

MAGNA PRIMA BERHAD

Company No.: 369519-P

(Incorporated in Malaysia)

Interim Financial Statements

31 December 2010

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(Incorporated in Malaysia)**

Interim Financial Statements - 31 December 2010

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MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 December 2010

(The figures have not been audited)

	AS AT 31-12-2010 RM'000 (UNAUDITED)	AS AT 31-12-2009 RM'000 (AUDITED & RESTATED)
ASSETS		
Non-Current Assets		
Property, plant and equipment	1,921	3,113
Other investments	-	235
Land held for property development	62,781	6,059
Goodwill on consolidation	3,269	3,269
Deferred tax assets	3,222	2,953
	<u>71,193</u>	<u>15,629</u>
Current Assets		
Inventories	9,631	7,361
Property development costs	160,086	109,306
Amount owing by customers on contracts	31,366	60,022
Trade receivables	32,346	26,836
Accrued billings	14,247	57,181
Other receivables	53,658	59,715
Tax recoverable	44	43
Cash held under Housing Development Accounts	4,668	3,705
Fixed deposits with licensed banks	2,114	1,026
Cash and bank balances	12,901	20,447
	<u>321,061</u>	<u>345,642</u>
TOTAL ASSETS	<u>392,254</u>	<u>361,271</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	61,801	53,459
Share premium	18,843	10,521
Other reserves	6,472	6,499
Retained profits	33,255	47,753
	<u>120,371</u>	<u>118,232</u>
Non-controlling interests	<u>2,945</u>	<u>3,037</u>
TOTAL EQUITY	<u>123,316</u>	<u>121,269</u>
Non-Current Liabilities		
Hire purchase payables	309	865
Bank borrowings	70,875	10,484
Deferred tax liabilities	68	70
	<u>71,252</u>	<u>11,419</u>
Current Liabilities		
Amount owing to customers on contracts	-	1,837
Trade payables	122,344	157,727
Other payables	19,159	15,008
Hire purchase payables	222	396
Bank borrowings	38,855	26,535
Current tax liabilities	17,106	27,080
	<u>197,686</u>	<u>228,583</u>
TOTAL LIABILITIES	<u>268,938</u>	<u>240,002</u>
TOTAL EQUITY AND LIABILITIES	<u>392,254</u>	<u>361,271</u>
Net assets per share at par value of RM0.25 each attributable to Owners of the Company (RM)	<u>0.49</u>	<u>0.55</u>

The Condensed 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 year ended 31 December 2010

(The figures have not been audited)

	3 months ended		12 months ended	
	31-12-2010 RM'000	31-12-2009 RM'000	31-12-2010 RM'000	31-12-2009 RM'000
Revenue	32,935	13,670	116,293	191,945
Cost of sales	(36,197)	(9,619)	(103,073)	(151,342)
Gross profit	(3,262)	4,051	13,220	40,603
Other operating income	1,893	897	2,890	3,340
Selling and distribution expenses	(864)	(1,888)	(2,483)	(6,776)
Administration expenses	(3,817)	(3,108)	(14,529)	(16,651)
Other operating expenses	(1,127)	1,892	(7,767)	(5,651)
	(7,177)	1,844	(8,669)	14,865
Finance costs	(140)	(600)	(1,307)	(3,423)
Profit / (loss) before taxation	(7,317)	1,244	(9,976)	11,442
Taxation	42	(900)	(2,144)	(4,772)
Profit / (loss) for the period	(7,275)	344	(12,120)	6,670
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(7,275)	344	(12,120)	6,670
Profit / (loss) attributable to:				
Owners of the Company	(7,259)	244	(11,704)	6,626
Non-controlling interests	(16)	100	(416)	44
	(7,275)	344	(12,120)	6,670
Total comprehensive income attributable to:				
Owners of the Company	(7,259)	244	(11,704)	6,626
Non-controlling interests	(16)	100	(416)	44
	(7,275)	344	(12,120)	6,670
Earnings per share attributable to Owners of the Company:		Restated		Restated
- Basic (sen)	(3.27)	0.46	(5.37)	3.10
- Diluted (sen)	(2.69)	0.39	(4.38)	3.00

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.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2010

(The figures have not been audited)

	Attributable to Owners of the Company					Non-controlling 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 2010	53,459	10,521	6,469	30	47,753	118,232	121,269
Profit / (loss) for the year	-	-	-	-	(11,704)	(11,704)	(12,120)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(11,704)	(11,704)	(12,120)
Issue of ordinary shares:							
- pursuant to exercise of Warrants 2006/2011	92	45	-	-	-	137	137
- being consideration for land acquisition	8,250	8,250	-	-	-	16,500	16,500
Transfer of warrants reserve	-	27	(27)	-	-	-	-
Dilution arising from change in stake in subsidiary	-	-	-	-	(324)	(324)	-
Dividends for the year ended 31 Dec 2009	-	-	-	-	(2,470)	(2,470)	(2,470)
Balance as at 31 December 2010	61,801	18,843	6,442	30	33,255	120,371	123,316

	Attributable to Owners of the Company					Non-controlling 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	114,279	117,272
Profit / (loss) for the year	-	-	-	-	6,626	6,626	6,670
Total comprehensive income for the year	-	-	-	-	6,626	6,626	6,670
Dividends for the year ended 31 Dec 2008	-	-	-	-	(2,673)	(2,673)	(2,673)
Balance as at 31 December 2009	53,459	10,521	6,469	30	47,753	118,232	121,269

The Condensed 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)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2010

(The figures have not been audited)

	12 months 31-12-2010 RM'000	12 months 31-12-2009 RM'000
Operating activities		
Profit / (loss) before taxation	(9,976)	11,442
Adjustment for:-		
Depreciation of property, plant and equipment	831	1,009
Allowance for doubtful debts	2,179	4,566
Bad debts written off	173	-
Gain on disposal of property, plant & equipment	(122)	(92)
Loss on disposal of property, plant & equipment	4	-
Property, plant & equipment written off	19	-
Loss on disposal of quoted investment	21	-
Allowance for liquidated & ascertained damages	961	566
Over provision for liquidated & ascertained damages	-	(486)
Provision for foreseeable loss	-	300
Over provision for foreseeable loss	(300)	(42)
Impairment of other investment	-	455
Write-down in value of inventory	3,253	-
Interest income	(519)	(464)
Interest expense	1,307	3,423
Operating profit before changes in working capital	<u>(2,169)</u>	<u>20,677</u>
Changes in working capital		
Inventories	(5,523)	(5,018)
Property development costs	(91,002)	20,545
Amount owing by/to customers on contract	27,118	19,149
Trade receivables	(5,510)	10,188
Accrued billings	42,934	15,485
Other receivables	5,021	(39,546)
Trade payables	(37,562)	34,289
Progress billings	-	(15,744)
Other payables	719	(6,462)
	<u>(63,805)</u>	<u>32,886</u>
Net cash (used in)/generated from operations	(65,974)	53,563
Interest paid	(1,307)	(3,423)
Interest received	519	464
Tax paid	(10,090)	(9,698)
Net cash (used in)/generated from operating activities	<u>(76,852)</u>	<u>40,906</u>
Investing activities		
Purchase of property, plant and equipment	(52)	(207)
Acquisition of subsidiary	-	(1,147)
Proceeds from disposal of quoted investment	214	-
Proceeds from disposal of property, plant and equipment	530	264
Net cash generated from/(used in) investing activities	<u>692</u>	<u>(1,090)</u>
Financing activities		
Dividend paid	(2,470)	(2,673)
Repayment of hire purchase liabilities	(730)	(768)
Repayment of bank borrowings	(31,217)	(46,971)
Fixed deposits withdrawn with licensed banks	-	816
Drawdown of bank borrowings	104,400	12,565
Net proceeds from new shares issued	137	-
Net cash generated from/(used in) financing activities	<u>70,120</u>	<u>(37,031)</u>
Net change in cash & cash equivalents	(6,040)	2,785
Cash & cash equivalents at the beginning of the financial year	23,358	20,573
Cash & cash equivalents at the end of the financial year	17,318	23,358

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

	As at 31-12-2010 RM'000	As at 31-12-2009 RM'000
Cash and bank balances	12,901	20,447
Cash held under Housing Development Accounts	4,668	3,705
Fixed deposits with licensed banks	2,114	1,026
Bank overdrafts	(322)	(794)
	<u>19,361</u>	<u>24,384</u>
Less: Fixed deposits pledged with licensed banks	(2,043)	(1,026)
	<u>17,318</u>	<u>23,358</u>

The Condensed 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 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 123	Borrowing Costs
Amendment to FRS 128	Investments in Associates
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

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 labeled 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	As restated
	Year ended	Amendment	Year ended
	31-12-2009	to FRS 117	31-12-2009
	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 de-recognition 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 de-recognised, 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 :-

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

In accordance with the transitional provisions of FRS 139, the changes above 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 Condensed Consolidated Statement of Financial Position as at 1 January 2010.

The adoption of FRS 139 does not have any significant impact on the profit for the financial year.

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)	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 (revised)	Business Combinations	1 July 2010
FRS 124	Related Party Disclosures	1 January 2012
FRS 127	Consolidated and Separate Financial Statements	1 July 2010
Amendment to FRS 1	Limited Exemption from Comparatives FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendment to FRS 1	Additional Exemptions for First-time Adopters	1 January 2011
Amendment to FRS 2	Share-based Payment	1 July 2010
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Amendment to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 July 2010
Amendment to FRS 138	Intangible Assets	1 July 2010
Amendment to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 4	Determining Whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18	Transfer of Assets from Customers	1 January 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011

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 were 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 under review.

A6 Material Changes in Estimates of Amounts

There were no changes in estimates that have had any material effect on the results for the current quarter and current financial year under review.

A7 Debts and Equity Securities

During the current financial year ended 31 December 2010, the Company issued 262,000 ordinary shares of RM0.25 each for cash, pursuant to the exercise of MPB Warrants 2006/2011 at the exercise price of RM0.37 per ordinary share.

Further to the Company's subsidiary, Crossborder Team (M) Sdn Bhd's conditional sale and purchase agreement with Muafakat Kekal Sdn Bhd dated 14 October 2009 to acquire a piece of leasehold land held under title no. PM 2780, Lot 2466 ("Land Acquisition"), the Company issued 33,000,000 ordinary shares of RM0.25 each on 18 August 2010 being consideration for the said land acquisition.

Save for the above, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial year.

A8 Dividends Paid

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

	Year ended 31/12/2010	Year ended 31/12/2009 Restated
Final dividend for the year ended :	31 December 2009	31 December 2008
Approved and declared on	17 June 2010	11 June 2009
Date paid	15 September 2010	10 September 2009
Number of ordinary shares on which dividends were payable / paid ('000)	247,077	213,837
Amount per share (single-tier)	1.0 sen	1.25 sen
Net dividend paid (RM'000)	<u>2,471</u>	<u>2,673</u>

A9 Segmental Analysis

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

	Property development RM'000	Construction & engineering RM'000	Trading RM'000	Non-reportable segments RM'000	Intersegment eliminations RM'000	Consolidated RM'000
Year ended 31/12/2010 :						
Segment Revenue:						
External customers	74,823	3,539	22,885	15,046	-	116,293
Intersegment revenue	-	77,263	4,241	10,645	(92,149)	-
Total revenue	74,823	80,802	27,126	25,691	(92,149)	116,293
Segment Results:						
	8,147	1,646	883	12,334	(12,273)	10,737
Unallocated costs						(19,405)
Finance costs						(1,308)
Profit / (loss) before tax:						(9,976)
Segment Assets:						
	268,342	41,652	8,467	7,315	(4,759)	321,017
Unallocated corporate assets						71,237
Total Assets:						392,254
Year ended 31/12/2009 :						
Segment Revenue:						
External customers	136,634	32,259	21,898	1,154	-	191,945
Intersegment revenue	-	81,208	8,571	11,512	(101,291)	-
Total revenue	136,634	113,467	30,469	12,666	(101,291)	191,945
Segment Results:						
	15,818	15,198	1,843	12,667	(11,699)	33,827
Unallocated costs						(18,962)
Finance costs						(3,423)
Profit / (loss) before tax:						11,442
Segment Assets:						
	201,733	81,654	8,042	65,692	(3,376)	353,745
Unallocated corporate assets						7,526
Total Assets:						361,271

Geographical segments

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

Major customers

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

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 18 February 2011 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 for a total purchase consideration of 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 attached thereto and ultimately owned 100% of the entire paid up capital of PCI.

Save for 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 31-12-2010 RM'000	As at 31-12-2009 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	3,516	3,086
- at par	(1,022)	(1,022)
Inflow of economic benefit which is probable but not virtually certain	<u>2,494</u>	<u>2,064</u>

Details of contingent liabilities of the company are as follows :

Company	As at 31-12-2010 RM'000	As at 31-12-2009 RM'000
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	109,446	38,882
- Unsecured	-	246
Utilised portion of corporate guarantees given to trade creditors of subsidiary companies for credit facilities granted to subsidiary companies:		
- Unsecured	5,202	2,513
	<u>114,648</u>	<u>41,641</u>

A14 Capital Commitment

Approved and contracted for:

	As at 31-12-2010 RM'000	As at 31-12-2009 RM'000
- Purchase of property, plant and equipment	-	-
- Contractual obligation for development projects	137,164	19,003
	<u>137,164</u>	<u>19,003</u>

A15 Significant Related Party Transaction

Company	As at 31-12-2010 RM'000	As at 31-12-2009 RM'000
Management fee received/receivable from subsidiary companies	8,045	8,912

B Bursa Malaysia Listing Requirements

B1 Review of Performance - Comparison with Previous Corresponding Quarter

For the current quarter, revenue increased from RM13.7 million to RM32.9 million as compared to the previous corresponding quarter. The Group achieved a revenue of RM116.3 million for the current financial year, a decline of 39% compared to RM191.9 million for the financial year ended 31 December 2009. The revenue decline was due to lesser revenue recognised from Magnaville after the project completed in 1st quarter 2010. The only contribution for the current quarter is from U1 Shah Alam project, compared to the previous corresponding quarter.

Current quarter's gross profit declined by 181% to a gross loss of RM3.3 million compared to the previous corresponding quarter due to reduced contribution post-completion of Magna Ville project as mentioned above.

B2 Review of Performance - Comparison with Immediate Preceding Quarter

The Group incurred a loss before tax of RM7.3 million, against a loss before tax of RM5.0 million for the immediate preceding quarter ended 30 September 2010 due to higher cost recognised from the current project development. The incubation period for new launches also impacted on additional marketing expenditure.

B3 Prospects for the Next Financial Year

The Board is confident of better performance in year 2011, which will herald fresh contributions for the Group from new projects. One Sierra, a mixed development project in Bandar Selayang launched in the 3rd quarter of 2010 has already begun its contribution to the Group's bottom line. Taman Anggun Selayang in Bandar Selayang has also been launched in 3rd quarter 2010 to boost the Group's performance. In the same quarter, registration for Seri Jalil project in Bukit Jalil has received great interest and Alam D'16 project in Section 16 Shah Alam is slated to be launched in the 1st quarter of 2011.

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 Malaysian income tax charge is as follows:

	Year ended 31-12-2010 RM'000	Year ended 31-12-2009 RM'000
In respect of :		
- current year	29	2,237
- deferred taxation	(272)	3,875
	<u>(243)</u>	6,112
Under / (over) provision in prior years	<u>2,387</u>	(1,340)
	<u><u>2,144</u></u>	<u><u>4,772</u></u>

The effective tax rate of the Group for the financial year ended 31 December 2010 was higher than the applicable statutory tax rate mainly due to certain expenses which were 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

For the year under review, the Company disposed its entire investment of 500,000 shares in Mulpha Berhad. Details of the disposal 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	<u>21</u>

B8 Corporate Proposals

The following are status on the corporate proposals that have been announced by the Company but not completed as at 18 February 2011 (being the latest practicable date) which is not earlier than 7 days from the date of issuance of these Interim Financial Statements :-

- (a) On 2 November 2007, the Company's wholly-owned subsidiary, Magna City Development Sdn Bhd and Muafakat Baru Sdn Bhd entered into a sale and purchase agreement for the proposed acquisition of two parcels of freehold land measuring approximately 10.23 acres in Mukim Batu, Bangkong, District of Kuala Lumpur, Wilayah Persekutuan for a total cash consideration of RM57,930,444.

The agreement has yet to be completed pending payment of balance purchase price to the vendor.

- (b) On 23 March 2009, the Company's wholly-owned subsidiary, Twinicon (M) Sdn Bhd ("TSB") and Lai Meng Girls' School Association entered into a sale and purchase agreement for the proposed acquisition of 5 parcels of freehold land together with the buildings erected thereon, located in Section 44, Town and District of Kuala Lumpur, Wilayah Persekutuan for a cash consideration of RM148,151,380.

The agreement has yet to become unconditional pending fulfillment of the conditions subsequent under the agreement.

- (c) On 10 December 2009, TSB and Santari Sdn Bhd ("Santari") entered into a sale and purchase agreement for the proposed acquisition of a parcel of freehold land measuring 22,280 square metres in Mukim Petaling, District of Kuala Lumpur, Wilayah Persekutuan for a cash consideration of RM10,700,000.

As announced on 11 January 2011, Santari had agreed to extend the period for the completion of the agreement to expire on 8 July 2011.

B9 Group Borrowings

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

Secured	RM'000
Bank borrowings	
- within 12 months	39,077
- after 12 months	71,184
Total	<u>110,261</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.
- (iv) The 5th Defendant's solicitor applied for an adjournment, and the matter had been adjourned to 5th July 2010.
- (v) On 5th July 2010, the 5th Defendant's application for striking out was dismissed with cost. The 5th Defendant has appealed to the Court of Appeal.
- (vi) On 7th July 2010, the Company's solicitor wrote to the High Court to seek the date of trial and case management date of the case. Pending reply from the High Court.

B12 Dividend proposed

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

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		Year ended	
	31-12-2010	Restated 31-12-2009	31-12-2010	Restated 31-12-2009
Net profit / (loss) attributable to ordinary equity holders of the parent (RM'000)	(7,259)	244	(11,704)	6,626
Weighted average number of ordinary shares in issue ('000)	221,793	53,459	217,860	213,837
Basic EPS (sen)	(3.27)	0.46	(5.37)	3.10

(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		Year ended	
	31-12-2010	Restated 31-12-2009	31-12-2010	Restated 31-12-2009
Net profit / (loss) attributable to ordinary equity holders of the parent (RM'000)	(7,259)	244	(11,704)	6,626
Weighted average number of ordinary shares in issue ('000)	221,793	53,459	217,860	213,837
Effects of dilution ('000)	47,763	9,493	49,115	7,187
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	269,556	62,953	266,975	221,024
Diluted EPS (sen)	(2.69)	0.39	(4.38)	3.00

BY ORDER OF THE BOARD

Magna Prima Berhad
 Yuen Yoke Ping (MAICSA 7014044)

Secretary

Petaling Jaya
 25 February 2011