

MAGNA PRIMA BERHAD

Registration No.: 199501040315 (369519-P)

(Incorporated in Malaysia)

Interim Financial Statements

30 June 2023

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Interim Financial Statements - 30 June 2023

	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 - 9

MAGNA PRIMA BERHAD

Registration No.: 199501040315 (369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

(The figures have not been audited)

	AS AT 30/06/2023 RM'000 (Unaudited)	AS AT 31/12/2022 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	99	111
Right-use-of-assets	-	-
Investment properties	369,650	369,650
Land held for property development	112,979	112,979
	<u>482,729</u>	<u>482,739</u>
Current Assets		
Inventories	64,300	64,300
Contract assets	-	-
Trade and other receivables	1,028	27,816
Tax recoverable	78	86
Cash held under Housing Development Accounts	1,068	840
Fixed and short term deposits with licensed banks	27	202
Cash and bank balances	70	6,569
TOTAL CURRENT ASSETS	<u>66,571</u>	<u>99,814</u>
Non-current assets held for sale	-	-
TOTAL ASSETS	<u>549,301</u>	<u>582,554</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	17,701	14,335
Retained profits	252,111	257,762
	<u>418,371</u>	<u>420,657</u>
Non-controlling interests	1,697	1,697
TOTAL EQUITY	<u>420,069</u>	<u>422,354</u>
Non-Current Liabilities		
Borrowings	17,812	17,812
Lease liability	-	-
Deferred tax liabilities	21,025	21,025
	<u>38,837</u>	<u>38,837</u>
Current Liabilities		
Trade and other payables	18,311	22,058
Contract liabilities	-	-
Borrowings	61,575	88,217
Lease liability	-	-
Current tax liabilities	10,509	11,088
	<u>90,395</u>	<u>121,362</u>
TOTAL LIABILITIES	<u>129,232</u>	<u>160,200</u>
TOTAL EQUITY AND LIABILITIES	<u>549,301</u>	<u>582,554</u>
Net assets per share of RM0.25 each attributable to Owners of the Company (RM)	<u>1.05</u>	<u>1.05</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2023

(The figures have not been audited)

	3 months ended		6 months ended	
	30/06/2023 RM'000	30/06/2022 RM'000	30/06/2023 RM'000	30/06/2022 RM'000
Revenue	-	3,750	-	3,750
Cost of sales	-	(1,141)	-	(1,214)
Gross profit	-	2,609	-	2,536
Other operating income	464	48,577	524	53,172
Selling and distribution expenses	-	(116)	(460)	(116)
Administration expenses	(746)	(749)	(1,607)	(1,977)
Other operating expenses	455	(229)	(186)	(589)
Profit/(Loss) before interest and tax	173	50,091	(1,729)	53,025
Finance costs	(1,672)	(3,332)	(3,769)	(6,469)
Profit/(Loss) before taxation	(1,499)	46,759	(5,497)	46,556
Taxation	(88)	(15)	(175)	(30)
Profit/(Loss) for the period	(1,587)	46,744	(5,672)	46,526
Other comprehensive income / (expense) :				
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	1,059	(6,229)	161	519
Other comprehensive income for the period	1,059	(6,229)	161	519
Total comprehensive income for the period	(528)	40,515	(5,511)	47,045
Profit/(Loss) attributable to:				
Owners of the Company	(1,566)	46,987	(5,651)	47,125
Non-controlling interests	(21)	(243)	(21)	(599)
	(1,587)	46,744	(5,672)	46,526
Total comprehensive income/(expense) attributable to:				
Owners of the Company	(507)	40,758	(5,490)	47,644
Non-controlling interests	(21)	(243)	(21)	(599)
	(528)	40,515	(5,511)	47,045
Earnings per share attributable to Owners of the Company:				
- Basic (sen)	(0.39)	12.41	(1.42)	12.44

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 2022 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 CHANGES IN EQUITY

For the period ended 30 June 2023

(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 2023	150,945	(2,385)	19,706	(5,372)	257,762	420,657	1,697	422,354
Profit / (Loss) for the period	-	-	-	-	(5,651)	(5,651)	-	(5,651)
Other comprehensive expense for the period	-	-	-	3,366	-	3,366	-	3,366
Total comprehensive income / (expense) for the period	-	-	-	3,366	(5,651)	(2,285)	-	(2,285)
Balance as at 30 June 2023	150,945	(2,385)	19,706	(2,005)	252,111	418,372	1,697	420,069
Balance as at 1 January 2022 (restated)	150,945	(2,385)	19,706	(3,086)	211,119	376,298	(717)	375,581
Profit / (Loss) for the period	-	-	-	-	46,644	46,644	2,415	49,059
Other comprehensive income for the period	-	-	-	(2,285)	-	(2,285)	-	(2,285)
Total comprehensive income / (expense) for the period	-	-	-	(2,285)	46,644	44,359	2,415	46,774
Balance as at 31 December 2022	150,945	(2,385)	19,706	(5,372)	257,762	420,657	1,697	422,354

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2023

(The figures have not been audited)

	6 months ended 30/06/2023 RM'000	6 months ended 30/06/2022 RM'000
Cash Flows From Operating Activities		
(Loss) /Profit before taxation	(5,497)	46,555
Adjustments for :-		
Depreciation of property, plant and equipment	17	21
(Gain) on reversal deconsolidation of a subsidiary	354	-
Property, plant and equipment written off	(6)	1
Gain on deconsolidation of a subsidiary	-	(48,237)
Finance income	(14)	(62)
Finance expense	3,769	6,771
Operating profit before changes in working capital	(1,377)	5,050
Changes in working capital		
Inventories	-	2,952
Trade and other receivables/payables	22,317	(6,063)
	22,317	(3,111)
Net cash generated from operations	20,940	1,940
Interest paid	(3,769)	(5,342)
Interest received	14	62
Tax paid	(570)	-
	(4,325)	(5,281)
Net cash generated from/(used in) operating activities	16,615	(3,341)
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	-	(1,991)
Net cash inflow/(outflow) from deconsolidation of the subsidiary	214	-
Net cash generated from/(used in) investing activities	214	(1,991)
Cash Flows From Financing Activities		
Repayment of bank borrowings	(26,642)	0
Net cash (used in)/generated from financing activities	(26,642)	0
Net change in cash & cash equivalents	(9,812)	(5,332)
Cash & cash equivalents at the beginning of the financial period	7,611	11,700
Effect of exchange rate changes	3,366	519
Cash & cash equivalents at the end of the financial period	1,165	6,886
	As at	As at
	30/06/2023	30/06/2022
	RM'000	RM'000
Cash and bank balances	70	290
Cash held under Housing Development Accounts	1,068	837
Fixed and short term deposits with licensed banks	27	5,760
	1,165	6,886
Less: Fixed deposits pledged with licensed banks	-	-
	1,165	6,886

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 are unaudited and have been prepared in accordance with the requirement of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2022.

Significant Accounting Policies

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2022, except for the adoption of the following New and Revised Malaysian Financial Reporting Standards ("MFRSs") and amendments/Improvements to MFRS and New IC Interpretations ("IC Int") for financial periods beginning on or after 1 January 2022:-

Amendments to MFRS 3, "Business Combinations" (Reference to the Conceptual Framework)
Amendments to MFRS 116, "Property, Plant and Equipment" (Proceeds before Intended Use)
Amendments to MFRS 137, "Provision, Contingent Liabilities and Contingent Assets" (Onerous Contracts – Cost of Fulfilling a Contract)
Annual Improvements to MFRSs Standard 2018 to 2020

As at the date of authorisation of the interim financial report, the following new MFRSs, amendments/Improvements to MFRSs and IC Interpretations were issued but not yet effective and have not been adopted by the Group:-

Annual period beginning on or after 1 January 2023

- MFRS 17, "Insurance Contracts"
- Amendments to MFRS 17, "Insurance Contracts"
- Amendments to MFRS 101, "Presentation of Financial Statements" (Classification of Liabilities as Current or Non-current)
- Amendments to MFRS 101, "Presentation of Financial Statements" (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)

Effective date yet to be determined by the Malaysian Accounting Standard Board

- 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)

A2 Auditors' Report For The Financial Year Ended 31 December 2022

The auditors' report on the financial statements for the financial year ended 31 December 2022 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
Balance as at 30 June 2023	2,285,500	2,385,431

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 30/06/2023 :						
Total revenue	-	-	-	-	-	-
Intersegment revenue	-	-	-	77	(77)	-
Segment revenue :	-	-	-	77	(77)	-
Primary geographical markets:						
Australia	-	-	-	-	-	-
Malaysia	-	-	-	77	(77)	-
	-	-	-	77	(77)	-
Nature of product						
Commercial properties	-	-	-	77	(77)	-
Residential properties	-	-	-	-	-	-
	-	-	-	77	(77)	-
Segment profit / (loss) before tax :	(5,146)	(4)	(6)	(341)	-	(5,497)
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	14	-	-	0	-	14
Segment assets :	736,952	38	2	464,159	(651,850)	549,302
Segment liabilities :	476,666	3,883	2,383	207,501	(561,200)	129,233

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

There were no material events subsequent to the end of the period.

A11 Changes in the Composition of the Group

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 :

	As at 30/06/2023 RM'000	As at 31/12/2022 RM'000
Company		
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	79,387	106,029
- Unsecured	-	-
	79,387	106,029

B Bursa Malaysia Listing Requirements

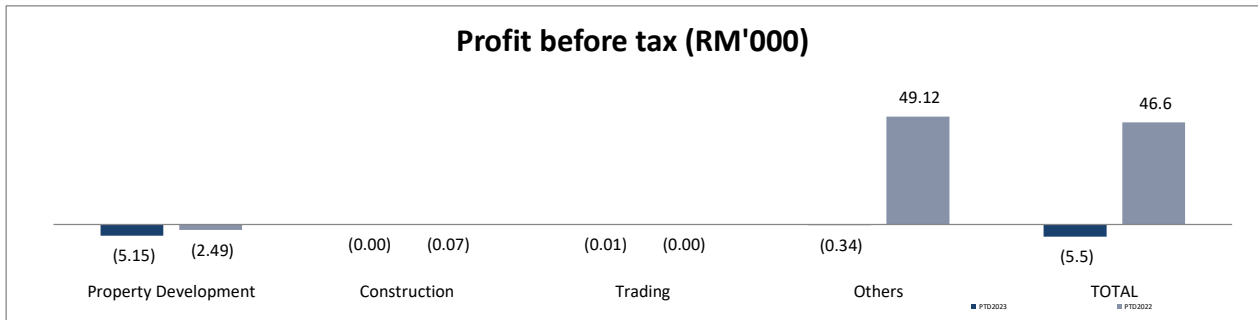
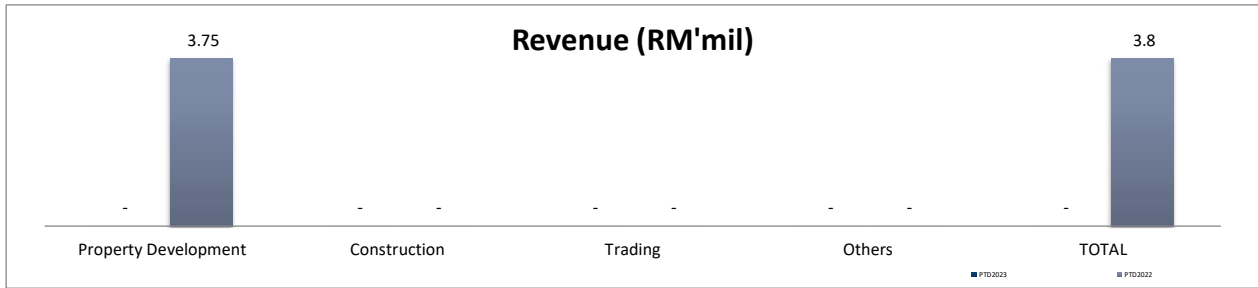
B1 Review of Performance - Comparison with Previous Corresponding Period and Quarter

	3 months ended			6 months ended		
	30/06/2023 RM'000	30/06/2022 RM'000	Changes %	30/06/2023 RM'000	30/06/2022 RM'000	Changes %
Revenue	-	3,750	(100%)	-	3,750	-100%
Cost of sales	-	(1,141)	(100%)	-	(1,214)	(100%)
Gross profit	-	2,609	(100%)	-	2,536	(100%)
Profit/(Loss) before interest and tax	173	50,091		(1,729)	53,025	
Profit/(Loss) before taxation	(1,499)	46,759		(5,497)	46,556	
Profit/(Loss) for the period	(1,587)	46,744		(5,672)	46,526	
Profit/(Loss) attributable to:						
Owners of the Company	(1,566)	46,987		(5,651)	47,125	

For the 6 months ending 30 June 2023, the Group achieved a revenue of RM0.0 million, zero revenue compared to previous corresponding period amounting to RM3.7 million and an increase for loss before tax of RM-5.5 million compared to profit of RM46.6 million recorded in the previous corresponding period ended 30 June 2022.

No Revenue in the current Quarter and no revenue in the previous corresponding Quarter, and loss before taxation increase due to the interest expenses in the current Quarter.

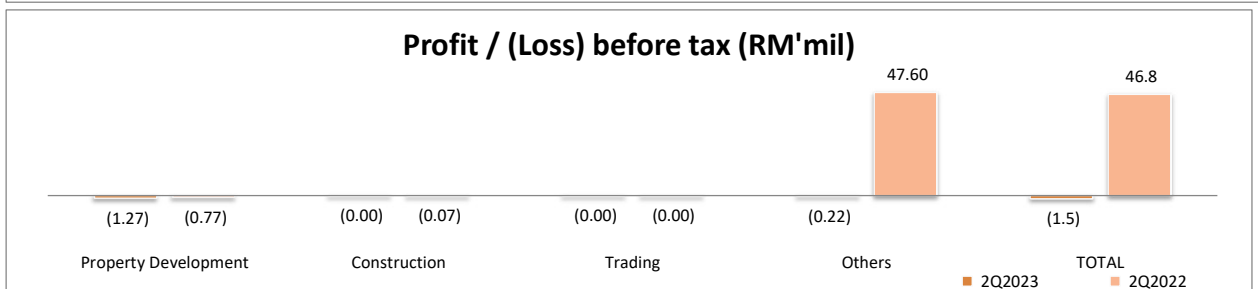
B1 Review of Performance - Comparison with Previous Corresponding Period and Quarter (cont'd)



For the current quarter ended 30 June 2023, the Group recorded a revenue of RM0.00 million, a decrease of revenue from RM3.75 million compared to the previous corresponding quarter ended 30 June 2022.

The loss before tax for the current quarter is RM1.50 million, an decrease profit as compared to profit before tax of RM46.8 million in the previous corresponding quarter.

This is mainly due to the disposal of a few wholly-owned subsidiaries taken up profit in the previous corresponding quarter.



Property Development

The property development segment recorded a revenue of RM0.0 million and loss before tax of RM1.27 million in the current quarter compared to revenue of RM3.75 million and loss before tax of RM0.77 million in the previous corresponding quarter.

Construction & Engineering

The Construction & Engineering segment registered no revenue and loss before tax of RM0.00 million in current quarter as compared to no revenue and loss before tax of RM0.07 million in the previous corresponding quarter.

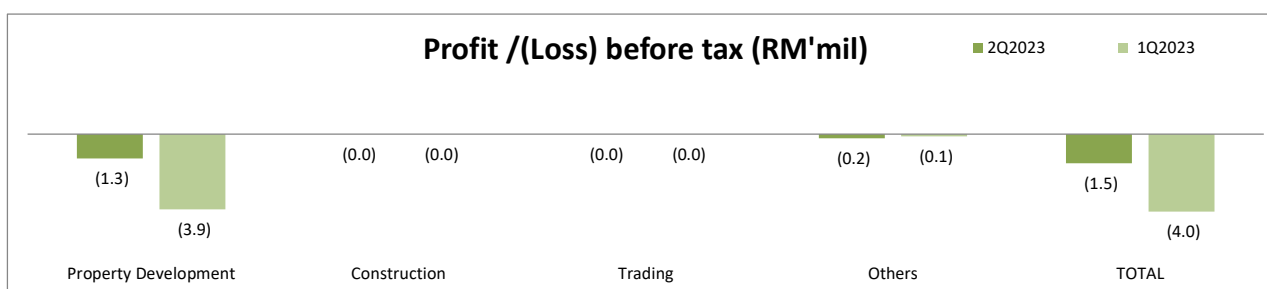
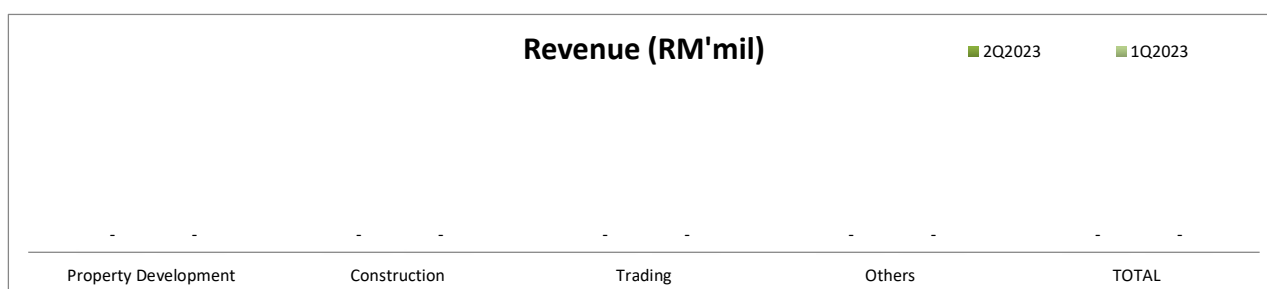
Trading

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 30/06/2023 RM'000	Immediate Preceding 31/03/2023 RM'000	Changes %
Revenue	-	-	
Cost of sales	-	-	
Gross profit	-	-	
Profit/(Loss) before interest and tax	173	(1,902)	(109%)
Profit/(Loss) before taxation	(1,499)	(3,998)	(63%)
Profit/(Loss) for the period	(1,587)	(4,086)	(61%)
Profit/(Loss) attributable to: Owners of the Company	(1,566)	(4,086)	(62%)

For the current quarter, the Group recorded a revenue of RM0.0 million, as compared to turnover RM0.0 million in the immediate preceding quarter ended 31 March 2023.



B3 Prospects for the Current Financial Year

a.Kepong Phase 2D Apartment

(i) Indirect fully owned subsidiary, Magna Park Sdn Bhd (MPSB) has on 07 Sept 2022 awarded a turnkey construction contract to Tafi Home and office Sdn Bhd (a subsidiary of Tafi Industri Berhad) for its proposed development project in Metro Prima, Kepong on a piece of one (1) acre land on a joint venture basis with Dewan Bandaraya Kuala Lumpur (DBKL).

(ii) The proposed project initially consisted of 266 units service apartment with Gross Development Value of RM130 million. After appeal DBKL has approved the Development Order and Building Plans with increased number of units to 306 units.

(iii) The Supplemental Agreement between DBKL and MPSB has been executed on 24.07.2023. MPSB is now applying for the Developer's License and the Advertising Permit. Once the approvals are obtained, the project will be launched to the public which is expected in September, 2023.

b.Shah Alam KGSSAS Project

(i) Magna City Shah Alam Sdn Bhd has executed a Joint Venture Agreement with Golden Armani Sdn Bhd ("GASB") on 28 February, 2023 to develop its project at Kelab Golf Sultan Abdul Aziz Shah, Shah Alam comprising 315 units of condominiums on the site of a 5.25 acres prime land facing the golf course.

(ii) GASB has paid RM21 million to Affin Bank Berhad on 15.07.2023 and the loan with Affin Bank has been fully redeemed.

(iii) GASB is now applying for Developer's License and the Advertising Permit which is expected to be approved in September, 2023, following which a public launch is expected.

c.Shah Alam Lot PT12 Project

(i) Magna Ecocity Sdn. Bhd entered into a Joint Venture Agreement ("JVA") with OCR Avenue Sdn. Bhd. ("OCR Avenue") on 20 April 2022 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.

(ii) The first tranche payment under the joint venture amounting to RM80 Million was received in the months of December 2022 and January 2023. The first tranche payment had been used to substantially pare down the Group's borrowings.

(iii) The second tranche payment is expected to be received by December, 2023.

d.Jalan Gasing land

Magna Prima Berhad (MPB) has on 04.08.2023 executed an Agreement with Glomics Holding Sdn Bhd (GHSB) to dispose its fully owned subsidiary, 33 Sentral Park Sdn Bhd (33SP) to GHSB for RM65,000,000.00. 33SP is the registered proprietor of the Group's land located at Jalan Gasing measuring approximately 6.9 acres.

e.New business

There is no further update in the proposed new business as yet. We will provide appropriate feedback when there is new development.

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	
	30/06/2023 RM'000	31/12/2022 RM'000
In respect of :		
- current year	175	174
- deferred taxation	0	21
	<u>175</u>	<u>195</u>

The effective tax rate of the Group for the financial period ended 31 December 2022 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

There were no corporate proposal as at the date of this report.

B7 Group Borrowings

Details of Group borrowings as at 30 June 2023 are as follows:

Secured	As at	
	30/06/2023 RM'000	31/12/2022 RM'000
Borrowings repayable		
- within 12 months	61,575	88,217
- after 12 months	17,812	17,812
Total borrowings	<u>79,388</u>	<u>106,029</u>

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

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

B10 Dividend Proposed/Declared

There were no dividend proposed for the current financial quarter ended 30 June 2023.

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	
	30/06/2023	30/06/2022
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	(5,651)	47,125
Weighted average number of ordinary shares in issue ('000)	399,153	378,739
Basic EPS (sen)	<u>(1.42)</u>	<u>12.44</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

	6 months ended	
	30/6/2023 RM'000	30/6/2022 RM'000
Depreciation of property, plant and equipment	17	21
Interest expenses	3,769	6,771
Interest income	(14)	(62)
Other income	(524)	(53,172)
Unrealised (gain)/loss of foreign exchange	3,366	519

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-