

MAGNA PRIMA BERHAD

Registration No.: 199501040315 (369519-P)

(Incorporated in Malaysia)

Interim Financial Statements

30 Sept 2021

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Interim Financial Statements - 30 Sept 2021

	Page No.
Condensed Consolidated Statement Of Financial Position	1
Condensed Consolidated Statement Of Profit Or Loss And Other Comprehensive Income	2
Condensed Consolidated Statement Of Changes In Equity	3
Condensed Consolidated Statement Of Cash Flows	4
Notes To The Interim Financial Statements	5 - 12

MAGNA PRIMA BERHAD

Registration No.: 199501040315 (369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

(The figures have not been audited)

	AS AT 30/09/2021 RM'000 (Unaudited)	AS AT 31/12/2020 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	246	290
Right-use-of-assets	292	292
Investment properties	377,169	377,169
Land held for property development	119,703	119,915
Deferred tax assets	-	-
	<u>497,410</u>	<u>497,666</u>
Current Assets		
Inventories	42,073	45,914
Contract assets	539	894
Contract cost assets	-	-
Trade and other receivables	18,419	5,903
Tax recoverable	82	82
Cash held under Housing Development Accounts	1,514	1,517
Fixed and short term deposits with licensed banks	228	424
Cash and bank balances	1,806	1,439
TOTAL CURRENT ASSETS	<u>64,661</u>	<u>56,174</u>
Non-current assets held for sale	183,662	183,662
TOTAL ASSETS	<u>745,733</u>	<u>737,501</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	16,088	20,567
Retained profits	188,191	206,637
	<u>322,903</u>	<u>345,827</u>
Non-controlling interests	31	905
TOTAL EQUITY	<u>322,934</u>	<u>346,732</u>
Non-Current Liabilities		
Borrowings	35,042	21,668
Lease liability	45	45
Deferred tax liabilities	20,825	20,850
	<u>55,912</u>	<u>42,564</u>
Current Liabilities		
Trade and other payables	125,110	81,406
Contract liabilities	1,337	18,722
Borrowings	176,882	187,011
Lease liability	261	261
Current tax liabilities	63,297	60,806
	<u>366,887</u>	<u>348,206</u>
TOTAL LIABILITIES	<u>422,799</u>	<u>390,769</u>
TOTAL EQUITY AND LIABILITIES	<u>745,733</u>	<u>737,501</u>
	0	-
Net assets per share of RM0.25 each attributable to Owners of the Company (RM)	<u>0.97</u>	<u>1.04</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD

Registration No.: 199501040315 (369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the quarter and period to-date ended 30 September 2021

(The figures have not been audited)

	3 months ended		9 months ended	
	30/09/2021 RM'000	30/09/2020 RM'000	30/09/2021 RM'000	30/09/2020 RM'000
Revenue	-	4,174	3,747	6,428
Cost of sales	41	(4,051)	(3,362)	(4,574)
Gross profit	41	123	385	1,854
Other operating income	1,128	704	1,386	2,080
Selling and distribution expenses	-	(75)	(107)	(107)
Administration expenses	(1,514)	(1,256)	(2,599)	(4,563)
Other operating expenses	(3,738)	2	(8,528)	(402)
Profit/(Loss) before interest and tax	(4,083)	(502)	(9,463)	(1,138)
Finance costs	(3,702)	(3,897)	(11,545)	(12,478)
Profit/(Loss) before taxation	(7,785)	(4,399)	(21,008)	(13,616)
Taxation	(5)	(1,350)	(80)	(1,443)
Profit/(Loss) for the period	(7,790)	(5,749)	(21,088)	(15,059)
Other comprehensive income / (expense) :				
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	(7,961)	791	(4,478)	5,753
Other comprehensive income for the period	(7,961)	791	(4,478)	5,753
Total comprehensive income for the period	(15,751)	(4,958)	(25,566)	(9,306)
Profit/(Loss) attributable to:				
Owners of the Company	(7,497)	(5,407)	(20,214)	(14,076)
Non-controlling interests	(293)	(342)	(874)	(983)
	(7,790)	(5,749)	(21,088)	(15,059)
Total comprehensive income/(expense) attributable to:				
Owners of the Company	(15,458)	(4,616)	(24,692)	(8,323)
Non-controlling interests	(293)	(342)	(874)	(983)
	(15,751)	(4,958)	(25,566)	(9,306)
Earnings per share attributable to Owners of the Company:				
- Basic (sen)	(2.25)	(1.63)	(6.08)	(4.23)

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD

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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2021

(The figures have not been audited)

	Attributable to Owners of the Company					Total	Non-controlling Interests	Total Equity
	Non-Distributable			Distributable				
	Share capital	Treasury shares	Capital reserve	Translation reserve	Retained profit/(loss)			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 January 2021	121,009	(2,385)	19,706	860	206,637	345,827	905	346,732
Prior year adjustment				-	1,768	1,768		1,768
Profit / (Loss) for the period	-	-	-	-	(20,214)	(20,214)	(874)	(21,088)
Other comprehensive expense for the period	-	-	-	(4,478)		(4,478)	-	(4,478)
Total comprehensive income / (expense) for the period	-	-	-	(4,478)	(20,214)	(24,692)	(874)	(25,566)
Balance as at 30 September 2021	121,009	(2,385)	19,706	(3,618)	188,190	322,902	31	322,934
Balance as at 1 January 2020	121,009	(2,385)	19,706	(12,053)	357,512	483,788	2,235	486,023
Profit / (Loss) for the period	-	-	-	-	(150,875)	(150,875)	(1,329)	(152,204)
Other comprehensive income for the period	-	-	-	12,914	-	12,914	-	12,914
Total comprehensive income / (expense) for the period	-	-	-	12,914	(150,875)	(137,961)	(1,329)	(139,290)
Balance as at 31 December 2020	121,009	(2,385)	19,706	860	206,637	345,827	905	346,732

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD

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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2021

(The figures have not been audited)

	9 months ended 30/09/2021 RM'000	9 months ended 30/09/2020 RM'000
Cash Flows From Operating Activities		
Loss before taxation	(21,008)	(13,616)
Adjustments for :-		
Depreciation of property, plant and equipment	43	80
Impairment of trade receivables	-	-
Revaluation of Property, plant and equipment	-	-
Overprovision for liquidated and ascertained damages	-	-
Reversal impairment loss of trade receivables	-	-
Loss on deconsolidation of a subsidiary	2,788	-
Unrealised foreign exchange loss / (gain)	-	-
Finance income	(9)	(31)
Finance expense	11,545	12,478
Operating profit before changes in working capital	(6,640)	(1,089)
Changes in working capital		
Inventories	3,842	2,924
Contract assets	355	-
Contract cost liabilities	(17,385)	375
Amount owing by/to customers on contract	-	-
Trade and other receivables	(12,516)	2,574
Other receivables	-	-
Assets classified as held for sale	-	-
Trade and other payables	43,704	(7,670)
Deferred revenue	-	-
Other payables	-	-
Contract liabilities	-	-
	18,001	(1,058)
Net cash generated from/(used in) operations	11,361	(2,147)
Interest paid	(13,745)	(5,220)
Interest received	9	31
Tax paid	-	-
	(13,736)	(5,189)
Net cash used in operating activities	(2,375)	(7,336)
Cash Flows From Investing Activities		
Net devaluation of investment property	-	-
Proceeds from disposal of property, plant and equipment	212	-
Net cash inflow/(outflow) from deconsolidation of the subsidiary	1,365	-
Net cash generated from investing activities	1,577	-
Cash Flows From Financing Activities		
Dividend paid	-	-
Repayment of hire purchase liabilities	-	-
Repayment of bank borrowings	5,445	2,427
Fixed deposits with licensed banks	(11)	2,286
Proceeds from warrant exercised	-	-
Drawdown of bank borrowings	-	-
Repurchase of shares	-	-
Net cash generated from financing activities	5,433	4,713
Net change in cash & cash equivalents	4,636	(2,623)
Cash & cash equivalents at the beginning of the financial period	3,189	4,658
Effect of exchange rate changes	(4,478)	1,192
Cash & cash equivalents at the end of the financial period	3,346	3,227

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

	As at 30/09/2021 RM'000	As at 30/09/2020 RM'000
Cash and bank balances	1,806	1,470
Cash held under Housing Development Accounts	1,514	1,725
Fixed and short term deposits with licensed banks	228	411
	3,548	3,606
Less: Fixed deposits pledged with licensed banks	(202)	(379)
	3,346	3,227

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 2020. 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 2020.

A2 Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2020, 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 2020 as set out below:

MFRSs, Amendments to MFRSs and Interpretations

Amendments to MFRS 2	Share Based Payments
Amendments to MFRS 3	Business Combination
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources
Amendments to MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 134	Interim Financial Reporting
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 138	Intangible Assets
Amend to IC Interpretation 12	Service Concession Arrangements
Amend to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amend to IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amend to IC Interpretation 22	Foreign Currency Transaction and Advance Considerations
Amend to IC Interpretation 132	Intangible Assets - Web Site Costs

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
Amendments to MFRS 4	Insurance Contracts	1 January 2021
Amendments to MFRS 7	Financial Instruments : Disclosures	1 January 2021
Amendments to MFRS 9	Financial Instruments	1 January 2021
Amendments to MFRS 16	Leases	1 January 2021
Amendments to MFRS 139	Financial Instruments : Recognition and Measurement	1 January 2021

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 2020

The auditors' report on the financial statements for the financial year ended 31 December 2020 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, 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 30 September 2021	2,285,500	2,385,431

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

A8 Dividends Paid

No dividend was paid during the quarter under review.

A9 Segmental Analysis

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

By operating segment :

	Property Dev't RM'000	Const. & Engineering RM'000	Trading RM'000	Non- reportable segments RM'000	Intersegment eliminations RM'000	Consolidated RM'000
<u>Period ended 30/09/2021 :</u>						
Total revenue	3,747	-	-	-	-	3,747
Intersegment revenue	-	-	-	-	-	-
Segment revenue :	3,747	-	-	-	-	3,747
<u>Primary geographical markets:</u>						
Australia	-	-	-	-	-	-
Malaysia	3,747	-	-	-	-	3,747
	3,747	-	-	-	-	3,747
<u>Nature of product</u>						
Commercial properties	3,747	-	-	-	-	3,747
Residential properties	-	-	-	-	-	-
	3,747	-	-	-	-	3,747
<u>Timing of revenue recognition:</u>						
Good transferred at a point in time	3,747	-	-	-	-	3,747
Good transferred over time	-	-	-	-	-	-
	3,747	-	-	-	-	3,747
Segment profit / (loss) before tax :	(14,704)	725	(11)	(2,829)	(4,191)	(21,009)
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	(5)	(3)	-	(1)	-	(9)
Segment assets :	922,736	42,349	4	644,712	(864,067)	745,734
Segment liabilities :	664,070	73,878	2,469	420,144	(737,762)	422,800
<u>Period ended 30/09/2020 :</u>						
Total revenue	6,346	-	-	82	-	6,428
Intersegment revenue	-	-	-	2,995	(2,995)	-
Segment revenue :	6,346	-	-	3,077	(2,995)	6,428
<u>Primary geographical markets:</u>						
Australia	-	-	-	-	-	-
Malaysia	6,428	-	-	-	-	6,428
	6,428	-	-	-	-	6,428
<u>Nature of product</u>						
Commercial properties	2,254	-	-	-	-	2,254
Residential properties	4,174	-	-	-	-	4,174
	6,428	-	-	-	-	6,428
<u>Timing of revenue recognition:</u>						
Good transferred at a point in time	6,346	-	-	-	-	6,346
Good transferred over time	82	-	-	-	-	82
	6,428	-	-	-	-	6,428
Segment profit / (loss) before tax :	(12,042)	(128)	(11)	(1,504)	69	(13,616)
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	30	-	-	1	-	31
Segment assets :	942,175	40,274	5	467,356	(617,199)	832,611
Segment liabilities :	639,934	60,268	2,454	134,450	(475,994)	361,112

By geographical segment :

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

	Malaysia	Australia	Consolidated
Period ended 30/09/2021 :			
Total revenue	3,747	-	3,747
Intersegment revenue	-	-	-
Segment revenue :	3,747	-	3,747
Segment profit / (loss) before tax :	(7,893)	(13,116)	(21,009)
Segment assets :	569,369	176,365	745,734
Segment liabilities :	419,003	3,797	422,800

Period ended 30/09/2020 :

Total revenue	6,428	-	6,428
Intersegment revenue	-	-	-
Segment revenue :	6,428	-	6,428
Segment profit before tax :	(14,985)	1,369	(13,616)
Segment assets :	742,140	90,471	832,611
Segment liabilities :	358,267	2,845	361,112

Major customers

The Group is engaged primarily in property development 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

Investment properties are stated at fair value, which has been determined base on the valuations performed by independent valuer. The fair value of the properties has been determined using comparison method depending on the nature of the property.

A11 Material Events Subsequent to the End of the Period

As per Bursa announcement as follows :-

A11.1 Default in payment to Alliance Bank Malaysia Berhad

- 24 June 2020 - Default in payment to Alliance Bank Malaysia Berhad pursuant to paragraph 9.19A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

- 17 July 2020 - Receiver and Manager appointed for Magna Ecocity Sdn Bhd (ME), a subsidiary of Magna Prima Berhad.

- 2 August 2021 - The Company announced that the Company and its subsidiary, Magna Ecocity Sdn Bhd, had executed the Agreement on the re-floatation and the reservation of right to re-appoint a receiver and manager with Alliance Bank Malaysia Berhad ("ABMB") and the Receiver and Manager on upliftment of the Receiver and Manager and is in the midst of preparation of the discharge of the receiver and manager from ABMB on August 2021.

- On 6 September 2021 the Company received a notification from Pricewaterhousecoopers Advisory Services Sdn Bhd informing that the Notice of Cessation of Office by Receiver or Receiver and Manager has been filed with the Companies Commission of Malaysia. As such, the upliftment of receivership is deemed completed.

- On 29 October 2021, the Company had made a payment of amounting to RM13,000,000 to Alliance Bank Malaysia Berhad pursuant to the Agreement dated 2 August 2021.

A11.2 Disposal a four (4) storey commercial building of RM56,000,000.00

- Everhall, had on 19 April 2021, entered into a Sale and Purchase Agreement ("the Agreement") with Cowboy (KL) Sdn Bhd Company No. 202001023115 (1379435-X) ("the Purchaser"), to dispose a four (4) storey commercial building with a lower ground commercial area designated for supermarket together with 345 car park bays for a total cash consideration of RM56,000,000.00 ("the Disposal").

A12 Changes in the Composition of the Group

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

A13 Contingent Liabilities

Details of contingent liabilities of the company are as follows :

Company	As at 30/09/2021 RM'000	As at 31/12/2020 RM'000
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	211,924	208,679
Utilised portion of corporate guarantees given to trade payables of subsidiary companies for credit facilities granted to subsidiary companies:		
- Unsecured	2	2
	211,925	208,681

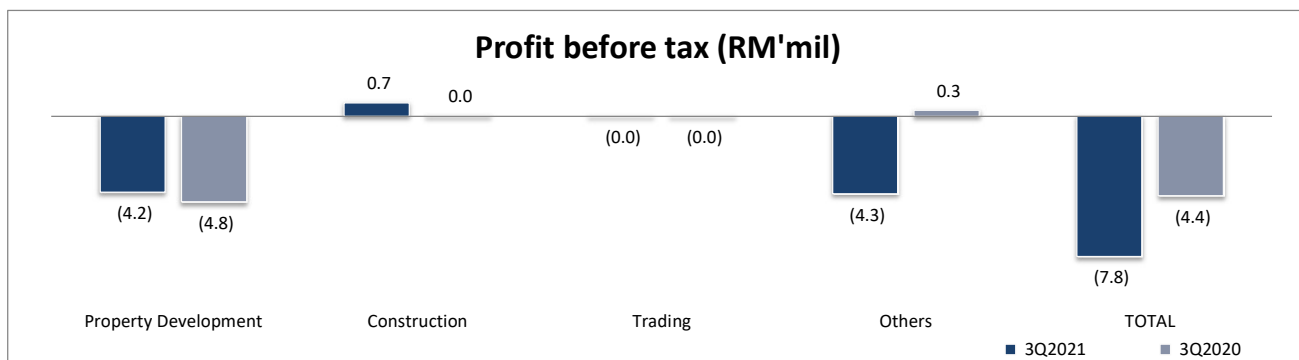
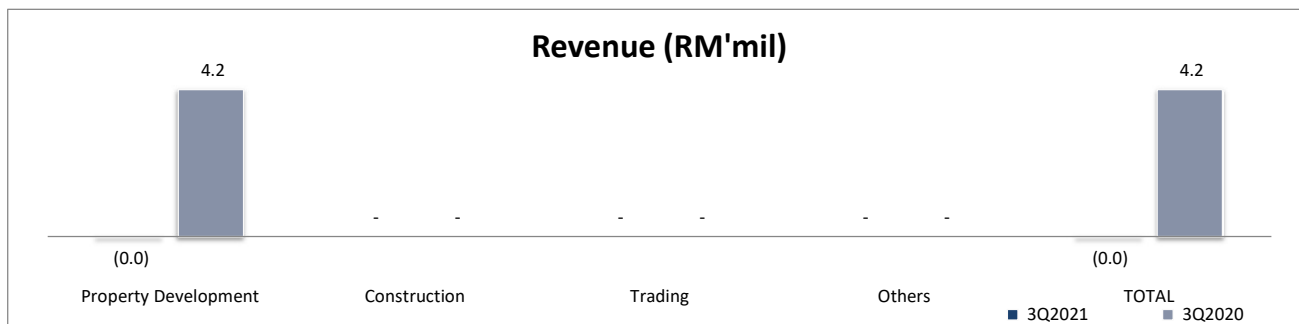
B Bursa Malaysia Listing Requirements

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

	9 months ended		Changes %
	30/09/2021 RM'000	30/09/2020 RM'000	
Revenue	3,747	6,428	(42%)
Cost of sales	(3,362)	(4,574)	(26%)
Gross profit	385	1,854	(79%)
Profit/(Loss) before interest and tax	(9,463)	(1,138)	732%
Profit/(Loss) before taxation	(21,008)	(13,616)	54%
Profit/(Loss) for the period	(21,088)	(15,059)	40%
Profit/(Loss) attributable to: Owners of the Company	(20,214)	(14,076)	44%

For the 9 months ended 30 Sept 2021, the Group achieved a revenue of RM3.7 million, an decrease of 66% compared to previous corresponding period amounting to RM6.4 million and an increase of 43% for loss before tax of RM21.0 million compared to loss of RM13.6 million recorded in the previous corresponding period ended 30 Sept 2020.

Revenue decrease due to no revenue in the current Quarter, and Loss before taxation increase by 43% due to the increase of other operating expenses, especially on the financial cost.



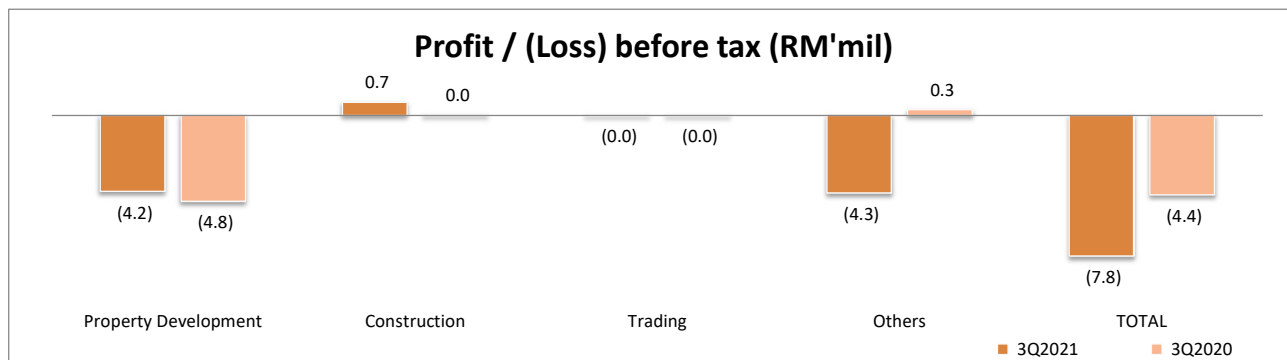
B1 Review of Performance - Comparison with Previous Corresponding Period and Quarter (cont'd)

For the current quarter ended 30 September 2021, the Group recorded a revenue of RM0.00 million, an decrease of 77% from RM4.17 million compared to the previous corresponding quarter ended 30 September 2020.

The decrease in revenue for current quarter was due to no sales proceed.

The loss before tax for the current quarter is RM7.79 million, an increase of 17% as compared to loss before tax of RM4.40 million in the corresponding quarter. This is mainly due to increase in other operating expenses, , especially on the financial cost.





Property Development

The property development segment recorded a negative revenue of RM0.00 million and loss before tax of RM4.21 million in the current quarter compared to revenue of RM4.17 million and loss before tax of RM4.75 million in the corresponding quarter.

Construction & Engineering

The Construction & Engineering segment registered no revenue and loss before tax of RM-0.73 million in current quarter as compared to no revenue and loss before tax of RM-0.04 million in the corresponding quarter.

The construction and engineering segment only carried out internal projects.

Trading

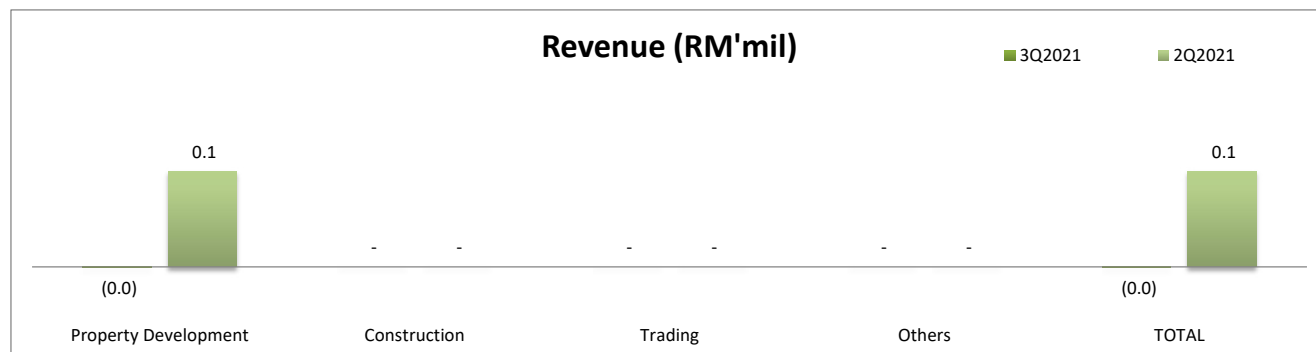
The trading segment had discontinued operation.

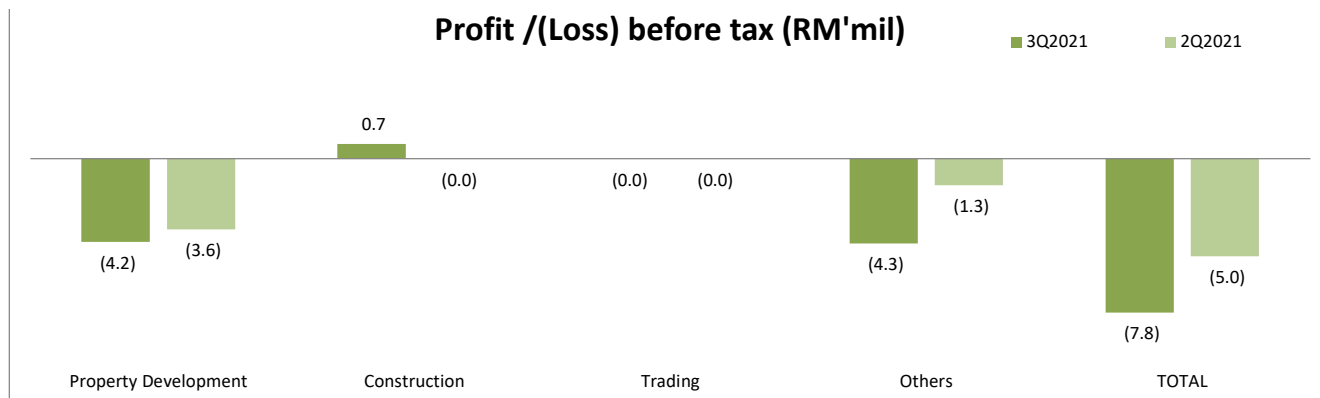
B2 Review of Performance - Comparison with Immediate Preceding Quarter

	Current Quarter 30/09/2021 RM'000	Immediate Preceding 30/06/2021 RM'000	Changes %
Revenue	3,747	3,747	0%
Cost of sales	(3,362)	(3,403)	(1%)
Gross profit	385	344	12%
Profit/(Loss) before interest and tax	(9,463)	(5,380)	76%
Profit/(Loss) before taxation	(21,008)	(13,223)	59%
Profit/(Loss) for the period	(21,088)	(13,298)	59%
Profit/(Loss) attributable to: Owners of the Company	(20,214)	(12,717)	59%

For the current quarter, the Group recorded a revenue of RM3.7 million, as compared to turnover RM3.7 million in the immediate preceding quarter ended 30 June 2021.

The Group posted a loss before tax of RM21.0 million in the current quarter, as compared to loss before tax of RM13.2 million in the immediate preceding quarter ended 30 June 2021.





B3 Prospects for the Current Financial Year

The Board expects the current financial year to be challenging due to the ongoing Covid-19 pandemic. However with the vaccination programme in place, we expect the economy to recover progressively.

The Group is planning to launch, in the second quarter of 2022, its proposed development project in Metro Prima, Kepong on a piece of one (1) acres land on a joint venture basis with Dewan Bandaraya Kuala Lumpur. The project consists of 266 units service apartment with Gross Development Value of RM140 million.

The Group is also actively planning for the commencement of its proposed development project in Section 15 Shah Alam on a piece of 20 acre commercial land, consisting approximately 3,000 units of service apartments with a Gross Development Value of RM1.1 billion. The initial planning approval has since lapsed and the Group is presently engaging with its consultants to amend and resubmit its application for planning approval. The proposed development project is expected to take off in the middle of 2022.

The selling price for the above two proposed development projects will be priced around RM400.00 per square foot to cater for the affordable housing segment. Initial survey conducted by the Group reveals that such segment remains resilient despite the challenging market environment caused by the Covid-19 pandemic.

B4 Variance from Profit Forecast and Profit Guarantee

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

B5 Taxation

The breakdown of income tax charge is as follows:

Group	9 months ended	
	30/09/2021 RM'000	30/09/2020 RM'000
In respect of :		
- current year	80	1,426
- deferred taxation	-	17
	80	1,443

The effective tax rate of the Group for the financial period ended 31 December 2020 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 Corporate Proposals

On 3 May 2021, Bursa Securities has approve the listing of and quotation for up to 66,524,500 new ordinary shares in MPB to be issued pursuant to the Proposed Private Placement and was not completed as at 12 August 2021, being the latest practicable date which is not earlier than 7 days from the date of the issuance of this interim financial statements.

On 11 October 2021, the Company has fixed the issue price of the first tranche of the Placement Shares at RM0.45 per Placement Share to be issued pursuant to the Private Placement. The aforementioned issue price of RM0.45 per Placement Share represents a discount of approximately RM0.0325 or 6.74% from the 5-day volume weighted average market price of MPB from 4 October 2021 to 8 October 2021 of approximately RM0.4825 per share.

On 26 October 2021, the completion of the Private Placement following the listing of and quotation for 66,525,400 new ordinary shares in MPB on the Main Market of Bursa Malaysia Securities Berhad.

B7 Group Borrowings

Details of Group borrowings as at 30 September 2021 are as follows:

Secured	As at 30/09/2021 RM'000	As at 31/12/2020 RM'000
	Borrowings repayable	
- within 12 months	176,881	110,402
- after 12 months	35,042	98,276

Total borrowings	<u>211,924</u>	<u>208,678</u>
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B8 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.

B9 Changes and Details of Pending Material Litigation

On 24 Sept 2021, Magna City Development Sdn. Bhd. ("Magna City Development"), its wholly-owned subsidiary of the Company had received a sealed copy of the Winding-Up Petition dated 25 August 2021 from Messrs. Ram Yogan Sivam, the solicitors of Isotechnic Electrical Sdn. Bhd. ("Isotechnic" or "the Petitioner").

The Petitioner claims Magna City Development had failed to settle the total outstanding amount of RM419,481.00 and the 5% interest calculated based on the date of judgement until full settlement owing to them as at 25 August 2021 pursuant to the Court Order issued by Kuala Lumpur High Court against Magna City Development on 21 September 2021. As such, the Petitioner has applied to the Court on the following:

- i) That Magna City Development be wound by the Court under the provisions of the Companies Act, 2016;
- ii) That the official receiver be appointed as liquidator of Magna City Development; and
- iii) Costs of RM10,000 to the Petitioner are paid through the Company's assets.

Magna City Development is not a major subsidiary of the Company.

The total cost of investment in Magna City Development is amounting to RM2,600,000.00.

There is no material impact on the financial and operation of the Magna Group.

The Company is not expected to incur any further loss arising from the Winding-Up Petition.

Magna City Development has filed notice of appeal and a stay proceeding against the Winding-Up Order. Meantime, Magna City Development is currently negotiating with Isotechnics on the judgement sum and will make full settlement in due course.

B10 Dividend Proposed/Declared

There were no dividend proposed for the current financial quarter ended 30 September 2021.

B11 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.

	9 months ended	
	30/09/2021	30/09/2020
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	(20,214)	(14,076)
Weighted average number of ordinary shares in issue ('000)	332,627	332,627
Basic EPS (sen)	<u>(6.08)</u>	<u>(4.23)</u>

(a) Basic EPS

The basic 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 excluding treasury shares held by the Company.

B12 Additional disclosures pursuant to para 16, Part A, Appendix 9b of Bursa Malaysia Securities Berhad Listing Requirements

	9 months ended	
	30/9/2021	30/9/2020
	RM'000	RM'000
Depreciation of property, plant and equipment	43	80
Interest expenses	11,545	12,478
Interest income	(9)	(31)
Other income	1,386	2,080
Unrealised (gain)/loss of foreign exchange	(4,478)	1,192
Loss on deconsolidation of a subsidiary	-	-

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.

- END OF REPORT-