

MAGNA PRIMA BERHAD**CONSOLIDATED INCOME STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004 CURRENT YEAR QUARTER	2003 PRECEDING YEAR CORRESPONDING QUARTER	2004 CURRENT YEAR TO DATE	2003 PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2004 RM'000	31/12/2003 RM'000	31/12/2004 RM'000	31/12/2003 RM'000
Revenue	16,963	54,354	96,741	169,641
Cost of Sales	<u>(10,865)</u>	<u>(56,791)</u>	<u>(81,939)</u>	<u>(169,610)</u>
Gross Profit	6,098	(2,437)	14,802	31
Other Operating Income	136	3,870	2,551	5,243
Operating expenses	<u>(3,951)</u>	<u>(1,351)</u>	<u>(12,160)</u>	<u>(5,963)</u>
Profit From Operations	2,283	82	5,193	(689)
Finance Costs	(185)	(674)	(1,479)	(2,102)
Share of Results of Joint Venture Entities	<u>-</u>	<u>3,369</u>	<u>(103)</u>	<u>3,856</u>
Profit/(Loss) Before Taxation	2,098	2,777	3,611	1,065
Taxation	<u>(345)</u>	<u>(482)</u>	<u>(852)</u>	<u>(924)</u>
Profit/(Loss) After Taxation	1,753	2,295	2,759	141
Minority Interests	<u>(304)</u>	<u>-</u>	<u>(1,172)</u>	<u>(105)</u>
Net Profit/(Loss) For the Period	<u><u>1,449</u></u>	<u><u>2,295</u></u>	<u><u>1,587</u></u>	<u><u>36</u></u>
Earnings per share (Note B12)				
Basic (sen)	3.41	5.83	3.78	0.09
Diluted (sen)	3.37	N/A	3.74	N/A

The condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2003 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD

**CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2004**

	As At 31/12/2004 RM'000	As At 31/12/2003 RM'000
PROPERTY, PLANT AND EQUIPMENT	8,122	5,881
JOINT VENTURES	-	3,536
INVESTMENTS	425	425
DEFERRED TAXATION	-	225
GOODWILL ON CONSOLIDATION	5,554	-
CURRENT ASSETS		
Gross amount due from customers for contract work	7,940	4,242
Development properties	57,023	46,871
Inventories	8,321	6,818
Debtors	33,176	54,627
Deposits, Cash & Bank Balances	8,540	9,883
	<u>115,000</u>	<u>122,441</u>
CURRENT LIABILITIES		
Creditors	41,975	52,051
Progress Billings	5,050	5,608
Bank Borrowings	12,121	15,305
Amount Owing to Directors	140	-
Taxation	7,055	7,585
	<u>66,341</u>	<u>80,549</u>
NET CURRENT ASSETS	48,659	41,892
	<u>62,760</u>	<u>51,959</u>
SHARE CAPITAL	42,534	39,362
RESERVES		
Share Premium	7,709	5,959
Retained Profit	4,901	3,314
Reserves	30	160
SHAREHOLDERS' FUNDS	<u>55,174</u>	<u>48,795</u>
MINORITY INTEREST	3,900	2,227
HIRE PURCHASE CREDITORS	585	854
LONG TERM BORROWINGS	2,896	83
DEFERRED TAXATION	205	-
	<u>62,760</u>	<u>51,959</u>

The condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2003 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD
CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 31 DECEMBER 2004

	31/12/2004 RM'000	31/12/2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,611	1,065
Adjustment for :-		
Depreciation of property, plant and equipment	1,280	2,996
Gain on disposal of property, plant and equipment	(395)	(3,118)
Property, plant and equipment written off	128	56
Loss on disposal of property, plant and equipment	147	-
Interest income	(485)	(506)
Interest expenses	1,479	2,102
Reserve on consolidation recognised	-	(259)
Bad debts written off	-	318
Goodwill amortisation	253	-
Write back of provision for expenses no longer required	-	(278)
Share of joint venture	(103)	(3,856)
Operating (Loss) / Profit Before Working Capital Changes	5,915	(1,480)
(Increase) /Decrease In Working Capital Changes		
Inventories	(1,503)	940
Amount owing by customers on contract	(3,648)	711
Development properties and real property assets	1,741	55,185
Trade and others receivables	8,557	3,282
Trade and other payables	(9,801)	(32,982)
Progress Billings	558	-
Investment in joint venture	3,536	2,373
Amount owing to directors	41	98
	(519)	29,608
Cash Generated From Operations	5,396	28,128
Taxation paid	(759)	(2,328)
Interest received	485	506
Interest paid	(1,479)	(2,102)
	(1,753)	(3,924)
Net Cash From Operating Activities	3,643	24,204

The condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2003 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD
CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 31 DECEMBER 2004

	31/12/2004	31/12/2003
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(74)	(211)
Net proceeds from disposal of property, plant and equipment	<u>3,791</u>	<u>2,531</u>
Net Cash From Investing Activities	3,717	2,320
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase liabilities	(1,352)	(2,205)
Repayment of bank borrowing	(11,942)	(24,163)
Proceeds from the issuance of shares	4,922	5,252
Shares issue expenses	<u>-</u>	<u>(150)</u>
Net Cash Used in Financing Activities	(8,372)	(21,266)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,012)	5,257
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	(361)	(5,619)
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	<u>(1,373)</u>	<u>(361)</u>
Closing balance of cash and cash equivalents comprises :-		
Cash and bank balances	2,487	7,215
Fixed deposit with licensed bank	6,053	2,670
Bank Overdraft	<u>(9,913)</u>	<u>(10,245)</u>
	<u>(1,373)</u>	<u>(361)</u>

The condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2003 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Share Capital	Share Premium	Capital Reserve	Reserve on Consolidation	Retained Profit	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 31st December 2002	33,300	1,729	30	389	3,279	38,727
Amount credited to income statement	-	-	-	(259)	-	(259)
Share issue expenses	-	-	-	-	-	-
New shares issued	6,062	4,230	-	-	-	10,292
Net profit for the period	-	-	-	-	35	35
Balance at end of period	39,362	5,959	30	130	3,314	48,795
Balance at 31st December 2003	39,362	5,959	30	130	3,314	48,795
Amount credited to income statement	-	-	-	(130)	-	(130)
Share issue expenses	-	-	-	-	-	-
New shares issued	3,172	1,750	-	-	-	4,922
Net profit for the period	-	-	-	-	1,587	1,587
Balance at end of period	42,534	7,709	30	-	4,901	55,174

The condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2003 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD
(369519-P)
(Incorporated in Malaysia)

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS - MASB

A1. ACCOUNTING POLICIES AND METHODS

The interim financial report has been prepared in accordance with the requirements of MASB 26: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirement of Bursa Malaysia Securities Berhad .

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2003. 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 financial year ended 31 December 2003.

The accounting policies and methods of computation adopted by the Company and the Group in preparing its financial statements are consistent with the audited financial statements for the year ended 31 December 2003.

A2. AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

The Auditor's Report for the year ended 31 December 2003 was not qualified.

A3. SEASONAL OR CYCLICALITY FACTORS

The Group's operations for the period are not 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 flow of the Group for the current quarter and financial year to date.

A5. MATERIAL CHANGES IN ESTIMATES OF AMOUNTS

There were no material changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.

A6. DEBTS AND EQUITY SECURITIES

As at 04 February 2005, the following ESOS shares have been exercised and listed in the BURSA MALAYSIA :

	First Batch (RM1.19)	Second Batch (RM1.23)
No. of shares exercised and listed as at 04 February 2005	2,542,050	38,100

On 24 January 2005, Bursa Malaysia had approved in-principle the listing of up to 4,239,700 new ordinary shares of RM1.00 each to be issued pursuant to the Private Placement exercise. The additional 4,239,700 new ordinary shares of RM1.00 each arising from the aforesaid Private Placement was allotted and granted listing and quotation on 14 February 2005. The proceeds have been applied in full for additional working capital purposes.

A7. DIVIDENDS

The company did not pay or recommend any dividends, for the period under review.

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A8. SEGMENTAL ANALYSIS

Based on 12 months period ended 31 December 2004:

	Current Quarter 31.12.2004	Cummulative Quarter 31.12.2004
Segment Revenue		
Property development	14,993	69,964
Construction and engineering	13,861	38,478
Trading	2,316	14,164
Others	916	3,028
	<u>32,086</u>	<u>125,634</u>
Consolidation adjustments	(15,123)	(28,893)
Group revenue	<u>16,963</u>	<u>96,741</u>
Segment Results		
Property development	2,402	2,594
Construction and engineering	504	927
Trading	(789)	1,663
Others	(3)	97
	<u>2,114</u>	<u>5,281</u>
Consolidation adjustments	169	(88)
Profit from operations	<u>2,283</u>	<u>5,193</u>

No geographical segment has been presented as the Group's activities are carried out in Malaysia.

A9. PROPERTY, PLANT AND EQUIPMENT

There were no valuations done on the Group's property, plant and equipment.

A10. MATERIAL EVENT SUBSEQUENT TO THE END OF THE PERIOD

There were no material events subsequent to the end of the period that have not been reflected in the financial statements for the period.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the period under review including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations.

A12. CONTINGENT LIABILITIES

	Group	Group	Company	Company
	As at 31/12/2004	As at 31/12/2003 (Audited)	As at 31/12/2004	As at 31/12/2003 (Audited)
	RM'000	RM'000	RM'000	RM'000
Guarantees given to financial institutions for facilities granted to subsidiary companies:				
- Secured on assets of subsidiary companies	-	-	63,286	55,076
- Unsecured	-	-	1,500	1,500
Guarantees given to financial institutions for facilities granted to joint venture entity:				
- Secured on assets of joint venture entity	-	-	-	-
Guarantees given to trade creditors of subsidiary companies for credit facilities granted to subsidiary companies:				
- Unsecured	-	-	6,600	6,100
Limit of guarantees	-	-	71,386	62,676
Amount utilized	-	-	21,277	21,442
Bank guarantees and performance bonds				
- Secured on assets of subsidiary companies	6,771	2,684	-	-
- Unsecured	589	592	-	-
Portion of late payment interest claimed by trade creditors and hire purchase creditors under appeal and not recognised in the financial statements	1,720	1,876	-	-
	9,080	5,152	21,277	21,442

A13. CONTINGENT ASSETS

There were no contingent assets as at the end of the current quarter and at the last annual balance sheet date.

B. BURSA MALAYSIA LISTING REQUIREMENTS

B1. REVIEW OF THE PERFORMANCE

The Group recorded a total turnover of RM96.74 million, gross profit of RM14.80 million, profit from operations of RM5.19 million and profit after tax and minority interest of RM1.59 million for the year to date.

Property development division contributed 72% of the total turnover, which was generated from the Metro Prima development project. Gross profit from the sector is RM5.73 million.

The balance of turnover is mainly from the construction and engineering division ("C&E") totalling RM12.61 million and trading division totalling RM14.16 million. The turnover from C&E division is contributed by the construction jobs in Metro Prima and quarry operations. The trading division turnover is contributed by a newly acquired 51% subsidiary company involved in trading and supply of stone works and flooring materials. Both divisions reported gross profit of RM4.30 million and RM5.00 million respectively. Due to high depreciation and finance cost, the C&E division reported a net loss after tax of RM1.02 million. However, the trading division reported net profit after tax of RM1.18 million for the year to date.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Turnover recorded at RM16.96 million for the current quarter as compared to RM23.0 million in the previous quarter 2004. The decrease is due to completion of certain phases in Metro Prima development project and construction division projects during the year. Profit after minority interests for the current quarter is higher than the previous quarter 2004 due to the minority interest portion of new operating subsidiary under the trading division.

B3. PROSPECTS

The Directors expect growth to continue from the new projects within the Group and subsequent construction works associated with them. The trading arm is also expected to complement and show revenue performance. The Group will also continuously build efforts to achieve improved financial and operational expenditures.

The Directors expect the Group to show a positive result for the year 2005.

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 tax charged is as follows:

	31.12.2004
	RM'000
Income Tax :	
Malaysian income tax	1,011
Overprovision of Malaysian income tax in prior year	(1,093)
	<u>(82)</u>
Deferred tax	934
	<u>852</u>

The effective tax charge for the company is lesser than that based on the statutory rate of tax due to certain expenses that are not tax deductible.

B6. SALES OF UNQUOTED INVESTMENTS AND PROPERTIES

There was no sale of unquoted investments or properties for the current quarter and financial year to date.

B7. QUOTED INVESTMENTS

There was no purchase or disposal of quoted investments for the period under review. Details of quoted investments as at 31 December 2004 are as follows:

	RM'000
Total investment at cost	1,525
Less: Provision for diminution in value	<u>(1,100)</u>
Total investment at book value	425
Total investment at market value	<u>150</u>

B8. CORPORATE PROPOSAL

On 19 January 2005, Alliance Merchant Bank Berhad had announced to Bursa Malaysia on behalf of Board of Directors to implement a proposed scheme of renounceable rights issue of up to 23,779,765 Warrants on the basis of one (1) Warrant for every two (2) existing Magna Shares at an issue of RM0.30 each ("Proposed Rights Issue of Warrant").

B9. GROUP BORROWINGS

Details of Group's borrowings as at 31 December 2004 are as follows:

<u>Secured</u>	Total RM'000
Short Term Borrowings	12,121
Long Term Borrowings	2,896
Total	<u>15,017</u>

B10. DETAILS OF FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISKS

There were no financial instruments with off balance sheet risks.

B11. CHANGES AND DETAILS OF PENDING MATERIAL LITIGATION

1. A police report was lodged on 23 October 2000 stating that an aggregate sum of RM22,100,000.00 was withdrawn from the bank accounts of two (2) subsidiary companies on 16 October 2000 without proper authorisation from the Board of Directors of the two (2) subsidiary companies, Magna Prima Construction Sdn Bhd and Dunia Epik Sdn Bhd.
2. On 1 November 2000, the Company together with MPC and DE, as joint Plaintiffs had instituted a civil suit no.: D6-22-2039-2000 in the High Court of Kuala Lumpur ("the 1st Suit") against Top Green Entity Sdn Bhd ("Top Green") and six other individuals; Lim Kee Ping, Chiang Yee Hong, Tang Chee Meng, Goh Hock Choy, Ser Cheng Chong and Goh Chiang Fein (collectively known with Top Green as "the Defendants") for certain injunctive reliefs restraining the Defendants, amongst others, from disposing their assets within the jurisdiction of the Court and for the recovery of the abovesaid sum of RM22,100,000.00. On 2 November 2000, the Court had granted an ex-parte Injunction Order against the Defendants.
3. On 13 February 2001, the Plaintiffs had entered Judgment in Default against the Top Green in the 1st Suit. Subsequently on 27 August 2002, the Plaintiffs successfully obtained a charge over 200,000 shares of the Company held by Top Green ("the 200,000 Shares"). On 28 November 2003, the Plaintiffs thereafter instituted a new suit no.: D6-24-323-2003 in the High Court of Kuala Lumpur ("the Suit") for the sale of the 200,000 Shares held by Top Green and on 12 March 2004, the Court granted in favour of the Plaintiffs an order for sale and

transfer of the 200,000 Shares. The said order has been served on the then Malaysian Central Depository Sdn Bhd (now known as Bursa Malaysia Depository Sdn Bhd) and the said 200,000 Shares had been duly transferred on 10 May 2004 from Top Green Entity into the CDS accounts of MPC.

4. The Plaintiffs had on 2 April 2002 instituted a new suit no. D3-22-488-2002 in the High Court of Kuala Lumpur ("the 2nd Suit") for the relief, amongst others, the recovery of the abovesaid sum of RM22,100,000.00 against Chiang Yee Hong, a former director of MPC and DE. The Plaintiffs thereafter successfully entered Judgment in Default against Chiang Yee Hong on 1 December 2003.
5. A stockbroking company, Kuala Lumpur City Securities Sdn Bhd ("the Intervener"), being a party interested over 150,000 and 155,000 shares of the Company held by Chiang Yee Hong and Tang Chee Meng respectively both of whom were former directors of MPC and DE, via a legal charge was allowed by the Court to intervene in the 1st Suit on 5 April 2003. Subsequently the Intervener filed an application ("the Intervener's Application") in Court for an order to vary or set aside the injunctive order obtained by the Plaintiffs so that the Intervener can exercise its rights under the abovesaid charge. A consent order was entered between the Plaintiffs and the Intervener on 4 November 2003, wherein the Intervener was allowed to exercise its rights to sell the abovesaid shares held by Chiang Yee Hong and Tang Chee Meng to recover monies owing to the Intervener.
6. Since a Judgment in Default had been granted against Chiang Yee Hong and in light of the Intervener's Application, the Plaintiffs on 11 December 2003 proceeded to file an application in the 2nd Suit to garnish any monies refundable by the Intervener to Chiang Yee Hong after the Intervener had recovered monies owing by Chiang Yee Hong to the Intervener. The Intervener had subsequently sold a part of the 150,000 shares of the Company and recovered monies owing by Chiang Yee Hong. On 25 May 2004, the Court subsequently granted Garnishee Order Absolute thereby allowing the Plaintiffs to garnish the monies refundable by the Intervener to Chiang Yee Hong. Nonetheless the sums garnished was only RM1,602.10.
7. Consequently, the Plaintiffs applied on 25 May 2004 to obtain a charge over the 64,000 shares of the Company still held by Chiang Yee Hong. On 28 June 2004, the Court granted Charging Order Nisi and subsequently on 3 August 2004, the Court granted Charging Order Absolute over the said 64,000 shares.
8. Subsequently, the Plaintiffs discovered that there were still 69,000 shares held by Top Green but currently pledged to Affin Nominees (Tempatan) Sdn Bhd ("Affin") and thus filed an application on 10 June 2004 to obtain a charge over the said 69,000 shares. On 6 July 2004, the Charging Order Nisi was granted. On 5 November 2004, the Court granted Charging Order Absolute in respect of the said 69,000 shares.
9. On 16 March 2004, the Court in the 1st Suit gave the Plaintiffs sanction to amend the writ of summons and the statement of claim, primarily to include 3 new defendants; Amsteel Equity Capital Sdn Bhd, Kanosegaran a/l Koothayan and Ee Beng Guan in the 1st Suit. On 6 July 2004, the Court in the 1st Suit gave the Plaintiffs sanction to amend the name Kanosegaran a/l Koothayan to read as Konasagaran a/l Koothayan. The Re-Amended Writ and Statement of Claim were extracted on 29 July 2004 and had been duly served on the respective defendants.

10. On 22 June 2004, the Court also granted an order to summon Nor Suhamine Bin Gusti and Tan Chow Poo, who were former officers of Bumiputra Commerce Bank Bhd ("BCBB") to appear in Court to be cross examined by the Plaintiffs' solicitors. The said cross examination was initially fixed on 29 July 2004, however there were adjournments and the next cross examination has been fixed on 25 March 2005.
11. Case Management is now fixed for mention on 25 March 2005.

B12. DIVIDENDS

For the year under review ended 31 December 2004, the company has not paid nor recommended any dividends.

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B.13 EARNINGS PER SHARE

	INDIVIDUAL Current Year Quarter 31/12/2004 RM'000	QUARTER Preceding year corresponding quarter 31/12/2003 RM'000	CUMULATIVE Current year to date 31/12/2004 RM'000	QUARTER Preceding year corresponding period 31/12/2003 RM'000
a) Basic earnings per share Net profit Attributable to shareholders	1,449	2,295	1,587	36
Weighted number Of ordinary shares	42,442	39,362	41,931	39,362
Basic earnings Per share (Sen)	3.41	5.83	3.78	0.09
b) Diluted earnings per share Net profit Attributable to shareholders	1,449	-	1,587	-
Weighted number Of ordinary shares	42,442	-	41,931	-
Adjustment for ESOS	515	-	515	-
Weighted number Of ordinary shares	42,957	-	42,446	-
Diluted earnings Per share (Sen)	3.37	-	3.74	-

Fully diluted earnings per share of the Group is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year, adjusted to assume the conversion of dilutive potential ordinary shares.

BY ORDER OF THE BOARD

Ahmad Shahab Hj. Din (MAICSA 0689340)
Yuen Yoke Ping (MAICSA 7014044)
Joint Company Secretaries

Date: 28th February 2005