

MAGNA PRIMA BERHAD

Company No.: 369519-P

(Incorporated in Malaysia)

Interim Financial Statements

30 June 2011

MAGNA PRIMA BERHAD

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(Incorporated in Malaysia)**

Interim Financial Statements - 30 June 2011

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MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 June 2011

(The figures have not been audited)

	AS AT 30-06-2011 RM'000 (UNAUDITED)	AS AT 31-12-2010 RM'000 (AUDITED)
ASSETS		
Non-Current Assets		
Property, plant and equipment	1,574	1,922
Land held for property development	76,685	76,549
Goodwill on consolidation	3,269	3,269
Deferred tax assets	2,649	3,222
	84,177	84,962
Current Assets		
Inventories	3,353	9,631
Property development costs	197,870	146,318
Amount owing by customers on contracts	36,315	31,366
Trade receivables	38,453	32,863
Accrued billings	121	14,247
Other receivables	53,626	53,672
Tax recoverable	-	44
Cash held under Housing Development Accounts	6,655	4,668
Short term deposits with licensed banks	3,183	2,114
Cash and bank balances	18,537	12,901
	358,113	307,824
TOTAL ASSETS	442,290	392,786
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	61,851	61,801
Share premium	18,882	18,843
Other reserves	6,456	6,471
Retained profits	38,761	32,549
	125,950	119,664
Non-controlling interests	2,946	2,945
TOTAL EQUITY	128,896	122,609
Non-Current Liabilities		
Hire purchase payables	204	309
Bank borrowings	102,731	98,275
Deferred tax liabilities	45	68
	102,980	98,652
Current Liabilities		
Trade payables	134,452	122,870
Progress billings	22,695	-
Other payables	25,444	19,872
Hire purchase payables	210	222
Bank borrowings	14,485	11,455
Current tax liabilities	13,128	17,106
	210,414	171,525
TOTAL LIABILITIES	313,394	270,177
TOTAL EQUITY AND LIABILITIES	442,290	392,786
Net assets per share at par value of RM0.25 each attributable to Owners of the Company (RM)	0.51	0.48

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 30 June 2011

(The figures have not been audited)

	3 months ended		6 months ended	
	30-06-2011 RM'000	30-06-2010 RM'000	30-06-2011 RM'000	30-06-2010 RM'000
Revenue	27,370	30,722	54,181	48,866
Cost of sales	(17,858)	(23,127)	(39,314)	(35,988)
Gross profit	9,512	7,595	14,867	12,878
Other operating income	1,220	381	2,261	524
Selling and distribution expenses	(547)	(443)	(1,358)	(1,108)
Administration expenses	(3,552)	(3,697)	(6,582)	(7,034)
Other operating expenses	(400)	(1,210)	(403)	(1,977)
	6,233	2,626	8,785	3,283
Finance costs	(33)	(394)	(92)	(897)
Profit / (loss) before taxation	6,200	2,232	8,693	2,386
Taxation	(2,160)	(1,244)	(2,480)	(1,282)
Profit / (loss) for the period	4,040	988	6,213	1,104
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	4,040	988	6,213	1,104
Profit / (loss) attributable to:				
Owners of the Company	4,045	884	6,212	1,031
Non-controlling interests	(5)	104	1	73
	4,040	988	6,213	1,104
Total comprehensive income / (loss) attributable to:				
Owners of the Company	4,045	884	6,212	1,031
Non-controlling interests	(5)	104	1	73
	4,040	988	6,213	1,104
Earnings / (loss) per share attributable to Owners of the Company:				
- Basic (sen)	1.64	0.41	2.51	0.48
- Diluted (sen)	1.35	0.33	2.09	0.39

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2011

(This figure is based on unaudited)

	Attributable to Owners of the Company					Non-controlling Interests	Total Equity
	Non-Distributable		Distributable				
	Share capital RM'000	Share premium RM'000	Warrants reserve RM'000	Capital reserve RM'000	Retained profits RM'000	Total RM'000	RM'000
Balance as at 1 January 2011	61,801	18,843	6,441	30	32,549	119,664	2,945
Profit / (loss) for the period	-	-	-	-	6,212	6,212	1
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	6,212	6,212	1
Issue of ordinary shares:							
- pursuant to exercise of Warrants 2006/2011	50	24	-	-	-	74	-
Transfer of warrants reserve	-	15	(15)	-	-	-	-
Balance as at 30 June 2011	61,851	18,882	6,426	30	38,761	125,950	2,946

	Attributable to Owners of the Company					Non-controlling Interests	Total Equity
	Non-Distributable		Distributable				
	Share capital RM'000	Share premium RM'000	Warrants reserve RM'000	Capital reserve RM'000	Retained profits RM'000	Total RM'000	RM'000
Balance as at 1 January 2010	53,459	10,521	6,469	30	47,753	118,232	3,037
Profit / (loss) for the period	-	-	-	-	1,031	1,031	73
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	1,031	1,031	73
Issue of ordinary shares:							
- pursuant to exercise of Warrants 2006/2011	44	21	-	-	-	65	-
Transfer of warrants reserve	-	13	(13)	-	-	-	-
Dilution arising from change in stake in subsidiary	-	-	-	-	(467)	(467)	467
Balance as at 30 June 2010	53,503	10,555	6,456	30	48,317	118,861	3,577

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 period ended 30 June 2011

(The figures have not been audited)

	6 months ended 30-06-2011 RM'000	6 months ended 30-06-2010 RM'000
Operating activities		
Profit / (loss) before taxation	8,693	2,386
Adjustment for:-		
Depreciation of property, plant and equipment	220	456
Allowance for doubtful debts	-	1,090
Gain on disposal of property, plant & equipment	-	(102)
Loss on disposal of property, plant & equipment	-	4
Loss on disposal of quoted investment	-	21
Allowance for liquidated & ascertained damages	419	487
Over provision for liquidated & ascertained damages	(34)	-
Interest income	(367)	(224)
Interest expense	92	897
Operating profit before changes in working capital	9,023	5,015
Changes in working capital		
Inventories	6,996	(13,183)
Property development costs	(51,688)	(33,223)
Amount owing by/to customers on contract	(4,949)	8,607
Trade receivables	(6,148)	(12,867)
Accrued billings	14,126	36,670
Other receivables	(1,022)	4,447
Trade payables	11,582	(3,442)
Progress billings	22,695	693
Other payables	5,189	(1,333)
	(3,219)	(13,631)
Net cash generated from/(used in) operations	5,804	(8,616)
Interest paid	(92)	(897)
Interest received	367	224
Tax paid	(5,864)	(5,038)
Net cash generated from/(used in) operating activities	215	(14,327)
Investing activities		
Purchase of property, plant and equipment	(32)	(22)
Proceeds from disposal of quoted investment	-	214
Proceeds from disposal of property, plant and equipment	-	511
Net cash (used in)/generated from investing activities	(32)	703
Financing activities		
Repayment of hire purchase liabilities	(117)	(613)
Repayment of bank borrowings	(17,472)	(20,466)
Drawdown of bank borrowings	24,900	30,000
Net proceeds from new shares issued	74	65
Net cash generated from financing activities	7,385	8,986
Net change in cash & cash equivalents	7,568	(4,638)
Cash & cash equivalents at the beginning of the financial period	17,318	24,152
Cash & cash equivalents at the end of the financial period	24,886	19,514

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

	As at 30-06-2011 RM'000	As at 30-06-2010 RM'000
Cash and bank balances	18,537	6,955
Cash held under Housing Development Accounts	6,655	2,802
Short term deposits with licensed banks	3,183	11,977
Bank overdrafts	(379)	(743)
	27,996	20,991
Less: Short term deposits pledged with licensed banks	(3,110)	(1,477)
	24,886	19,514

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2010. 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 2010.

A2 Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2011.

On 1 January 2011, the Group adopted the following FRSs:-

FRSs, Amendments to FRSs and Interpretations

FRS 1	First-time adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-Time Adopters
Amendments to FRS 1	Additional Exemptions for First-Time Adopters
Amendments to FRS 2	Share-based Payments
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"	
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

The application of the above FRSs, Amendments to FRSs and IC Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

At the date of authorisation of these interim financial statements, the following FRSs, Amendments to FRSs and IC 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 124	Related Party Disclosures	1 January 2012
IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011

A3 Auditors' Report For The Financial Year Ended 31 December 2010

The auditors' report on the financial statements for the financial year ended 31 December 2010 was not subject to any qualification.

A4 Seasonality or Cyclical 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 period to-date 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 period to-date under review.

A7 Debts and Equity Securities

During the current financial period to-date ended 30 June 2011, the Company issued 201,300 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.

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

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 to-date 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
<u>Period to-date ended 30/06/2011 :</u>						
Revenue :						
Total revenue	40,341	48,585	13,828	3,897	(52,470)	54,181
Intersegment revenue	-	(48,158)	(640)	(3,672)	52,470	-
Segment Revenue :	40,341	427	13,188	225	-	54,181
Results:						
Segment profit / (loss) before tax :	2,300	6,164	369	226	(366)	8,693
Assets :						
Segment Assets :	462,046	213,883	10,968	276,209	(520,816)	442,290
<u>Period to-date ended 30/06/2010 :</u>						
Revenue :						
Total revenue	37,932	51,608	13,847	4,506	(59,027)	48,866
Intersegment revenue	-	(52,077)	(2,873)	(4,077)	59,027	-
Segment Revenue :	37,932	(469)	10,974	429	-	48,866
Results:						
Segment profit / (loss) before tax :	2,449	(440)	(74)	293	158	2,386
Assets :						
Segment Assets :	364,677	270,412	13,772	264,682	(548,133)	365,410

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 11 August 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 1 April 2011, the Company purchased from its subsidiary, Kontrakmal 1 (M) Sdn Bhd ("Kontrakmal") two (2) ordinary shares for a total purchase consideration of Ringgit Malaysia Two (RM2.00) only which represent the remaining shares of Kontrakmal not already owned by the Company 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 Kontrakmal.

A wholly-owned subsidiary, Magna Prima Australia Pty Ltd ("Magna Prima Australia") was incorporated in Australia under the Corporations Act 2001, on 27 June 2011 with a paid-up share capital of AUD\$100. The principal activity of Magna Prima Australia is property development.

Save for the abovementioned, there were no other changes in the composition of the Group during the current financial period to-date.

A13 Contingent Assets and Contingent Liabilities

Details of contingent assets of the company are as follows :

Group	As at 30-06-2011 RM'000	As at 30-06-2010 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	4,170	3,311
- at par	(1,022)	(1,022)
Inflow of economic benefit which is probable but not virtually certain	3,148	2,289

Details of contingent liabilities of the company are as follows :

Company	As at 30-06-2011 RM'000	As at 30-06-2010 RM'000
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	117,908	47,059
- Unsecured	-	-
Utilised portion of corporate guarantees given to trade creditors of subsidiary companies for credit facilities granted to subsidiary companies:		
- Unsecured	5,617	3,790
	123,525	50,849

A14 Capital Commitment

	As at 30-06-2011 RM'000	As at 30-06-2010 RM'000
Approved and contracted for:		
- Purchase of property, plant and equipment	-	-
- Contractual obligation for development projects	124,181	181,324
	124,181	181,324

A15 Significant Related Party Transaction

Company	As at 30-06-2011 RM'000	As at 30-06-2010 RM'000
Management fee received/receivable from subsidiary companies	3,672	4,077

B Bursa Malaysia Listing Requirements

B1 Review of Performance - Comparison with Previous Corresponding Quarter

For the first 6 months ended 30 June 2011, the Group achieved a revenue of RM54.2 million, an increase of 11% compared to RM48.9 million for the financial period to-date ended 30 June 2010. The higher revenue was due mostly from One Sierra project, and remainder U1 Shah Alam project.

Despite current quarter's revenue decline by 11% to RM27.4 million compared to RM30.7 million in the previous corresponding quarter, profit before tax improved by 178% to RM6.2 million compared to RM2.2 million due to better margin from the One Sierra project and savings from other operating and administrative expenses.

B2 Review of Performance - Comparison with Immediate Preceding Quarter

The Group managed a profit before tax of RM6.2 million, an increase of 149% against a profit before tax of RM2.5 million for the immediate preceding quarter ended 31 March 2011 as One Sierra project increased its contribution to the Group's bottom line this quarter.

B3 Prospects for the Current Financial Year

With U1 Shah Alam project partly completed in 1st half 2011, the Board is looking forward to our next main contributor which is the One Sierra project, a mixed development in Bandar Selayang, followed by the Boulevard Business Park project along Jalan Kuching, Alam D'16 project in Shah Alam, and the latest launched Seri Jalil project in Bukit Jalil, to boost the Group's performance in the 2nd half of 2011.

Further on its projects, the Group recently announced its maiden overseas venture in the form of the Dynasty Living project, a well-located and amenities-rich apartment block right in the heart of Melbourne, Australia. However, based on the build-then-sell concept, the project is only expected to contribute to the Group upon its completion in 2 years' time.

Updates

Updates on the D'Sierra Anggun project, on 13 June 2011 the Company's wholly-owned subsidiary, Crossborder Team (M) Sdn Bhd ("Crossborder") received a notice from the Selangor Land Office informing that its entire D'Sierra Anggun Selayang project land has been gazetted for compulsory acquisition ("the Acquisition") under Section 8 of the Land Acquisition Act, 1960. The Group has since halted the Anggun project, and is currently in the process of compiling documentation for submitting its claims to the state authorities' land assessors. Post-submission, another hearing is expected to be held.

Pending further clarification and conclusive information from the state's land valuers and authorities, the Group is unable to make any reliable estimates at this point in time regarding the size and extent of compensation by the state authorities for the said Acquisition. The Board will deliberate its next course of action after the results of the next hearing. However, given the Group's current line-up of projects, the Board is cautiously optimistic that the exclusion of D'Sierra Anggun project would not have any adverse material effect on the Group's overall prospects for the rest of the current financial year.

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:

	Period ended 30-06-2011 RM'000	Period ended 30-06-2010 RM'000
In respect of:		
- current year	1,934	975
- deferred taxation	546	307
	<u>2,480</u>	<u>1,282</u>
Under / (over) provision in prior years	-	-
	<u>2,480</u>	<u>1,282</u>

The effective tax rate of the Group for the financial period to-date ended 30 June 2011 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 period to-date.

B7 Quoted Investments

There was no purchase or disposal of quoted investments during the financial period to-date under review.

B8 Corporate Proposals

The following are status on the corporate proposals that have been announced by the Company but not completed as at 11 August 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 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.

- (b) On 5 August 2011, the Company announced that its wholly-owned subsidiary, Magna Prima Australia Pty Ltd had entered into a conditional contract of sale with Yucai Australia Pty Ltd for the proposed acquisition of approximately 2,761 square metres of land together with improvements, including the development project at 218-236 A'Beckett Street, Melbourne, Australia for a total cash consideration of AUD\$26.00 million (or equivalent to approximately RM84.01 million).

The proposed acquisition is pending approval from the Australia Foreign Investment Review Board and the Company's shareholders.

B9 Group Borrowings

Details of Group borrowings as at 30 June 2011 are as follows:

Secured	RM'000
Bank borrowings	
- within 12 months	14,694
- after 12 months	102,935
Total	117,629

There are no borrowings in foreign currency during the financial period to-date under review.

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 16 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 1 November 2000. As of 5 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 26 May 2010.

- (iv) The 5th Defendant's solicitor applied for an adjournment, and the matter had been adjourned to 5 July 2010.

- (v) On 5 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 7 July 2010, the Company's solicitor wrote to the High Court to seek the date of trial and case management date of the case.

- (vii) 22 April 2011 was fixed for mention to inform the Court whether parties are willing to mediate on 24 May 2011. Trial dates have been fixed on 24 & 25 October 2011 (the learned Judge has indicated that the trial is to be completed in 2 days).

- (viii) The Court has directed for the Suit's final case management to be held on 17 October 2011.

B12 Dividend proposed

A proposed final single tier exempt dividend of 1 sen per share (2009: 1 sen per share) at par value of RM0.25 per share was recommended for the financial year ended 31 December 2010 and has been approved by shareholders at the Annual General Meeting held on 25 May 2011.

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 Company for the period to-date by the weighted average number of ordinary shares in issue.

	3 months ended		Period to-date ended	
	30-06-2011	30-06-2010	30-06-2011	30-06-2010
Net profit / (loss) attributable to ordinary equity holders of the Company (RM'000)	4,045	884	6,212	1,031
Weighted average number of ordinary shares in issue ('000)	247,337	213,918	247,323	213,879
Basic EPS (sen)	1.64	0.41	2.51	0.48

(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 Company 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 to-date ended	
	30-06-2011	30-06-2010	30-06-2011	30-06-2010
Net profit / (loss) attributable to ordinary equity holders of the Company (RM'000)	4,045	884	6,212	1,031
Weighted average number of ordinary shares in issue ('000)	247,337	213,918	247,323	213,879
Effects of dilution ('000)	51,261	51,511	49,702	50,765
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	298,598	265,430	297,025	264,643
Diluted EPS (sen)	1.35	0.33	2.09	0.39

BY ORDER OF THE BOARD

Magna Prima Berhad
 Yuen Yoke Ping (MAICSA 7014044)

Secretary

Petaling Jaya
 18 August 2011