

MAGNA PRIMA BERHAD

Registration No.: 199501040315 (369519-P)

(Incorporated in Malaysia)

Interim Financial Statements

30 September 2023

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Interim Financial Statements - 30 September 2023

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MAGNA PRIMA BERHAD

Registration No.: 199501040315 (369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

(The figures have not been audited)

	AS AT 30/09/2023 RM'000 (Unaudited)	AS AT 31/12/2022 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	218	111
Right-use-of-assets	-	-
Investment properties	369,650	369,650
Land held for property development	65,708	112,979
	<u>435,576</u>	<u>482,739</u>
Current Assets		
Inventories	81,580	64,300
Contract assets	-	-
Trade and other receivables	3,842	27,816
Tax recoverable	-	86
Cash held under Housing Development Accounts	1,070	840
Fixed and short term deposits with licensed banks	27	202
Cash and bank balances	56	6,569
TOTAL CURRENT ASSETS	<u>86,575</u>	<u>99,814</u>
Non-current assets held for sale	-	-
TOTAL ASSETS	<u>522,151</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	17,582	14,335
Retained profits	240,421	257,762
	<u>406,564</u>	<u>420,657</u>
Non-controlling interests	1,697	1,697
TOTAL EQUITY	<u>408,261</u>	<u>422,354</u>
Non-Current Liabilities		
Borrowings	18,129	17,812
Lease liability	-	-
Deferred tax liabilities	21,025	21,025
	<u>39,154</u>	<u>38,837</u>
Current Liabilities		
Trade and other payables	22,134	22,058
Contract liabilities	-	-
Borrowings	42,183	88,217
Lease liability	102	-
Current tax liabilities	10,317	11,088
	<u>74,736</u>	<u>121,362</u>
TOTAL LIABILITIES	<u>113,890</u>	<u>160,200</u>
TOTAL EQUITY AND LIABILITIES	<u>522,151</u>	<u>582,554</u>
Net assets per share of RM0.25 each attributable to Owners of the Company (RM)	<u>1.02</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 September 2023

(The figures have not been audited)

	3 months ended		9 months ended	
	30/09/2023 RM'000	30/09/2022 RM'000	30/09/2023 RM'000	30/09/2022 RM'000
Revenue	21,000	-	21,000	3,750
Cost of sales	(30,252)	(0)	(30,252)	(1,214)
Gross profit	(9,252)	(0)	(9,252)	2,536
Other operating income	101	564	625	53,736
Selling and distribution expenses	(0)	-	(460)	(116)
Administration expenses	(1,033)	(898)	(2,640)	(2,876)
Other operating expenses	(9)	(32)	(195)	(622)
Profit/(Loss) before interest and tax	(10,193)	(367)	(11,921)	52,658
Finance costs	(1,502)	(3,365)	(5,271)	(9,834)
Profit/(Loss) before taxation	(11,694)	(3,732)	(17,192)	42,824
Taxation	(2)	(130)	(177)	(160)
Profit/(Loss) for the period	(11,696)	(3,862)	(17,369)	42,665
Other comprehensive income / (expense) :				
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	21	(970)	182	(451)
Other comprehensive income for the period	21	(970)	182	(451)
Total comprehensive income for the period	(11,675)	(4,831)	(17,187)	42,214
Profit/(Loss) attributable to:				
Owners of the Company	(11,690)	(3,590)	(17,341)	43,535
Non-controlling interests	(7)	(271)	(28)	(870)
	(11,696)	(3,861)	(17,369)	42,665
Total comprehensive income/(expense) attributable to:				
Owners of the Company	(11,669)	(4,560)	(17,159)	43,084
Non-controlling interests	(7)	(271)	(28)	(870)
	(11,675)	(4,831)	(17,187)	42,214
Earnings per share attributable to Owners of the Company:				
- Basic (sen)	(2.93)	(0.91)	(4.34)	11.02

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

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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 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	
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	-	-	-	-	(17,341)	(17,341)	-	(17,341)
Other comprehensive expense for the period	-	-	-	3,248	-	3,248	-	3,248
Total comprehensive income / (expense) for the period	-	-	-	3,248	(17,341)	(14,093)	-	(14,093)
Balance as at 30 September 2023	150,945	(2,385)	19,706	(2,124)	240,421	406,563	1,697	408,261
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

Registration No.: 199501040315 (369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2023

(The figures have not been audited)

	9 months ended 30/09/2023 RM'000	9 months ended 30/09/2022 RM'000
Cash Flows From Operating Activities		
(Loss) /Profit before taxation	(17,192)	42,824
Adjustments for :-		
Depreciation of property, plant and equipment	28	31
(Gain) on reversal deconsolidation of a subsidiary	354	-
Property, plant and equipment written off	(136)	1
Gain on deconsolidation of a subsidiary	-	(48,720)
Finance income	(15)	(77)
Finance expense	5,270	9,834
Operating profit before changes in working capital	(11,690)	3,893
Changes in working capital		
Land held for property development	47,271	-
Inventories	(17,279)	2,919
Trade and other receivables/payables	23,333	(5,724)
	53,324	(2,806)
Net cash generated from operations	41,634	1,088
Interest paid	(5,270)	(6,502)
Interest received	15	77
Tax paid	(685)	-
	(5,940)	(6,425)
Net cash generated from/(used in) operating activities	35,694	(5,337)
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	(45,615)	0
Net cash (used in)/generated from financing activities	(45,615)	0
Net change in cash & cash equivalents	(9,706)	(7,328)
Cash & cash equivalents at the beginning of the financial period	7,611	11,700
Effect of exchange rate changes	3,248	(451)
Cash & cash equivalents at the end of the financial period	1,153	3,921
	As at 30/09/2023 RM'000	As at 30/09/2022 RM'000
Cash and bank balances	56	192
Cash held under Housing Development Accounts	1,070	838
Fixed and short term deposits with licensed banks	27	2,892
	1,153	3,921
Less: Fixed deposits pledged with licensed banks	-	-
	1,153	3,921

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 September 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 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 30/09/2023 :</u>						
Total revenue	21,000	-	-	-	-	21,000
Intersegment revenue	-	-	-	116	(116)	-
Segment revenue :	21,000	-	-	116	(116)	21,000
<u>Primary geographical markets:</u>						
Australia	-	-	-	-	-	-
Malaysia	21,000	-	-	116	(116)	21,000
	21,000	-	-	116	(116)	21,000
<u>Nature of product</u>						
Commercial properties	21,000	-	-	116	(116)	21,000
Residential properties	-	-	-	-	-	-
	21,000	-	-	116	(116)	21,000
Segment profit / (loss) before tax :	(16,418)	(44)	(7)	(723)	-	(17,192)
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	14	-	-	0	-	15
Segment assets :	709,554	0	6	467,446	(654,855)	522,151
Segment liabilities :	460,521	3,885	2,387	211,170	(564,073)	113,890

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 30/09/2023 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	60,312	106,029
- Unsecured	-	-
	60,312	106,029

B Bursa Malaysia Listing Requirements

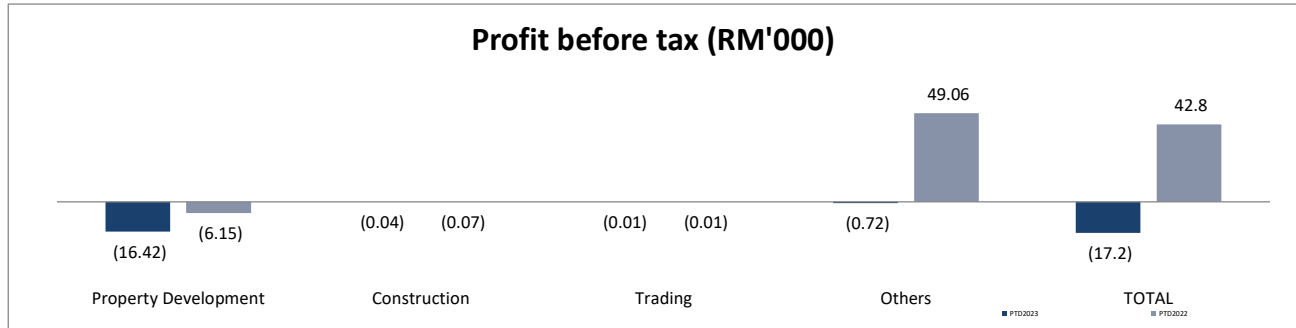
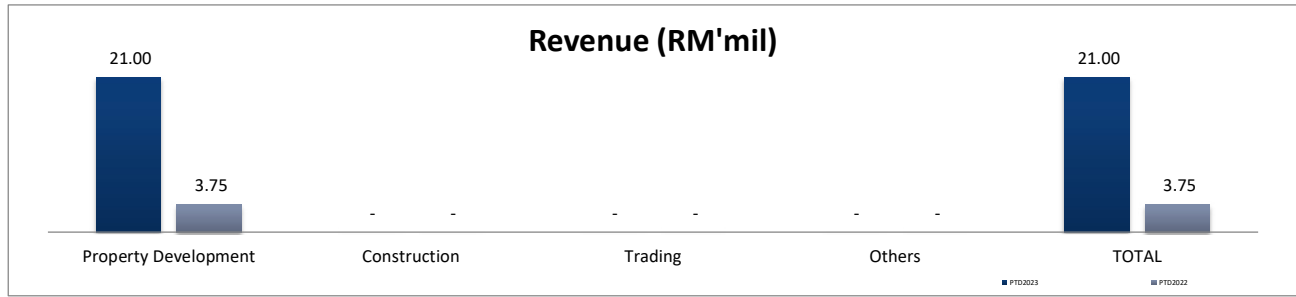
B1 Review of Performance - Comparison with Previous Corresponding Period and Quarter

	3 months ended			9 months ended		
	30/09/2023 RM'000	30/09/2022 RM'000	Changes %	30/09/2023 RM'000	30/09/2022 RM'000	Changes %
Revenue	21,000	-		21,000	3,750	460%
Cost of sales	(30,252)	(0)	30251984%	(30,252)	(1,214)	2392%
Gross profit	(9,252)	(0)	9251984%	(9,252)	2,536	(465%)
Profit/(Loss) before interest and tax	(10,193)	(367)		(11,921)	52,658	
Profit/(Loss) before taxation	(11,694)	(3,732)		(17,192)	42,824	
Profit/(Loss) for the period	(11,696)	(3,862)		(17,369)	42,665	
Profit/(Loss) attributable to: Owners of the Company	(11,690)	(3,590)		(17,341)	43,535	

For the 9 months ending 30 September 2023, the Group achieved a revenue of RM21.0 million, zero revenue compared to previous corresponding period amounting to RM3.7 million and an increase for loss before tax of RM-17.2 million compared to profit of RM42.8 million recorded in the previous corresponding period ended 30 September 2022.

Revenue and loss before tax in the current Quarter ended 30 September 2023 recorded at RM21.0million and RM-11.69million and no revenue in the previous corresponding Quarter, and loss before taxation increase due to the loss on Joint Venture of KGSAS project in the current Quarter.

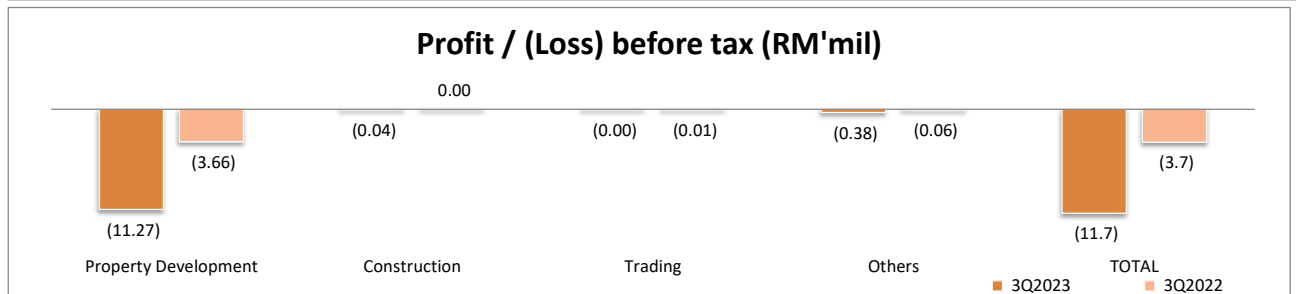
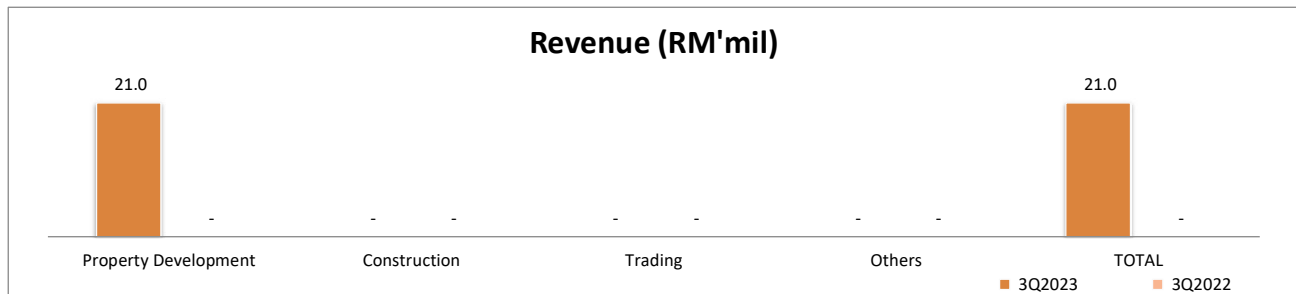
B1 Review of Performance - Comparison with Previous Corresponding Period and Quarter (cont'd)



For the current quarter ended 30 September 2023, the Group recorded a revenue of RM21.00 million, an increase of revenue from RM0.00 million compared to the previous corresponding quarter ended 30 September 2022.

The loss before tax for the current quarter is RM11.69 million, an increase losses as compared to loss before tax of RM3.73 million in the previous corresponding quarter.

This is mainly due to the joint venture on KGSAS project taken up losses in the current corresponding quarter.



Property Development

The property development segment recorded a revenue of RM21.0 million and loss before tax of RM11.27 million in the current quarter compared to revenue of RM0.00 million and loss before tax of RM3.66 million in the previous corresponding quarter.

Construction & Engineering

The Construction & Engineering segment registered no revenue and loss before tax of RM0.04 million in current quarter as compared to no revenue and loss before tax of RM0.00 million in the previous corresponding quarter.

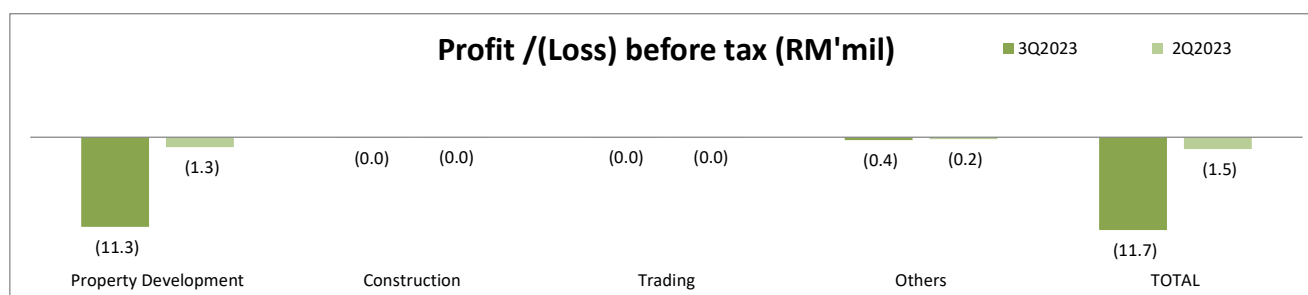
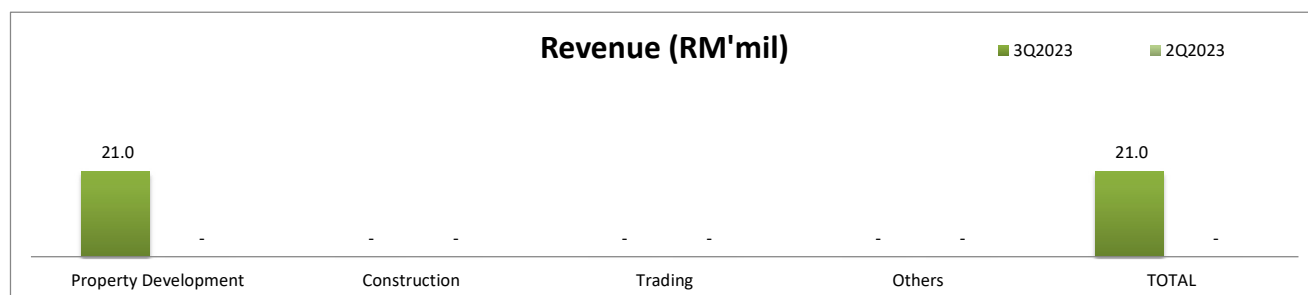
Trading

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 30/09/2023 RM'000	Immediate Preceding 30/06/2023 RM'000	Changes %
Revenue	21,000	-	
Cost of sales	(30,252)	-	
Gross profit	(9,252)	-	
Profit/(Loss) before interest and tax	(10,193)	(1,729)	490%
Profit/(Loss) before taxation	(11,694)	(5,497)	113%
Profit/(Loss) for the period	(11,696)	(5,672)	106%
Profit/(Loss) attributable to: Owners of the Company	(11,690)	(5,651)	107%

For the current quarter, the Group recorded a revenue of RM21.0 million, as compared to turnover RM0.0 million in the immediate preceding quarter ended 30 June 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 Industried 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 July 2023.

(iv) MPSB has just submitted the two titles forming the Land for amalgamation and the new title is expected to be ready in November 2023. After the new title is issued then MPSB will be able to apply for SIFUS and thereafter to apply for the Developer's License and the Advertising Permit. Once all the approvals are obtained, the project will be launched to the public which is now expected in December 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 July 2023 and the loan with Affin Bank has been fully redeemed.

(iii) GASB has obtained Developer's License and has launched the project to the public.

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.

(iv) Meanwhile, Majlis Bandaraya Shah Alam (MBSA) is reviewing OCR's application for Developer Order and other ancillary applications.

(v) OCR has also sent in a draft supplemental agreement in respect of the change of development elements for our review.

d. Jalan Gasing land

Magna Prima Berhad (MPB) has on 04 August 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.

The Sale and Purchase of 33SP to GHSB has been completed and the entire purchase price has been satisfied.

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	
	30/09/2023 RM'000	31/12/2022 RM'000
In respect of :		
- current year	177	174
- deferred taxation	0	21
	<u>177</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 September 2023 are as follows:

Secured	As at	
	30/09/2023 RM'000	31/12/2022 RM'000
Borrowings repayable		
- within 12 months	42,183	88,217
- after 12 months	18,129	17,812
Total borrowings	<u>60,312</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 September 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.

	9 months ended	
	30/09/2023	30/09/2022
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	(17,341)	43,535
Weighted average number of ordinary shares in issue ('000)	399,153	395,143
Basic EPS (sen)	<u>(4.34)</u>	<u>11.02</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	
	30/9/2023	30/9/2022
	RM'000	RM'000
Depreciation of property, plant and equipment	28	31
Interest expenses	5,270	9,834
Interest income	(15)	(77)
Other income	(625)	(53,736)
Unrealised (gain)/loss of foreign exchange	3,248	(451)

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-