

MAGNA PRIMA BERHAD

Registration No.: 199501040315 (369519-P)

(Incorporated in Malaysia)

Interim Financial Statements

30 June 2022

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Interim Financial Statements - 30 June 2022

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MAGNA PRIMA BERHAD

Registration No.: 199501040315 (369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

(The figures have not been audited)

	AS AT 30/06/2022 RM'000 (Unaudited)	AS AT 31/12/2021 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	130	152
Right-use-of-assets	41	41
Investment properties	369,650	369,650
Land held for property development	118,383	119,915
	<u>488,204</u>	<u>489,758</u>
Current Assets		
Inventories	784	2,206
Contract assets	-	-
Trade and other receivables	1,476	4,797
Tax recoverable	78	78
Cash held under Housing Development Accounts	837	1,312
Fixed and short term deposits with licensed banks	5,760	8,042
Cash and bank balances	290	2,346
TOTAL CURRENT ASSETS	<u>9,225</u>	<u>18,780</u>
Non-current assets held for sale	129,632	183,662
TOTAL ASSETS	<u>627,061</u>	<u>692,200</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	150,945	150,945
Treasury shares	(2,385)	(2,385)
Other reserves	17,139	16,620
Retained profits	256,691	209,566
	<u>422,389</u>	<u>374,745</u>
Non-controlling interests	<u>(1,560)</u>	<u>(717)</u>
TOTAL EQUITY	<u>420,829</u>	<u>374,028</u>
Non-Current Liabilities		
Borrowings	19,816	19,816
Lease liability	-	-
Deferred tax liabilities	20,701	20,698
	<u>40,517</u>	<u>40,514</u>
Current Liabilities		
Trade and other payables	23,715	131,709
Contract liabilities	1,726	1,726
Borrowings	128,828	127,400
Lease liability	45	45
Current tax liabilities	11,401	16,779
	<u>165,715</u>	<u>277,658</u>
TOTAL LIABILITIES	<u>206,232</u>	<u>318,172</u>
TOTAL EQUITY AND LIABILITIES	<u>627,061</u>	<u>692,200</u>
Net assets per share of RM0.25 each attributable to Owners of the Company (RM)	<u>1.27</u>	<u>1.13</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 June 2022

(The figures have not been audited)

	3 months ended		6 months ended	
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
Revenue	3,750	110	3,750	3,747
Cost of sales	(1,141)	(4)	(1,214)	(3,403)
Gross profit	2,609	106	2,536	344
Other operating income	48,576	(8)	53,172	258
Selling and distribution expenses	(116)	-	(116)	(107)
Administration expenses	(749)	(392)	(1,977)	(1,085)
Other operating expenses	(229)	(796)	(589)	(4,790)
Profit/(Loss) before interest and tax	50,090	(1,090)	53,025	(5,380)
Finance costs	(3,332)	(3,861)	(6,469)	(7,843)
Profit/(Loss) before taxation	46,759	(4,951)	46,555	(13,223)
Taxation	(15)	(38)	(30)	(75)
Profit/(Loss) for the period	46,744	(4,989)	46,526	(13,298)
Other comprehensive income / (expense) :				
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	(6,229)	-	519	3,483
Other comprehensive income for the period	(6,229)	-	519	3,483
Total comprehensive income for the period	40,515	(4,989)	47,045	(9,815)
Profit/(Loss) attributable to:				
Owners of the Company	46,987	(4,696)	47,125	(12,717)
Non-controlling interests	(243)	(293)	(599)	(581)
	46,744	(4,989)	46,526	(13,298)
Total comprehensive income/(expense) attributable to:				
Owners of the Company	40,758	(4,696)	47,644	(9,234)
Non-controlling interests	(243)	(293)	(599)	(581)
	40,515	(4,989)	47,045	(9,815)
Earnings per share attributable to Owners of the Company:				
- Basic (sen)	12.41	(1.41)	12.45	(3.82)

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 2021 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 June 2022

(The figures have not been audited)

	Attributable to Owners of the Company						Non-controlling Interests	Total Equity
	Non-Distributable				Distributable			
	Share capital	Treasury shares	Capital reserve	Translation reserve	Retained profit/(loss)	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 January 2022	150,945	(2,385)	19,706	(3,086)	209,566	374,745	(717)	374,028
Prior year adjustment	-	-	-	-	-	-	(243)	(243)
Profit / (Loss) for the period	-	-	-	-	47,125	47,125	(599)	46,526
Other comprehensive expense for the period	-	-	-	519	-	519	-	519
Total comprehensive income / (expense) for the period	-	-	-	519	47,125	47,644	(599)	47,045
Balance as at 30 June 2022	150,945	(2,385)	19,706	(2,567)	256,691	422,389	(1,560)	420,829
Balance as at 1 January 2021	121,009	(2,385)	19,706	860	206,637	345,827	905	346,732
Issuance of ordinary shares	29,936	-	-	-	-	29,936	-	29,936
Profit / (Loss) for the period	-	-	-	-	2,929	2,929	(1,623)	1,306
Other comprehensive income for the period	-	-	-	(3,947)	-	(3,947)	-	(3,947)
Total comprehensive income / (expense) for the period	-	-	-	(3,947)	2,929	(1,018)	(1,623)	(2,641)
Balance as at 31 December 2021	150,945	(2,385)	19,706	(3,086)	209,566	374,745	(717)	374,028

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 CASH FLOWS

For the period ended 30 June 2022

(The figures have not been audited)

	6 months ended 30/06/2022 RM'000	6 months ended 30/06/2021 RM'000
Cash Flows From Operating Activities		
Profit / (Loss) before taxation	46,555	(13,223)
Adjustments for :-		
Depreciation of property, plant and equipment	21	30
Property, plant and equipment written off	1	-
Gain on deconsolidation of a subsidiary	(48,237)	-
Finance income	(62)	(11)
Finance expense	6,771	7,843
Operating profit before changes in working capital	5,050	(5,361)
Changes in working capital		
Inventories	2,952	3,662
Contract assets	-	(166)
Contract cost liabilities	-	(17,385)
Trade and other receivables	(6,063)	2,699
Trade and other payables	-	15,472
	(3,111)	4,282
Net cash generated from/(used in) operations	1,940	(1,079)
Interest paid	(5,342)	(1,790)
Interest received	62	11
Tax paid	-	118
	(5,281)	(1,661)
Net cash used in operating activities	(3,341)	(2,740)
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	(1,991)	212
Net cash inflow/(outflow) from deconsolidation of the subsidiary	-	-
Net cash (used in)/generated from investing activities	(1,991)	212
Cash Flows From Financing Activities		
Repayment of bank borrowings	0	(2,100)
Fixed deposits with licensed banks	-	(11)
Net cash generated from/(used in) financing activities	0	(2,111)
Net change in cash & cash equivalents	(5,332)	(4,639)
Cash & cash equivalents at the beginning of the financial period	11,700	3,189
Effect of exchange rate changes	519	4,123
Cash & cash equivalents at the end of the financial period	6,886	2,673

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

	As at 30/06/2022 RM'000	As at 30/06/2021 RM'000
Cash and bank balances	290	1,122
Cash held under Housing Development Accounts	837	1,518
Fixed and short term deposits with licensed banks	5,760	236
	6,886	2,876
Less: Fixed deposits pledged with licensed banks	-	(203)
	6,886	2,673

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

A Explanatory Notes Pursuant To MFRS 134

A1 Basis of Preparation

The interim financial statements for the 4th quarter ended 31 December 2021 of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS) 134 "Interim Financial Reporting" issued by Malaysian Accounting Standards Board (MASB), paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2020. The accounting policies, method of computation and basis of consolidation applied in the unaudited interim financial statements and audited financial statements for the financial year are consistent with those used in the preparation of the 2020 audited financial statements except for the changes arising from the adoption of the amendments to MFRS issued by MASB that are effective for the Group's financial year beginning on 1 January 2021.

Significant Accounting Policies

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2

The Group had early adopted Amendment to MFRS 16, Leases– Covid-19-Related Rent Concessions beyond 30 June 2021 and Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use which will take effect for annual periods beginning on or after 1 April 2021 and 1 January 2022 respectively

The adoption of the above amendment do not have any material impact to the Group.

The following are accounting standards, amendments and interpretations of the MFRSs that have been issued by Malaysian Accounting Standards Board but have not been adopted by the Group:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)
- Amendments to MFRS 3, Business Combinations - Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018-2020)
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018-2020)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts – Initial application of MFRS 17 and MFRS 9- Comparative Information
- Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2022 for the amendments that are effective for annual period beginning on or after 1 January 2022, except for amendments to MFRS 1 and amendments to MFRS 141 which are not applicable to the Group.
- from the annual period beginning on 1 January 2023 for the accounting standard and amendments that are effective for annual period beginning on or after 1 January 2023, except for MFRS 17 and amendments to MFRS 17 which are not applicable to Group.

A2 Auditors' Report For The Financial Year Ended 31 December 2021

The auditors' report on the financial statements for the financial year ended 31 December 2021 was not subjected to any qualification.

A3 Seasonal or Cyclical Factors

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

A4 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.

A5 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.

A6 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
2,285,500	2,385,431

Balance as at 30 June 2022

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

A7 Dividends Paid

No dividend was paid during the quarter under review.

A8 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
Period ended 30/06/2022 :						
Total revenue	3,750	-	-	-	-	3,750
Intersegment revenue	-	-	-	1	(1)	(0)
Segment revenue :	3,750	-	-	1	(1)	3,750
Primary geographical markets:						
Australia	-	-	-	-	-	-
Malaysia	3,750	-	-	1	(1)	3,750
	3,750	-	-	1	(1)	3,750
Nature of product						
Commercial properties	3,750	-	-	1	(1)	3,750
Residential properties	-	-	-	-	-	-
	3,750	-	-	1	(1)	3,750
Segment profit / (loss) before tax :	(2,487)	(69)	(7)	882	48,237	46,555
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	(2)	(23)	-	(37)	-	(62)
Segment assets :	868,833	15,633	49	537,311	(794,764)	627,061
Segment liabilities :	604,278	44,478	2,495	274,466	(719,485)	206,232

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.

A9 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.

A10 Material Events Subsequent to the End of the Period

As per Bursa announcement as follows :-

A10.1 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.

- On 26 May 2022, the Company received a letter from Alliance Bank ("the Bank") informing that the Bank is agreeable not to enforce and/or exercise its rights under the security documents until 31 October 2022 subject strictly to the terms as stated in the Bank's letter to be fulfilled. There is no major development on the defaulted financing facilities since the date of the last announcement.

A11 Changes in the Composition of the Group

On the 5th May 2022, the Company has disposed combinely the few subsidiary companies with total nett negative NTA for a total cash consideration of RM50. The list of the company as following:- Embassy Court Sdn Bhd comprising 2,600,000 ordinary shares of RM1.00 each fully paid up with negative NTA, Magna Prima Construction Sdn Bhd comprising 4,392,000 ordinary shares of RM1.00 each fully paid up with negative NTA, Everhall (M) Sdn Bhd comprising 6,000,000 ordinary shares of RM1.00 each fully paid up with negative NTA, Monetary Icon (M) Sdn Bhd comprising 2,600,000 ordinary shares of RM1.00 each fully paid up with positive NTA and Prima Awan (M) Sdn Bhd comprising 2 ordinary shares of RM1.00 each fully paid up with negative NTA.

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.

A12 Contingent Liabilities

Details of contingent liabilities of the company are as follows :

Company	As at 30/06/2022 RM'000	As at 31/12/2021 RM'000
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	128,828	127,400
	<u>128,828</u>	<u>127,400</u>

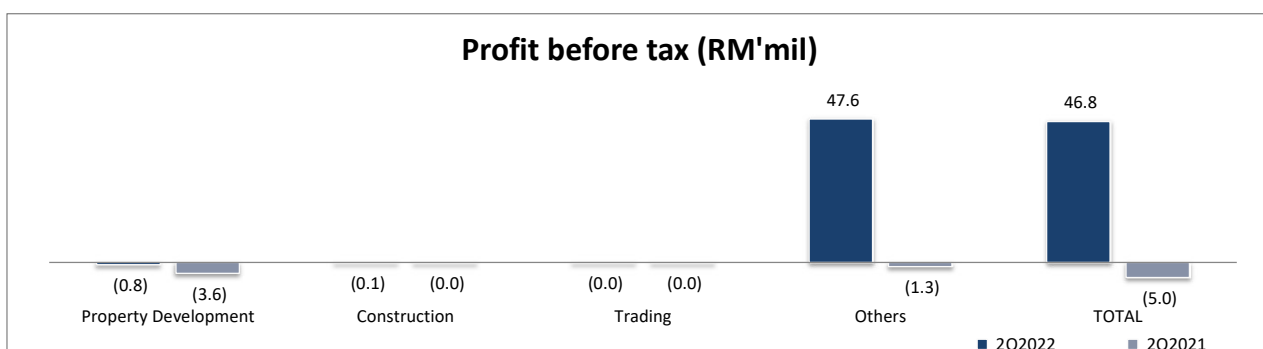
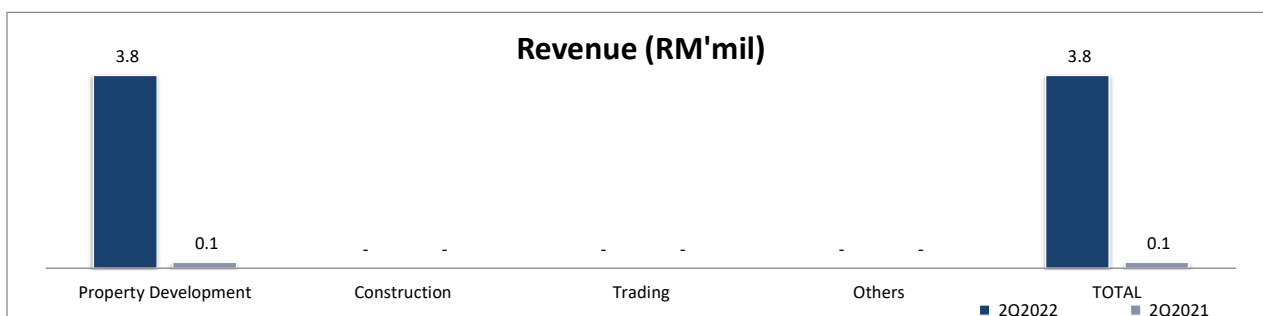
B Bursa Malaysia Listing Requirements

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

	3 months ended			6 months ended		
	30/06/2022 RM'000	30/06/2021 RM'000	Changes %	30/06/2022 RM'000	30/06/2021 RM'000	Changes %
Revenue	3,750	110	3309%	3,750	3,747	0%
Cost of sales	(1,141)	(4)	28423%	(1,214)	(3,403)	(64%)
Gross profit	2,609	106	2361%	2,536	344	637%
Profit/(Loss) before interest and tax	50,090	(1,090)		53,025	(5,380)	
Profit/(Loss) before taxation	46,759	(4,951)		46,555	(13,223)	
Profit/(Loss) for the period	46,744	(4,989)		46,526	(13,298)	
Profit/(Loss) attributable to:						
Owners of the Company	46,987	(4,696)		47,125	(12,717)	

For the 6 months ended 30 June 2022, the Group achieved a revenue of RM3.7 million, about equal revenue compared to previous corresponding period amounting to RM3.7 million and an increase for profit before tax of RM46.6 million compared to loss of RM13.2 million recorded in the previous corresponding period ended 30 June 2021.

Revenue no change in the current Quarter compared to previous corresponding Quarter, and Profit before taxation increase due to the disposal of a few wholly-owned subsidiaries taken up and a decrease of other operating expenses.

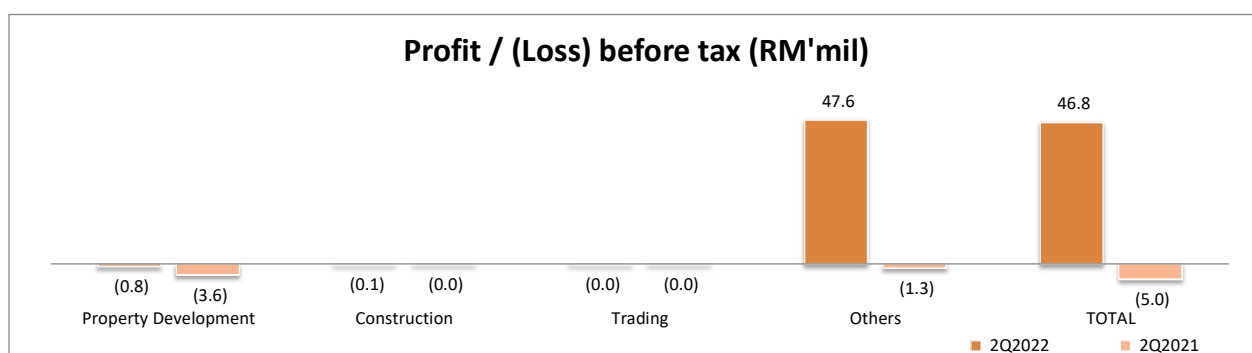
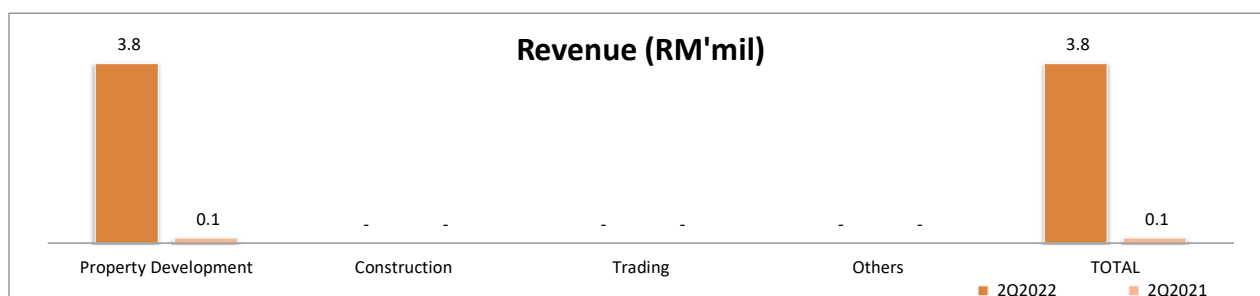


B1 Review of Performance - Comparison with Previous Corresponding Period and Quarter (cont'd)

For the current quarter ended 30 June 2022, the Group recorded a revenue of RM3.75 million, an increase of 3309% from RM0.11 million compared to the previous corresponding quarter ended 30 June 2021. Revenue improves due to sales of a shop unit in Kepong 2D at Kepong.

The profit before tax for the current quarter is RM46.8 million, an decrease as compared to loss before tax of RM4.95 million in the corresponding quarter.

This is mainly due to the disposal of a few wholly-owned subsidiaries taken up and a decrease of other operating expenses.



Property Development

The property development segment recorded a revenue of RM3.8 million and loss before tax of RM0.77 million in the current quarter compared to revenue of RM0.11 million and loss before tax of RM3.58 million in the previous corresponding quarter.

Construction & Engineering

The Construction & Engineering segment registered no revenue and loss before tax of RM0.07 million in current quarter as compared to no revenue and loss before tax of RM0.02 million in the previous corresponding quarter.

The construction and engineering segment only carried out internal projects.

Trading

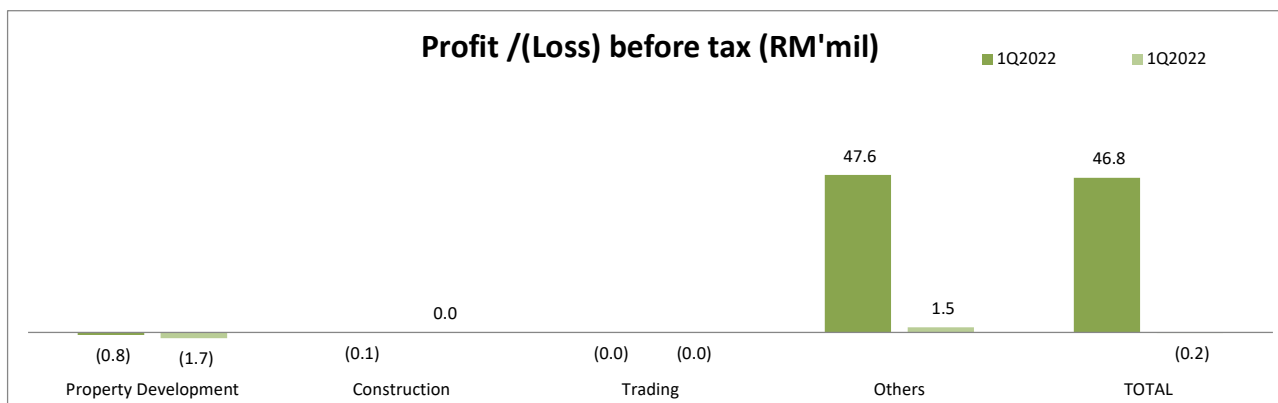
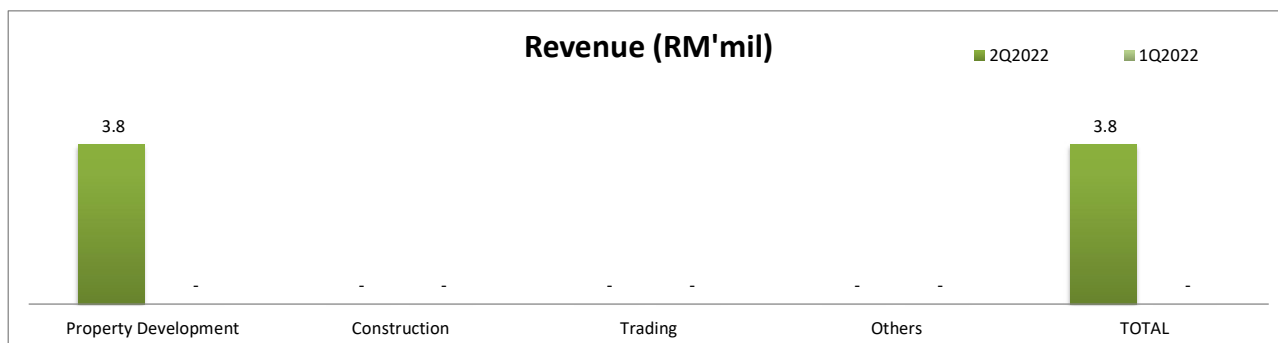
Trading segment reported no revenue and profit before tax RM0.0 million as compared to no revenue and loss before tax of RM0.0 million in the corresponding quarter of the previous financial year.

B2 Review of Performance - Comparison with Immediate Preceding Quarter

	Current Quarter 30/06/2022 RM'000	Immediate Preceding 31/03/2022 RM'000	Changes %
Revenue	3,750	(0)	100%
Cost of sales	(1,141)	(73)	1466%
Gross profit	2,609	(73)	
Profit/(Loss) before interest and tax	50,090	2,934	1607%
Profit/(Loss) before taxation	46,759	(203)	
Profit/(Loss) for the period	46,744	(218)	
Profit/(Loss) attributable to:			
Owners of the Company	46,987	138	33875%

For the current quarter, the Group recorded a revenue of RM3.8 million, as compared to turnover RM0.0 million in the immediate preceding quarter ended 31 March 2022.

The Group posted a profit before tax of RM46.8 million in the current quarter, as compared to loss before tax of RM0.2 million in the immediate preceding quarter ended 31 March 2022.



B3 Prospects for the Current Financial Year

The Group is planning to launch, in the fourth 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 has identified and is working on its final terms of engagement for the appointment of a turnkey contractor and project management consultant to ensure timely and effective implementation of the project. Meanwhile, the Group has revised the feasibility study for its project in Kelab Golf Sultan Abdul Aziz Shah, Shah Alam comprising 315 units of condominiums on site of 5.25 acres prime land facing the golf course. The revision is focused on the unit size and its layout and the selling price having taken account the present market sentiments. The proposed project has been issued with all relevant licenses and permits and the Group targets to launch the project by end of the year after the end financing arrangements are finalised. The project will generate Gross Development Value of not less than RM150 million. However, the Group will also consider for a disposal if it receives an appropriate offer. on 20 April 2022, the 70% owned subsidiary company Magna Ecocity Sdn. Bhd entered into a Joint Venture Agreement ("JVA") with OCR Avenue Sdn. Bhd. ("OCR Avenue") to fund and undertake the development. Pursuant to the JVA, OCR Avenue has discretion in the planning, construction, project management and sale of the entire development project. In return, MESB is entitled to a total sum of RM160,000,000 ("Minimum Entitlement"), and the differential sum between 30% of the development profit and the Minimum Entitlement of RM160,000,000, if any. The Group has been informed that OCR Avenue has submitted its application for facilities to the relevant financial institutions and are now awaiting approval from such institution expected by the third quarter of 2022. The management has identified a few business ventures which will generate cash flow to the Group. Once the mode of financing for the intended acquisitions are decided, it will make the appropriate announcements with regard to the proposed ventures.

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	
	30/06/2022 RM'000	31/12/2021 RM'000
In respect of :		
- current year	30	(336)
- deferred taxation	3	152
	<u>32</u>	<u>(184)</u>

The effective tax rate of the Group for the financial period ended 31 December 2021 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

Status of Utilisation of Proceeds

Purpose	Proposed Utilisation	Actual Utilisation as at 30.06.2022	Intended Timeframe for Utilisation	Balance Unutilised	
	RM'000	RM'000		RM'000	%
Repayments of borrowing	26,181.00	26,181.00	Within eighteen (18) months	-	0%
Working Capital	3,545.00	288.81	Within eighteen (18) months	3,256.20	92%
Estimate expenses for PP	210.00	201.00	Immediate	9.00	4%
	29,936.00	26,670.81		3,265.20	11%

B7 Group Borrowings

Details of Group borrowings as at 30 June 2022 are as follows:

	As at 30/06/2022 RM'000	As at 31/12/2021 RM'000
Secured		
Borrowings repayable		
- within 12 months	128,828	127,400
- after 12 months	19,816	19,816
Total borrowings	148,645	147,216

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 has negotiating with Isotechnics on the judgement sum and will make full settlement in due course. However parties has not reached any settlement on the judgment sum, subsequently Isotechnic together with other creditor mainly (JMB) of Boulevard Business Park has proposed to appoint their own Private Liquidators instead of the Official Receiver (insolvency KL). Magna Prima Berhad being the contributory has filled an objection on the appointment of the Private Liquidators. And the Court of Appeal has fixed the hearing of the appeal on 7.7.2022. On 17.5.2022 the court has duly allowed the change of liquidator from Insolvency to a private liquidator Mr. Khoo Siew Kiat and Mr.Lim Keng Peo from Deloitte Restructuring Services PLT.

B10 Dividend Proposed/Declared

There were no dividend proposed for the current financial quarter ended 30 June 2022.

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.

	6 months ended	
	30/06/2022	30/06/2021
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	47,125	(12,717)
Weighted average number of ordinary shares in issue ('000)	378,557	332,627
Basic EPS (sen)	12.45	(3.82)

(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

	6 months ended	
	30/6/2022	30/6/2021
	RM'000	RM'000
Depreciation of property, plant and equipment	21	30
Interest expenses	6,771	7,843
Interest income	(62)	(11)
Other income	53,172	258
Unrealised (gain)/loss of foreign exchange	519	4,123
Gain on deconsolidation of a subsidiary	(48,237)	-

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-