

MAGNA PRIMA BERHAD

Company No.: 369519-P

(Incorporated in Malaysia)

Interim Financial Statements

31 March 2010

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Interim Financial Statements - 31 March 2010

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MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 March 2010

(The figures have not been audited)

	AS AT 31/03/2010 RM'000 (UNAUDITED)	AS AT 31/12/2009 RM'000 (AUDITED & RESTATED)
ASSETS		
Non-Current Assets		
Property, plant and equipment	2,873	3,113
Other Investments	-	235
Land held for property development	6,059	6,059
Goodwill on consolidation	3,269	3,269
Deferred tax assets	3,538	2,953
	15,739	15,629
Current Assets		
Inventories	22,135	7,361
Property development costs	93,163	109,306
Amount owing by customers on contracts	58,866	60,022
Trade receivables	38,435	26,836
Accrued billings	18,855	57,181
Other receivables	67,882	59,715
Tax recoverable	110	43
Cash held under Housing Development Accounts	8,790	3,705
Fixed deposits with licensed banks	1,452	1,026
Cash and bank balances	13,861	20,447
	323,549	345,642
TOTAL ASSETS	339,288	361,271
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	53,462	53,459
Share premium	10,524	10,521
Other reserves	6,498	6,499
Retained profits	47,900	47,753
	118,384	118,232
Non-controlling interests	3,006	3,038
TOTAL EQUITY	121,390	121,270
Non-Current Liabilities		
Hire purchase payables	763	865
Bank borrowings	7,773	10,484
Deferred tax liabilities	70	70
	8,606	11,419
Current Liabilities		
Amount owing to customers on contracts	2,039	1,837
Trade payables	148,874	157,727
Other payables	14,321	15,007
Hire purchase payables	413	396
Bank borrowings	20,737	26,535
Current tax liabilities	22,908	27,080
	209,292	228,582
TOTAL LIABILITIES	217,898	240,001
TOTAL EQUITY AND LIABILITIES	339,288	361,271
Net assets per share at par value of RM0.25 each attributable to Owners of the Company (RM)	0.55	0.55

The Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 COMPREHENSIVE INCOME

For the quarter and period-to-date ended 31 March 2010

(The figures have not been audited)

	3 months ended	
	31/03/2010	31/03/2009
	RM'000	RM'000
Revenue	18,144	61,078
Cost of sales	(12,861)	(47,294)
Gross profit	5,283	13,784
Other operating income	143	157
Selling and distribution expenses	(665)	(2,955)
Administration expenses	(3,337)	(4,946)
Other operating expenses	(767)	(2,674)
	657	3,366
Finance costs	(503)	(100)
Profit before taxation	154	3,266
Taxation	(38)	(844)
Profit for the period	116	2,422
Other comprehensive income for the period	-	-
Total comprehensive income for the period	116	2,422
Profit attributable to:		
Owners of the Company	147	2,256
Non-controlling interests	(31)	166
	116	2,422
Total comprehensive income attributable to:		
Owners of the Company	147	2,256
Non-controlling interests	(31)	166
	116	2,422
Earnings per share attributable to Owners of the Company:		Restated
- Basic (sen)	0.07	1.06
- Diluted (sen)	0.06	0.94

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2010

(The figures have not been audited)

	Attributable to Owners of the Company					Total Equity	
	Non-Distributable				Distributable		
	Share capital	Share premium	Warrants reserve	Capital reserve			Retained profits
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	Total	
Balance as at 1 January 2010	53,459	10,521	6,470	30	47,753	118,233	121,270
Profit or loss for the period	-	-	-	-	147	147	116
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	147	147	(31)
Issue of ordinary shares:							
- pursuant to exercise of warrants	3	1	-	-	-	4	4
Transfer of warrants reserve	-	2	(2)	-	-	-	-
Balance as at 31 March 2010	53,462	10,524	6,468	30	47,900	118,384	121,390

	Attributable to Owners of the Company					Total Equity	
	Non-Distributable				Distributable		
	Share capital	Share premium	Warrants reserve	Capital reserve			Retained profits
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	Total	
Balance as at 1 January 2009	53,459	10,521	6,469	30	43,800	114,279	117,273
Profit or loss for the period	-	-	-	-	2,256	2,256	2,422
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	2,256	2,256	166
Balance as at 31 March 2009	53,459	10,521	6,469	30	46,056	116,535	119,695

The Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2010

(The figures have not been audited)

	3 months ended ended 31/03/2010 RM'000	3 months ended ended 31/03/2009 RM'000
Operating activities		
Profit before taxation	154	3,266
Adjustment for:-		
Depreciation of property, plant and equipment	241	245
Allowance for doubtful debts	400	-
Loss on disposal of property, plant & equipment	3	-
Loss on disposal of quoted investment	21	-
Allowance for liquidated & ascertained damages	175	-
Interest income	(135)	(81)
Interest expense	503	100
Operating profit before changes in working capital	<u>1,362</u>	<u>3,530</u>
Changes in working capital		
Inventories	(14,774)	28
Property development costs	16,143	(4,449)
Amount owing by/to customers on contract	1,358	14,484
Trade receivables	(11,599)	43,095
Accrued billings	38,326	-
Other receivables	(8,593)	(2,951)
Amount owing by/to director	-	-
Trade payables	(9,253)	(45,449)
Other payables	(3,161)	12,418
	<u>8,447</u>	<u>17,176</u>
Net cash generated from operations	9,809	20,706
Interest paid	(503)	(100)
Interest received	135	81
Tax paid	(2,562)	(1,047)
Net cash generated from operating activities	<u>6,879</u>	<u>19,640</u>
Investing activities		
Purchase of property, plant and equipment	(4)	(28)
Proceeds from disposal of quoted investment	214	-
Net cash generated from/(used in) investing activities	<u>210</u>	<u>(28)</u>
Financing activities		
Repayment of hire purchase liabilities	(85)	(133)
Repayment of bank borrowings	(9,298)	(25,898)
Drawdown of bank borrowings	-	5,000
Net proceeds from new shares issued	4	-
Net cash used in financing activities	<u>(9,379)</u>	<u>(21,031)</u>
Net change in cash & cash equivalents	<u>(2,290)</u>	<u>(1,419)</u>
Cash & cash equivalents at the beginning of the financial period	<u>24,152</u>	<u>23,932</u>
Cash & cash equivalents at the end of the financial period	<u>21,862</u>	<u>22,513</u>

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

	As at 31/03/2010 RM'000	As at 31/03/2009 RM'000
Cash and bank balances	13,861	15,415
Cash held under Housing Development Accounts	8,790	9,162
Fixed deposits with licensed banks	1,452	842
Bank overdrafts	(789)	(2,064)
	<u>23,314</u>	<u>23,355</u>
Less: Fixed deposits pledged with licensed banks	(1,452)	(842)
	<u>21,862</u>	<u>22,513</u>

The Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 Requirements 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 2009. 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 2009.

A2 Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2010.

On 1 January 2010, the Group adopted the following FRSs:-

FRSs, Amendments to FRSs and Interpretations

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards
Amendment to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 8	Operating Segments
Amendment to FRS 107	Statement of Cash Flows
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events after the Reporting Period
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 128	Investments in Associates
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendment to FRS 131	Interest in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 140	Investment Property
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Other than for the application of FRS 8, FRS 101, Amendment to FRS 117, and FRS 139, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

(a) FRS 8 : Operating Segments ("FRS 8")

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on the internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This standard does not have any impact on the financial position and results of the Group.

(b) FRS 101: Presentation of Financial Statements (Revised 2009) ("FRS 101")

A set of financial statements now consists of the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements. The statement of comprehensive income consists of profit or loss for the period and other comprehensive income.

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard. This standard does not have any impact on the financial position and results of the Group.

(c) Amendment to FRS 117: Leases ("FRS 117")

Prior to this amendment, the Group's leasehold lands were classified as Prepaid Lease Payments. The amended FRS 117 allows leasehold land which qualifies as a finance lease to be treated as Property, Plant & Equipment where the lease is long term, and Prepaid Lease Payments where the lease is short term. The Group treats lease terms of 50 years or more as long term finance leases. The remaining periods of the Group's long term leasehold lands range from 78 years to 86 years, and as such, the entire amount has been reclassified under Property, Plant & Equipment and measured as such retrospectively.

The effects on the comparative figures arising from the adoption of the Amendment to FRS 117 are as follows:-

	Consolidated Statement of Financial Position		
	As previously reported	Effects on adoption of Amendment	As restated
	Period ended 31/03/2009	to FRS 117	Period ended 31/03/2009
	RM'000	RM'000	RM'000
Property, plant & equipment	2,874	239	3,113
Prepaid lease payments	239	(239)	-

(d) FRS 139: Financial Instruments - Recognition and Measurement ("FRS 139")

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 January 2010.

Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale ("AFS") financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial assets include cash and short-term deposits, loans and receivables and AFS investments.

Prior to 1 January 2010, loans and receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate ("EIR") method. Gains and losses arising from the derecognition of the loans and receivables, EIR amortisation and impairment losses are recognised in the income statement.

Prior to 1 January 2010, AFS financial assets such as investments were accounted for at cost adjusted for amortisation of premium and accretion of discount less impairment or at the lower of cost and market value, determined on an aggregate basis. Under FRS 139, AFS financial asset is measured at fair value initially and subsequently with amortisation of premium with accretion of discount and other accrual of income recognised in income statement and with unrealised gains or losses recognised as other comprehensive income in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the income statement or determined to be impaired, at which time the cumulative loss is recognised in the income statement and removed from the AFS reserve.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include trade and other payables, loans and borrowings, and are carried at amortised cost.

Impact on opening balances

The effects arising from the adoption of FRS 139 are as follows :-

	RM'000
Other Investments, at cost	1,525
Less: Provision for diminution in value	<u>(1,290)</u>
At 1 January 2010 :	235
Fair value of AFS investments as at 1 January 2010* :	<u>235</u>
Difference to AFS reserve on adoption of FRS 139 :	<u><u>-</u></u>

During the period under review, the Company disposed off its entire AFS investments as disclosed in Note B7.

* The AFS investments are quoted securities listed on the Bursa Malaysia securities exchange, and as such, the fair value of the AFS investments as at 1 January 2010 approximates its market value as at the year ended 31 December 2009.

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the Consolidated Statement of Financial Position as at 1 January 2010.

	Balance as at 1 January 2010 as previously reported RM'000	Effects of adoption of FRS 139 RM'000	Balance as at 1 January 2010 as restated RM'000
Assets			
Other Investments	235	(235)	-
Available-for-sale investments	<u>-</u>	<u>235</u>	<u>235</u>

The adoption of FRS 139 does not have any significant impact on the profit for the financial period-to-date.

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 1 (revised)	1 July 2010
FRS 3 (revised)	1 July 2010
FRS 127	1 July 2010
Amendment to FRS 2	1 July 2010
Amendment to FRS 5	1 July 2010
Amendment to FRS 138	1 July 2010
IC Interpretation 12	1 July 2010
IC Interpretation 15	1 July 2010
IC Interpretation 16	1 July 2010
IC Interpretation 17	1 July 2010
Amendment to IC Interpretation 9	1 July 2010

A3 Auditors' Report For The Financial Year Ended 31 December 2009

The auditors' report on the financial statements for the financial year ended 31 December 2009 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 year.

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 31/03/2010 RM'000	Period ended 31/03/2009 RM'000
Segment Revenue		
Reportable segments :		
Property Development	11,990	44,263
Construction and Engineering	24,901	27,516
Trading	6,957	10,143
	<u>43,848</u>	<u>81,922</u>
Non-reportable segments :	<u>2,424</u>	<u>2,717</u>
Sub-total :	46,272	84,639
Consolidation adjustments	<u>(28,128)</u>	<u>(23,561)</u>
Group Revenue	<u>18,144</u>	<u>61,078</u>
Segment Results		
Reportable segments :		
Property Development	59	3,011
Construction and Engineering	681	75
Trading	51	255
	<u>791</u>	<u>3,341</u>
Non-reportable segments :	<u>174</u>	<u>(19)</u>
Sub-total :	965	3,322
Consolidation adjustments	<u>(308)</u>	<u>44</u>
Profit from Operations	<u>657</u>	<u>3,366</u>

Geographical segments

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

Major customers

The Group is engaged primarily in property development and construction, and sells real estate properties by units. As such, the Group does not have reliance on any particular major customer.

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 material events and transactions subsequent to the end of the current financial period till 19 May 2010 being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim Financial Statements.

A12 Changes in the Composition of the Group

On 21 April 2010, Magna Prima Berhad purchased from its subsidiary, Pembinaan Contamaju-Infocast Sdn Bhd ("PCI") seventy five thousand (75,000) ordinary shares at Ringgit Malaysia Two only (RM2.00) which represent the remaining 10% of the entire paid-up capital of PCI and has agreed to purchase all the said Shares at the said price free from all charges, pledges, encumbrances and options and with all rights of whatsoever nature attaching thereto and ultimately own 100% the entire paid up capital of PCI.

Save for those events disclosed under Note B8 and the abovementioned, there were no other changes in the composition of the Group during the current financial year.

A13 Contingent Assets and Contingent Liabilities

Details of contingent assets of the company are as follows :

Group	As at 31/03/2010 RM'000	As at 31/03/2009 RM'000
Settlement by defendant in a litigation matter by way of 4,088,000 ordinary shares at par value of RM0.25 per share :-		
- at market value	4,006	-
- at par	(1,022)	-
Inflow of economic benefit which is probable but not virtually certain	<u>2,984</u>	<u>-</u>

Details of contingent liabilities of the company are as follows :

Company	As at 31/03/2010 RM'000	As at 31/03/2009 RM'000
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	29,715	59,759
- Unsecured	246	246
Utilised portion of corporate guarantees given to trade creditors of subsidiary companies for credit facilities granted to subsidiary companies:		
- Unsecured	2,434	4,514
	<u>32,395</u>	<u>64,519</u>

A14 Capital Commitment

	As at 31/03/2010 RM'000	As at 31/03/2009 RM'000
Approved and contracted for:		
- Purchase of property, plant and equipment	-	-
- Contractual obligation for development projects	68,667	-
	<u>68,667</u>	<u>-</u>

A15 Significant Related Party Transaction

Company	As at 31/03/2010 RM'000	As at 31/03/2009 RM'000
Management fee received/receivable from subsidiary companies	<u>2,221</u>	<u>2,203</u>

B Bursa Malaysia Listing Requirements

B1 Review of Performance - Comparison with Previous Corresponding Quarter

Compared with 3 projects running in the previous corresponding quarter, (with Dataran Otomobil and Magna Ville being at their tail-end), only the U1 Shah Alam project is on-going in the current quarter, thus causing revenue to drop 70% from RM61.1 million to RM18.1 million. The current quarter's gross profit of RM5.3 million, a drop of 62% compared to previous corresponding quarter was mainly due to the continuing positive sales performance in U1 Shah Alam and recognition of residual profit arising from the completion of Magna Ville.

B2 Review of Performance - Comparison with Immediate Preceding Quarter

Compared to the profit before tax of RM1.2 million for the immediate preceding quarter ended 31 December 2009 which was boosted by other operating income of RM0.9 million, the Group achieved a marginal profit before tax of RM0.2 million. The achievement of profits was also due to lower selling and distribution expenses at the tail-end of the Dataran Otomobil and Magna Ville projects.

B3 Prospects for the Current Financial Year

The Board is confident of better performance with several projects in line for launching from the 2nd quarter onwards. One Sierra, a mixed development project in Bandar Selayang targeted to launch in the 2nd quarter has received positive interest for registration from potential buyers. The loan facilities for 4 of our projects, One Sierra and D'Sierra in Selayang, One Jalil in Bukit Jalil and Jalan Gasing project in Petaling Jaya, have recently been secured and approved by banks, showing a strong testament to confirm that our projects are in prime locations preferred by buyers.

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:

	31/03/2010 RM'000	31/03/2009 RM'000
Current taxation		
- Malaysian income tax	623	843
- Deferred Taxation	(585)	1
	38	844
Over provision of Malaysian income tax in prior years	-	-
	38	844

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

For the period under review, the Company disposed its entire investment of 500,000 shares in Mulpha Berhad. Details of the disposal as at 31 March 2010 are as follows:

	RM'000
Quoted investments, at cost as at 1 January 2010	235
Proceeds on disposal of shares in March 2010	(214)
Loss on disposal of quoted investments	21

B8 Corporate Proposals

The following corporate proposals announced by the Company have not been completed as at 19 May 2010 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 7 January 2008 and by the Foreign Investment Committee on 19 February 2008.

On 17 March 2010, Muafakat Baru Sdn. Bhd. had agreed to an extension of time of three months until 19 June 2010 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.

Pursuant to the vendor's holding company's extraordinary general meeting held on 29 March 2010, both PJSB and BJD are currently working towards finalising the Proposed Acquisition.

- (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 1").

The Proposed Acquisition 1 was approved by the Foreign Investment Committee on 15 May 2009.

On 10 December 2009, Magna Prima Berhad announced that the Proposed Lai Meng Acquisition is conditional upon Twinicon (M) Sdn Bhd causing the transfer of all the freehold land measuring 22,280 square metres held under Geran 55267, Lot 38474, Mukim Petaling, District Kuala Lumpur, Negeri Wilayah Persekutuan (the "Property") from the Property's proprietor in LMGSA's favour free from all encumbrances, for the purpose of relocating the existing Lai Meng Primary School and Lai Meng Kindergarten currently located at the Lai Meng Property to the Property. Magna Prima Berhad also announced that Twinicon (M) Sdn Bhd had, on the same day, entered into a sale and purchase agreement with Santari Sdn Bhd for the proposed acquisition of the Property, for a cash consideration of RM10,700,000 ("Proposed Acquisition 2").

On 16 December 2009 Magna Prima Berhad had announced that Twinicon (M) Sdn Bhd and the Vendor, Lai Meng Girls' School Association, have mutually agreed to an extension of time of three (3) months until 22 March 2010 for the following:

- to cause Geran 55267, Lot 38474, Mukim of Petaling, District of Kuala Lumpur, Negeri Wilayah Persekutuan ("Land") to be transferred to the Vendor; and
- 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 to the Land.

The Proposed Acquisitions 1 and 2 were approved by shareholders on 11 March 2010.

On 14 April 2010, Santari Sdn. Bhd. had agreed to an extension of time of three months until 9 July 2010 to complete the Proposed Acquisition 2 and Twinicon (M) Sdn Bhd is to pay an interest at the rate of eight per centum (8%) per annum on daily basis on the outstanding Balance Purchase Price.

- (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").

On 19 February 2010 Magna Prima Berhad had announced that Monetary Icon (M) Sdn Bhd and Sri Dinar Project Development Sdn Bhd have both mutually agreed to an extension of time up to end-March 2010 to comply with the Conditions Precedent as set out in the SPA for the Proposed Acquisition.

The Proposed Acquisition was approved by shareholders on 11 March 2010.

- (e) 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").

On 1 December 2009 the listing application for the new MPB Shares to be issued pursuant to the Proposed Selayang Land Acquisition has been submitted to Bursa Malaysia Securities Berhad.

On 7 December 2009, Magna Prima Berhad clarified that under the terms of the sale and purchase agreement for the Proposed Selayang Land Acquisition, in the event at any time before the completion of the Proposed Selayang Land Acquisition where MPB undertakes any exercise to alter the par value of the MPB Shares by reason of consolidation or sub-division or undertakes a bonus issue or rights issue of new MPB shares, the number of new MPB shares to be issued shall be adjusted to an amount equivalent to the purchase consideration of the Proposed Selayang Land Acquisition. In such an event, the number of shares to be issued pursuant to the Proposed Selayang Land Acquisition will be adjusted from 8,250,000 new MPB Shares to 33,000,000 new Subdivided Shares.

On 20 January 2010, the Company has completed its share split exercise involving the subdivision into four (4) new ordinary shares of RM0.25 each ("Subdivided Shares") for every one (1) existing MPB Share held by the shareholders of MPB ("Share Split").

Resulting thereto and in accordance with the terms of the sale and purchase agreement on the Proposed Selayang Land Acquisition, the Vendor and the Purchaser have on 20 January 2010 mutually agreed in writing that the number of shares to be issued pursuant to the Proposed Selayang Land Acquisition will be adjusted from 8,250,000 new MPB Shares at an issue price of RM2.00 per share to 33,000,000 new Subdivided Shares at an issue price of RM0.50 per share.

The Proposed Acquisition is pending for shareholders' approval.

On 15 April 2010 Magna Prima Berhad had announced that Crossborder Team (M) Sdn Bhd and Muafakat Kekal Sdn Bhd have mutually agreed to extend the Conditional Period up to 14 August 2010.

B9 Group Borrowings

Details of Group borrowings as at 31 March 2010 are as follows:

Secured	RM'000
Bank borrowings	
- within 12 months	21,150
- after 12 months	8,536
Total	<u>29,686</u>

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

Kuala Lumpur High Court Suit No.: D3-22-2039-2000 ("Suit")
 Magna Prima Berhad ("MPB") & 2 Ors ("Plaintiffs") v Top Green Entity Sdn. Bhd. & 14 Ors. ("Defendants")

(i) Sometime in 2000 the Plaintiffs proposed to carry out a corporate exercise ("Proposed Corporate Exercise") by, among others, selling some assets which belonged to Magna Prima Construction ("MPC") and Dunia Epik Sdn. Bhd. ("DESB") to third parties for an aggregate amount of RM22,100,000.00 ("Sum"). Mr. Goh Hock Choy ("the 5th Defendant") approached Mr. Yap Soon Huat ("YSH"), who was a director and one of MPB's substantial shareholders, and represented that he had the authority to act for certain parties interested in purchasing shares in MPB with the intention of taking over control of MPB. Negotiations were entered into between YSH and the 5th Defendant for the sale of MPB shares subject to terms and conditions determined by the 5th Defendant ("Sale of Shares"). Following the Sale of Shares, the Sum was paid into the Plaintiffs' Accounts in the following manner :-

- (a) RM16,684,300.00 into MPC's account; and
- (b) RM5,415,700.00 into DESB's account.

(ii) On 16th October 2000 the Sum was withdrawn from MPC and DESB's accounts ("Withdrawal") without the knowledge and approval of the Plaintiffs. On 19th October 2000 Mr. Ng Yak Hee, a director of the Plaintiffs, lodged a police report concerning the Withdrawal.

(iii) The Plaintiffs filed a Writ of Summons against the Defendants on 1st November 2000. As of 5th February 2010, the Plaintiffs have chosen to proceed only against the 5th Defendant and Tan Chow Poo, the 12th Defendant. The Suit has been fixed for the hearing of the 5th Defendant's Application to Strike out the Suit on 26th May 2010.

B12 Dividend proposed

A proposed final single tier exempt dividend of 1 sen per share at par value of RM0.25 per share (2008: single tier exempt dividend of 5 sen per share at par value of RM1.00 per share) has been recommended for the financial year ended 31 December 2009 subject to shareholders' approval at the forthcoming Annual General Meeting to be held on 17 June 2010.

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.

	Period ended	
	31/03/2010	Restated 31/03/2009
Net profit attributable to ordinary equity holders of the parent (RM'000)	147	2,256
Weighted average number of ordinary shares in issue ('000)	213,844	213,837
Basic EPS (sen)	<u>0.07</u>	<u>1.06</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.

	Period ended	
	31/03/2010	Restated 31/03/2009
Net profit attributable to ordinary equity holders of the parent (RM'000)	<u>147</u>	<u>2,256</u>
Weighted average number of ordinary shares in issue ('000)	213,844	213,837
Effect of dilution ('000)	<u>51,556</u>	<u>24,934</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>265,400</u>	<u>238,771</u>
Diluted EPS (sen)	<u>0.06</u>	<u>0.94</u>

BY ORDER OF THE BOARD

Magna Prima Berhad
 Yuen Yoke Ping (MAICSA 7014044)

Secretary

Petaling Jaya
 26 May 2010