

MAGNA PRIMA BERHAD

Company No.: 369519-P

(Incorporated in Malaysia)

Interim Financial Statements

30 September 2009

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(Incorporated in Malaysia)

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

AS AT 30 September 2009

(The figures have not been audited)

	AS AT 30-09-2009 RM'000 (UNAUDITED)	AS AT 31-12-2008 RM'000 (AUDITED)
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,170	3,790
Prepaid lease rental	241	245
Investments	690	690
Deferred tax asset	1,979	6,828
	<u>6,080</u>	<u>11,553</u>
Current Assets		
Inventories	7,067	2,343
Property development costs	117,908	136,210
Amount owing by customers on contracts	32,119	85,818
Trade receivables	82,870	114,256
Other receivables	47,327	20,019
Cash held under Housing Development Accounts	8,849	5,926
Fixed deposits with licensed banks	991	1,842
Cash and bank balances	6,098	18,006
	<u>303,229</u>	<u>384,420</u>
TOTAL ASSETS	<u><u>309,309</u></u>	<u><u>395,973</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	53,459	53,459
Share premium	10,521	10,521
Other reserves	6,499	6,499
Retained profits	47,509	43,800
	<u>117,988</u>	<u>114,279</u>
Minority interests	2,938	2,994
TOTAL EQUITY	<u>120,926</u>	<u>117,273</u>
Non-Current Liabilities		
Hire purchase payables	1,001	1,338
Bank borrowings	18,368	34,360
Deferred taxation	70	69
	<u>19,439</u>	<u>35,767</u>
Current Liabilities		
Amount owing to customers on contracts	1,723	8,484
Trade payables	92,886	139,181
Other payables	22,056	19,118
Hire purchase payables	402	639
Bank borrowings	25,993	39,630
Taxation	25,884	35,881
	<u>168,944</u>	<u>242,933</u>
TOTAL LIABILITIES	<u>188,383</u>	<u>278,700</u>
TOTAL EQUITY AND LIABILITIES	<u><u>309,309</u></u>	<u><u>395,973</u></u>
Net asset per share attributable to equity holders of the parent (RM)	<u>2.21</u>	<u>2.14</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 30 September 2009

(The figures have not been audited)

	3 months ended		9 months ended	
	30-09-2009	30-09-2008	30-09-2009	30-09-2008
	RM'000	RM'000	RM'000	RM'000
Revenue	45,305	66,174	179,283	200,018
Cost of sales	(41,184)	(56,198)	(142,731)	(153,950)
Gross profit	4,121	9,976	36,552	46,068
Other operating income	1,187	582	2,443	1,607
Selling and distribution expenses	(535)	(3,242)	(4,888)	(8,877)
Administration expenses	(3,686)	(5,726)	(13,543)	(14,263)
Other operating expenses	(1,696)	729	(7,543)	(2,994)
	(609)	2,319	13,021	21,541
Finance costs	(1,104)	(241)	(2,823)	(294)
Profit / (loss) before taxation	(1,713)	2,078	10,198	21,247
Taxation	(918)	(914)	(3,872)	(6,281)
Net profit / (loss) for the period	(2,631)	1,164	6,326	14,966
Attributable to:				
Equity holders of the Company	(2,137)	1,146	6,382	14,699
Minority interests	(494)	18	(56)	267
Net profit / (loss) for the period	(2,631)	1,164	6,326	14,966
Earnings per share attributable to equity holders of the parent:				
- Basic (sen)	(4.00)	2.14	11.94	27.80
- Diluted (sen)	(3.54)	1.72	10.69	21.63

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period ended 30 September 2009

(The figures have not been audited)

	Attributable to equity holders of the parent					Minority Interests	Total Equity
	Share capital	Share premium	Warrants reserve	Capital reserve	Retained profits		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2009	53,459	10,521	6,469	30	43,800	2,994	117,273
Total recognised income and expense for the period	-	-	-	-	6,382	(56)	6,326
Dividends for the year ended 31 Dec 2008	-	-	-	-	(2,673)	-	(2,673)
Balance as at 30 September 2009	53,459	10,521	6,469	30	47,509	2,938	120,926

	Attributable to equity holders of the parent					Minority Interests	Total Equity
	Share capital	Share premium	Warrants reserve	Capital reserve	Retained profits		
	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	2,457	91,063
Total recognised income and expense for the period	-	-	-	-	14,699	267	14,966
Issue of ordinary shares:							
- pursuant to exercise of warrants	1,837	550	-	-	-	-	2,387
Transfer of warrants reserve	-	552	(552)	-	-	-	-
Acquisition of shares in a subsidiary	-	-	-	-	-	143	143
Dividends for the year ended 31 Dec 2007	-	-	-	-	(3,602)	-	(3,602)
Balance as at 30 September 2008	53,459	10,521	6,468	30	31,612	2,867	104,957

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the financial period ended 30 September 2009

(The figures have not been audited)

	9 months ended ended 30-09-2009 RM'000	9 months ended ended 30-09-2008 RM'000
Operating activities		
Profit before taxation	10,198	21,247
Adjustment for:-		
Depreciation of property, plant and equipment	709	895
Amortisation of prepaid lease rental	4	4
Gain on disposal of property, plant & equipment	(92)	(91)
Loss on disposal of property, plant & equipment	1	-
Property, plant & equipment written off	-	681
Provision for doubtful debts	3,806	358
Provision for liquidated & ascertained damages	3,865	2,203
Reversal of allowance for diminution in value of other investment	-	(90)
Interest income	(393)	(407)
Interest expense	2,823	294
Operating profit before changes in working capital	<u>20,921</u>	<u>25,094</u>
Changes in working capital		
Inventories	(4,724)	(390)
Property development costs	18,302	4,199
Amount owing by/to customers on contract	46,938	14,106
Trade receivables	31,386	84,719
Other receivables	(26,457)	(16,255)
Trade payables	(50,101)	(84,310)
Other payables	(926)	(6,991)
	<u>14,418</u>	<u>(4,922)</u>
Net cash generated from operations	35,339	20,172
Interest paid	(2,823)	(294)
Interest received	393	407
Tax paid	(9,020)	(2,812)
Net cash generated from operating activities	<u>23,889</u>	<u>17,473</u>
Investing activities		
Purchase of property, plant and equipment	(170)	(616)
Acquisition of subsidiary, net of cash acquired	-	(1,201)
Proceeds from disposal of property, plant and equipment	225	457
Net cash generated from/(used in) investing activities	<u>55</u>	<u>(1,360)</u>
Financing activities		
Repayment of hire purchase liabilities	(626)	(916)
Repayment of bank borrowings	(40,486)	(22,549)
Drawdown of bank borrowings	10,000	12,217
Dividend paid	(2,673)	(3,602)
Net proceeds from new shares issued	-	2,387
Net cash used in financing activities	<u>(33,785)</u>	<u>(12,463)</u>
Net change in cash & cash equivalents	<u>(9,841)</u>	<u>3,650</u>
Cash & cash equivalents at beginning of the period	<u>23,932</u>	<u>28,492</u>
Cash & cash equivalents at end of the financial period	<u>14,091</u>	<u>32,142</u>

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

	As at 30-09-2009 RM'000	As at 30-09-2008 RM'000
Cash and bank balances	6,098	23,634
Cash held under Housing Development Accounts	8,849	11,454
Fixed deposits with licensed banks	991	-
Bank overdrafts	(856)	(2,946)
	<u>15,082</u>	<u>32,142</u>
Less: Fixed deposits pledged with licensed banks	(991)	-
	<u>14,091</u>	<u>32,142</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2008. 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 the financial year ended 31 December 2008.

A2 Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008.

At the date of authorisation of these interim financial statements, the following FRSS, Amendments to FRSS and Interpretations were issued but not yet effective and have not been applied by the Group:

FRSs and Interpretations		Effective for financial periods beginning on or after
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 101	Presentation of Financial Statements	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2010
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
Amendment to FRS 7	Financial Instruments: Disclosures	1 January 2010
Amendment to FRS 8	Operating Segments	1 January 2010
Amendment to FRS 107	Statement of Cash Flows	1 January 2010
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
Amendment to FRS 110	Events after the Reporting Period	1 January 2010
Amendment to FRS 116	Property, Plant and Equipment	1 January 2010
Amendment to FRS 117	Leases	1 January 2010
Amendment to FRS 118	Revenue	1 January 2010
Amendment to FRS 119	Employee Benefits	1 January 2010
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2010
Amendment to FRS 123	Borrowing Costs	1 January 2010
Amendment to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendment to FRS 128	Investments in Associates	1 January 2010
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies	1 January 2010
Amendment to FRS 131	Interest in Joint Ventures	1 January 2010
Amendments to FRS 132	Financial Instruments: Presentation	1 January 2010
Amendment to FRS 134	Interim Financial Reporting	1 January 2010
Amendment to FRS 136	Impairment of Assets	1 January 2010
Amendment to FRS 138	Intangible Assets	1 January 2010
Amendment to FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendment to FRS 140	Investment Property	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
Amendment to IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010

The adoption of the FRSS, Amendments to FRSS and Interpretations upon their effective dates are not expected to have any significant impact on the financial statements of the Group. The Group is exempted from disclosing the possible impact, if any, to the financial statements upon its initial application of FRS7 and FRS139.

A3 Auditors' Report For The Financial Year Ended 31 December 2008

The auditors' report on the financial statements for the financial year ended 31 December 2008 was not subject to any qualification.

A4 Seasonality or Cyclicity 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 period under review.

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 period.

A8 Dividends Paid

The following dividends were paid during the current and previous corresponding period:

	Period ended 30-09-2009 RM'000	Period ended 30-09-2008 RM'000
Final dividend for the financial year ended	31 December 2008	31 December 2007
Approved and declared on	11 June 2009	29 May 2008
Date paid	10 September 2009	12 August 2008
Number of ordinary shares on which dividends were payable / paid	53,459	53,459
a) Amount per share (franked)	-	1.0 sen less 26 per cent taxation
Net dividend paid	-	395
b) Amount per share (single-tier)	5.0 sen	6.0 sen
Net dividend paid	2,673	3,207
Total dividend paid	<u>2,673</u>	<u>3,602</u>

A9 Segmental Analysis

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

	Period ended 30-09-2009 RM'000	Period ended 30-09-2008 RM'000
Segment Revenue		
Property Development	131,365	122,634
Construction and Engineering	106,537	136,965
Trading & Others	33,081	25,866
	<u>270,983</u>	<u>285,465</u>
Consolidation adjustments	(91,700)	(85,447)
Group Revenue	<u>179,283</u>	<u>200,018</u>
Segment Results		
Property Development	7,929	4,896
Construction and Engineering	8,987	16,228
Trading & Others	(534)	1,293
	<u>16,382</u>	<u>22,417</u>
Consolidation adjustments	(3,361)	(876)
Profit from Operations	<u>13,021</u>	<u>21,541</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

On 9 October 2009, Winicon (M) Sdn Bhd ("Winicon"), a wholly-owned subsidiary of Magna Prima Berhad, acquired from Dato' Ahmad Shafee Bin Sabaruddin and Mohd Sabki Bin Razali of 250,002 ordinary shares of RM1.00 each in Ibsul Development (Sel) Sdn Bhd ("IDSB") representing the entire issued and paid up share capital of IDSB for a total cash consideration of RM3,500,000.

Save for those events disclosed under Note B8 and the abovementioned, there is no other material events subsequent to the end of the interim period.

A12 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.

A13 Contingent Assets and Contingent Liabilities

Details of contingent assets of the company are as follows :

Group	As at 30-09-2009 RM'000	As at 30-09-2008 RM'000
1,022,000 settlement by defendant in a litigation matter by way of shares [refer to Notes B11 (xi) & (xvii) :-		
- at market value	2,289,280	-
- at par	(1,022,000)	-
Inflow of economic benefit not virtually certain	<u>1,267,280</u>	<u>-</u>

Details of contingent liabilities of the company are as follows :

Company	As at 30-09-2009 RM'000	As at 30-09-2008 RM'000
Corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	45,379	78,251
- Unsecured	246	246
Corporate guarantees given to trade creditors of subsidiary companies for credit facilities granted to subsidiary companies:		
- Unsecured	3,368	5,648
	<u>48,993</u>	<u>84,145</u>

A14 Capital Commitments

	As at 30-09-2009 RM'000	As at 30-09-2008 RM'000
Approved and contracted for:		
- Purchase of property, plant and equipment	-	1,327
- Contractual obligation for development projects	19,029	40,551
	<u>19,029</u>	<u>41,878</u>

A15 Significant Related Party Transaction

Company	As at 30-09-2009 RM'000	As at 30-09-2008 RM'000
Management fee received/receivable from subsidiary companies	<u>7,093</u>	<u>7,905</u>

B Bursa Malaysia Listing Requirements

B1 Review of Performance - Comparison with Previous Corresponding Quarter

The Group achieved a revenue of RM45.3 million for the quarter ended 30 September 2009, 32 per cent lower compared to the revenue of RM66.2 million for the preceding year corresponding quarter ended 30 September 2008 due to completion of a project early 2009. Current quarter revenue contribution were mostly from Magna Ville Project in Selayang and Dataran Otomobil in Shah Alam.

The Group posted a pre-tax loss of RM1.7 million for the quarter ended 30 September 2009, compared to the pre-tax profit of RM2.1 million for the preceding year corresponding quarter ended 30 September 2008 due to conversion plan from office to apartment and revised selling price resulted in a lower estimated profit margin in a project.

B2 Review of Performance - Comparison with Immediate Preceding Quarter

Group gross profit of RM4.1 million for the quarter ended 30 September 2009 was lower compared to the gross profit of RM18.6 million for the immediate preceding quarter ended 30 June 2009 as a project recorded losses due to material cost escalation attributable to the upward revision of the estimated total cost as a result of cost overrun in Construction Division coupled with the revision of lower estimated profit margin.

B3 Prospects for the Current Financial Year

The Board expects the performance for the financial year 2009 from the two projects which are at tail end and the new projects to be launched soon in the next quarter.

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:

	30-09-2009 RM'000	30-09-2008 RM'000
Current taxation		
- Malaysian income tax	845	7,184
- Deferred Taxation	4,849	(760)
	<u>5,694</u>	<u>6,424</u>
Over provision of Malaysian income tax in prior years	(1,822)	(143)
	<u>3,872</u>	<u>6,281</u>

Deferred tax reversal of RM3.015 million and the over provision in prior years were due to the finalisation of a tax investigation by Inland Revenue Board on a subsidiary company. The effective tax rate of the Group was higher than the applicable statutory tax rate due to certain expenses not deductible for tax purposes.

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 30 September 2009 are as follows:

	RM'000
Total investment at cost	1,525
Less: Provision for diminution in value	(835)
Total investment at book value	<u>690</u>
Total investment at market value	<u>230</u>

B8 Corporate Proposals

The following corporate proposals announced by the Company have not been completed as at 17 November 2009 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 November 2007, the Company's wholly-owned subsidiary, Magna City Development 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 ("Proposed Acquisition").

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

On 18 September 2009, Muafakat Baru Sdn. Bhd. had agreed to an extension of time of three months until 19 December 2009 to complete the Proposed Acquisition.

- (b) On 2 March 2009, Magna Prima Berhad announced that its subsidiary, Permata Juang (M) Sdn Bhd (PJSB) had entered into a conditional sale and purchase agreement with Bukit Jalil Development Sdn. Bhd. ("BJD"), wherein BJD shall sell and PJSB shall purchase all the parcel of freehold land held under Lot 38476 in the Mukim of Petaling, Kuala Lumpur and State of Wilayah Persekutuan for a cash consideration of RM19,408,370.57 ("Proposed Acquisition").

The Proposed Acquisition was approved by Shareholders on 11 June 2009 and the Foreign Investment Committee had been notified on 4 May 2009.

PJSB had on 5 October 2009 served a writ summons on Bukit Jalil claiming for, inter-alia, specific performance of the SPA and an injunction to immediately stop and / or restrain Bukit Jalil whether by themselves and / or through their servants and / or agents and / or any other persons besides themselves from continuing with the Tender Exercise with the intention of selling the Property for any other parties.

On 14 October 2009 the Court had granted an ad-interim injunction order to stop and / or restrain Bukit Jalil whether by themselves and / or through their servants and / or agents and / or any other persons besides themselves with immediate effect from disposing the Property to any party via tender or any other manner, as well as from continuing with the Tender Exercise ("Ad-Interim Injunction"). The Ad-Interim Injunction is valid until the inter-parties hearing of the application for the interim injunction which have been fixed by the Court on 10 November 2009. On 10th November 2009 - Ad -Interim Injunction was given pending the "Inter-Parte" hearing of the summons in chambers and an injunction order to prevent the sale of the land by the Defendants, his agents, or his nominee and further to prevent the defendant, his agents, his nominee from continuing his tender exercise to sell the said land by tender. The judge has directed on the matter the decision will be given on 25th November 2009.

- (c) On 23 March 2009, Magna Prima Berhad announced that its subsidiary, Twinicon (M) Sdn. Bhd. had entered into a conditional sale and purchase agreement with Lai Meng Girls' School Association for the proposed acquisition of all pieces of land measuring an aggregate area of approximately 10,587.50 square meters held under Geran 4628, 4629, 4630, 4631 and 4632, Lots 124, 125, 126, 127 and 128 all in Section 44, Town and District of Kuala Lumpur, Negeri Wilayah Persekutuan together with the buildings erected thereon for a cash consideration of RM148,151,380 ("Proposed Acquisition").

The Proposed Acquisition is pending for shareholders' approval and was approved by the Foreign Investment Committee on 15 May 2009.

On 15 October 2009, Lai Meng Girls' School Association had agreed to an extension of time of three months until 22 December 2009 to obtain the approval of the State Education Authority or any authority authorised by it for such purpose to relocate the Existing School currently located at the said Property.

- (d) On 15 July 2009, Magna Prima Berhad announced that its subsidiary, Monetary Icon (M) Sdn. Bhd. had entered into a conditional sale and purchase agreement with Seri Dinar Project Development Sdn Bhd for the proposed acquisition of one (1) parcel of freehold land measuring approximately 5.56 acres held under Lot No. 3587 in Mukim 899, Mukim Batu, District of Gombak, Selangor and all those parcels of leasehold land measuring in aggregate approximately 16.78 acres comprising Lot Nos. 1964, 1965, 1966, 3592, 3593, 3594, 3595 and 3601 within Selayang, district of Gombak, Selangor for a total cash consideration of RM40,532,641 ("Proposed Acquisition").

The Proposed Acquisition is pending for shareholders' approval.

- (e) On 04 September 2009, Magna Prima Berhad announced that its subsidiary, 33 Sentral Park Sdn Bhd had entered into a sale and purchase agreement with Petaling Garden Sdn Bhd to acquire all the piece of land held under H.S.(D) 16678 PT 320 Mukim Kuala Lumpur, Daerah Petaling, Negeri Selangor measuring approximately 16,790.363 square metres / 180,736 square feet in area and all the piece of land held under H.S.(D) 16679 PT 321 Mukim Kuala Lumpur, Daerah Petaling, Negeri Selangor measuring approximately 11,358.000 square metres / 122,260 square feet in area together with a row of fifteen (15) single storey lock-up shops erected thereon and each of the shop(s) bearing postal address(es) of No.1 to No.15 respectively at Jalan 5/44, Petaling Garden 46000, Petaling Jaya, Selangor for an aggregate cash consideration of RM48,479,360 ("Proposed Acquisition").

The Proposed Acquisition is pending shareholders' approval and was approved by the Economic Planning Unit, Prime Minister's Department ("EPU") on 26 October 2009 under the Guideline on the Acquisition of Properties issued by the EPU.

- (f) On 14 October 2009, Magna Prima Berhad announced that its subsidiary, Crossborder Team (M) Sdn. Bhd. had entered into a conditional sale and purchase agreement with Muafakat Kekal Sdn Bhd for the proposed acquisition of a piece of leasehold land held under title no. PM 2780, Lot 2466, Town of Selayang, District of Gombak, Selangor Darul Ehsan for a total cash consideration of RM16,500,000 to be satisfied by the issuance of 8,250,000 new ordinary shares of RM1.00 each in Magna Prima Berhad ("MPB Share") at an issue price of RM2.00 per MPB Share ("Proposed Acquisition").

The Proposed Acquisition is pending for shareholders' approval.

- (g) On 23 October 2009 Magna Prima Berhad announce that the Company proposes to undertake the following:

(i) a share split exercise whereby every one (1) ordinary share of RM1.00 each in MPB will be divided into four (4) new ordinary shares of RM0.25 each in the Company ("Proposed Share Split");

(ii) the amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Share Split ("Proposed Amendments"); and

(iii) to seek MPB shareholders' approval for the authority to purchase and/or hold its own shares of an aggregate amount of up to 10% of MPB's prevailing issued and paid-up share capital at any time ("Proposed Share Buy-Back").

The Proposed Share Split, Proposed Amendments and Proposed Share Buy-Back are collectively referred to as "the Proposals".

The Proposals are subject to and conditional upon approvals being obtained from the following:

- (i) Bursa Securities for the Proposed Share Split; and
- (ii) shareholders of MPB, for the Proposals at a general meeting to be convened.

B9 Group Borrowings

Details of Group borrowings as at 30 September 2009 are as follows:

Secured	RM'000
Bank borrowings	
- within 12 months	26,395
- after 12 months	19,369
Total	45,764

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 Entity Sdn Bhd ("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, except for matters concerning suit no. D6-24-323-2003 ("3rd Suit") which we do not have any cause papers, the remaining details are in order.
- 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 2001 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.
- 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-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-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) Settlement Agreement (SA) dated 10 September 2008 has been signed between the Company, MPC, DE and Tang Chee Meng the 4th Defendant for the purpose of transferring the said shares. As at 13 May 2009, 953,000 shares belonging to the 4th Defendant have been transferred to the Company to hold in trust on behalf of MPC & DE.

Filed "Notice of Discontinuance against Mr. Tang Chee Meng who was the 4th Defendant in the Suit on 16th June 2009.

Withdrawn the Suit against the 8th, 9th, 10th, 13th and 15th Defendants on 29th June 2009.

During the previous case management ("CM") on 23rd July 2009, the Court has :-

a) directed parties to file the Statement of Agreed Facts ("Facts") and Issues To Be Tried ("Issues") within one month from CM. In this regard, the Plaintiffs had served the Facts and Issues to the solicitors of the 5th, 11th, and 12th Defendants respectively for

their approval to enable filing of the same; and

b) fixed 14 and 15 December 2009 for trial of the Suit. However, the aforesaid trial dates may be changed as the 5th Defendant's solicitors have recently informed that the 5th Defendant's counsel will be away during that period.

In connection thereto, we wish to inform that the Company had written off RM22,100,000 arising from the abovementioned case and is shown as an exceptional item in the consolidated accounts for 31 December 2000 of the Group.

The plaintiff has withdraw civil proceedings against the 5th, 11th, and 12th Defendants as advised by their solicitors.

During the case management on 14th October 2009, the date of trial was fixed.

The Court has fixed 4th and 5th February 2010 for trial.

B12 Dividend proposed

There was no dividend proposed in the current quarter and the previous corresponding quarter.

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

	3 months ended		Period ended	
	30-09-2009	30-09-2008	30-09-2009	30-09-2008
Net profit attributable to ordinary equity holders of the parent (RM'000)	(2,137)	1,146	6,382	14,699
Weighted average number of ordinary shares in issue ('000)	53,459	53,458	53,459	52,866
Basic EPS (sen)	<u>(4.00)</u>	<u>2.14</u>	<u>11.94</u>	<u>27.80</u>

(b) Diluted EPS

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

	3 months ended		Period ended	
	30-09-2009	30-09-2008	30-09-2009	30-09-2008
Net profit attributable to ordinary equity holders of the parent (RM'000)	<u>(2,137)</u>	<u>1,146</u>	<u>6,382</u>	<u>14,699</u>
Weighted average number of ordinary shares in issue ('000)	53,459	53,458	53,459	52,866
Effect of dilution ('000)	<u>6,993</u>	<u>13,094</u>	<u>6,233</u>	<u>15,078</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>60,452</u>	<u>66,552</u>	<u>59,692</u>	<u>67,944</u>
Diluted EPS (sen)	<u>(3.54)</u>	<u>1.72</u>	<u>10.69</u>	<u>21.63</u>

BY ORDER OF THE BOARD

Magna Prima Berhad
 Yuen Yoke Ping (MAICSA 701 4044)

Secretary

Petaling Jaya
 24 November 2009