

MAGNA PRIMA BERHAD

Company No.: 369519-P

(Incorporated in Malaysia)

Interim Financial Statements

30 September 2014

MAGNA PRIMA BERHAD

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(Incorporated in Malaysia)**

Interim Financial Statements - 30 September 2014

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

AS AT 30 September 2014

(The figures have not been audited)

	AS AT 30/09/2014 RM'000 (Unaudited)	AS AT 31/12/2013 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	1,258	1,441
Investment Properties	59,407	48,043
Land held for property development	308,633	179,802
Goodwill on consolidation	3,269	3,269
Deferred tax assets	10,220	14,489
	<u>382,787</u>	<u>247,044</u>
Current Assets		
Inventories	558,126	438,261
Amount owing by customers on contracts	2,057	2,356
Trade receivables	29,160	29,605
Other receivables	111,734	125,225
Tax recoverable	873	1,254
Cash held under Housing Development Accounts	4,094	3,050
Fixed deposits with licensed banks	34,024	27,188
Cash and bank balances	11,252	18,711
	<u>751,320</u>	<u>645,650</u>
TOTAL ASSETS	<u><u>1,134,107</u></u>	<u><u>892,694</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	9,488	11,288
Retained profits	32,184	30,799
	<u>160,460</u>	<u>160,875</u>
Non-controlling interests	<u>7,445</u>	<u>7,669</u>
TOTAL EQUITY	<u><u>167,905</u></u>	<u><u>168,544</u></u>
Non-Current Liabilities		
Borrowings	102,654	246,935
Deferred tax liabilities	45	45
	<u>102,699</u>	<u>246,980</u>
Current Liabilities		
Trade payables	147,706	105,488
Other payables	46,133	42,086
Deferred revenue	247,047	269,610
Borrowings	407,342	39,342
Current tax liabilities	15,275	20,644
	<u>863,503</u>	<u>477,170</u>
TOTAL LIABILITIES	<u>966,202</u>	724,150
TOTAL EQUITY AND LIABILITIES	<u><u>1,134,107</u></u>	<u><u>892,694</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>0.48</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 2013 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 period to-date ended 30 September 2014

(The figures have not been audited)

	3 months ended		9 months ended	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
	RM'000	RM'000	RM'000	RM'000
Revenue	668	5,546	140,610	123,640
Cost of sales	(15,176)	(4,125)	(117,861)	(93,477)
Gross profit	(14,508)	1,421	22,749	30,163
Other operating income	450	1,922	1,720	2,544
Selling and distribution expenses	(1,314)	(804)	(3,073)	(1,286)
Administration expenses	(2,096)	(2,565)	(7,347)	(7,980)
Other operating expenses	(5,835)	(402)	(9,768)	(1,218)
	(23,303)	(428)	4,281	22,223
Finance costs	(15)	(17)	(47)	(52)
Profit / (loss) before taxation	(23,318)	(445)	4,234	22,171
Taxation	2,046	(4,694)	(3,131)	(5,708)
Profit / (loss) for the period	(21,272)	(5,139)	1,103	16,463
Other comprehensive income / (expense) :				
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	(1,800)	684	(1,800)	(1,502)
Other comprehensive income / (expense) for the period	(1,800)	684	(1,800)	(1,502)
Total comprehensive income / (expense) for the period	(23,072)	(4,455)	(697)	14,961
Profit / (loss) attributable to:				
Owners of the Company	(21,072)	(5,096)	1,385	19,488
Non-controlling interests	(200)	(43)	(282)	(3,025)
	(21,272)	(5,139)	1,103	16,463
Total comprehensive income / (expense) attributable to:				
Owners of the Company	(22,872)	(4,412)	(415)	17,986
Non-controlling interests	(200)	(43)	(282)	(3,025)
	(23,072)	(4,455)	(697)	14,961
Earnings / (loss) per share attributable to Owners of the Company:				
- Basic (sen)	(6.33)	(1.53)	0.42	5.85
- Diluted (sen)	(6.33)	(1.53)	0.42	5.85

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 2013 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 30 September 2014

(The figures have not been audited)

	Attributable to Owners of the Company							Total Equity RM'000
	Non-Distributable				Distributable		Non- controlling Interests RM'000	
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Foreign currency exchange reserve RM'000	Retained profits RM'000	Total RM'000		
Balance as at 1 January 2014	83,222	35,566	19,706	(8,418)	30,799	160,875	7,669	168,544
Profit / (loss) for the period	-	-	-	-	1,385	1,385	(282)	1,103
Other comprehensive income / (expense) for the period	-	-	-	(1,800)	-	(1,800)	-	(1,800)
Total comprehensive income / (expense) for the period	-	-	-	(1,800)	1,385	(415)	(282)	(697)
Acquisition of subsidiary company	-	-	-	-	-	-	58	58
Balance as at 30 September 2014	83,222	35,566	19,706	(10,218)	32,184	160,460	7,445	167,905
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	-	-	-	-	19,488	19,488	(3,025)	16,463
Other comprehensive income / (expense) for the period	-	-	-	(1,502)	-	(1,502)	-	(1,502)
Total comprehensive income / (expense) for the period	-	-	-	(1,502)	19,488	17,986	(3,025)	14,961
Dividends for the year ended 30 September 2013	-	-	-	-	(4,993)	(4,993)	-	(4,993)
Balance as at 30 September 2013	83,222	35,566	19,706	(1,792)	32,366	169,068	7,604	176,672

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 September 2014

(The figures have not been audited)

	9 months ended 30/09/2014 RM'000	9 months ended 30/09/2013 RM'000
Cash Flows From Operating Activities		
Profit before taxation	4,234	22,171
Adjustments for :-		
Depreciation of property, plant and equipment	197	238
Depreciation of investment properties	60	-
Bad debts written off	-	597
Net gain / loss on disposal of property, plant & equipment	(85)	-
Net allowance for liquidated & ascertained damages	(1,838)	30
Unrealised foreign exchange loss	(2,884)	-
Finance income	(735)	(351)
Finance expense	47	52
Operating profit before changes in working capital	<u>(1,004)</u>	<u>22,737</u>
Changes in working capital		
Land held for property development	(128,831)	(25,327)
Inventories	(107,723)	5,363
Amount owing by/to customers on contract	299	4,189
Trade receivables	445	14,426
Other receivables	22,631	(32,445)
Trade payables	42,218	(19,970)
Deferred revenue	(22,563)	26,181
Other payables	9,151	3,803
	<u>(184,373)</u>	<u>(23,780)</u>
Net cash used in operations	(185,377)	(1,043)
Interest paid	(21,770)	(52)
Interest received	735	351
Tax paid	(942)	(2,112)
	<u>(21,977)</u>	<u>(1,813)</u>
Net cash used in operating activities	(207,354)	(2,856)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(12)	(126)
Purchase of investment property	1,608	(47,862)
Net cash generated from acquisition of subsidiary companies	60	-
Proceeds from disposal of property, plant and equipment	83	-
Net cash generated from/(used in) investing activities	<u>1,739</u>	<u>(47,988)</u>
Cash Flows From Financing Activities		
Dividend paid	(3,329)	(4,993)
Repayment of hire purchase liabilities	(20)	(63)
Repayment of bank borrowings	(43,304)	(26,398)
Fixed deposits with licensed banks	(6,416)	(14,596)
Drawdown of bank borrowings	254,516	101,372
Net cash generated from financing activities	<u>201,447</u>	<u>55,322</u>
Net change in cash & cash equivalents	(4,168)	4,478
Cash & cash equivalents at the beginning of the financial period	24,322	4,457
Effects of exchange rate changes	(1,763)	-
Cash & cash equivalents at the end of the financial period	18,391	8,935

Cash and cash equivalents at the end of the financial period comprises:

	As at 30/09/2014 RM'000	As at 30/09/2013 RM'000
Cash and bank balances	11,252	6,036
Cash held under Housing Development Accounts	4,094	2,865
Fixed deposits with licensed banks	34,024	19,809
	<u>49,370</u>	<u>28,710</u>
Less: Fixed deposits pledged with licensed banks	(30,979)	(19,775)
	<u>18,391</u>	<u>8,935</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2013. 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 2013.

A2 Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2013, except for the adoption of the following MFRSs:

MFRSs, Amendments to MFRSs and Interpretations

Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities
Amendments to MFRS 127	Separate Financial Statements: Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation -Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies
Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions
Annual Improvements to MFRSs 2010-2012 Cycle	
Annual Improvements to MFRSs 2011-2013 Cycle	

The impact of the above accounting standards, amendments to accounting standards and interpretation effective during the financial year is not material to the financial results and position of the group.

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)	To be announced by MASB
MFRS 9	Financial Instruments: Mandatory Effective Date of MFRS 9 and Transition Disclosures (Amendments to MFRS 9 and MFRS 7)	To be announced by MASB
MFRS 9	Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139)	To be announced by MASB
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
MFRS 141	Agriculture: Bearer Plants (Amendments to MFRS 116 and MFRS 141)	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017

A3 Auditors' Report For The Financial Year Ended 31 December 2013

The auditors' report on the financial statements for the financial year ended 31 December 2013 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 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 following dividends were paid during the current financial period to-date and previous corresponding period to date :

	Period ended 30/09/2014 RM'000	Period ended 30/09/2013 RM'000
Final dividend for the year ended :	31 December 2013	31 December 2012
Approved and declared on	30 May 2014	30 May 2013
Date paid	26 August 2014	26 August 2013
Number of ordinary shares on which dividends were payable / paid ('000)	332,890	332,890
Amount per share (single-tier)	1.0 sen	1.5 sen
Net dividend paid (RM'000)	<u>3,329</u>	<u>4,993</u>

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 30/09/2014 :						
Total revenue	131,602	31,686	5,948	707	(29,333)	140,610
Intersegment revenue	-	(26,691)	(2,440)	(202)	29,333	-
Segment revenue :	<u>131,602</u>	<u>4,995</u>	<u>3,508</u>	<u>505</u>	<u>-</u>	<u>140,610</u>
Segment profit / (loss) before tax :	<u>38,898</u>	<u>(31,614)</u>	<u>61</u>	<u>(3,111)</u>	<u>-</u>	<u>4,234</u>
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	709	3	-	23	-	735
Segment assets :	<u>1,278,542</u>	<u>100,251</u>	<u>11,741</u>	<u>563,909</u>	<u>(820,336)</u>	<u>1,134,107</u>
Segment liabilities :	<u>1,139,591</u>	<u>130,296</u>	<u>11,723</u>	<u>339,571</u>	<u>(654,979)</u>	<u>966,202</u>
Period ended 30/09/2013 :						
Total revenue	115,468	24,670	9,970	1,062	(27,530)	123,640
Intersegment revenue	-	(25,222)	(1,960)	(348)	27,530	-
Segment revenue :	<u>115,468</u>	<u>(552)</u>	<u>8,010</u>	<u>714</u>	<u>-</u>	<u>123,640</u>
Segment profit / (loss) before tax :	<u>25,787</u>	<u>(337)</u>	<u>(488)</u>	<u>(2,791)</u>	<u>-</u>	<u>22,171</u>
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	264	31	47	9	-	351
Segment assets :	<u>927,186</u>	<u>176,916</u>	<u>11,916</u>	<u>479,305</u>	<u>(718,467)</u>	<u>876,856</u>
Segment liabilities :	<u>794,690</u>	<u>123,253</u>	<u>9,675</u>	<u>289,960</u>	<u>(517,394)</u>	<u>700,184</u>

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 30/09/2014 :			
Total revenue	140,610	-	140,610
Intersegment revenue	-	-	-
Segment revenue :	<u>140,610</u>	<u>-</u>	<u>140,610</u>
Segment profit / (loss) before tax :	<u>9,163</u>	<u>(4,929)</u>	<u>4,234</u>
Segment assets :	<u>693,890</u>	<u>440,217</u>	<u>1,134,107</u>
Segment liabilities :	<u>606,241</u>	<u>359,961</u>	<u>966,202</u>
Period ended 30/09/2013 :			
Total revenue	123,640	-	123,640
Intersegment revenue	-	-	-
Segment revenue :	<u>123,640</u>	<u>-</u>	<u>123,640</u>
Segment profit / (loss) before tax :	<u>22,710</u>	<u>(539)</u>	<u>22,171</u>
Segment assets :	<u>625,461</u>	<u>251,395</u>	<u>876,856</u>
Segment liabilities :	<u>546,386</u>	<u>153,798</u>	<u>700,184</u>

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 11 November 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 period, 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 30/09/2014 RM'000	As at 30/09/2013 RM'000
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	508,662	244,680
- Unsecured	-	-
Utilised portion of corporate guarantees given to trade payables of subsidiary companies for credit facilities granted to subsidiary companies:		
- Unsecured	3,025	2,264
	<u>511,687</u>	<u>246,944</u>

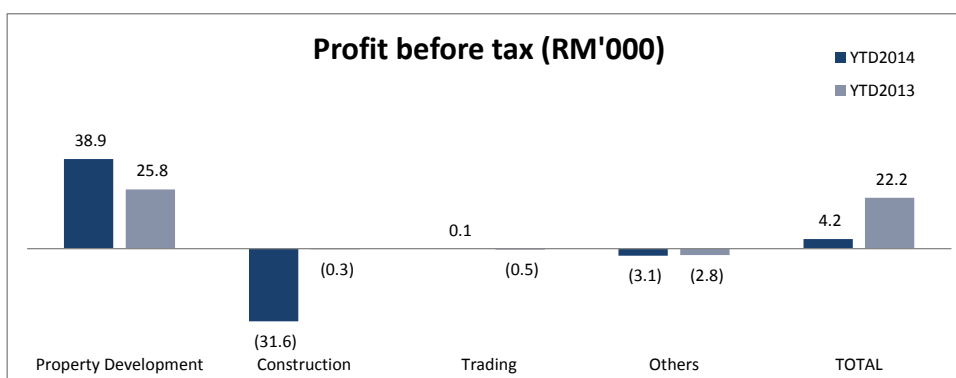
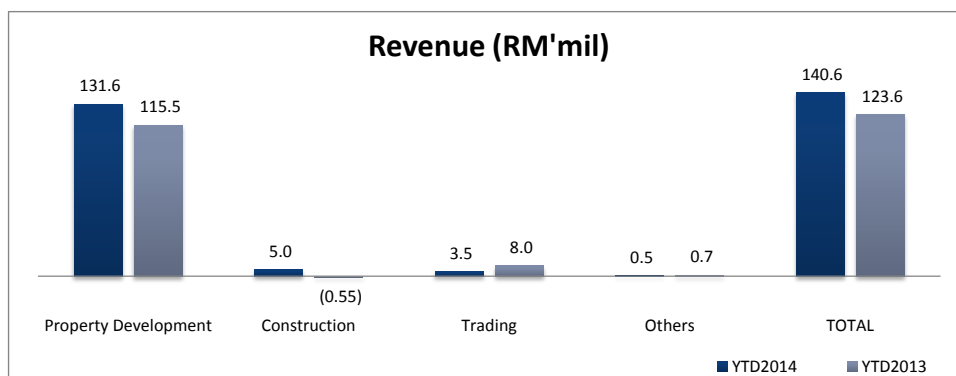
A14 Capital Commitment

	As at 30/09/2014 RM'000	As at 30/09/2013 RM'000
Approved and contracted for:		
- Purchase of property, plant and equipment	-	-
- Contractual obligation for development projects	-	118,521
	<u>-</u>	<u>118,521</u>

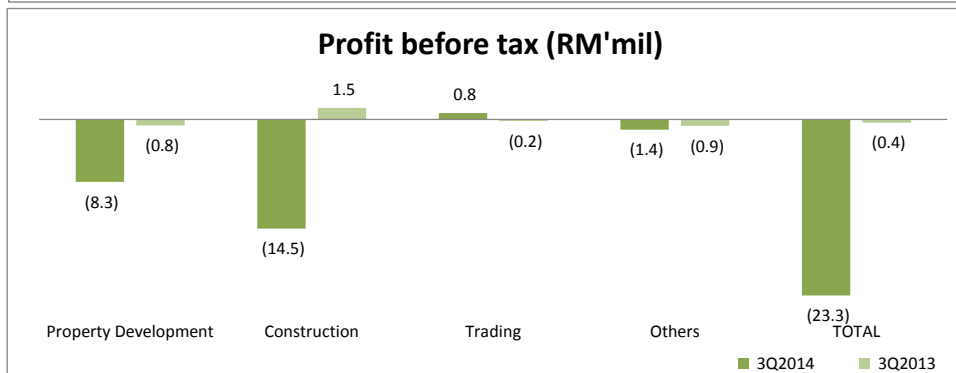
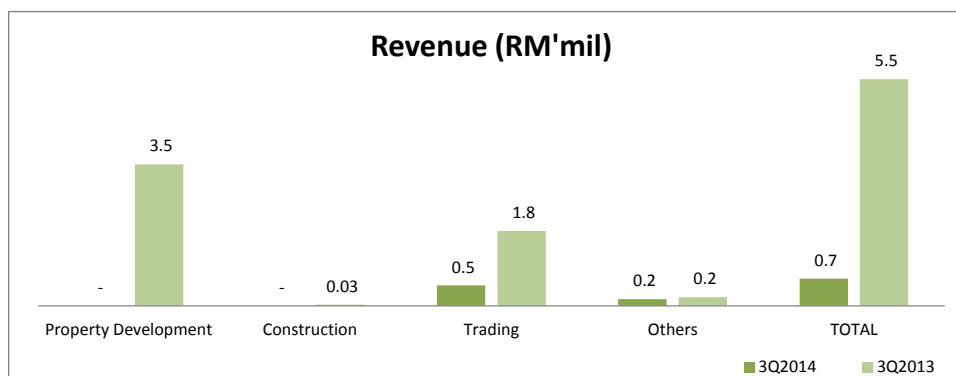
B Bursa Malaysia Listing Requirements

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

For the 9 months ended 30 September 2014, the Group achieved a revenue of RM140.6 million, an increase of 14% from previous year's corresponding amount of RM123.6 million, whereas the Group's profit before tax decreased to RM4.2 million from RM22.2 million compared to the period ended 30 September 2013.



The Group recorded revenue and loss before tax for the current quarter ended 30 September 2014 at RM0.7 million and RM23.3 million, a decrease of 87% and an increase of 5725% and, from a revenue of RM5.5 million and loss before tax of RM0.4 million respectively compared to the previous corresponding quarter ended 30 September 2013.



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

Property Development

Property Development segment recorded a revenue of RM131.6 million for 9 months period as compared to the RM115.5 million recorded in the previous corresponding period.

Profit before tax for the 9 months ended 30 September 2014 was RM38.9 million, an increase of 51%, as compared with RM25.8 million in the corresponding period.

The increase in revenue and profits are the results of higher recognition of revenue and profits from Seri Jalil Development Project in the first quarter of this year.

However, for this quarter property development division has no contribution in revenue compared to previous corresponding quarter of RM3.5 million, while loss before tax increased to RM8.3 million from loss before tax of RM0.8 million, a decrease by 100% and increased 938% respectively compared to previous corresponding quarter due to no recognition of sales with our adoption of completion method and foreign exchange loss.

On going sales for the existing development project i.e. The Boulevard Business Park development project along Jalan Kuching, remain good judging by the responses from the market and the construction works for this project have been progressing well.

Construction & Engineering

Construction and engineering segment recorded a revenue of RM5 million for the 9 months period as compared with a marginal negative revenue of RM0.55 million in the corresponding period.

Loss before tax for the 9 months period was RM31.6 million as compared with a loss of RM0.3 million in the corresponding period. The increase in loss before tax was due to additional construction costs being provided arising from the Arbitration dispute.

Construction & Engineering segment recorded no revenue and a loss before tax of RM14.5 million as additional costs of construction were provided arising from the award of Arbitration dispute. Overall this division increase RM5.0 mil revenue and furthermore make lose of RM31.6 mil compared to pervious year.

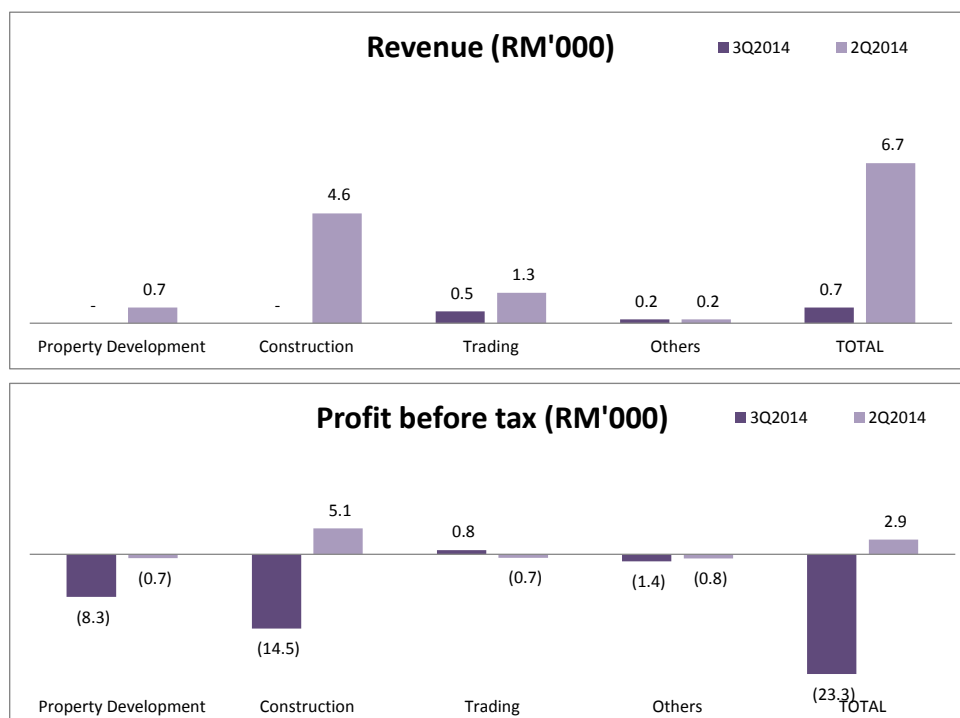
Trading

Trading segment revenue declined by 56% to RM3.5 million from RM8.0 million in the previous corresponding period and the segment recorded a profit before tax of RM0.1 million from a loss before tax of RM0.5 million in the previous corresponding period.

B2 Review of Performance - Comparison with Immediate Preceding Quarter

For the current quarter, the Group recorded revenue of RM0.7 million, a decrease of 90%, compared to RM6.7 million in the immediate preceding quarter ended 30 June 2014 due to decrease in construction revenue.

The Group posted a loss before tax of RM23.3 million in the current quarter, compared to a profit before tax of RM2.9 million, in the immediate preceding quarter ended 30 June 2014. The variation in results arises mainly from additional cost of construction provided pursuant to the award from Arbitration dispute, foreign exchange loss and tax penalty.



B3 Prospects for the Current Financial Year

We have received possession of the Istana Project's properties and are awaiting the settlement of account pursuant to the Laws in Australia.

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 30/09/2014 RM'000	Period to-date 30/09/2013 RM'000
In respect of :		
- current year	-	9,370
- deferred taxation	4,232	(5,994)
	4,232	3,376
Under / (over) provision in prior years	(1,101)	2,332
	3,131	5,708

The effective tax rate of the Group for the financial period to-date ended 30 September 2014 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.

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 30/09/2014 RM'000	Period to-date 30/09/2013 RM'000
Realised	47,974	34,159
Unrealised	(15,790)	(793)
	32,184	33,366
Consolidation adjustments	-	-
Total retained profits	32,184	33,366

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 11 November 2014 (being the latest practicable date) which is not earlier than 7 days from the date of issuance of these Interim Financial Statements :-

- (a) The Board of Director of MPB ("Board wishes to announce that the Company had on 11 August entered into a conditional subscription agreement with LTAT in relation to the proposed subscription of 40,000,000 new RCPS at an issue price of RM1.00 each and pursuant thereto, the Company proposes to undertake the following corporate proposals:

- (i) Proposed Issuance
- (ii) Proposed Increase in Authorised Share Capital and
- (iii) Proposed M&A Amendments

(The Proposed Issuance, the Proposed Increase in Authorised Share Capital and the Proposed M&A Amendments shall collectively be referred to as the "Proposals".)

The Board has fixed an Extraordinary General Meeting on 3 December 2014 to seek the shareholders' approval on the above Proposals.

B10 Group Borrowings

Details of Group borrowings as at 30 September 2014 are as follows:

	As at 30/09/2014 RM'000	As at 30/09/2013 RM'000
Secured		
Borrowings repayable		
- within 12 months	407,342	49,087
- after 12 months	102,654	195,599
Total borrowings	<u>509,996</u>	<u>244,686</u>

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

	As at 30/09/2014 AUD'000	As at 30/09/2013 AUD'000
Secured		
Borrowings repayable		
- within 12 months	83,000	-
- after 12 months	-	24,701
Total borrowings	<u>83,000</u>	<u>24,701</u>

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

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

A contract was executed between Bauer (M) Sdn. Bhd. ("Bauer") and Embassy Court Sdn. Bhd. ("Embassy") (collectively known as "the Parties") on 6 October 2006 ("the Contract"). Bauer was appointed to carry out and complete the Piling and Substructure Works for "the Avare" in Off Jalan Tun Razak, Kuala Lumpur.

On 26 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 :-

- a) The existence of an Agreement dated 12 September 2006 between Bauer and Embassy; and
- b) The Final Account Claim.

On 3 February 2012, the Final Award save as to costs given by the Arbitration exercised under Pertubuhan Akitik Malaysia ("PAM") states that Embassy is to pay Bauer the sum of RM18,718,966.28 being the outstanding sum of monies for works done in the contract together with interest.

On 8 March 2013, the Final Award as to costs was delivered by the Arbitrator whereby Embassy is required to pay Bauer the sum of RM1,102,588.60 as costs.

To enforce or execute the Final Award, Bauer initiated a judgement debtor summons to assess Embassy's financial position. On 20 September 2013, the Decision of the High Court is that Embassy has to pay RM8,389,068.12 together with the cost of RM1,000 to Bauer.

(ii) Kuala Lumpur High Court Suit No. : S-22NCVC-178-2011
 Bauer (M) Sdn Bhd ("Bauer" or "Plaintiff") v Embassy Court Sdn Bhd ("Embassy" or "1st Defendant") & Magna Prima Bhd
 ("Magna Prima" or "2nd Defendant")

On 4 March 2011, Bauer (M) Sdn. Bhd. ("Bauer") filed an action against Embassy Court Sdn. Bhd. ("Embassy") and Magna Prima Berhad ("MPB") at the High Court of Kuala Lumpur. The two main claims by Bauer were for:-

- a) Specific performance against Embassy to produce Corporate Guarantee issued by MPB; and
- b) MPB to indemnify and/or pay to Bauer such monies in the event that Embassy fails to pay the sum awarded by the Arbitrator.

The full trial was concluded on 22 February 2013 and decision was delivered on 27 February 2014 dated 21 February 2014 in favour of Bauer to require Embassy to obtain a corporate guarantee from MPB.

On 10 March 2014 MPB filed an appeal to the Court of Appeal, Civil Appeal No. W-02(IM)(NCVC)-819-05/2014 against the decision of the High Court and on 26 March 2014 Embassy filed an appeal to the Court of Appeal, Civil Appeal No. Civil Appeal No. W-02(NCVC)(W)-614-04/2014 against the decision of the High Court.

Meanwhile, on 12 March 2014 MPB filed Notice of Stay against the decision of High Court until the full and final disposal of MPB's Appeal for the COA against the said order dated 21 February 2014. MPB through Muafakat Baru provide an undertaking by way of pledging a piece of property value excess of full Judgement sum. Magna Prima Berhad as a caution apply for a court injunction to restrain Bauer on representing or filing the petition against Magna Prima Berhad pursuant to S.218(1)(e) date 18 March 2014

B12 Changes and Details of Pending Material Litigation

On 3 April 2014 The Court granted Stay in favour of MPB against the Judgement of HC until final disposal of Magna Prima's Appeal to Court of Appeal. However Bauer is seeking for an Appointment with learned Judge for Variation/ Clarification of the Order dated 3 April 2014 Bauer's intention to set aside the order on the basis that the order is enforceable by law.

On 24 April 2014 Notice filed by Bauer to set aside the Stay.

On 5 May 2014 Court allow for Fortuna injunction in favour of Magna Prima Berhad until the full & final determination in respect of Magna's Appeal.

On 10 July 2014 Court dismissed the Application by Bauer on the setting aside the Stay order. The said appeal is now fixed for hearing on 26 November 2014. The Court has fixed the Appeal on 26 November for both Embassy and MPB.

(iii) Kuala Lumpur High Court (Commercial Division) Originating Summons No. 24NCC(ARB)-4-02/2012
BAUER (M) SDN. BHD. v EMBASSY COURT SDN. BHD. "Order for examination of Judgment Debtor."

Plaintiff filed an Order for examination of Judgment Debtor among others, for the Directors to attend and to be examine orally on the following matter:-

- i) whether any debts owed to the Company.
- ii) any other debts owed by the Company.
- iii) any other property or assets of the Company.
- iv) Company ability to pay the Judgment Sum.

Order given by the Court dated on 4 February 2013 and Examination on 12 March 2013. Plaintiff to serve the Questions to the Defendant by 26 March 2013 and for Judgment Debtor to serve answer by 16 April 2013. Hearing has been fixed on 3 May 2013. Nonetheless, Hearing was adjourned to 15 May 2013 at 9.30am at Level 3, KL High Court. The next Hearing has been fixed on 12 June 2013 at 9.30am. In addition to that, Case Management has been fixed on 14 June 2013 whereby it is to fix a suitable date for Dato' Rizal. Further Case Management has been fixed on 21 June 2013 as to pending Dato' Rizal medical status to enable for a suitable hearing date to be fixed. The Tentative hearing has been fixed on 23 July 2013.

On 26 August 2013 further Case Management has been fixed to update the Court in respect of Dato' Rizal's medical condition. In addition to that, further Case Management has been fixed on 5 September 2013 for further directions from the Court. Moreover, Plaintiff has withdrawn the application to examine Dato' Rizal with liberty to file afresh on 5 September 2013.

Clarification / Decision has been fixed by the Court on 20 September 2013. On 20 September 2013 the Court ordered the Defendant to pay the sum of RM8,386,068.12 together with costs of RM1,000.00 within thirty days from 20 September 2013.

The nature of the decision is on the following basis:-

- a) Non Current Assets – RM42,520.00
- b) Current Assets:-
 - i) Trade Receivable – RM8,302,261
 - ii) Other Receivable – RM37,208.00
 - iii) Cash at bank – RM7,079.12

On 1 October 2013 Notice of Appeal was filed to the Judge in Chambers and Case Management has been fixed on 22 October 2013.

Hearing of Notice of Appeal has been fixed on 10 December 2013 the Court has dismissed the Notice of Appeal with costs of RM4,000.

Subsequent to that, Embassy filed a Notice of Appeal to the Court of Appeal on 10 January 2014. On 7 August 2014, Embassy and Plaintiff/Respondent entered into a Consent Order dated 7 August 2014 whereby Embassy withdrew the Appeal with no order as to costs, the Plaintiff/Respondent shall file an application in the event they want to enforce the Order dated 20 September 2013, Embassy is at liberty to raise any defense deem fit and the Appeal deposit to be returned to Embassy.

(iv) In the matter of an Arbitration between Bina BMK vs Magna Prima Construction

On 11 June 2008, Bina BMK Sdn. Bhd. ("BMK"), a subcontractor for the Plaza Prima Kepong project brought an arbitration matter for a claim amounting to RM34,520,882.29 for issues such as, among others, wrongful determination of contract, claim for the balance sum due for works done, claim for the materials left on site and damages against the Company's subsidiary, Magna Prima Construction Sdn. Bhd. ("MPC"). MPC denied the above and has brought about a counter claim against BMK for RM7,104,058. On 5 May 2009, the documents were filed and exchanged by both Parties and the mutual exchange of revised witness statements was conducted.

B12 Changes and Details of Pending Material Litigation

The trial has been concluded on 31 July 2012. On 21 April 2014, the results of Final Award is ready to be released, pending MPC to remit the sum of RM15,000 as a top-up security deposit to Pertubuhan Akitik Malaysia ("PAM").

On 8 May 2014, MPC received the Final Award save as to cost and the Arbitrator has awarded the sum of RM21,819,350.41 in favour of BMK. A sum of RM15,000 was duly paid by BMK on behalf of MPC to PAM, in order to obtain the Final Award.

This matter was raised to the High Court on the decision of the Arbitrator.

On 4 June 2014 Bina BMK's solicitor wrote to Arbitrator on their dissatisfaction against the decision of the Arbitrator and they further highlighted to the Arbitrator that the Final Award dated on 21 April 2014 was noted on computation errors in the calculations and the Arbitrator's Assesment on Bina BMK's entitlement was taken into account under the claimants claim.

On 27 June 2014, the Arbitrator awarded the Amended Final Award sum in favor of Bina BMK sum amounting to RM33,972,772.35 with an interest of 8% per annum until the date of actual realization of the full payment.

Subsequently, MPC filed an Originating Summon vide Kuala Lumpur High Court Suit No 24(ARB)-10-07/2014 on 5 August 2014 against Bina BMK in respect of the decision of the Learned Arbitrator. This matter is fixed for Hearing on 30 January 2015.

Meanwhile, Bina BMK has filed an Application to the High Court that the Award made by the Learned Arbitrator be deposited in Court pending the determination of the Originating Summon. This Application is fixed for Hearing on 31 October 2014.

Apart from the foregoing, Bina BMK has filed an Application for registration of the Award as a Judgement. This Application is fixed for Case Management on 20 October 2014. On the Case Management date, the Court fixed this Application for Hearing 30 January 2015. 7/10/14 – Bina BMK has filed in an Application for payment for the amount of RM 33,972,772.35 pursuant to corrected Award dated 27/6/2014 this Application is made pursuant to section 37(7) of the Arbitration Act.

31/10/14 – Bina Bmk withdrew the Application with the liberty to file afresh with no order as to cost.

Meanwhile the court fixed Magna Prima Construction Sdn Bhd's Application pursuant to section 37(7) and 42(8) from 30/1/15 to 21/11/14.

(v) Kuala Lumpur High Court OS Suit No. 24NCC(ARB)-32-06/2014 Magna Prima Construction Sdn. Bhd. v Bina BMK Sdn. Bhd.

On 18 June 2014 Magna Prima Construction instructed their solicitor to filed and initiate a proceeding against the decision of the Arbitrator in HC on the basis that the Arbitrator does not take into consideration on the amount paid directly to BMK's sub-contractor.

On 27 June 2014 Arbitrator delivered the Amended Final Award save as to costs that Magna Prima Construction need to pay RM31,182,839.48 instead of RM21,819,350.41 after taken into consideration the additional deduction of values of various heads of claims.

On 7 July 2014 Bina BMK via their solicitor send a demand letter based on the Arbitrator corrected Final Award which is published by the Arbitrator on 27 June 2014 and demanding for the sum of RM33,972,772.35.

On 5 August 2014 Court has fixed for case management against the decision of the Arbitration.

The Hearing is now fixed on 30 January 2015 on the said matter.

(vi) Kuala Lumpur High Court Suit No. 22NCVC-256-03/2013 N.V. BINA SDN. BHD. v MAGNA PARK SDN. BHD.

Plaintiff is claiming for the following:-

- i) Outstanding sum of RM6,041,934.56 or alternatively the sum of RM4,883,919.35;
- ii) Interest at the rate of 4% per annum calculated from 05/06/08 until full settlement;
- iii) Costs; and
- iv) Other reliefs.

Writ and Statement of Claim were served by Plaintiff's solicitor on 14 March 2013 and Notice of Appearance has been filed on 26 March 2013.

On 11 April 2013 Case Management has been fixed to file our Defence on/before 18 April 2013 and further Case Management has been fixed on 10 May 2013

Hearing was fixed on 7 June 2013 nonetheless the Court had adjourned the Hearing to 14 June 2013.

The Plaintiff's application for Summary Judgment has been dismissed. Our striking out application has been allowed with costs of RM3,000.00 on 14 June 2013. However, the Plaintiff appealed to the Court of Appeal (Court of Appeal Civil No: W02(IM)(NCVC)-1497-07/2013) and on 1 November 2013, the Court of Appeal allowed Plaintiff's appeal against the High Court's order to strike out the claim.

On 12 May 2014 it was fixed for the Defendant to file in their defence afterwards Case Management has been fixed on 8 July 2014

The Court has fix the Trial dates which are now fixed on 7 - 13 October 2014. Meantime the Court directed parties to give a date for Mediation on this matter on early September. The matter has now been fixed for Hearing on 14 November 2014.

B13 Dividend Proposed

There was no dividend proposed for the current quarter and financial period ended 30 September 2014.

A final single tier exempt dividend of 1.0 sen per share at par value of RM0.25 per share totalling RM3,328,899.40 was recommended for the financial year ended 31 December 2013 and upon approval at the Annual General Meeting, was paid on 26 August 2014.

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		Period to-date ended	
	PRECEDING YEAR CORRESPONDING QUARTER Restated 30/09/2014	30/09/2013	CURRENT YEAR TO DATE 30/09/2014	PRECEDING YEAR CORRESPONDING PERIOD Restated 30/09/2013
Net profit / (loss) attributable to ordinary equity holders of the Company (RM'000)	(21,072)	(5,096)	1,385	19,488
Weighted average number of ordinary shares in issue ('000)	332,890	332,890	332,890	332,890
Basic EPS (sen)	(6.33)	(1.53)	0.42	5.85

(b) Diluted EPS

There was no diluted earnings per share as the Company did not have any Share Option in issue at the quarter and financial period to-date under review.

BY ORDER OF THE BOARD

Magna Prima Berhad
 Yuen Yoke Ping (MAICSA 7014044)

Secretary

Petaling Jaya
 18 November 2014