

MAGNA PRIMA BERHAD

Company No.: 369519-P

(Incorporated in Malaysia)

Interim Financial Statements

31 December 2018

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Interim Financial Statements - 31 December 2018

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MAGNA PRIMA BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

(The figures have not been audited)

	AS AT 31/12/2018 RM'000 (Unaudited)	AS AT 31/12/2017 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	697	895
Investment properties	515,469	533,119
Land held for property development	65,100	65,100
Trade receivables	-	3,497
Deferred tax assets	4,514	13,392
	<u>585,780</u>	<u>616,003</u>
Current Assets		
Inventories	263,344	295,587
Contract assets	-	4,902
Trade receivables	12,938	24,554
Other receivables	18,948	9,284
Tax recoverable	273	3,652
Cash held under Housing Development Accounts	4,176	4,670
Fixed and short term deposits with licensed banks	7,158	4,459
Cash and bank balances	5,153	4,079
TOTAL CURRENT ASSETS	<u>311,990</u>	<u>351,187</u>
TOTAL ASSETS	<u>897,770</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	10,962	25,019
Retained profits	395,758	449,414
	<u>525,344</u>	<u>593,057</u>
Non-controlling Interests	<u>4,050</u>	<u>5,491</u>
TOTAL EQUITY	<u>529,394</u>	<u>598,548</u>
Non-Current Liabilities		
Borrowings	133,352	124,137
Deferred tax liabilities	27,138	18,018
	<u>160,490</u>	<u>142,155</u>
Current Liabilities		
Trade payables	34,225	41,073
Other payables	49,718	52,558
Borrowings	79,243	96,889
Current tax liabilities	44,700	35,967
	<u>207,886</u>	<u>226,487</u>
TOTAL LIABILITIES	<u>368,376</u>	<u>368,642</u>
TOTAL EQUITY AND LIABILITIES	<u>897,770</u>	<u>967,190</u>
Net assets per share at par value of RM0.25 each attributable to Owners of the Company (RM)	<u>1.58</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 December 2018

(The figures have not been audited)

	3 months ended		12 months ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	RM'000	RM'000	RM'000	RM'000
Revenue	(10,056)	8,387	38,133	98,903
Cost of sales	1,365	(813)	(26,025)	(55,832)
Gross profit	(8,691)	7,574	12,108	43,071
Other operating income	3,566	13,317	15,289	14,833
Selling and distribution expenses	(1,505)	(547)	(3,075)	(3,333)
Administration expenses	(3,678)	(5,305)	(14,281)	(14,677)
Other operating expenses	(19,914)	2,032	(22,400)	(9,214)
Profit/(Loss) before interest and tax	(30,222)	17,071	(12,359)	30,680
Finance costs	(3,418)	(3,246)	(13,746)	(14,296)
Profit/(Loss) before taxation	(33,640)	13,825	(26,105)	16,384
Taxation	(32,646)	(3,517)	(28,992)	(7,326)
Profit/(Loss) for the period	(66,286)	10,308	(55,097)	9,058
Other comprehensive income / (expense) :				
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	(3,831)	(9,200)	(14,057)	(4,708)
Other comprehensive income for the period	(3,831)	(9,200)	(14,057)	(4,708)
Total comprehensive income for the period	(70,117)	1,108	(69,154)	4,350
Profit/(Loss) attributable to:				
Owners of the Company	(65,856)	10,703	(53,656)	10,680
Non-controlling interests	(430)	(395)	(1,441)	(1,622)
	(66,286)	10,308	(55,097)	9,058
Total comprehensive income/(expense) attributable to:				
Owners of the Company	(69,687)	1,504	(67,713)	5,973
Non-controlling interests	(430)	(396)	(1,441)	(1,623)
	(70,117)	1,108	(69,154)	4,350
Earnings per share attributable to Owners of the Company:				
- Basic (sen)	(19.84)	3.22	(16.16)	3.22
- Diluted (sen)	(18.41)	2.71	(15.00)	2.70

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 December 2018

(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	Translation reserve RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity 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 year	-	-	-	-	-	-	(53,656)	(53,656)	(1,441)	(55,097)
Other comprehensive expense for the year	-	-	-	-	-	(14,057)	-	(14,057)	-	(14,057)
Total comprehensive income / (expense) for the year	-	-	-	-	-	(14,057)	(53,656)	(67,713)	(1,441)	(69,154)
Balance as at 31 December 2018	121,009	-	(2,385)	19,706	-	(8,744)	395,758	525,344	4,050	529,394
Balance as at 1 January 2017	83,222	35,566	(2,385)	19,706	400	10,021	451,440	597,970	4,626	602,596
Adjustments for effects of Companies Act 2016 *	35,966	(35,566)	-	-	(400)	-	-	-	-	-
Loss for the year	-	-	-	-	-	-	10,680	10,680	(1,622)	9,058
Other comprehensive income for the year	-	-	-	-	-	(4,708)	-	(4,708)	-	(4,708)
Total comprehensive income / (expense) for the year	-	-	-	-	-	(4,708)	10,680	5,972	(1,622)	4,350
Acquisition of a subsidiary company	-	-	-	-	-	-	(2,788)	(2,788)	2,487	(301)
Dividend paid	-	-	-	-	-	-	(9,918)	(9,918)	-	(9,918)
Exercise of warrants	1,821	-	-	-	-	-	-	1,821	-	1,821
Balance as at 31 December 2017	121,009	-	(2,385)	19,706	-	5,313	449,414	593,057	5,491	598,548

* 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 December 2018

(The figures have not been audited)

	12 months 31/12/2018 RM'000	12 months 31/12/2017 RM'000
Cash Flows From Operating Activities		
(Loss) /Profit before taxation	(26,105)	16,384
Adjustments for :-		
Depreciation of property, plant and equipment	198	321
Amortisation of cost incurred to obtain a contract	-	392
Net gain on disposal of property, plant & equipment	(32)	(33)
Property, plant and equipment written off	-	28
Fair value gain on investment properties	17,650	-
Provision for liquidated and ascertained damages	-	8,332
Overprovision for liquidated and ascertained damages	(112)	(222)
Reversal impairment loss of trade receivables	(1,053)	183
Unrealised foreign exchange gain	(13,385)	(4,677)
Finance income	(124)	(556)
Finance expense	13,746	14,296
Operating profit before changes in working capital	<u>(9,217)</u>	34,448
Changes in working capital		
Inventories	34,253	8,781
Contract assets	4,902	10,751
Trade receivables	16,165	1,453
Other receivables	(9,106)	8,268
Trade payables	(6,847)	2,085
Other payables	10,798	(23,880)
	<u>50,165</u>	7,458
Net cash generated from operations	40,948	41,906
Interest paid	(17,007)	(14,151)
Interest received	124	556
Tax paid	(2,291)	(22,781)
Tax refund	3,320	24
	<u>(15,854)</u>	(36,352)
Net cash from operating activities	25,094	5,554
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	-	(28)
Purchase of land held for property development	-	(63)
Acquisition of equity interest from non-controlling interest	-	(300)
Proceeds from disposal of property, plant and equipment	32	318
Net cash generated from/(used in) investing activities	<u>32</u>	(73)
Cash Flows From Financing Activities		
Dividend paid	-	(9,918)
Repayment of hire purchase liabilities	(115)	(122)
Repayment of bank borrowings	(77,526)	(72,107)
Fixed deposits with licensed banks —	(2,654)	2,873
Proceeds from warrant exercised	-	1,820
Drawdown of bank borrowings	85,000	61,000
Net cash generated from/(used in) financing activities	<u>4,705</u>	(16,454)
Net change in cash & cash equivalents	29,831	(10,973)
Cash & cash equivalents at the beginning of the financial year	(6,209)	9,471
Effect of exchange rate changes	(14,107)	(4,707)
Cash & cash equivalents at the end of the financial year	9,515	(6,209)

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

	As at 31/12/2018 RM'000	As at 31/12/2017 RM'000
Cash and bank balances	5,153	4,079
Cash held under Housing Development Accounts	4,176	4,670
Fixed and short term deposits with licensed banks	7,158	4,458
Bank overdrafts	-	(15,098)
	<u>16,487</u>	(1,891)
Less: Fixed deposits pledged with licensed banks	(6,972)	(4,318)
	<u>9,515</u>	(6,209)

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 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 2018 / 31 December 2018	<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
<u>Year ended 31/12/2018 :</u>						
Total revenue	37,103	(17,890)	-	4,559	14,361	38,133
Intersegment revenue	-	17,890	-	(3,529)	(14,361)	-
Segment revenue :	<u>37,103</u>	<u>-</u>	<u>-</u>	<u>1,030</u>	<u>-</u>	<u>38,133</u>
<u>Primary geographical markets:</u>						
Australia	5,018	-	-	-	-	5,018
Malaysia	32,086	(17,890)	-	4,559	14,360	33,115
	<u>37,104</u>	<u>(17,890)</u>	<u>-</u>	<u>4,559</u>	<u>14,360</u>	<u>38,133</u>
<u>Nature of product</u>						
Commercial properties	27,703	(17,890)	-	4,559	14,361	28,733
Residential properties	9,400	-	-	-	-	9,400
	<u>37,103</u>	<u>(17,890)</u>	<u>-</u>	<u>4,559</u>	<u>14,361</u>	<u>38,133</u>
<u>Timing of revenue recognition:</u>						
Good transferred at a point in time	37,103	-	-	-	-	37,103
Good transferred over time	-	(17,890)	-	4,559	14,361	1,030
	<u>37,103</u>	<u>(17,890)</u>	<u>-</u>	<u>4,559</u>	<u>14,361</u>	<u>38,133</u>
Segment profit / (loss) before tax :	<u>(3,290)</u>	<u>(11,714)</u>	<u>1,010</u>	<u>(7,010)</u>	<u>(5,101)</u>	<u>(26,105)</u>
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	99	4	-	21	-	124
Segment assets :	<u>1,081,103</u>	<u>48,948</u>	<u>62</u>	<u>381,482</u>	<u>(613,825)</u>	<u>897,770</u>
Segment liabilities :	<u>615,770</u>	<u>66,837</u>	<u>2,486</u>	<u>124,664</u>	<u>(441,381)</u>	<u>368,376</u>

Year ended 31/12/2017 :

Total revenue	99,946	20,159	-	14,198	(35,400)	98,903
Intersegment revenue	-	(22,215)	-	(13,185)	35,400	-
Segment revenue :	<u>99,946</u>	<u>(2,056)</u>	<u>-</u>	<u>1,013</u>	<u>-</u>	<u>98,903</u>
<u>Primary geographical markets:</u>						
Australia	15,000	-	-	-	-	15,000
Malaysia	84,946	20,159	-	14,198	(35,400)	83,903
	<u>99,946</u>	<u>20,159</u>	<u>-</u>	<u>14,198</u>	<u>(35,400)</u>	<u>98,903</u>
<u>Nature of product</u>						
Commercial properties	22,987	20,159	-	14,198	(35,400)	21,944
Residential properties	76,959	-	-	-	-	76,959
	<u>99,946</u>	<u>20,159</u>	<u>-</u>	<u>14,198</u>	<u>(35,400)</u>	<u>98,903</u>
<u>Timing of revenue recognition:</u>						
Good transferred at a point in time	28,840	-	-	14,198	(13,185)	29,853
Good transferred over time	71,106	20,159	-	-	(22,215)	69,050
	<u>99,946</u>	<u>20,159</u>	<u>-</u>	<u>14,198</u>	<u>(35,400)</u>	<u>98,903</u>
Segment profit / (loss) before tax :	<u>6,931</u>	<u>8,120</u>	<u>(222)</u>	<u>(3,466)</u>	<u>5,021</u>	<u>16,384</u>
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	463	24	-	69	-	556
Segment assets :	<u>1,179,154</u>	<u>102,129</u>	<u>5,532</u>	<u>756,356</u>	<u>(1,075,981)</u>	<u>967,190</u>
Segment liabilities :	<u>670,063</u>	<u>104,083</u>	<u>8,943</u>	<u>494,920</u>	<u>(909,367)</u>	<u>368,642</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
<u>Year ended 31/12/2018 :</u>			
Total revenue	33,115	5,018	38,133
Intersegment revenue	-	-	-
Segment revenue :	<u>33,115</u>	<u>5,018</u>	<u>38,133</u>
Segment profit / (loss) before tax :	<u>(38,409)</u>	<u>12,304</u>	<u>(26,105)</u>
Segment assets :	<u>720,627</u>	<u>177,143</u>	<u>897,770</u>
Segment liabilities :	<u>365,372</u>	<u>3,004</u>	<u>368,376</u>
<u>Year ended 31/12/2017 :</u>			
Total revenue	83,903	15,000	98,903
Intersegment revenue	-	-	-
Segment revenue :	<u>83,903</u>	<u>15,000</u>	<u>98,903</u>
Segment profit before tax :	<u>11,153</u>	<u>5,231</u>	<u>16,384</u>
Segment assets :	<u>787,262</u>	<u>179,928</u>	<u>967,190</u>
Segment liabilities :	<u>368,298</u>	<u>344</u>	<u>368,642</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 21 February 2019 being the latest practicable date which is not earlier than 7 days from the date of issuance of these Interim Financial Statements.

A12 Changes in the Composition of the Group

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

A13 Contingent Liabilities

Details of contingent liabilities of the company are as follows :

Company	As at 31/12/2018 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	212,595	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>212,597</u>	<u>221,028</u>

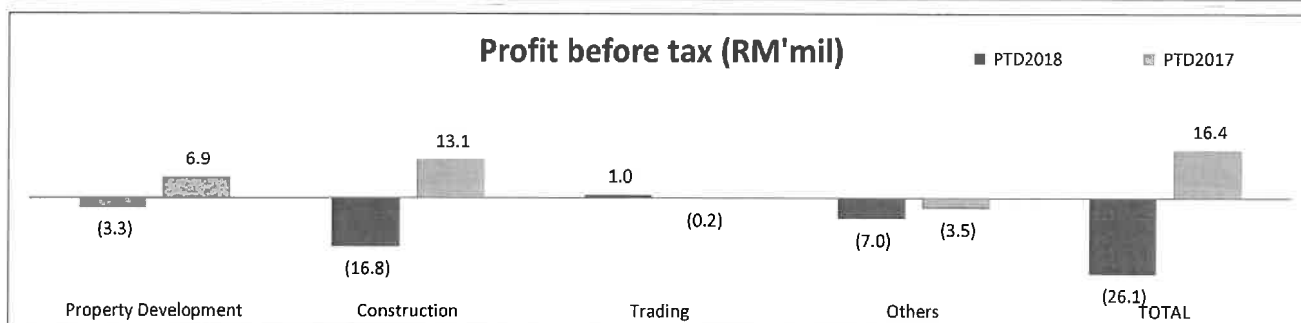
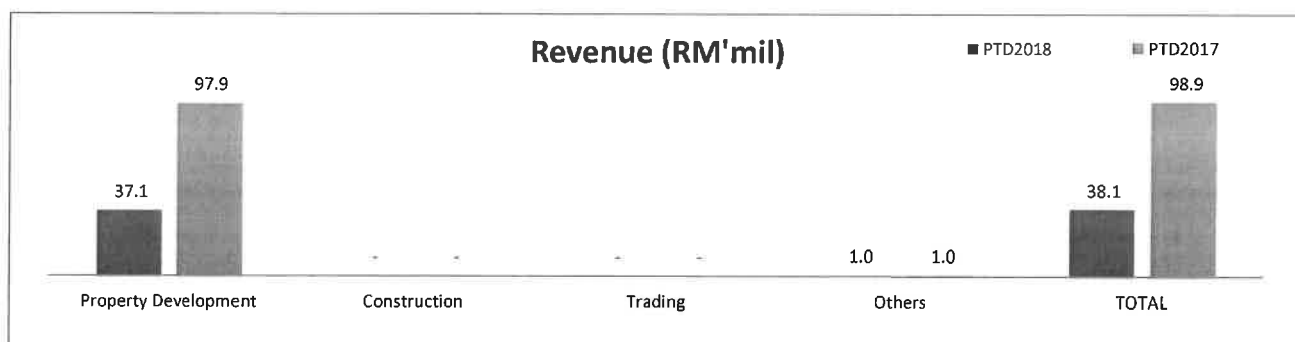
B Bursa Malaysia Listing Requirements

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

	3 months ended			12 months ended		
	31/12/2018 RM'000	31/12/2017 RM'000	Changes %	31/12/2018 RM'000	31/12/2017 RM'000	Changes %
Revenue	(10,056)	8,387	(220%)	38,133	98,903	(61%)
Cost of sales	1,365	(813)	(268%)	(26,025)	(55,832)	(53%)
Gross profit	(8,691)	7,574	(215%)	12,108	43,071	(72%)
Profit/(Loss) before interest and tax	(30,222)	17,071	277%	(12,359)	30,680	(140%)
Profit/(Loss) before taxation	(33,640)	13,825	343%	(26,105)	16,384	(259%)
Profit/(Loss) for the period	(66,286)	10,308	743%	(55,097)	9,058	708%
Profit/(Loss) attributable to: Owners of the Company	(65,856)	10,703	715%	(53,656)	10,680	602%

For the 12 months ended 31 December 2018, the Group achieved a revenue of RM38.1 million, a decrease of 61% compared to previous corresponding period amounting to RM98.9 million and an increase of 259% for loss before tax of RM-26.1 million compared to profit of RM16.4 million recorded in the previous corresponding period ended 31 December 2017.

The decrease in profit before tax compare to the previous corresponding period mainly due to the provision for liquidated and ascertained damages on Jalan Kuching residential project in previous corresponding period and loss in value of investment properties in Jalan Ampang.

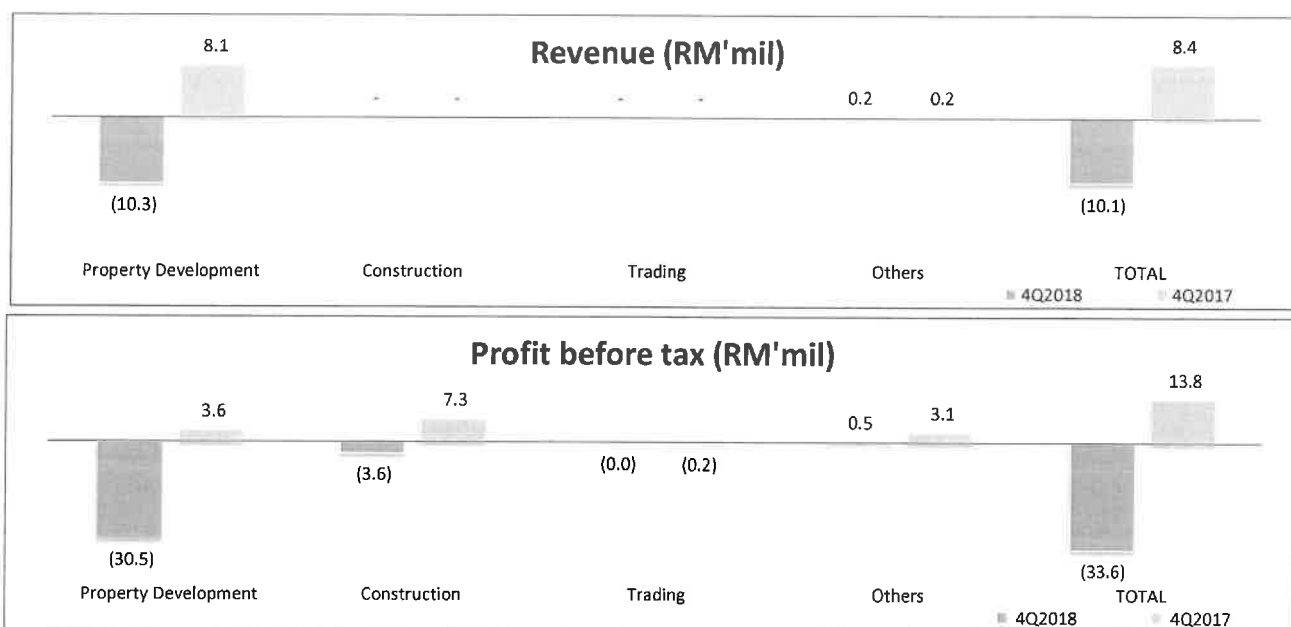


B1 Review of Performance - Comparison with Previous Corresponding Period and Quarter (cont'd)

For the current quarter ended 31 December 2018, the Group recorded a negative revenue of RM-10.1 million, a decrease of 220% from RM8.4 million compared to the previous corresponding quarter ended 31 December 2017.

The decrease of revenue for current quarter compare to the previous corresponding quarter mainly due to the unsuccessful sale of 24 units service apartments in Jalan Kuching residential project which was recorded in previous financial year. The revenue for current quarter only derived from the sales of remaining completed properties from Jalan Kuching residential project and shop office. For previous corresponding quarter, the revenue were contributed by the sales on remaining completed units of "The Istana", "Jalan Kuching Phase 1 Shop Office", and "Desa Mentari" commercial project and "Jalan Kuching" residential project's revenue and profit were recognised based on percentage of completion method in accordance with MFRS 15.

The loss before tax for the current quarter is RM33.6 million, a decrease of 343% as compared to profits before tax of RM13.8 million in the corresponding quarter. These mainly due to loss in value of investment properties in Jalan Ampang in the current period.



Property Development

The property development segment recorded a negative revenue of RM10.3 million and loss before tax of RM30.5 million in the current quarter compared to revenue of RM8.1 million and profits before tax of RM3.6 million in the corresponding quarter of the previous financial year.

The negative revenue achieved amounting RM8.0 million in current quarter which mainly due to the reversal of unsuccessful sale of 24 units service apartments in Jalan Kuching residential project which was recorded in the previous financial year.

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

Construction & Engineering

The Construction & Engineering segment registered no revenue and loss before tax of RM-3.56 million in current quarter as compared to no revenue and profit before tax of RM7.3 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.

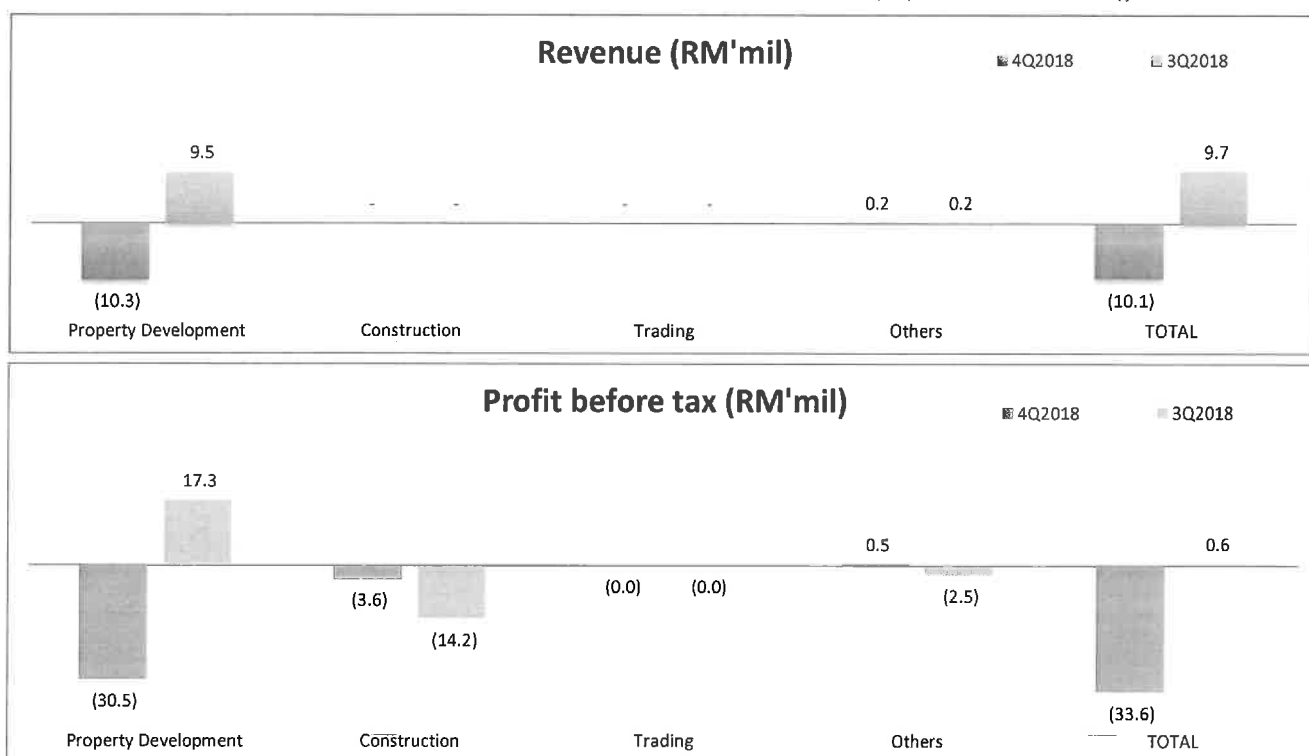
B2 Review of Performance - Comparison with Immediate Preceding Quarter

	Current Quarter 31/12/2018 RM'000	Immediate Preceding 30/09/2018 RM'000	Changes %
Revenue	(10,056)	9,699	(204%)
Cost of sales	1,365	(3,811)	(136%)
Gross profit	(8,691)	5,888	(248%)
Profit/(Loss) before interest and tax	(30,222)	4,547	(765%)
Profit/(Loss) before taxation	(33,640)	604	(5670%)
Profit/(Loss) for the period	(66,286)	5,051	(1412%)
Profit/(Loss) attributable to: Owners of the Company	(65,856)	5,328	(1336%)

For the current quarter, the Group recorded a negative revenue of RM-10.1 million, as compared to RM9.7 million in the immediate preceding quarter ended 30 September 2018.

The Group posted a loss before tax of RM33.6 million in the current quarter, as compared to profit before tax of RM0.6 million in the immediate preceding quarter ended 30 September 2018.

Current quarter revenue and loss before tax were contributed from the reversal of unsuccessful sale of 24 units service apartments in "Jalan Kuching" residential and commercial project which was recorded in previous financial year while immediate preceding quarter were contributed from the sale of completed units of "The Istana" and "Desa Mentari" commercial project and "Jalan Kuching" residential and



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:

Group	12 months ended	
	31/12/2018 RM'000	31/12/2017 RM'000
In respect of :		
- current year	10,994	5,317
- deferred taxation	17,998	2,009
	<u>28,992</u>	<u>7,326</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
	31/12/2018 RM'000	31/12/2017 RM'000
Realised	219,523	220,942
Unrealised	177,271	227,744
	<u>396,794</u>	<u>448,686</u>
Consolidation adjustments	(1,036)	728
Total retained profits	<u>395,758</u>	<u>449,414</u>

B7 Corporate Proposals

There were no corporate proposal announced not completed as at 21 February 2019, being the latest practicable date which is not earlier than 7 days from the date of the issuance of this interim financial statements.

B8 Group Borrowings

Details of Group borrowings as at 31 December 2018 are as follows:

Secured	As at	As at
	31/12/2018 RM'000	31/12/2017 RM'000
Borrowings repayable		
- within 12 months	79,243	96,889
- after 12 months	133,352	124,137
Total borrowings	<u>212,595</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 2018.

B12 Earnings per Share ("EPS")

(a) Basic EPS

The basic earnings per share has been calculated by dividing the Group's net profit attributable to ordinary equity holders of the Company for the year by the weighted average number of ordinary shares in issue.

	3 months ended		12 months ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Net profit attributable to ordinary equity holders of the Company (RM'000)	(65,856)	10,703	(53,656)	10,680
Weighted average number of ordinary shares in issue ('000)	332,012	332,012	332,012	332,012
Basic EPS (sen)	<u>(19.84)</u>	<u>3.22</u>	<u>(16.16)</u>	<u>3.22</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	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Net profit attributable to ordinary equity holders of the Company (RM'000)	<u>(65,856)</u>	<u>10,703</u>	<u>(53,656)</u>	<u>10,680</u>
Weighted average number of ordinary shares in issue ('000)	332,012	332,012	332,012	332,012
Effect of dilutive potential ordinary shares from the exercise of bonus warrants ('000)	<u>25,720</u>	<u>63,165</u>	<u>25,720</u>	<u>63,165</u>
Weighted average number of ordinary share in issue for diluted earnings per share ('000)	<u>357,732</u>	<u>395,177</u>	<u>357,732</u>	<u>395,177</u>
Diluted EPS (sen)	<u>(18.41)</u>	<u>2.71</u>	<u>(15.00)</u>	<u>2.70</u>

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

	12 months ended	
	12/31/2018	12/31/2017
	RM'000	RM'000
Depreciation of property, plant and equipment	198	321
Interest expenses	13,746	14,296
Interest income	(124)	(556)
Fair value adjustments on investment properties	17,650	-
Gain on disposal of property plant and equipments	(32)	(33)
Other income	(124)	(556)
Property, plant and equipment written off	-	28
Provision for liquidated and ascertained damages (LAD)	-	8,332
Overprovision of liquidated and ascertained damages (LAD)	(112)	(222)
Reversal impairment loss of trade receivables	(1,053)	183
Unrealised (gain)/loss of foregin exchange	<u>(13,385)</u>	<u>(4,677)</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 2019