

MAGNA PRIMA BERHAD

Company No.: 369519-P

(Incorporated in Malaysia)

Interim Financial Statements

31 March 2008

MAGNA PRIMA BERHAD

**Company No.: 369519-P
(Incorporated in Malaysia)**

Interim Financial Statements - 31 March 2008

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MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 31 March 2008

	(UNAUDITED) AS AT 31/03/2008 RM'000	(AUDITED) AS AT 31/12/2007 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	4,033	3,763
Prepaid lease payments	309	311
Investments	780	690
Deferred tax asset	6,367	6,242
	<u>11,489</u>	<u>11,006</u>
Current Assets		
Inventories	2,007	2,007
Property development costs	83,314	79,136
Amount owing by customers on contracts	58,298	57,122
Trade receivables	118,433	166,452
Other receivables	15,900	12,665
Cash held under Housing Development Accounts	9,882	11,991
Cash and bank balances	36,760	16,501
	<u>324,594</u>	<u>345,874</u>
TOTAL ASSETS	<u>336,083</u>	<u>356,880</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	52,542	51,622
Share premium	9,971	9,419
Other reserves	6,774	7,050
Retained profits	25,543	20,515
	<u>94,830</u>	<u>88,606</u>
Minority Interests	<u>2,784</u>	<u>2,457</u>
Total equity	<u>97,614</u>	<u>91,063</u>
Non-Current Liabilities		
Hire purchase payables	1,358	1,177
Bank borrowings	48,441	45,943
Deferred taxation	73	70
	<u>49,872</u>	<u>47,190</u>
Current Liabilities		
Amount owing to customers on contracts	16,149	6,574
Trade payables	104,718	138,208
Other payables	13,474	15,264
Hire purchase payables	672	296
Bank borrowings	27,001	30,983
Taxation	26,583	27,302
	<u>188,597</u>	<u>218,627</u>
Total Liabilities	<u>238,469</u>	<u>265,817</u>
TOTAL EQUITY AND LIABILITIES	<u>336,083</u>	<u>356,880</u>
Net asset per share attributable to equity holders of the parent (RM)	<u>1.80</u>	<u>1.72</u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD*(Company No.: 369519-P)***(Incorporated in Malaysia)****CONDENSED CONSOLIDATED INCOME STATEMENT**

For the financial period ended 31 March 2008

(The figures have not been audited)

	3 months ended		3 months ended	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	RM'000	RM'000	RM'000	RM'000
Revenue	48,277	25,384	48,277	25,384
Cost of Sales	(38,177)	(21,054)	(38,177)	(21,054)
Gross profit	10,100	4,330	10,100	4,330
Other operating income	888	126	888	126
Selling expenses	(443)	-	(443)	-
Administration expenses	(3,679)	(2,033)	(3,679)	(2,033)
Other operating expenses	(824)	(220)	(824)	(220)
	6,042	2,203	6,042	2,203
Finance costs	(29)	(112)	(29)	(112)
Profit before taxation	6,013	2,091	6,013	2,091
Income tax expense	(658)	(1,011)	(658)	(1,011)
Profit for the period	5,355	1,080	5,355	1,080
Attributable to:				
Equity holders of the parent	5,028	1,006	5,028	1,006
Minority interests	327	74	327	74
Net profit for the period	5,355	1,080	5,355	1,080
Earnings per share attributable to equity holders of the parent:				
- Basic (sen)	9.62	1.95	9.62	1.95
- Diluted (sen)	7.29	NA	7.29	NA

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the financial period ended 31 March 2008

(The figures have not been audited)

	Attributable to equity holders of the parent					Minority Interests	Total Equity
	Non-Distributable			Distributable			
	Share capital	Share premium	Warrants reserve	Capital reserve	Retained profits	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2008	51,622	9,419	7,020	30	20,515	88,606	91,063
Total recognised income and expense for the period	-	-	-	-	5,028	5,028	5,355
Issue of ordinary shares:							
- pursuant to exercise of warrants	920	276	-	-	-	1,196	1,196
Transfer of warrants reserve	-	276	(276)	-	-	-	-
Balance as at 31 March 2008	52,542	9,971	6,744	30	25,543	94,830	97,614

	Attributable to equity holders of the parent					Minority Interests	Total Equity
	Non-Distributable			Distributable			
	Share capital	Share premium	Warrants reserve	Capital reserve	Retained profits	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2007	51,477	9,388	7,020	30	(6,065)	61,850	64,018
Total recognised income and expense for the period	-	-	-	-	1,006	1,006	1,080
Balance as at 31 March 2007	51,477	9,388	7,020	30	(5,059)	62,856	65,098

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

For the financial period ended 31 March 2008

(The figures have not been audited)

	3 months ended 31/03/2008 RM'000	3 months ended 31/03/2007 RM'000 (As restated)
Operating activities		
Profit before taxation	6,013	2,091
Adjustment for:-		
Depreciation of property, plant and equipment	247	263
Amortisation of prepaid lease rental	2	2
Property, plant and equipment written off	302	-
Reversal of allowance for diminution in value of other investment	(90)	-
Interest income	(73)	(9)
Interest expense	29	112
Operating profit before changes in working capital	6,430	2,459
Changes in working capital		
Properties development cost	(4,178)	(6,640)
Amount owing by/to customers on contract	8,399	(9,473)
Trade receivables	48,019	434
Other receivables	(3,234)	1,057
Trade payables	(33,490)	3,081
Other payables	(1,789)	9,081
	13,727	(2,460)
Net cash flows generated from/(used in) operations	20,157	(1)
Interest paid	73	9
Interest received	(29)	(112)
Tax paid	(1,499)	(20)
Net cash flows generated from/(used in) operating activities	18,702	(124)
Investing activities		
Purchase of property, plant and equipment	(173)	(432)
Net cash flow used in investing activities	(173)	(432)
Financing activities		
Net payment of hire purchase liabilities	(91)	(84)
Net payment of bank borrowings	(4,484)	(1,852)
Drawdown of term loan	3,000	74
Net proceeds from new shares issued	1,196	-
Net cash used in financing activities	(379)	(1,862)
Net change in cash & cash equivalents	18,150	(2,418)
Cash & cash equivalents at beginning of the year	28,492	1,717
Cash & cash equivalents at end of the financial period	46,642	(701)

Cash and cash equivalents at the end of the financial period comprise the following:

	As at 31/03/2008 RM'000	As at 31/03/2007 RM'000
Cash and bank balances	36,760	4,456
Cash held under Housing Development Accounts	9,882	1,430
Bank overdrafts	-	(6,587)
	46,642	(701)

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

A Explanatory Notes Pursuant To FRS 134

A1 Basis of Preparation

The unaudited interim financial report has been prepared in accordance with the reporting requirements as set out in the Financial Reporting Standards ("FRS") No. 134 - Interim Financial Reporting and Paragraph 9.22 of the Listing Requirement of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007. 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 2007.

A2 Changes in Accounting Policies

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2007 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial year beginning 1 January 2008:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 119	Employment Benefit
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provision, Contingent Liabilities and Contingent Assets

FRS 139 Financial Instruments: Recognition and Measurement has been deferred and has not been adopted by the Group.

The adoption of the above FRS does not have significant financial impact on the Group.

A3 Auditors' Report For The Financial Year Ended 31 December 2007

The auditors' report on the financial statements for the financial year ended 31 December 2007 was not subject to any qualification.

A4 Seasonality or Cyclical Factors

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

A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items which affect the assets, liabilities, equity, net income or cash flows of the Group for the current quarter and current financial year.

A6 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.

A7 Debts and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial year, except the issuance of 920,200 new ordinary shares of RM1.00 each pursuant to the exercise of warrants.

A8 Dividends Paid

The company did not pay any dividend for the period under review.

A9 Segmental Analysis

The Group's segmental report for the current financial period is as follows:

	Period ended 31/03/2008	Period ended 31/03/2007
Segment Revenue	RM'000	RM'000
Property Development	35,562	15,273
Construction and Engineering	32,925	13,114
Others	2,371	1,545
	<u>70,858</u>	<u>29,932</u>
Consolidation adjustments	(22,581)	(4,548)
Group Revenue	<u><u>48,277</u></u>	<u><u>25,384</u></u>
Segment Results		
Property Development	3,318	2,031
Construction and Engineering	3,063	73
Others	335	99
	<u>6,716</u>	<u>2,203</u>
Consolidation adjustments	(674)	-
Profit from Operations	<u><u>6,042</u></u>	<u><u>2,203</u></u>

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

A10 Property, Plant and Equipment

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

A11 Material Events Subsequent to the End of the Period

There were no other material events and transactions subsequent to the end of the current financial period till 15 May 2008 being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim Financial Statements :

- (a) On 2 April 2008, the Company has entered into a Conditional Share Sale Agreement with Contamaju Sdn Bhd, and Infocast Sdn. Bhd. to acquire 675,000 ordinary shares of RM1.00 each, representing 90% equity interest in Pembinaan Contamaju-Infocast Sdn Bhd. for a cash consideration represented by 90% of the audited Net Tangible Assets of PCI as at 29 February 2008.
- (b) On 9 April 2008, the Company acquired the entire issued and paid up share capital of the Build Horse (M) Sdn Bhd, which is incorporated in Malaysia under the Companies Act, 1965 with an authorized share capital of RM100,000 each comprising 100,000 ordinary share of RM1.00 each and a paid up capital of RM2.00 comprising 2 ordinary shares of RM1.00 each fully paid up for a total consideration of RM2.00
- (c) On 16 April 2008, the Company subscribed 200,000 ordinary shares of RM1.00 each, representing 99.99% equity interest in Kontrakmal 1 (M) Sdn Bhd, which is incorporated in Malaysia under the Companies Act, 1965, for a cash consideration of RM200,000.

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A12 Changes in the Composition of the Group

- (a) On 18 January 2008, the Company acquired the entire issued and paid up share capital of the following Companies, which are incorporated in Malaysia under the Companies Act, 1965 with an authorized share capital of RM100,000 each comprising 100,000 ordinary share of RM1.00 each and a paid up capital of RM2.00 comprising 2 ordinary shares of RM1.00 each fully paid up for a total consideration of RM2.00 respectively :
- Dealhall (M) Sdn Bhd (Company No : 785936-U)
 - Everhall (M) Sdn Bhd (Company No : 786053-V)
 - Prima Awan (M) Sdn Bhd (Company No : 786061-H)
- (b) The issuance of 920,200 ordinary shares of RM1.00 each pursuant to the exercise of Warrants.

Save for the above, there were no changes in the composition of the Group during the current financial quarter, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

A13 Contingent Liabilities

Details of contingent liabilities of the company are as follows :

	As at 31/03/2008	As at 31/03/2007
Company	RM'000	RM'000
Guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	95,702	99,904
- Unsecured	2,000	2,000
Guarantees given to trade creditors of subsidiary companies for credit facilities granted to subsidiary companies:		
- Unsecured	12,000	12,000
Limit of guarantees	109,702	113,904
Amount utilized	82,520	84,184

A14 Capital Commitments

	As at 31/03/2008	As at 31/03/2007
	RM'000	RM'000
Approved and contracted for:		
Purchase of property, plant and equipment	1,514	-
Contractual obligation for development projects	55,437	-
	56,951	-

B Bursa Malaysia Listing Requirements

B1 Review of Performance

For the current quarter and current financial period ended 31 March 2008, the Group recorded a 2.9-fold increase in profit before taxation from RM2.1 million to RM6.0 million on the back of higher revenue from its Avare luxury condominium project in KLCC area and Magna Ville project in Selangor.

Net profit increased 5-fold from RM1.1 million for financial period ended 31 March 2008 to RM5.4 million for the current financial period ended 31 March 2008.

B2 Comparison with Preceding Quarter's Results

Profit before taxation for the current quarter was lower at RM6.0 million compared to RM17.6 million for the immediate preceding quarter ended 31 December 2007 due to lower revenue and earnings from its Avare and Dataran Otomobil projects.

B3 Prospects

The Group financial performance is expected to improve further driven by higher revenue and earnings contribution from its ongoing and new projects.

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 charge is as follows:

	31/03/2008	31/03/2007
	RM'000	RM'000
Current taxation		
- Malaysian income tax	1,133	1,011
- Deferred Taxation	(125)	-
	<u>1,008</u>	<u>1,011</u>
Over provision of Malaysian income tax in prior years	(350)	-
	<u>658</u>	<u>1,011</u>

The effective tax rate of the Group for the current quarter and financial period ended 31 March 2008 was lower than the statutory tax rate applicable mainly due to the utilisation of the unabsorbed losses brought forward. The effective tax rate of the Group for previous corresponding quarter was higher than the statutory tax rate mainly due to certain expenses which were not deductible for tax purpose and deferred tax assets not recognised for the loss making companies.

B6 Sale of Unquoted Investments and/or Properties

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

B7 Quoted Investments

There was no purchase or disposal of quoted investments for the period under review. Details of quoted investments as at 31 March 2008 are as follows:

	RM'000
Total investment at cost	1,525
Less: Provision for diminution in value	(745)
Total investment at book value	<u>780</u>
Total investment at market value	<u>455</u>

B8 Corporate Proposal

The following corporate proposal announced by the Company has not been completed as at 15 May 2008 being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim Financial Statements:-

On 2 November 2007, the Company wholly-owned subsidiary, Magna City Development Sdn Bhd (formerly known as Magna Quarry Services Sdn Bhd) has entered into a Sale and Purchase Agreement with Muafakat Baru Sdn. Bhd. to purchase two parcels of freehold land held under Geran Mukim No. Hakmilik 1343 and 1344 with Lot 1075 and 1073 respectively all in the Mukim of Batu and Tempat Bangkong and District of Kuala Lumpur and State of Wilayah Persekutuan of total area measuring approximately 10.23 acres for a total cash consideration of RM 57,930,444.00 ("Proposed Acquisition").

The Proposed Acquisition was approved by Shareholders on 07 January 2008 and by Foreign Investment Committee on 19 February 2008.

B9 Group Borrowings

Details of Group borrowings as at 31 March 2008 are as follows

Secured	RM'000
Term loans payable	
- within 12 months	27,001
- after 12 months	48,441
	75,442
Finance lease and hire purchase payable	
- within 12 months	672
- after 12 months	1,358
	2,030
Total	77,472

There are no borrowings in foreign currency.

B10 Details of Financial Instruments with Off Balance Sheet Risks

There is no off-balance sheet risk envisaged as at the date of this report that might materially affect the Group's business position.

B11 Changes and Details of Pending Material Litigation

- i) A police report was lodged by Ng Yak Hee, a director of Magna Prima Berhad ("Company"), on 23 October 2000 stating that a sum of RM22,100,000 was withdrawn from the bank accounts of two (2) subsidiary companies, namely Magna Prima Construction Sdn Bhd ("MPC") and Dunia Epik Sdn Bhd ("DE"), on 16 October 2000 without proper authorisation.
- ii) On 1 November 2000, the Company, together with MPC and DE as joint Plaintiffs (collectively known as "the Plaintiffs"), instituted a civil suit no.: D6-22-2039-2000 ("1st Suit") in the High Court of Kuala Lumpur ("Court") against Top Green and six (6) other individuals namely Lim Kee Peng, Chiang Yee Hong, Tang Chee Meng, Goh Hock Choy, Ser Cheng Chong and Goh Chiang Fein (collectively known with Top Green as "the Original Defendants"), for certain injunctive relief restraining the Defendants, amongst others, from disposing of their assets within the jurisdiction of the Court and for the recovery of the abovesaid sum of RM22,100,000. On 2 November 2000, the Court granted an ex-parte injunction Order against the Original Defendants.
- iii) Top Green did not enter appearance in the 1st Suit. On 13 February 2001, the Plaintiffs entered judgment in default of appearance against Top Green in the 1st Suit. Subsequently, on 27 August 2002, the Plaintiffs obtained a charge over 200,000 ordinary shares of RM1.00 each in the Company ("Magna Shares") held by Top Green. On 28 November 2003, the Plaintiffs instituted a new suit no.: D6-24-323-2003 ("3rd Suit") in Court for the 200,000 Magna 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 Magna Shares. The said order was served on the then Malaysian Central Depository Sdn Bhd (now known as Bursa Malaysia Depository Sdn Bhd) and the said 200,000 Magna Shares were duly transferred on 10 May 2004 from Top Green to the CDS account of MPC.

- iv) The Plaintiffs, on 2 April 2002, instituted a new suit no.: D3-22-488-2002 ("2nd Suit") in Court for the relief and, amongst others, the recovery of the abovesaid sum of RM22,100,000 against Chiang Yee Hong, a former director of MPC and DE. Chiang Yee Hong did not enter appearance in the 2nd Suit. The Plaintiffs thereafter successfully entered a judgment in default of appearance against Chiang Yee Hong on 13 November 2003.
- v) A stockbroking company, Kuala Lumpur City Securities Sdn Bhd ("KLCS"), being a party interested in 150,000 and 155,000 Magna Shares 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, KLCS filed an application ("KLCS's Application") in Court for an order to vary or set aside the injunctive order obtained by the Plaintiffs so that KLCS can exercise its rights under the abovesaid charge. A consent order was entered between the Plaintiffs and KLCS on 4 November 2003 wherein KLCS was allowed to exercise its rights to sell the abovesaid shares held by Chiang Yee Hong and Tang Chee Meng to recover money owing to KLCS.
- vi) The Plaintiffs applied on 10 April 2004 in the 1st Suit to trace the RM22,100,000 which was withdrawn from the accounts of the 2nd Plaintiff and 3rd Plaintiff. A consent judgment dated 21 May 2001 was entered into between the Plaintiffs and Bumiputra-Commerce Bank Berhad whereby the Plaintiffs are allowed amongst others to trace the flow of the RM22,100,000 so as to identify the recipients of the monies.
- vii) Since Judgment in Default had been granted against Chiang Yee Hong and in light of KLCS's Application, the Plaintiffs, on 11 December 2003, proceeded to file an application in respect of the 2nd Suit to garnish any moneys refundable by KLCS to Chiang Yee Hong after KLCS had recovered moneys owing by Chiang Yee Hong to KLCS. KLCS subsequently sold a part of the 150,000 Magna Shares and recovered money owing by Chiang Yee Hong to KLCS. On 25 May 2004, the Court subsequently allowed the Plaintiffs to garnish the moneys refundable by KLCS to Chiang Yee Hong. Nonetheless, the sum garnished was only RM1,602.10.
- viii) After KLCS had recovered the monies due and owing to them, there were 64,000 Magna Shares still held by Chiang Yee Hong. The Plaintiffs applied on 25 May 2004 to obtain a charge over the said 64,000 Magna Shares. 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 Magna shares.
- ix) Subsequently, the Plaintiffs discovered that there were 69,000 Magna Shares held by Top Green but currently pledged to Affin Nominees (Tempatan) Sdn Bhd ("Affin Nominees") and thus filed an application on 10 June 2004 to obtain a charge over the 69,000 Magna 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 Magna Shares.
- x) On 16 March 2004, the Court in the 1st Suit allowed the Plaintiff to amend the writ of summons and statement of claim, primarily to include three (3) new defendants: Amsteel Equity Capital Sdn Bhd, Konasegaran a/l Koothayan and Ee Beng Guan in the 1st Suit. On 6 July 2004, the Court allowed the Plaintiffs to amend the name Konasegaran 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 the extracted on 29 July 2004 and had been duly served on the respective defendants.
- xi) On 23 February 2005, the Plaintiffs having obtained a charging order over 69,000 Magna Shares in the 1st Suit instituted a new action by way of an originating summons no: D7-24-63-2005 ("the 4th Suit") in Court to apply for an order for sale of the 69,000 Magna Shares held by Top Green but pledged to Affin Nominees. Top Green did not enter appearance in the 4th Suit. On 28 September 2005, the Court ordered and with the consent of Affin Nominees (who entered into a consent judgment with the Plaintiffs in the 4th Suit) that the Plaintiffs be allowed to transfer of the 69,000 Magna Shares to the CDS account of MPC and subsequently to sell the same.
- xii) On 23 February 2005, the Plaintiffs, having obtained a charging order over the said 64,000 Magna Shares in the 2nd Suit, instituted a new action by way of an originating summons no: D5-24-64-2005 ("the 5th Suit") in Court to apply for an order for the sale of the 64,000 Magna Shares held by Chiang Yee Hong but pledged to Kuala Lumpur City Nominees (Tempatan) Sdn Bhd ("KLCN"). Subsequent to filing of the 5th Suit, it was discovered that Chiang Yee Hong had been made a bankrupt. As such all assets of Chiang Yee Hong vests in the Director General of Insolvency ("DG"). Accordingly, the Plaintiffs must first apply for leave from the court which made Chiang Yee Hong a bankrupt ("Bankruptcy Court") before proceeding with the hearing of the 5th Suit. The hearing of the application for the sale of the said 64,000 Magna Shares is now fixed on 28 August 2006 pending approvals of the DG and the creditors of Chiang Yee Hong in the relation to the proposed sale of 64,000 Magna Share by the Plaintiffs and the subsequent approval of the application to the Bankruptcy Court. The Plaintiffs have given instructions on 18 May 2006 to withdraw the 5th Suit.

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- xiii) Pursuant to the consent judgment dated 21 May 2001, the Plaintiffs' solicitors had on 22 June 2004, applied for and the Court granted an order ordering both Nor Suhamine Bin Gusti and Tan Chow Poo, who were former officers of Bumiputra-Commerce Bank Berhad to appear in Court to be cross examined by the Plaintiffs' solicitors. The said cross examination of Tan Chow Poo was completed on 10 May 2005. Nor Suhamine bin Gusti was not cross-examined by the Plaintiffs' solicitors.
- xiv) On 16 September 2005, the Plaintiffs filed an application in the 1st Suit to amend the re-amended writ of summons and statement of claim to include five (5) new defendants: Bumiputra-Commerce Bank Berhad, Tan Chow Poo, Chok Chew Lan, Tsunami Capital Sdn Bhd and Schwab & Co Sdn Bhd. On 24 October 2005, the Court allowed the Plaintiff to amend the re-amended writ of summons and statement of claim to include the said five (5) new defendants.
- xv) As at 14 February 2006, the Plaintiffs have served the re-re-amended writ of summons and statements of claims on all the defendants. Bumiputra-Commerce Bank Berhad, Tan Chow Poo, Chok Chew Lan and Tsunami Capital Sdn Bhd are presently represented by their respective solicitors and have entered appearance in the 1st Suit. The Plaintiffs have served the re-re-amended writ of summons and statement at the both registered and business address of Schwab & Co Sdn. Bhd. as appearing in the official search report produced by the Companies Commission of Malaysia but its appears the Schwab & Co Sdn. Bhd. has moved from those addresses. The Plaintiffs would attempt to enter the judgment against the Schwab & Co Sdn. Bhd. as soon as possible.
- xvi) Lim Kee Peng, the 2nd Defendant had been adjudicated a bankrupt by way of the Adjudicating and Receiving Orders dated 22 November 2006 through a bankruptcy petition no.: 29-2404-2002 filed in the High Court of Shah Alam.
- xvii) The 1st Suit is presently at Case Management stage pending trial dates. The new case management date is now fixed on 11 July 2008.

B12 Dividend proposed

No interim dividend has been recommended in respect of the financial period ended 31 March 2008.

B13 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 for the year by the weighted average number of ordinary shares in issue.

	31/03/2008	31/03/2007
Net profit for the period (RM'000)	5,028	1,006
Weighted average number of ordinary shares in issue ('000)	52,277	51,477
Basic EPS (sen)	<u>9.62</u>	<u>1.95</u>

(b) Diluted EPS

The diluted earnings per share has been calculated by dividing the Group's net profit attributable to ordinary equity holders for the period by the weighted average number of ordinary shares that would have been in issue upon full exercise of the remaining Options under the ESOS and the Warrants, adjusted for the number of such ordinary shares that would have been issued at fair value.

	31/03/2008	31/03/2007
Net profit for the period (RM'000)	<u>5,028</u>	<u>1,006</u>
Weighted average number of ordinary shares in issue ('000)	52,277	51,477
Effect of dilution ('000)	16,648	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>68,925</u>	<u>51,477</u>
Diluted EPS (sen)	<u>7.29</u>	<u>1.95</u>

BY ORDER OF THE BOARD

Magna Prima Berhad
Yuen Yoke Ping (MAICSA 7014044)

Secretary

Kuala Lumpur
22 May 2008