at 31 March 2018	121,009	-	(2,385)	19,706	-	2,512	452,630	593,472	5,169	598,641
	-	-	-	-	-	-	-	-	-	-
Balance as at 1 January 2017	83,222	35,566	(2,385)	19,706	400	10,021	451,440	597,970	4,626	602,596
Adjustments for effects of Companies Act 2016 *	35,966	(35,566)	-	-	(400)	-	-	-	-	-
Profit / (loss) for the period	-	-	-	-	-	-	2,099	2,099	(436)	1,663
Other comprehensive income for the period	-	-	-	-	-	8,385	-	8,385	-	8,385
Total comprehensive income / (expense) for the period	-	-	-	-	-	8,385	2,099	10,484	(436)	10,048
Dividend paid	-	-	-	-	-	-	(9,918)	(9,918)	-	(9,918)
Exercise of warrants	1,372	-	-	-	-	-	-	1,372	-	1,372
Balance as at 31 March 2017	120,560	-	(2,385)	19,706	-	18,406	443,621	599,908	4,190	604,098

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

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2018

(The figures have not been audited)

	3 months ended 31/03/2018 RM'000	3 months ended 31/03/2017 RM'000
Cash Flows From Operating Activities		
Profit before taxation	2,470	4,121
Adjustments for :-		
Depreciation of property, plant and equipment	46	85
Amortisation of cost incurred to obtain a contract	-	430
Overprovision for liquidated and ascertained damages	(30)	(3,499)
Reversal impairment loss of trade receivables	(1,053)	(8)
Unrealised foreign exchange gain	(2,613)	-
Finance income	(36)	(78)
Finance expense	3,095	3,500
Operating profit before changes in working capital	<u>1,879</u>	<u>4,551</u>
Changes in working capital		
Inventories	7,688	36,476
Contract assets	3,909	(36,245)
Trade receivables	(2,165)	5,483
Other receivables	(1,633)	(1,483)
Trade payables	(2,625)	7,060
Other payables	12,158	(11,588)
	<u>17,332</u>	<u>(297)</u>
Net cash generated from operations	19,211	4,254
Interest paid	(2,387)	(2,238)
Interest received	36	78
Tax paid	(1,634)	(728)
Tax refund	510	4
	<u>(3,475)</u>	<u>(2,884)</u>
Net cash from operating activities	15,736	1,370
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	-	(21)
Purchase of land held for property development	-	(22)
Net cash used in investing activities	<u>-</u>	<u>(43)</u>
Cash Flows From Financing Activities		
Dividend paid	-	(9,918)
Repayment of hire purchase liabilities	(29)	(36)
Repayment of bank borrowings	(13,167)	(16,907)
Fixed deposits with licensed banks	2,353	(53)
Proceeds from warrant exercised	-	1,372
Drawdown of bank borrowings	-	15,174
Net cash used in financing activities	<u>(10,843)</u>	<u>(10,368)</u>
Net change in cash & cash equivalents	<u>4,893</u>	<u>(9,041)</u>
Cash & cash equivalents at the beginning of the financial period	<u>(6,209)</u>	<u>9,471</u>
Effect of exchange rate changes	<u>(2,741)</u>	<u>8,336</u>
Cash & cash equivalents at the end of the financial period	<u>(4,057)</u>	<u>8,766</u>

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

	As at 31/03/2018 RM'000	As at 31/03/2017 RM'000
Cash and bank balances	6,151	15,788
Cash held under Housing Development Accounts	4,662	7,077
Fixed and short term deposits with licensed banks	2,105	7,771
Bank overdrafts	(15,010)	(14,626)
	<u>(2,092)</u>	<u>16,010</u>
Less: Fixed deposits pledged with licensed banks	(1,965)	(7,244)
	<u>(4,057)</u>	<u>8,766</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

A Explanatory Notes Pursuant To MFRS 134

A1 Basis of Preparation

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2017.

A2 Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2017, except for the adoption of the following new standards and amendments/improvements to existing standards that are applicable to the Group for the financial period beginning 1 January 2018 as set out below:

MFRSs, Amendments to MFRSs and Interpretations

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

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

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

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 2017

The auditors' report on the financial statements for the financial year ended 31 December 2017 was not subjected to any qualification.

A4 Seasonal or Cyclical Factors

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

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

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

A6 Material Changes in Estimates of Amounts

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

A7 Debts and Equity Securities

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

1) Share buy back

The Company repurchased 2,285,500 ordinary shares at an average price of RM1.044 each of its issued share capital from the open market.

	No. of Treasury Shares Units	Treasury Shares RM
Balance as at 1 January 2018 / 31 March 2018	2,285,500	2,385,431

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

2) Warrant 2015/2020

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

As at 31 March 2018, 2,022,700 ordinary share of RM0.25 each were issued at an exercise price of RM0.90 per share and 164,422,270 Warrants 2015/2020 remain unexercised.

A8 Dividends Paid

No dividend was paid during the quarter under review.

A9 Segmental Analysis

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

By operating segment :

	Property Devt RM'000	Const. & Engineering RM'000	Trading RM'000	Non- reportable segments RM'000	Intersegment eliminations RM'000	Consolidated RM'000
<u>Period ended 31/03/2018 :</u>						
Total revenue	12,650	-	-	308	(53)	12,905
Intersegment revenue	-	-	-	(53)	53	-
Segment revenue :	12,650	-	-	255	-	12,905
<u>Primary geographical markets:</u>						
Australia	-	-	-	-	-	-
Malaysia	12,650	-	-	308	(53)	12,905
	12,650	-	-	308	(53)	12,905
<u>Nature of product</u>						
Commercial properties	12,100	-	-	308	(53)	12,355
Residential properties	550	-	-	-	-	550
	12,650	-	-	308	(53)	12,905
<u>Timing of revenue recognition:</u>						
Good transferred at a point in time	12,650	-	-	-	-	12,650
Good transferred over time	-	-	-	308	(53)	255
	12,650	-	-	308	(53)	12,905
Segment profit / (loss) before tax :	3,328	(161)	1,049	(2,426)	680	2,470
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	18	4	-	14	-	36
Segment assets :	1,184,978	97,056	6,584	768,296	(1,096,975)	959,939
Segment liabilities :	676,002	99,171	8,946	508,057	(930,878)	361,298

A9 Segmental Analysis (Cont'd)

	Property devt RM'000	Const. & Engineering RM'000	Trading RM'000	Non-reportable segments RM'000	Intersegment eliminations RM'000	Consolidated RM'000
<i>Period ended 31/03/2017 :</i>						
Total revenue	9,300	14,369	-	384	(14,419)	9,634
Intersegment revenue	-	(14,369)	-	(50)	14,419	-
Segment revenue :	<u>9,300</u>	<u>-</u>	<u>-</u>	<u>334</u>	<u>-</u>	<u>9,634</u>
<i>Primary geographical markets:</i>						
Australia	199	-	-	-	-	199
Malaysia	9,101	14,369	-	384	(14,419)	9,435
	<u>9,300</u>	<u>14,369</u>	<u>-</u>	<u>384</u>	<u>(14,419)</u>	<u>9,634</u>
<i>Nature of product</i>						
Commercial properties	7,792	14,369	-	384	(14,419)	8,126
Residential properties	1,508	-	-	-	-	1,508
	<u>9,300</u>	<u>14,369</u>	<u>-</u>	<u>384</u>	<u>(14,419)</u>	<u>9,634</u>
<i>Timing of revenue recognition:</i>						
Good transferred at a point in time	7,792	-	-	384	(50)	8,126
Good transferred over time	1,508	14,369	-	-	(14,369)	1,508
	<u>9,300</u>	<u>14,369</u>	<u>-</u>	<u>384</u>	<u>(14,419)</u>	<u>9,634</u>
Segment profit / (loss) before tax :	<u>3,185</u>	<u>2,928</u>	<u>(13)</u>	<u>(1,970)</u>	<u>(9)</u>	<u>4,121</u>
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	75	-	-	3	-	78
Segment assets :	<u>1,172,922</u>	<u>145,519</u>	<u>5,942</u>	<u>742,520</u>	<u>(1,048,221)</u>	<u>1,018,682</u>
Segment liabilities :	<u>637,188</u>	<u>152,474</u>	<u>9,136</u>	<u>482,396</u>	<u>(871,261)</u>	<u>409,933</u>

By geographical segment :

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

	Malaysia RM'000	Australia RM'000	Consolidated RM'000
<i>Period ended 31/03/2018 :</i>			
Total revenue	12,905	-	12,905
Intersegment revenue	-	-	-
Segment revenue :	<u>12,905</u>	<u>-</u>	<u>12,905</u>
Segment profit / (loss) before tax :	<u>163</u>	<u>2,307</u>	<u>2,470</u>
Segment assets :	<u>780,465</u>	<u>179,474</u>	<u>959,939</u>
Segment liabilities :	<u>360,914</u>	<u>384</u>	<u>361,298</u>
<i>Period ended 31/03/2017 :</i>			
Total revenue	9,435	199	9,634
Intersegment revenue	-	-	-
Segment revenue :	<u>9,435</u>	<u>199</u>	<u>9,634</u>
Segment profit before tax :	<u>4,100</u>	<u>21</u>	<u>4,121</u>
Segment assets :	<u>811,835</u>	<u>206,847</u>	<u>1,018,682</u>
Segment liabilities :	<u>406,585</u>	<u>3,348</u>	<u>409,933</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 10 May 2018 being the latest practicable date which is not earlier than 7 days from the date of issuance of these Interim Financial Statements.

A12 Changes in the Composition of the Group

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

A13 Contingent Liabilities

Details of contingent liabilities of the company are as follows :

Company	As at 31/03/2018 RM'000	As at 31/12/2017 RM'000
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	208,972	221,026
Utilised portion of corporate guarantees given to trade payables of subsidiary companies for credit facilities granted to subsidiary companies:		
- Unsecured	2	2
	<u>208,974</u>	<u>221,028</u>

B Bursa Malaysia Listing Requirements

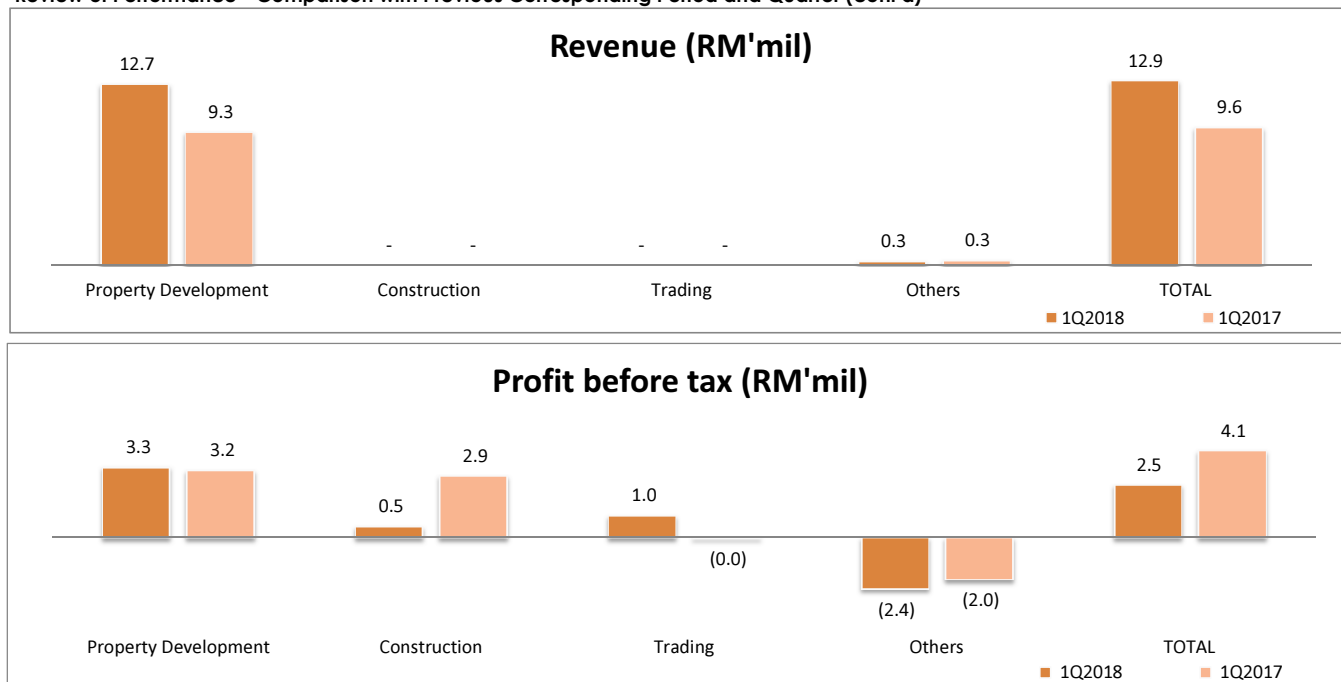
B1 Review of Performance - Comparison with Previous Corresponding Period and Quarter

	3 months ended		
	31/03/2018 RM'000	31/03/2017 RM'000	Changes %
Revenue	12,905	9,634	34%
Cost of sales	(8,161)	(1,730)	372%
Gross profit	4,744	7,904	(40%)
Profit before interest and tax	5,565	7,621	(27%)
Profit before taxation	2,470	4,121	(40%)
Profit for the period	2,894	1,663	74%
Profit/(Loss) attributable to:			
Owners of the Company	3,216	2,099	53%

For the current quarter ended 31 March 2018, the Group recorded a revenue of RM12.9 million, an increase of 34% from RM9.6 million compared to the previous corresponding quarter ended 31 March 2017.

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

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



Property Development

The property development segment recorded revenue of RM12.7 million and profit before tax of RM3.3 million in the current quarter compared to revenue of RM9.3 million and profit before tax of RM3.2 million in the corresponding quarter of the previous financial year.

Revenue achieved amounting RM12.7 million in current quarter which mainly from sales of remaining completed units of "Jalan Kuching" residential and commercial properties and "Desa Mentari" commercial project.

The corresponding quarter revenue and profit before tax were contributed mainly from sales of completed units of "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 RM0.52 million in current quarter as compared to no revenue and profit before tax of RM2.9 million in the corresponding quarter of the previous financial year.

The construction and engineering segment only carried out internal projects.

Trading

The trading segment had discontinued operation.

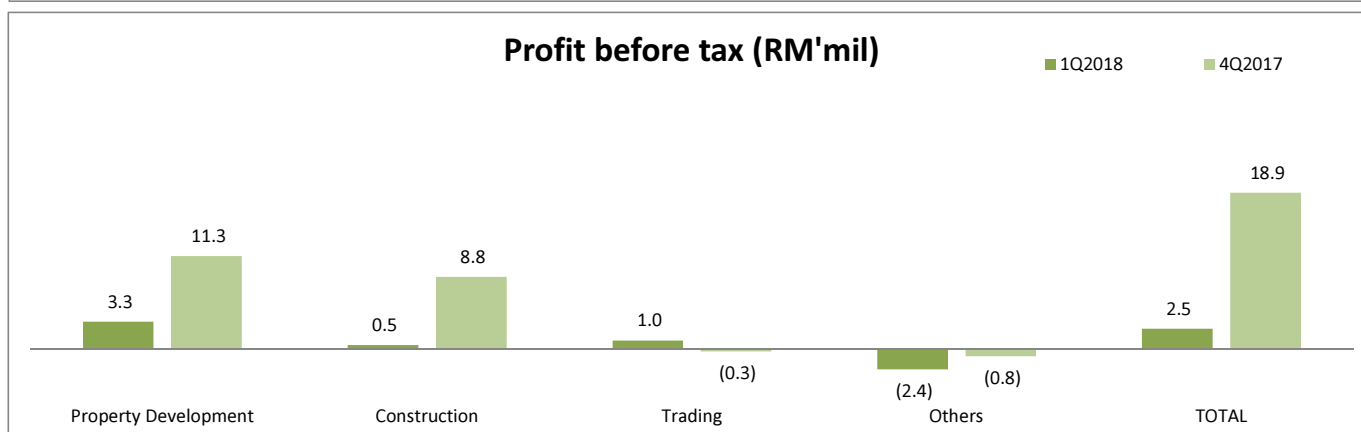
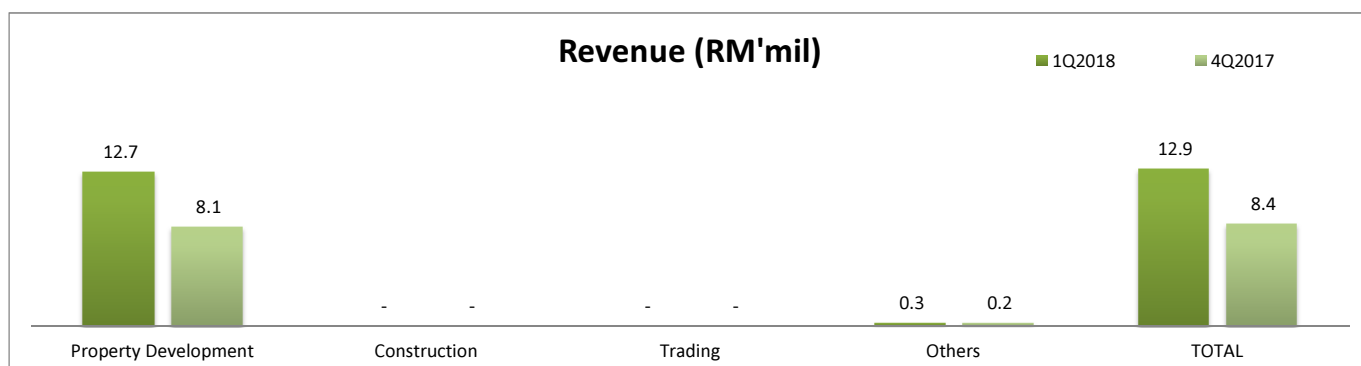
B2 Review of Performance - Comparison with Immediate Preceding Quarter

	Current Quarter 31/03/2018 RM'000	Immediate Preceding 31/12/2017 RM'000	Changes %
Revenue	12,905	8,387	54%
Cost of sales	(8,161)	(813)	904%
Gross profit	4,744	7,574	(37%)
Profit before interest and tax	5,565	17,071	(67%)
Profit before taxation	2,470	13,825	(82%)
Profit for the period	2,894	10,308	(72%)
Profit/(Loss) attributable to: Owners of the Company	3,216	10,704	(70%)

For the current quarter, the Group recorded a revenue of RM12.9 million, as compared to RM8.4 million in the immediate preceding quarter ended 31 December 2017.

The Group posted a profit before tax of RM2.5 million in the current quarter, as compared to profit before tax of RM18.9 million in the immediate preceding quarter ended 31 December 2017. The profit before tax posted in the immediate preceding quarter mainly due to the unrealised gain of foreign exchange.

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 Current Financial Year

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

B4 Variance from Profit Forecast and Profit Guarantee

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

B5 Taxation

The breakdown of income tax charge is as follows:

Group	3 months ended	
	31/03/2018	31/03/2017
	RM'000	RM'000
In respect of :		
- current year	4,317	2,514
- deferred taxation	(4,741)	(56)
	<u>(424)</u>	<u>2,458</u>

The effective tax rate of the Group for the financial period ended 31 March 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
	31/03/2018	31/12/2017
	RM'000	RM'000
Realised	221,826	220,942
Unrealised	229,236	227,744
	<u>451,062</u>	<u>448,686</u>
Consolidation adjustments	1,568	728
Total retained profits	<u>452,630</u>	<u>449,414</u>

B7 Corporate Proposals

There were no corporate proposal announced not completed as at 10 May 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 March 2018 are as follows:

Secured	As at	As at
	31/03/2018	31/12/2017
	RM'000	RM'000
Borrowings repayable		
- within 12 months	108,610	96,889
- after 12 months	100,362	124,137
Total borrowings	<u>208,972</u>	<u>221,026</u>

B9 Details of Financial Instruments with Off Balance Sheet Risks

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

B10 Changes and Details of Pending Material Litigation

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

B11 Dividend Proposed/Declared

There were no dividend proposed for the current financial quarter ended 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 period to-date by the weighted average number of ordinary shares in issue.

	3 months ended	
	31/03/2018	31/03/2017
Net profit attributable to ordinary equity holders of the Company (RM'000)	3,216	2,099
Weighted average number of ordinary shares in issue ('000)	332,627	330,604
Basic EPS (sen)	<u>0.97</u>	<u>0.63</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	
	31/03/2018	31/03/2017
Net profit attributable to ordinary equity holders of the Company (RM'000)	<u>3,216</u>	<u>2,099</u>
Weighted average number of ordinary shares in issue ('000)	332,627	330,604
Effect of dilutive potential ordinary shares from the exercise of bonus warrants ('000)	<u>44,382</u>	<u>67,892</u>
Weighted average number of ordinary share in issue for diluted earnings per share ('000)	<u>377,009</u>	<u>398,496</u>
Diluted EPS (sen)	<u>0.85</u>	<u>0.53</u>

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

	3 months ended	
	31/03/2018	31/03/2017
	RM'000	RM'000
Depreciation of property, plant and equipment	46	85
Interest expenses	3,095	3,500
Interest income	(36)	(78)
Other income	(36)	(307)
(Over)/Underprovision of liquidated and ascertained damages (LAD)	(30)	-
Reversal impairment loss of trade receivables	(1,053)	(8)
Unrealised (gain)/loss of foreign exchange	<u>(2,613)</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
 17 May 2018