

MAGNA PRIMA BERHAD

Company No.: 369519-P

(Incorporated in Malaysia)

Interim Financial Statements

31 March 2013

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(Incorporated in Malaysia)

Interim Financial Statements - 31 March 2013

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

AS AT 31 March 2013

(The figures have not been audited)

	AS AT 31/03/2013 RM'000 (Unaudited)	AS AT 31/12/2012 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	1,597	1,623
Land held for property development	154,385	154,084
Goodwill on consolidation	3,269	3,269
Deferred tax assets	5,512	6,508
	<u>164,763</u>	<u>165,484</u>
Current Assets		
Inventories	357,655	421,103
Non-current assets held for sale	5,188	5,188
Amount owing by customers on contracts	19,317	25,241
Trade receivables	67,369	61,232
Other receivables	101,945	102,558
Tax recoverable	1,366	320
Cash held under Housing Development Accounts	4,367	2,821
Short term deposits with licensed banks	11,266	5,221
Cash and bank balances	4,548	1,594
	<u>573,021</u>	<u>625,278</u>
TOTAL ASSETS	<u><u>737,784</u></u>	<u><u>790,762</u></u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	83,222	83,222
Share premium	35,566	35,566
Other reserves	19,132	19,416
Retained profits	41,162	17,871
	<u>179,082</u>	<u>156,075</u>
Non-controlling interests	10,591	10,629
TOTAL EQUITY	<u>189,673</u>	<u>166,704</u>
Non-Current Liabilities		
Hire purchase payables	128	139
Bank borrowings	134,112	156,948
Deferred tax liabilities	45	45
	<u>134,285</u>	<u>157,132</u>
Current Liabilities		
Trade payables	109,932	126,588
Other payables	38,778	42,193
Deferred revenue	220,458	264,706
Hire purchase payables	56	74
Bank borrowings	30,718	12,614
Current tax liabilities	13,884	20,751
	<u>413,826</u>	<u>466,926</u>
TOTAL LIABILITIES	548,111	624,058
TOTAL EQUITY AND LIABILITIES	<u><u>737,784</u></u>	<u><u>790,762</u></u>
Net assets per share at par value of RM0.25 each attributable to Owners of the Company (RM)	<u><u>0.54</u></u>	<u><u>0.47</u></u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2013

(The figures have not been audited)

	3 months ended	
	31/03/2013 RM'000	31/03/2012 RM'000
Revenue	113,519	5,284
Cost of sales	(84,719)	(1,982)
Gross profit	28,800	3,302
Other operating income	285	766
Selling and distribution expenses	(286)	(841)
Administration expenses	(2,830)	(3,520)
Other operating expenses	(98)	2,516
	25,871	2,223
Finance costs	(17)	(19)
Profit / (loss) before taxation	25,854	2,204
Taxation	(2,601)	(1,173)
Profit / (loss) for the period	23,253	1,031
Other comprehensive income :		
Currency translation differences on consolidation	(284)	(928)
Other comprehensive income for the period	(284)	(928)
Total comprehensive income / (loss) for the period	22,969	103
Profit / (loss) attributable to:		
Owners of the Company	23,291	1,020
Non-controlling interests	(38)	11
	23,253	1,031
Total comprehensive income / (loss) attributable to:		
Owners of the Company	23,007	92
Non-controlling interests	(38)	11
	22,969	103
Earnings / (loss) per share attributable to Owners of the Company:		
- Basic (sen)	7.00	0.31
- Diluted (sen)	7.00	0.31

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2013

(The figures have not been audited)

	Attributable to Owners of the Company								
	Non-Distributable				Distributable				
	Share capital	Share premium	Warrants reserve	Capital reserve	Foreign currency exchange reserve	Retained profits	Total	Non-controlling Interests	Total Equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2013	83,222	35,566	-	19,706	(290)	17,871	156,075	10,629	166,704
Profit / (loss) for the period	-	-	-	-	-	23,291	23,291	(38)	23,253
Other comprehensive income / (loss) for the period	-	-	-	-	(284)	-	(284)	-	(284)
Total comprehensive income / (loss) for the period	-	-	-	-	(284)	23,291	23,007	(38)	22,969
Balance as at 31 March 2013	83,222	35,566	-	19,706	(574)	41,162	179,082	10,591	189,673

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2013

(The figures have not been audited)

	Attributable to Owners of the Company									
	Non-Distributable					Distributable				
	Share capital RM'000	Share premium RM'000	Warrants reserve RM'000	Capital reserve RM'000	Foreign Currency Exchange reserve RM'000	Retained profits (Restated) RM'000	Total (Restated) RM'000	Non-controlling Interests RM'000	Total Equity (Restated) RM'000	
Balance as at 1 January 2012 <i>(as previously reported)</i>	83,222	35,566	-	30	139	40,249	159,206	1,131	160,337	
Effects of adoption of IC Interpretation 15	-	-	-	-	-	(12,714)	(12,714)	-	(12,714)	
Balance as at 1 January 2012 <i>(Restated)</i>	83,222	35,566	-	30	139	27,535	146,492	1,131	147,623	
Profit / (loss) for the period	-	-	-	-	-	1,020	1,020	11	1,031	
Other comprehensive income / (loss) for the period	-	-	-	-	(928)	-	(928)	-	(928)	
Total comprehensive income / (loss) for the period	-	-	-	-	(928)	1,020	92	11	103	
Balance as at 31 March 2012	83,222	35,566	-	30	(789)	28,555	146,584	1,142	147,726	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 31 March 2013

(The figures have not been audited)

	3 months ended 31/03/2013 RM'000	3 months ended 31/03/2012 RM'000
Operating activities		
Profit / (loss) before taxation	25,854	2,204
Adjustments for :-		
Depreciation of property, plant and equipment	78	79
Net gain / loss on disposal of property, plant & equipment	-	(3)
Net allowance for liquidated & ascertained damages	27	(2,564)
Interest income	(70)	(323)
Interest expense	17	19
Operating profit before changes in working capital	25,906	(588)
Changes in working capital		
Land held for property development	(301)	(1,605)
Inventories	63,442	(36,205)
Amount owing by/to customers on contract	5,924	2,232
Trade receivables	(6,137)	(9,408)
Other receivables	(7,576)	2,155
Trade payables	(16,656)	(6,063)
Deferred revenue	(44,248)	68,391
Other payables	(3,442)	3,586
	(8,994)	23,083
Net cash generated from operations	16,912	22,495
Interest paid	(17)	(19)
Interest received	70	323
Tax paid	(1,607)	(1,601)
	(1,554)	(1,297)
Net cash generated from operating activities	15,358	21,198
Investing activities		
Purchase of property, plant and equipment	(52)	(2)
Proceeds from disposal of property, plant and equipment	-	4
Net cash (used in)/generated from investing activities	(52)	2
Financing activities		
Repayment of hire purchase liabilities	(29)	(99)
Repayment of bank borrowings	(10,583)	(15,760)
Fixed deposits with licensed banks	(5,045)	-
Drawdown of bank borrowings	5,851	-
Net cash used in financing activities	(9,806)	(15,859)
Net change in cash & cash equivalents	5,500	5,341
Cash & cash equivalents at the beginning of the financial period	4,457	11,362
Effects of exchange rate changes	-	3
Cash & cash equivalents at the end of the financial period	9,957	16,706

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

	As at 31/03/2013 RM'000	As at 31/03/2012 RM'000
Cash and bank balances	4,548	11,502
Cash held under Housing Development Accounts	4,367	4,952
Short term deposits with licensed banks	11,266	565
	20,181	17,019
Less: Short term deposits pledged with licensed banks	(10,224)	(313)
	9,957	16,706

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

A Explanatory Notes Pursuant To MFRS 134

A1 Basis of Preparation

The unaudited interim financial report has been prepared in accordance with the reporting requirements as set out in the Malaysian Financial Reporting Standards ("MFRS") 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 2012. 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 2012.

A2 Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2012, except for the adoption of the following MFRSs, Amendments to MFRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group:

MFRSs, Amendments to MFRSs and Interpretations		Effective for annual periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

A3 Auditors' Report For The Financial Year Ended 31 December 2012

The auditors' report on the financial statements for the financial year ended 31 December 2012 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 period 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 under review.

A7 Debts and Equity Securities

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 during the period under review.

A9 Segmental Analysis

The Group's segmental reports for the current financial period are as follows:

By operating segment :

	Property devt RM'000	Const. & Engineering RM'000	Trading RM'000	Non-reportable segments RM'000	Intersegment eliminations RM'000	Consolidated RM'000
Period ended 31/03/2013 :						
Total revenue	109,945	14,995	4,312	254	(15,987)	113,519
Intersegment revenue	-	(14,988)	(999)	-	15,987	-
Segment revenue :	109,945	7	3,313	254	-	113,519
Segment profit / (loss) before tax :	27,438	(532)	(63)	(989)	-	25,854
<i>Included in the segment profit / (loss) are :-</i>						
Interest income	64	2	-	4	-	70
Segment assets :	794,357	167,017	12,435	374,718	(610,743)	737,784
Segment liabilities :	625,887	115,520	9,910	202,810	(406,016)	548,111
Period ended 31/03/2012 :						
Total revenue	2	26,868	5,933	2,661	(30,180)	5,284
Intersegment revenue	-	(27,180)	(563)	(2,437)	30,180	-
Segment revenue :	2	(312)	5,370	224	-	5,284
Segment profit / (loss) before tax :	4,979	(1,030)	(259)	(1,486)	-	2,204
<i>Included in the segment profit / (loss) are :-</i>						
Interest income	305	2	-	16	-	323
Segment assets :	739,922	148,824	13,085	335,729	(574,111)	663,449
Segment liabilities :	719,168	117,298	10,308	182,939	(513,991)	515,722

By geographical segment :

The Group's activities are carried out in Malaysia and Australia, represented by the following geographical segments :-

	Malaysia RM'000	Australia RM'000	Consolidated RM'000
Period ended 31/03/2013 :			
Total revenue	113,519	-	113,519
Intersegment revenue	-	-	-
Segment revenue :	113,519	-	113,519
Segment profit / (loss) before tax :	26,165	(311)	25,854
Segment assets :	556,282	181,502	737,784
Segment liabilities :	464,434	83,677	548,111
Period ended 31/03/2012 :			
Total revenue	5,284	-	5,284
Intersegment revenue	-	-	-
Segment revenue :	5,284	-	5,284
Segment profit / (loss) before tax :	2,628	(424)	2,204
Segment assets :	561,272	102,177	663,449
Segment liabilities :	412,600	103,122	515,722

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 during the financial period under review.

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 21 May 2013 being the latest practicable date which is not earlier than 7 days from the date of issuance of these Interim Financial Statements.

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinued operations.

A13 Contingent Assets and Contingent Liabilities

Details of contingent assets of the company are as follows :

	As at 31/03/2013 RM'000	As at 31/03/2012 RM'000
Group		
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	3,148	3,393
- at par	(1,022)	(1,022)
Inflow of economic benefit which is probable but not virtually certain	2,126	2,371

Details of contingent liabilities of the company are as follows :

	As at 31/03/2013 RM'000	As at 31/03/2012 RM'000
Company		
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	169,620	115,954
- Unsecured	-	-
Utilised portion of corporate guarantees given to trade creditors of subsidiary companies for credit facilities granted to subsidiary companies:		
- Unsecured	2,318	4,196
	171,938	120,150

A14 Capital Commitment

	As at 31/03/2013 RM'000	As at 31/03/2012 RM'000
Approved and contracted for:		
- Purchase of property, plant and equipment	-	-
- Contractual obligation for development projects	139,245	124,181
	139,245	124,181

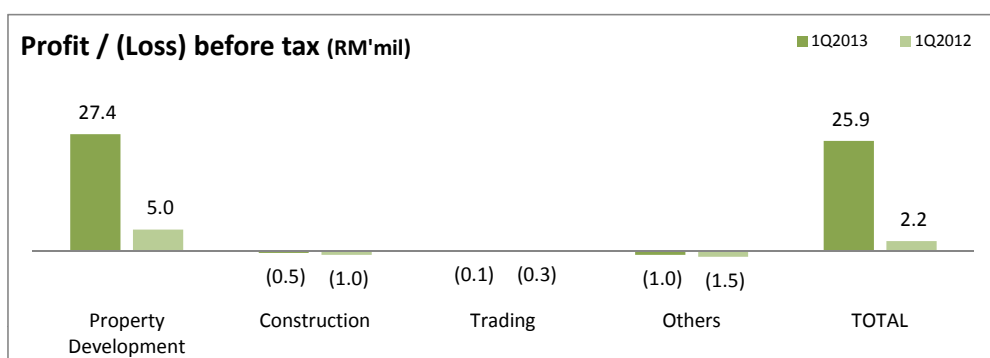
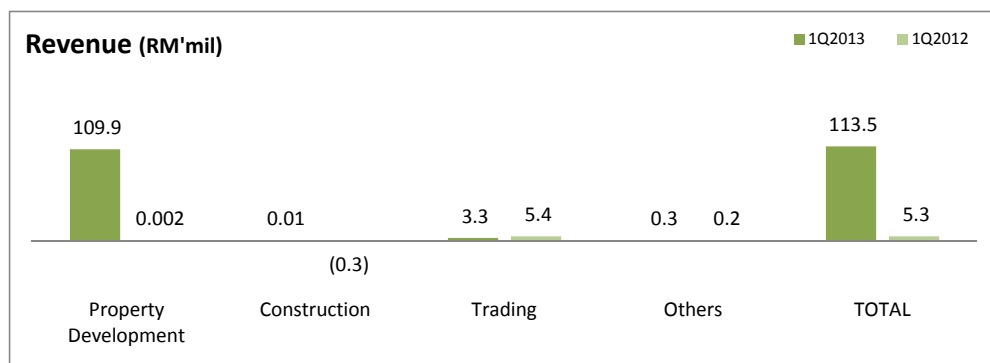
A15 Significant Related Party Transaction

	As at 31/03/2013 RM'000	As at 31/03/2012 RM'000
Company		
Management fee received/receivable from subsidiary companies	-	2,437

B Bursa Malaysia Listing Requirements

B1 Review of Performance - Comparison with Previous Corresponding Quarter

For the 3 months ended 31 March 2013, the Group achieved a revenue of RM113.5 million, an increase of 2,048% from RM5.3 million, the Group's profit before tax jumped 1,073% to RM25.9 million from RM2.2 million compared to the financial period ended 31 March 2012.



Property Development

Revenue from Property Development segment recorded at RM109.9 million for current quarter from RM0.002 million in the previous corresponding quarter due to the recognition of completion for One Sierra development project (19 units of bungalow) and also Alam D'16 development project in this quarter.

Sales for the existing development projects i.e. Seri Jalil development project in Bukit Jalil and the Boulevard Business Park development project along Jalan Kuching are receiving good responses from the market and the construction works for these projects have been on-going progressively.

Construction & Engineering

For the first 3 months, Construction & Engineering segment posted a revenue of RM0.01 million and a loss before tax of RM0.5 million after the adjustment of the group elimination and the provisional sums, an increase of 102% and 48% respectively from a negative revenue amount of RM0.3 million and loss before tax RM1.0 million in the previous corresponding quarter.

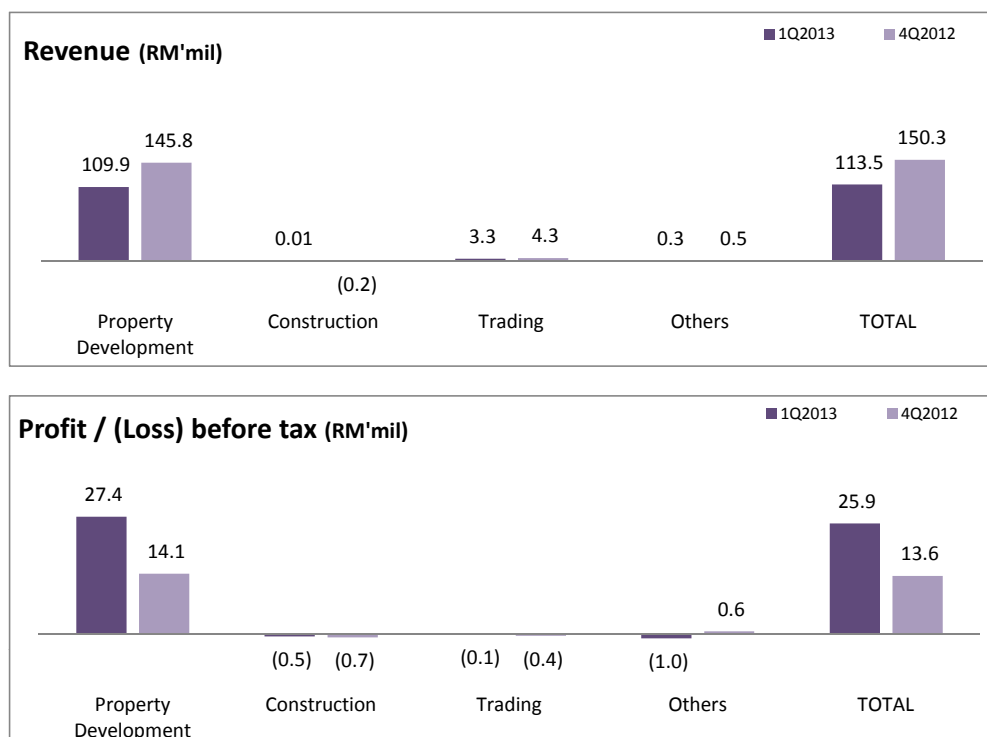
Trading

Trading segment revenue declined by 38% to RM3.3 million from RM5.4 million compared to the previous corresponding quarter and the segment incurred loss before tax of RM0.1 million due to competitive products selling prices in the market and volatility in raw material prices.

B2 Review of Performance - Comparison with Immediate Preceding Quarter

For the current quarter, the Group recorded a lower revenue of RM113.5 million, a decrease of 24% compared to RM150.3 million in the immediate preceding quarter ended 31 December 2012 mainly due to recognition of completion for One Sierra development project which have higher sales value compared to Alam D'16 development project completed in this quarter.

However, the Group posted a profit before tax of RM25.9 million, compared with a profit before tax of RM13.6 million, an increase of 90% over the immediate preceding quarter ended 31 December 2012 due to higher provisional sums accrued for completed One Sierra Development project in the immediate preceding quarter.



B3 Prospects for the Current Financial Year

The Board is targeting to complete the Seri Jalil project in Bukit Jalil this year. Upon their completion, these project revenue and respective cost of sales will be recognised in full and expected to improve the Group's performance for this 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:

Group	Period to-date	Period to-date
	31/03/2013	31/03/2012
	RM'000	RM'000
In respect of :		
- current year	1,538	3,262
- deferred taxation	1,003	(2,089)
	<u>2,541</u>	<u>1,173</u>
Under / (over) provision in prior years	60	-
	<u><u>2,601</u></u>	<u><u>1,173</u></u>

The effective tax rate of the Group for the financial period to-date ended 31 March 2013 is lower than the applicable statutory tax rate mainly due to the effects of adoption of MFRS 118 by the Property Development segment.

Where the Group undertakes a property development project involving sale of goods, the development revenue and development cost will be recognised based on the completion method, i.e. revenue recognition only takes place at the time of delivery of vacant possession to purchasers where risks and rewards are transferred, in accordance with the conditions set pursuant to MFRS 118 : Revenue.

B5 Taxation (cont'd)

The revenue and profit before tax for the current financial period to-date have been reported in these interim financial statements, which would normally attract a higher applicable statutory taxation amount. However, the Inland Revenue Board's Public Rulings specifies either the progress billings method or the percentage completion method is to be used for profit computation for property developers, and will not allow the entire project revenue and profit recognition to be delayed until project completion and hand-over of vacant possession, as per accounting treatment under MFRS 118. As such, an adjustment has been made to reflect the actual taxation amount for the current financial period to-date as if the Group would have still utilised the percentage completion method for profit recognition.

A corresponding adjustment has also been made to utilise the deferred tax assets of the Group, thus reflecting a tax benefit upon physical completion of the respective projects.

B6 Retained Profits

Pursuant to Bursa Malaysia's directive on the disclosure of breakdowns for unappropriated profits or accumulated losses into realised and unrealised profits or losses issued on 25 March 2010, and subsequent guidance issued on 20 December 2010, the breakdown of the Group's retained profits are disclosed as follows :-

Group	Period to-date	Period to-date
	31/03/2013	31/03/2012
	RM'000	RM'000
Realised	42,218	23,904
Unrealised	(1,056)	4,651
Total retained profits	<u>41,162</u>	<u>28,555</u>

B7 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.

B8 Quoted Investments

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

B9 Corporate Proposals

The following are status on the corporate proposals that have been announced by the Company but not completed as at 21 May 2013 (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.

B10 Group Borrowings

Details of Group borrowings as at 31 March 2013 are as follows:

Secured	As at	As at
	31/03/2013	31/03/2012
	RM'000	RM'000
Bank borrowings repayable		
- within 12 months	30,718	16,462
- after 12 months	134,112	99,572
Total borrowings	<u>164,830</u>	<u>116,034</u>

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

B11 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.

B12 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. The matter had been adjourned to 5 July 2010.
- (iv) 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.
- (v) On 26 April 2011, the Court has fixed the Trial dates on 24 October 2011 and 25 October 2011. Prior to the said Trial dates, parties were instructed by the Court to mediate the matter but it was to no avail.
- (vi) All the witnesses were called in to the Trial held on 24 & 25 October 2011. The processes of examination in chief, cross-examination and re-examination were completed. The Parties had filed in their respective written submissions thereafter.
- (vii) On 12 January 2012, the decision before the Judge was as follows :-
 - For the 5th Defendant :
 - 1) All relief by the Plaintiffs are allowed, particularly :-
 - the 5th Defendant is to return all original documents belonging to the 2nd Plaintiff and 3rd Plaintiff; and
 - an order that the 5th Defendant and / or its family members and / or any bank or any financial institution in Malaysia which has dealt with the 5th Defendant, to inform and / or state to the Plaintiffs and / or Plaintiffs' solicitors, all assets belonging to the 5th Defendant, whether moveable or immoveable, within 14 days after this order is served.
 - 2) Judgment sum amounting to RM20,789,144.00 is to be paid by the 5th Defendant to the Plaintiffs.
 - 3) Interest of 8% per annum on the judgement sum from 16th October 2000 until 12 January 2012.
 - 4) Interest of 4% per annum on both judgement sum and pre-judgement sum from 12 January 2012 until full settlement.
 - 5) Cost of RM50,000.00 to be borne by the 5th Defendant to the Plaintiffs.
 - For the 12th Defendant :
 - 1) Damages (assessed) to the Plaintiffs.
 - 2) Interest of 8% on the said damages from 16 October 2000 until the date of assessment of damages.
 - 3) Interest of 4% per annum on both damages and pre-assessment of the amount of interest until full settlement.
 - 4) Cost of RM15,000.00 to be paid by the 12th Defendant to the Plaintiffs.
- (viii) Regarding the 5th Defendant, the Company is in the process of filing its Proof of Debt as the 5th Defendant had been adjudicated Bankrupt on 7 July 2011.
- (ix) The 12th Defendant filed an Appeal on 10 February 2012 against the High Court decision dated 12 January 2012. A hearing date is pending to be fixed by the Court of Appeal.
- (x) On 4 April 2012, the Company filed an assessment of damages application against the 12th Defendant. The next Case Management is fixed on 12 June 2012.
- (xi) Case management was fixed on 12th June 2012 for our assessment of damages.

B12 Changes and Details of Pending Material Litigation (cont'd)

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")

- (xii) 12th Defendant Stay Application is fixed for hearing on 7th August 2012 and parties to file their respective written submissions to the Court on/before 3 August 2012.
- (xiii) Further case management on our assessment of damages fixed on 9 August 2012 pending outcome of 12th Defendant stay application.
- (xiv) On 7th August 2012, Court has allowed 12th Defendant's application for stay. 12th Defendant's appeal is fixed for hearing on 12th November 2012.
- (xv) On 9th August 2012, the Court fixed mention for the Plaintiff's assessment of damages on 19th November 2012 pending the outcome of 12th Defendant's appeal.
- (xvi) On 12th November 2011, the Court of Appeal had dismissed the 12th Defendant's appeal with costs of RM10,000.
- (xvii) Our Assessment of damages has been postponed to 27th November 2012. Further Case Management fixed on 3rd January 2013 and 9th January 2013.
- (xviii) Mention fixed on 20th February 2013 to update the Court as to whether the 12th Defendant will be self represented or appoint a new solicitor.
- (xix) Next case management fixed on 14th March 2013.
- (xx) Further case management fixed on 27th March 2013 to enable the Plaintiff to prepare and file Affidavit of Service and Notice
- (xxi) The Plaintiff's Assessment of Damages against the 12th Defendant is fixed for Hearing on 29th May 2013.

In the matter of an Arbitration between Bauer (M) Sdn Bhd ("Bauer") and Embassy Court Sdn Bhd ("Embassy")

- (i) A contract was executed between Bauer and Embassy (together known as "the Parties") on 6 October 2005 ("the Contract"). Bauer was appointed to carry out and complete the Piling and Substructure Works to the Cadangan Pembangunan 1 Blok Kondominium 41 Tingkat (78 units) Termasuk 1 Tingkat Kemudahan Penduduk, 2 Tingkat Lower Ground and 11 Tingkat Letak Kereta dan Keperluan M & E (herein called "the Works") at Sebahagian Lot 305, Seksyen 63, Lorong Kuda, Off Jalan Tun Razak, Kuala Lumpur.
- (ii) On 26th June 2008, an Arbitration matter was initiated by Bauer against Embassy, a wholly-owned subsidiary of Magna Prima Berhad ("MPB"). The two main issues are :-
 - 1) the existence of an agreement dated 12 September 2006 between Bauer and Embassy; and
 - 2) the Final Account Claim.
- (iii) On 3 February 2012, the Final Award given from the Arbitration exercise under Pertubuhan Akitik Malaysia ("PAM") states that Embassy is to pay the Claimant RM13,276,164.02 being outstanding sum of monies for work done in the contract together with interest of RM5,442,802.26. As to our counter claim, we are only entitled for RM502,979.40 being remedial and uncompleted work.

Kuala Lumpur High Court Originating Summons No. : 24NCC(ARB)-4-02/2012 ("Registration of Final Award")

Bauer (M) Sdn Bhd ("Bauer" or "Applicant" or "Plaintiff") v Embassy Court Sdn Bhd ("Embassy" or "Respondent" or "Defendant")

- (i) On 15 February 2012, Bauer filed an application to register the Final Award in the High Court of Kuala Lumpur against Embassy.
- (ii) On 2 April 2012, the registration of the Final Award by Bauer was successful.

Kuala Lumpur High Court Suit No. : S-22NCVC-178-2011 ("Specific Performance")

Bauer (M) Sdn Bhd ("Bauer" or "Plaintiff") v Embassy Court Sdn Bhd ("Embassy" or "1st Defendant") & Magna Prima Bhd ("Magna Prima" or "2nd Defendant")

- (i) On 4 March 2011, the Plaintiff filed an action against the 1st Defendant and the 2nd Defendant at the High Court of Kuala Lumpur. The two main claims by Bauer are for:-
 - 1) specific performance against the Embassy to produce corporate guarantee issued by Magna Prima; and
 - 2) Magna Prima to indemnify and/or pay to Bauer such monies in the event that Embassy fails to pay Bauer the sum awarded by the Arbitrator.
- (ii) All witnesses were called in to Trials held on 16, 17 & 18 November 2011. Subsequently, the parties have filed in their respective oral and written submissions.

B12 Changes and Details of Pending Material Litigation (cont'd)

Kuala Lumpur High Court Suit No. : S-22NCVC-178-2011 ("Specific Performance")

Bauer (M) Sdn Bhd ("Bauer" or "Plaintiff") v Embassy Court Sdn Bhd ("Embassy" or "1st Defendant") & Magna Prima Bhd ("Magna Prima" or "2nd Defendant")

- (iii) On 15 February 2012, Embassy and Magna Prima have been served with Bauer's application for leave to adduce the Final Award as further evidence and was fixed for Hearing on 1 March 2012.
- (iv) On 2 May 2012, the Court has allowed the Plaintiff's application and re-open its case to call its witnesses to adduce the Final Award as further evidence. The Court also allowed the Defendants to re-open their case and to recall their witnesses or to call fresh witnesses, to rebut the Plaintiff's evidence but only insofar as it relates to the said Final Award. Costs are held to be costs in the cause.
- (v) Case Management on 16th May 2012, Court has allowed Plaintiff's application to adduce the final arbitration award.
- (vi) Further case management on 30th May 2012, our Solicitors applied for postponement for application of stay to enable us to reply to Plaintiff's Affidavit in Reply. The matter adjourned to 14th June 2012.
- (vii) Hearing fixed on 14th June 2012 has been vacated as the current judge will be transferred to another court. Court fixed a further case management on 20th July 2012.
- (viii) 20th July 2012, our application for a Stay of Proceeding fixed for Hearing on 27th July 2012. Puan Amelia Tee has fixed the matter for continued trial on 25th September 2012, 2.00 p.m.
- (ix) On 27th July 2012, the court has adjourned the Hearing for our Stay Application to 25th September 2012. Thereafter, the matter has been adjourned to 18th October 2012.
- (x) On 18th October 2012, the Court has fixed the matter for Decision on 25th October 2012. Stay of Proceedings allowed.
- (xi) Case management fixed on 29th November 2012. Tentative trial date fixed on 14th December 2012 in the event our leave to the Federal Court not granted.
- (xii) Trial fixed on 3rd January 2013. The Court has fixed 8th February 2013 to decide on the extent of cross examination of the Arbitrator.
- (xiii) Continued Trial fixed on 22nd February 2013.
- (xiv) The matter has been fixed for continued Hearing on 27th February 2013 for Plaintiff's Counsel to verbally apply to Court to expunge specific parts in the Arbitrator's evidence given during cross examination on 14th December 2012
- (xv) On 25th March 2013, the Court has directed parties to file further written submissions in Court.
- (xvi) The matter is fixed for Decision on 30th April 2013 but was later postponed to 14th May 2013 and later to 21st May 2013.
- (xvii) The matter is now pending for a new Decision date to be fixed by the Court.

Court of Appeal Civil Appeal No. W-02(IM)(NCVC)-1249-06/2012

Embassy Court Sdn Bhd ("Embassy") ("Appellant 1") & Magna Prima Berhad ("Appellant 2") v Bauer (M) Sdn Bhd ("Bauer") ("Respondent")

- (i) Filed Notice of Appeal on 16th May 2012 in regards to Bauer's application to adduce the Final Award dated 03/02/2012 as further evidence after full trial.
- (ii) Case management on 21st June 2012 whereby further case management was fixed on 19th July 2012 pending filing of Record of Appeal.
- (iii) Case management on 19th July 2012 whereby the hearing of the Appeal has been fixed on 13th September 2012.
- (iv) On 13th September 2012, our appeal has been dismissed.

Federal Court Civil Application No. 08(i)-725-10/2012(w)

Embassy Court Sdn Bhd ("Embassy") & Magna Prima Berhad ("Magna") ("Appellants") v Bauer (M) Sdn Bhd ("Respondent")

- (i) Filed an application for leave to the Federal Court on 5th October 2012. Case Management fixed on 10th October 2012.
- (ii) On 10th October 2012, the Federal Court has fixed the matter for Hearing on 28th November 2012.
- (iii) Our application has been dismissed.

B12 Changes and Details of Pending Material Litigation (cont'd)

*Shah Alam High Court Suit Originating Motion No. : 25-73-04/2012 ("Setting Aside")
Embassy Court Sdn Bhd ("Embassy" or "1st Applicant") & Magna Prima Berhad ("Magna Prima" or "2nd Applicant") v Bauer (M)
 Sdn Bhd ("Bauer" or "Respondent")*

- (i) On 23 April 2012, the Applicants filed an application against the Respondent to set aside the Final Award dated 3 February 2012. The setting aside application is fixed for case management on 17 May 2012.
- (ii) On 17th May 2012, our setting aside application was fixed for further Case Management on 4th July 2012 for parties to file written submission.
- (iii) On 4th July 2012, the Court has fixed a further case management on 8th August 2012 to fix a hearing date for our setting aside application.
- (iv) On 3rd July 2012, the Respondent filed an application to strike out our setting aside application of the Final Award and the same has been fixed for Case Management on 31st July 2012.
- (v) On 31st July 2012, the Court has adjourned the Respondent's striking out application to 8th August 2012 at 9.00 am to fix a hearing date for the Respondent's striking out application.
- (vi) On 8th August 2012, the Court has fixed a hearing on 24th October 2012 for both Applicants setting aside application and Respondent's striking out application.
- (vii) The Hearing which was fixed on 24th October 2012 has been vacated and the Court has fixed a new Hearing on 12th December 2012.
- (viii) On 27th December 2012, the Court has dismissed our application with costs.

*Court of Appeal Civil Appeal No. B-02(IM)-309-02/2013
Embassy Court Sdn Bhd ("Embassy" or "1st Appellant") & Magna Prima Berhad ("Magna Prima" or "2nd Appellant") v Bauer (M)
 Sdn Bhd ("Bauer" or "Respondent")*

- (i) On 22nd January 2013, the Appellants filed an appeal against the High Court decision dated 27th December 2012.
- (ii) Thereafter, the appellants will prepare and file the memorandum of appeal and the record of appeal 8 weeks from 22nd January 2013.
- (iii) Supplementary Record of Appeal filed on 3rd April 2013.
- (iv) The matter is currently pending on dates for further directions from the Court.

B13 Dividend Proposed

A proposed final single tier exempt dividend of 1.5 sen per share at par value of RM0.25 per share (2011: single tier exempt dividend of 1.5 sen per share at par value of RM0.25 per share) has been recommended for the financial year ended 31 December 2012 subject to shareholders' approval at the forthcoming Annual General Meeting.

B14 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	
	31/03/2013	31/03/2012
Net profit / (loss) attributable to ordinary equity holders of the Company (RM'000)	23,291	1,020
Weighted average number of ordinary shares in issue ('000)	332,890	332,890
Basic EPS (sen)	<u>7.00</u>	<u>0.31</u>

B14 Earnings per Share ("EPS") (cont'd)

(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. The Warrants exercise period expired in September 2011.

	3 months ended	
	31/03/2013	31/03/2012
Net profit / (loss) attributable to ordinary equity holders of the Company (RM'000)	<u>23,291</u>	<u>1,020</u>
Weighted average number of ordinary shares in issue ('000)	332,890	332,890
Effects of dilution ('000)	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>332,890</u>	<u>332,890</u>
Diluted EPS (sen)	<u>7.00</u>	<u>0.31</u>

BY ORDER OF THE BOARD

Magna Prima Berhad
 Yuen Yoke Ping (MAICSA 7014044)

Secretary

Petaling Jaya
 28 May 2013