

MAGNA PRIMA BERHAD

Company No.: 369519-P

(Incorporated in Malaysia)

Interim Financial Statements

31 December 2013

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(Incorporated in Malaysia)**

Interim Financial Statements - 31 December 2013

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MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 December 2013

(The figures have not been audited)

	AS AT 31/12/2013 RM'000 (Unaudited)	AS AT 31/12/2012 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	1,441	1,623
Investment Properties	53,556	-
Land held for property development	179,802	154,084
Goodwill on consolidation	3,269	3,269
Deferred tax assets	13,648	6,508
	<u>251,716</u>	<u>165,484</u>
Current Assets		
Inventories	456,487	421,103
Non-current assets held for sale	-	5,188
Amount owing by customers on contracts	15,314	25,241
Trade receivables	28,159	61,232
Other receivables	126,689	102,558
Tax recoverable	1,254	320
Cash held under Housing Development Accounts	3,050	2,821
Short term deposits with licensed banks	27,142	5,221
Cash and bank balances	18,711	1,594
	<u>676,806</u>	<u>625,278</u>
TOTAL ASSETS	<u><u>928,522</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	10,923	19,416
Retained profits	31,249	17,871
	<u>160,960</u>	<u>156,075</u>
Non-controlling interests	<u>7,665</u>	<u>10,629</u>
TOTAL EQUITY	<u><u>168,625</u></u>	<u><u>166,704</u></u>
Non-Current Liabilities		
Hire purchase payables	101	139
Bank borrowings	227,654	156,948
Deferred tax liabilities	91	45
	<u>227,846</u>	<u>157,132</u>
Current Liabilities		
Trade payables	91,083	126,588
Other payables	50,164	42,193
Deferred revenue	317,370	264,706
Hire purchase payables	37	74
Bank borrowings	52,753	12,614
Current tax liabilities	20,644	20,751
	<u>532,051</u>	<u>466,926</u>
TOTAL LIABILITIES	<u>759,897</u>	624,058
TOTAL EQUITY AND LIABILITIES	<u><u>928,522</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>0.48</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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the quarter and year ended 31 December 2013

(The figures have not been audited)

	3 months ended		12 months ended	
	31/12/2013 RM'000	31/12/2012 RM'000	31/12/2013 RM'000	31/12/2012 RM'000
Revenue	12,262	150,338	135,902	196,454
Cost of sales	(4,862)	(133,161)	(98,339)	(149,319)
Gross profit	7,400	17,177	37,563	47,135
Other operating income	1,387	24	3,931	2,133
Selling and distribution expenses	(635)	(278)	(1,921)	(4,078)
Administration expenses	(2,381)	(3,129)	(10,361)	(13,662)
Other operating expenses	(7,287)	(122)	(8,505)	2,367
	(1,516)	13,672	20,707	33,895
Finance costs	(17)	(34)	(69)	(83)
Profit / (loss) before taxation	(1,533)	13,638	20,638	33,812
Taxation	477	(3,486)	(5,231)	(17,085)
Profit / (loss) for the period / year	(1,056)	10,152	15,407	16,727
Other comprehensive income :				
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	(6,991)	(111)	(8,493)	(429)
Other comprehensive loss for the period / year	(6,991)	(111)	(8,493)	(429)
Total comprehensive income / (loss) for the period / year	(8,047)	10,041	6,914	16,298
Profit / (loss) attributable to:				
Owners of the Company	(1,117)	10,108	18,371	16,776
Non-controlling interests	61	44	(2,964)	(49)
	(1,056)	10,152	15,407	16,727
Total comprehensive income / (loss) attributable to:				
Owners of the Company	(8,108)	9,997	9,878	16,347
Non-controlling interests	61	44	(2,964)	(49)
	(8,047)	10,041	6,914	16,298
Earnings / (loss) per share attributable to Owners of the Company:				
- Basic (sen)	(0.34)	3.04	5.52	5.04
- Diluted (sen)	(0.34)	3.04	5.52	5.04

The Condensed Consolidated Statement of Profit or Loss And Other 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 year ended 31 December 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 year	-	-	-	-	-	18,371	18,371	(2,964)	15,407
Other comprehensive income / (loss) for the year	-	-	-	-	(8,493)	-	(8,493)	-	(8,493)
Total comprehensive income / (loss) for the year	-	-	-	-	(8,493)	18,371	9,878	(2,964)	6,914
Dividends for the year ended 31 Dec 2012	-	-	-	-	-	(4,993)	(4,993)	-	(4,993)
Balance as at 31 December 2013	83,222	35,566	-	19,706	(8,783)	31,249	160,960	7,665	168,625

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 (CONT'D)**

For the year ended 31 December 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 (Restated)	Total (Restated)	Non-controlling Interests	Total Equity (Restated)
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 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	-	-	-	-	-	(34,938)	(34,938)	-	(34,938)
Balance as at 1 January 2012 <i>(Restated)</i>	83,222	35,566	-	30	139	5,311	124,268	1,131	125,399
Profit / (loss) for the year	-	-	-	-	-	16,776	16,776	(49)	16,727
Other comprehensive income / (loss) for the year	-	-	-	-	(429)	-	(429)	-	(429)
Total comprehensive income / (loss) for the year	-	-	-	-	(429)	16,776	16,347	(49)	16,298
Dividends for the year ended 31 Dec 2011	-	-	-	-	-	(4,993)	(4,993)	-	(4,993)
Effect arriving from deemed disposal of stakeholding	-	-	-	19,676	-	777	20,453	9,547	30,000
Balance as at 31 December 2012	83,222	35,566	-	19,706	(290)	17,871	156,075	10,629	166,704

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 year ended 31 December 2013

(The figures have not been audited)

	12 months ended 31/12/2013 RM'000	12 months ended 31/12/2012 RM'000
Cash Flows From Operating Activities		
Profit before taxation	20,638	33,812
Adjustments for :-		
Depreciation of property, plant and equipment	308	313
Bad debts written off	-	426
Net gain / loss on disposal of property, plant & equipment	-	(190)
Loss on initial measurement of loan and receivables	541	-
Fair value gain on re-measurement of loan and receivables	(167)	(341)
Net allowance for liquidated & ascertained damages	(466)	(1,638)
Impairment of trade receivables	2,241	-
Fair value loss on re-measurement of financial liabilities	139	233
Unrealised foreign exchange loss	2,585	-
Finance income	(649)	(636)
Finance expense	68	83
Operating profit before changes in working capital	25,238	32,062
Changes in working capital		
Land held for property development	(25,718)	24,094
Inventories	(35,341)	(145,165)
Amount owing by/to customers on contract	9,927	(2,828)
Trade receivables	30,458	(13,300)
Other receivables	(24,131)	(41,391)
Trade payables	(35,644)	11,449
Deferred revenue	52,664	76,372
Other payables	(4,255)	26,511
	(32,040)	(64,258)
Net cash used in operations	(6,802)	(32,196)
Interest paid	(68)	(83)
Interest received	649	636
Tax paid	(3,302)	(4,806)
	(2,721)	(4,253)
Net cash used in operating activities	(9,523)	(36,449)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(126)	(50)
Purchase of investment property	(48,368)	-
Proceeds from disposal of property, plant and equipment	-	191
Net cash (used in)/generated from investing activities	(48,494)	141
Cash Flows From Financing Activities		
Dividend paid	(4,993)	(4,993)
Repayment of hire purchase liabilities	(75)	(274)
Repayment of bank borrowings	(27,565)	(61,645)
Fixed deposits with licensed banks	(21,929)	(3,355)
Drawdown of bank borrowings	138,410	99,670
Net cash generated from financing activities	83,848	29,403
Net change in cash & cash equivalents	25,831	(6,905)
Cash & cash equivalents at the beginning of the financial year	4,457	11,362
Effects of exchange rate changes	(8,493)	-
Cash & cash equivalents at the end of the financial year	21,795	4,457

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

	As at 31/12/2013 RM'000	As at 31/12/2012 RM'000
Cash and bank balances	18,711	1,594
Cash held under Housing Development Accounts	3,050	2,821
Short term deposits with licensed banks	27,142	5,221
	48,903	9,636
Less: Short term deposits pledged with licensed banks	(27,108)	(5,179)
	21,795	4,457

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
Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities	1 January 2014
Amendments to MFRS 127	Consolidated and Separate Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136	Impairment of Assets - Recoverable Amount disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014
Amendments to MFRS 9	Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015

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 Cyclical Factors

The Group's operations during the financial year 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

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial year to-date.

A8 Dividends Paid

The following dividends were paid during the current financial period to-date and previous corresponding period to date :

	Year ended 31/12/2013 RM'000	Year ended 31/12/2012 RM'000
Final dividend for the year ended :	31 December 2012	31 December 2011
Approved and declared on	30 May 2013	30 May 2012
Date paid	26 August 2013	24 August 2012
Number of ordinary shares on which dividends were payable / paid ('000)	332,890	332,890
Amount per share (single-tier)	1.5 sen	1.5 sen
Net dividend paid (RM'000)	<u>4,993</u>	<u>4,993</u>

A9 Segmental Analysis

The Group's segmental reports for the current financial year 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
<u>Year ended 31/12/2013 :</u>						
Total revenue	125,412	26,348	12,118	33,967	(61,943)	135,902
Intersegment revenue	-	(26,433)	(2,393)	(33,117)	61,943	-
Segment revenue :	125,412	(85)	9,725	850	-	135,902
Segment profit / (loss) before tax :	28,568	(2,117)	(2,385)	(3,428)	-	20,638
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	560	33	47	9	-	649
Segment assets :	971,541	143,517	11,543	482,553	(680,632)	928,522
Segment liabilities :	841,527	121,446	11,426	256,189	(470,691)	759,897
<u>Year ended 31/12/2012 :</u>						
Total revenue	174,165	164,681	22,585	23,748	(188,725)	196,454
Intersegment revenue	-	(162,731)	(3,393)	(22,601)	188,725	-
Segment revenue :	174,165	1,950	19,192	1,147	-	196,454
Segment profit / (loss) before tax :	35,735	2,390	(973)	(3,340)	-	33,812
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	516	7	-	113	-	636
Segment assets :	856,847	188,103	15,083	355,944	(625,215)	790,762
Segment liabilities :	689,852	138,250	12,492	189,165	(405,701)	624,058

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
Year ended 31/12/2013 :			
Total revenue	135,902	-	135,902
Intersegment revenue	-	-	-
Segment revenue :	135,902	-	135,902
Segment profit / (loss) before tax :	21,835	(1,197)	20,638
Segment assets :	635,413	293,109	928,522
Segment liabilities :	555,582	204,315	759,897
Year ended 31/12/2012 :			
Total revenue	196,454	-	196,454
Intersegment revenue	-	-	-
Segment revenue :	196,454	-	196,454
Segment profit / (loss) before tax :	35,176	(1,364)	33,812
Segment assets :	625,388	165,374	790,762
Segment liabilities :	556,820	67,238	624,058

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 year under review.

A11 Material Events Subsequent to the End of the Period

On 10 January 2014, the Company has acquired 70% of the issued and paid up share capital in new subsidiary company, Pavilion Uptrend Sdn Bhd ("Pavilion Uptrend") comprising 140,000 ordinary shares of RM1.00 each fully paid up for a total cash consideration of RM140,000.00.

Dato' Rahadian Mahmud bin Mohammad Khalil, the CEO of the Company has acquired the remaining 30% of the issued and paid up share capital of Pavilion Uptrend comprising 60,000 ordinary shares of RM1.00 each fully paid up for a total cash consideration of RM60,000.00.

Save for the abovementioned, there were no material events and transactions subsequent to the end of the current financial year till 19 February 2014 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 year, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinued operations.

A13 Contingent Liabilities

Details of contingent liabilities of the company are as follows :

Company	As at 31/12/2013 RM'000	As at 31/12/2012 RM'000
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	285,533	169,620
- Unsecured	-	-
Utilised portion of corporate guarantees given to trade payables of subsidiary companies for credit facilities granted to subsidiary companies:		
- Unsecured	2,574	3,663
	288,107	173,283

A14 Capital Commitment

	As at 31/12/2013 RM'000	As at 31/12/2012 RM'000
Approved and contracted for:		
- Purchase of property, plant and equipment	-	-
- Contractual obligation for development projects	118,521	140,465
	118,521	140,465

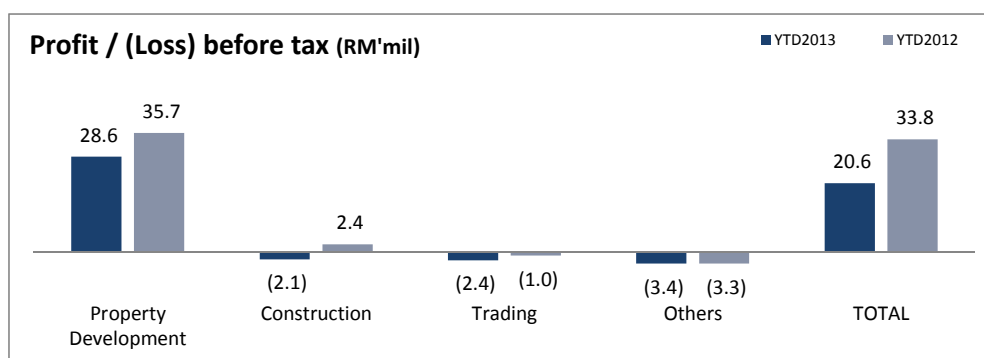
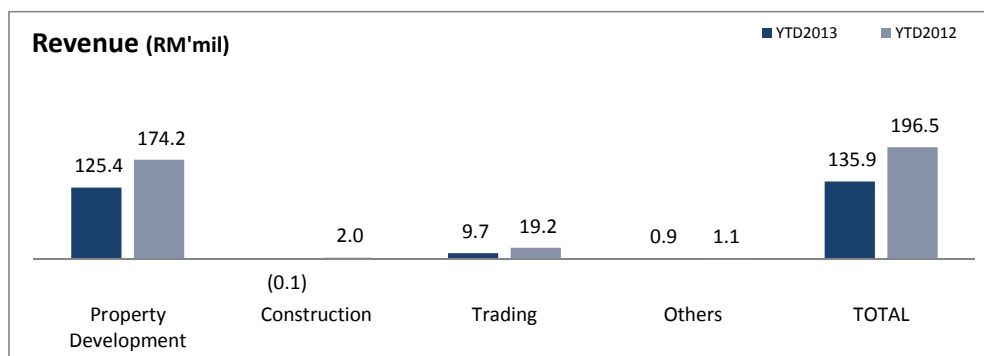
A15 Significant Related Party Transaction

Company	As at 31/12/2013 RM'000	As at 31/12/2012 RM'000
Management fee received/receivable from subsidiary companies	2,945	2,321

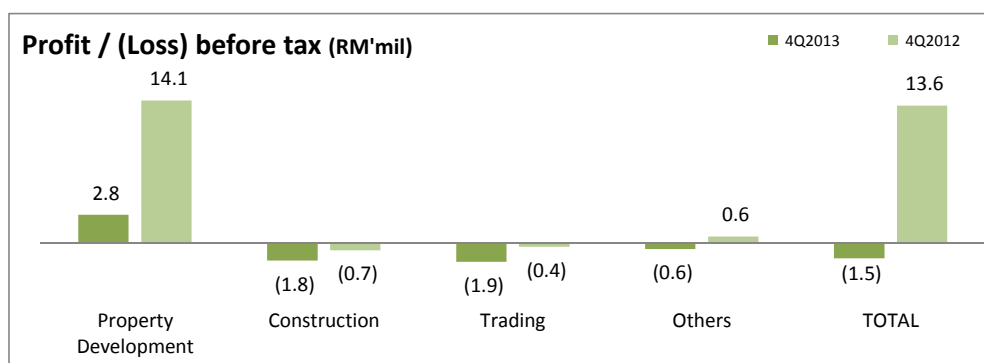
B Bursa Malaysia Listing Requirements

B1 Review of Performance - Comparison with Previous Corresponding Year and Quarter

For the year ended 31 December 2013, the Group achieved a revenue of RM135.9 million, a decrease of 31% from RM196.5 million, whereas the Group's profit before tax declined to RM20.6 million from RM33.8 million compared to the financial year ended 31 December 2012.



Current quarter's revenue recorded at RM12.3 million, a decrease of 92% from RM150.3 million compared to the previous corresponding quarter and loss before tax had declined by 111% to RM1.5 million compared to profit before tax of RM13.6 million in the previous corresponding quarter due to revenue recognised on completion of U1 Shah Alam Phase 2 commercial tower project and One Sierra project in the previous corresponding year in the property development segment and the construction segment.



B1 Review of Performance - Comparison with Previous Corresponding Year and Quarter (Cont'd)

Property Development

Property Development segment recorded a revenue of RM125.4 million for the year, a decrease of 28% from RM174.2 million in the previous corresponding year due to smaller scale development project completion i.e. Alam D'16 development project and One Sierra development project Phase 4 (19 units of bungalow).

Revenue recorded at RM9.9 million, while profit before tax reduced to RM2.8 million from RM14.1 million, a decrease of 80% compared to previous corresponding quarter due to lower recognition of balance sold units for One Sierra development project.

Sales for the existing development projects i.e. The Boulevard Business Park development project along Jalan Kuching remain good responses from the market and the construction works for these projects have been on-going progressively. Seri Jalil development project in Bukit Jalil had completed and obtained CCC on 4 January 2014.

Construction & Engineering

Construction & Engineering segment result for the year recorded a negative revenue of RM0.1 million and a loss before tax of RM2.1 million as a result of the adjustment on the provisional sums, a decrease of 104% and 189% respectively from a revenue of RM2.0 million and profit before tax of RM2.4 million in the previous corresponding year.

Revenue and loss before tax recorded at RM0.5 million and RM1.8 million for current quarter, an increase of 385% from negative revenue of RM0.2 million, however loss before tax increased 139% from RM0.7 million, compare to previous corresponding quarter.

Trading

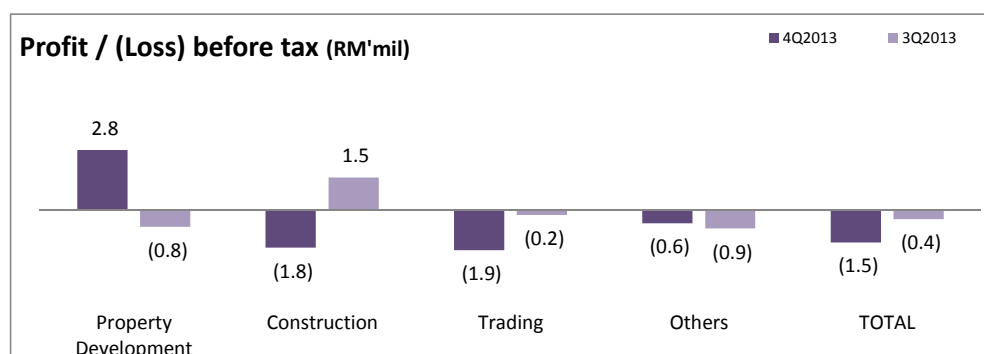
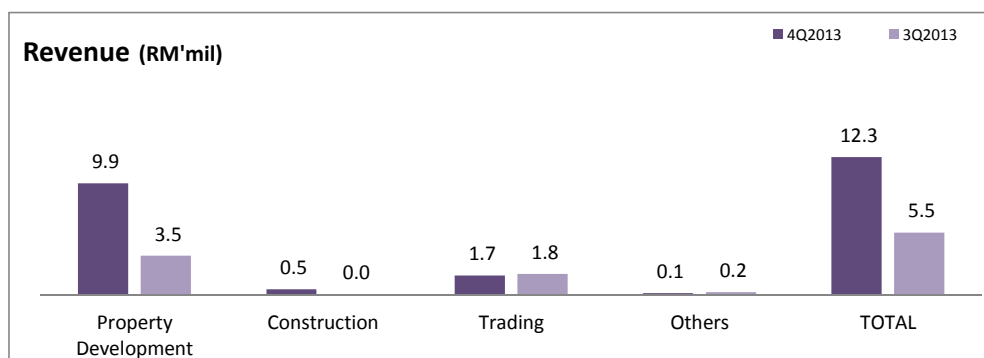
Trading segment revenue declined by 49% to RM9.7 million from RM19.2 million compared to the previous corresponding year and the segment incurred loss before tax of RM2.4 million due to the competitive products selling prices and the volatility in raw material prices in the market.

Revenue recorded at RM1.7 million for current quarter, a decrease of 60% from RM4.3 million and loss before tax increased to RM1.9 million from RM0.4 million compare to previous corresponding quarter.

B2 Review of Performance - Comparison with Immediate Preceding Quarter

For the current quarter, the Group recorded revenue of RM12.3 million, an increase of 121% compared to RM5.5 million in the immediate preceding quarter ended 30 September 2013 mainly due to recognition of balance units from completed project i.e. One Sierra development project in the current quarter.

Nevertheless, the Group incurred loss before tax of RM1.5 million, compared to a loss before tax of RM0.4 million, a decline by 244% over the immediate preceding quarter ended 30 September 2013.



B3 Prospects for the Next Financial Year

The Board is prospecting the Seri Jalil project for full recognition in next financial year after obtaining the CCC on 4 January 2014 and also targeting to complete The Istana project in third quarter of next financial year which will boost the Group's performance for next 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	Year ended 31/12/2013 RM'000	Year ended 31/12/2012 RM'000
In respect of :		
- current year	10,928	18,183
- deferred taxation	(7,137)	(1,173)
	3,791	17,010
Under / (over) provision in prior years	1,440	75
	5,231	17,085

The effective tax rate of the Group for the financial year ended 31 December 2013 is fairly consistent at the applicable statutory tax rate.

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.

The revenue and profit before tax for the current financial year 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 year 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	Year ended 31/12/2013 RM'000	Year ended 31/12/2012 RM'000
Realised	24,557	11,300
Unrealised	6,692	6,571
Total retained profits	31,249	17,871

B7 Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investments or properties for the current quarter and current financial year to-date.

B8 Quoted Investments

There was no purchase or disposal of quoted investments during the financial year 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 19 February 2014 (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 December 2013 are as follows:

	As at 31/12/2013 RM'000	As at 31/12/2012 RM'000
Secured		
Bank borrowings repayable		
- within 12 months	52,790	12,688
- after 12 months	227,755	157,087
Total borrowings	280,545	169,775

Included in the above are borrowings which are denominated in a foreign currency as follows:

	As at 31/12/2013 AUD'000	As at 31/12/2012 AUD'000
Secured		
Bank borrowings repayable		
- within 12 months	-	-
- after 12 months	38,213	9,329
Total borrowings	38,213	9,329

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.

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")

(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.

(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. The Court fixed a further Hearing / Clarification date on 19th June 2013.

(xxii) The Court has fixed the Decision for awarding the assessment of damages against the 12th Defendant on 2nd July 2013. The matter has been adjourned to 5th July 2013.

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")

(xxiii) On 5th July 2013, the Court awarded damages as follows:-

(a) the sum of RM20,789,144.00 ("Damages") to be paid by the 12th Defendant to MPC and DESB in the following apportionment:-

- (1) the sum of RM15,373,444.00 to be paid to MPC; and
- (2) the sum of RM5,415,700.00 to be paid to DESB.

(b) interest at the rate of 8% per annum for the damages awarded calculated from 16th October 2000 until 5th July 2013 ("Interest")

(c) interest at 4% per annum of the total sum of Damages and Interest ("Total Sum") from 5th July 2013 until the date of full and final settlement of the Total Sum ("Daily Interest"); and

(d) costs of RM5,000.00

(xxiv) Letter of Demand was served on the 12th Defendant on 10th October 2013 demanding for the sum of RM42,553,499.78 calculated as at 8th October 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 Akitek 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.

(iii) On 10 December 2013, the Judge in Chamber has dismissed the matter with costs.

(iv) On 10 January 2014, the Defendant has filed a Notice of Appeal to the Court of Appeal and matter is now pending appeal and a case management has been fixed on 25 February 2014.

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.

(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.

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")

- (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 Court fixed the matter for Hearing on 22nd August 2013.
- (v) Hearing adjourned to 29th August 2013 and thereafter 10th September 2013.
- (vi) On 10th September 2013, the Court has dismissed the Appellants appeal with costs.

B13 Dividend Proposed

A proposed final single tier exempt dividend of 1.0 sen per share at par value of RM0.25 per share (2012: 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 2013 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 year by the weighted average number of ordinary shares in issue.

	3 months ended		Year to-date ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Net profit / (loss) attributable to ordinary equity holders of the Company (RM'000)	(1,117)	10,108	18,371	16,776
Weighted average number of ordinary shares in issue ('000)	332,890	332,890	332,890	332,890
Basic EPS (sen)	(0.34)	3.04	5.52	5.04

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

(b) Diluted EPS

There are no diluted earnings per share as the Company does not have any Share Option in issue at the quarter under review.

BY ORDER OF THE BOARD

Magna Prima Berhad
Yuen Yoke Ping (MAICSA 7014044)

Secretary

Petaling Jaya
26 February 2014