

# **MAGNA PRIMA BERHAD**

Company No.: 369519-P

(Incorporated in Malaysia)

**Interim Financial Statements**

**31 March 2015**

# **MAGNA PRIMA BERHAD**

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(Incorporated in Malaysia)**

## **Interim Financial Statements - 31 March 2015**

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**MAGNA PRIMA BERHAD**

(Company No.: 369519-P)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 31 March 2015

*(The figures have not been audited)*

	AS AT 31/03/2015 RM'000 (Unaudited)	AS AT 31/12/2014 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	1,355	1,331
Investment Properties	55,603	55,123
Land held for property development	65,021	65,013
Deferred tax assets	10,771	11,625
	<u>132,750</u>	<u>133,092</u>
<b>Current Assets</b>		
Inventories	464,621	712,835
Amount owing by customers on contracts	2,057	2,057
Trade receivables	30,979	26,349
Other receivables	16,550	64,215
Tax recoverable	874	986
Cash held under Housing Development Accounts	3,261	3,263
Fixed and short term deposits with licensed banks	149,059	27,506
Cash and bank balances	25,263	16,960
	<u>692,664</u>	<u>854,171</u>
Asset classified as held for sale	171,205	171,182
<b>TOTAL CURRENT ASSETS</b>	<b>863,869</b>	<b>1,025,353</b>
<b>TOTAL ASSETS</b>	<b>996,619</b>	<b>1,158,445</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Owners of the Company</b>		
Share capital	83,222	83,222
Share premium	35,566	35,566
Other reserves	8,023	9,526
Retained profits	78,487	13,817
	<u>205,298</u>	<u>142,131</u>
<b>Non-controlling interests</b>	<b>6,151</b>	<b>6,367</b>
<b>TOTAL EQUITY</b>	<b>211,449</b>	<b>148,498</b>
<b>Non-Current Liabilities</b>		
Borrowings	242,832	91,704
Deferred tax liabilities	34	34
	<u>242,866</u>	<u>91,738</u>
<b>Current Liabilities</b>		
Trade payables	89,746	98,402
Other payables	65,314	84,577
Deferred revenue	261,048	267,660
Borrowings	75,651	451,624
Current tax liabilities	50,545	15,946
	<u>542,304</u>	<u>918,209</u>
<b>TOTAL LIABILITIES</b>	<b>785,170</b>	<b>1,009,947</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>996,619</b>	<b>1,158,445</b>
<b>Net assets per share at par value of RM0.25 each attributable to Owners of the Company (RM)</b>	<b>0.62</b>	<b>0.43</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 31 March 2015

(The figures have not been audited)

	3 months ended	
	31/03/2015 RM'000	31/03/2014 RM'000
Revenue	<b>390,584</b>	133,249
Cost of sales	<b>(276,487)</b>	(101,272)
Gross profit	<b>114,097</b>	31,977
Other operating income	<b>4,159</b>	523
Selling and distribution expenses	<b>(9,790)</b>	(501)
Administration expenses	<b>(2,905)</b>	(2,703)
Other operating expenses	<b>(827)</b>	(4,597)
	<b>104,734</b>	24,699
Finance costs	<b>(4,486)</b>	(15)
Profit / (loss) before taxation	<b>100,248</b>	24,684
Taxation	<b>(35,794)</b>	(5,832)
Profit / (loss) for the period	<b>64,454</b>	18,852
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	<b>(1,503)</b>	2,617
Other comprehensive income / (expense) for the period	<b>(1,503)</b>	2,617
Total comprehensive income / (expense) for the period	<b>62,951</b>	21,469
Profit / (loss) attributable to:		
Owners of the Company	<b>64,671</b>	18,886
Non-controlling interests	<b>(217)</b>	(34)
	<b>64,454</b>	18,852
Total comprehensive income / (expense) attributable to:		
Owners of the Company	<b>63,168</b>	21,503
Non-controlling interests	<b>(217)</b>	(34)
	<b>62,951</b>	21,469
Earnings per share attributable to Owners of the Company:		
- Basic (sen)	<b>19.43</b>	5.67
- Diluted (sen)	<b>17.34</b>	5.67

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 2014 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 March 2015

(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		
<b>Balance as at 1 January 2015</b>	<b>83,222</b>	<b>35,566</b>	<b>19,706</b>	<b>(10,180)</b>	<b>13,816</b>	<b>142,130</b>	<b>6,368</b>	<b>148,498</b>
<b>Profit / (loss) for the period</b>	-	-	-	-	<b>64,671</b>	<b>64,671</b>	<b>(217)</b>	<b>64,454</b>
<b>Other comprehensive income / (expense) for the period</b>	-	-	-	<b>(1,503)</b>	-	<b>(1,503)</b>	-	<b>(1,503)</b>
<b>Total comprehensive income / (expense) for the period</b>	-	-	-	<b>(1,503)</b>	<b>64,671</b>	<b>63,168</b>	<b>(217)</b>	<b>62,951</b>
<b>Balance as at 31 March 2015</b>	<b>83,222</b>	<b>35,566</b>	<b>19,706</b>	<b>(11,683)</b>	<b>78,487</b>	<b>205,298</b>	<b>6,151</b>	<b>211,449</b>
Balance as at 1 January 2014	83,222	35,566	19,706	(8,418)	30,800	226,190	7,669	233,859
Profit / (loss) for the period	-	-	-	-	18,886	18,886	(34)	18,852
Other comprehensive income / (expense) for the period	-	-	-	2,617	-	2,617	-	2,617
Total comprehensive income / (expense) for the period	-	-	-	2,617	18,886	21,503	(34)	21,469
Acquisition of a subsidiary company							59	59
Dividends for the year ended 31 Dec 2013	-	-	-	-	-	-	-	-
Balance as at 31 March 2014	83,222	35,566	19,706	(5,801)	49,686	247,693	7,694	255,387

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 2015

(The figures have not been audited)

	<b>3 months ended 31/03/2015 RM'000</b>	3 months ended 31/03/2014 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	100,248	24,684
Adjustments for :-		
Depreciation of property, plant and equipment	64	68
Depreciation of investment properties	20	20
Net gain / loss on disposal of property, plant & equipment	-	(70)
Net allowance for liquidated & ascertained damages	-	4,809
Overprovision for liquidated and ascertained damages	(96)	-
Unrealised foreign exchange gain	922	(1,022)
Finance income	(884)	(114)
Finance expense	2,779	15
Operating profit before changes in working capital	<u>103,053</u>	<u>28,390</u>
Changes in working capital		
Inventories	239,330	11,955
Amount owing by/to customers on contract	-	(234)
Trade receivables	(4,630)	(5,887)
Other receivables	47,665	(3,734)
Assets classified as held for sale	(24)	-
Trade payables	(8,656)	33,643
Deferred revenue	(6,612)	(85,244)
Other payables	(20,086)	(2,878)
	<u>246,987</u>	<u>(52,379)</u>
Net cash generated from/(used in) operations	<b>350,040</b>	<b>(23,989)</b>
Interest paid	(7,358)	(5,709)
Interest received	884	114
Tax paid	(344)	(479)
Tax refund	76	-
	<u>(6,742)</u>	<u>(6,074)</u>
Net cash generated from/(used in) operating activities	<b>343,298</b>	<b>(30,063)</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(88)	-
Purchase of investment property	(1)	-
Purchase of land held for property development	(8)	-
Net cash generated from acquisition of subsidiary companies	-	60
Proceeds from disposal of property, plant and equipment	-	70
Net cash used in investing activities	<u>(97)</u>	<u>-</u>
<b>Cash Flows From Financing Activities</b>		
Repayment of hire purchase liabilities	(9)	(11)
Repayment of bank borrowings	(315,671)	(1,887)
Fixed deposits with licensed banks	(45,633)	(21,830)
Drawdown of bank borrowings	91,806	47,812
Net cash (used in)/generated from financing activities	<u>(269,507)</u>	<u>24,084</u>
<b>Net change in cash &amp; cash equivalents</b>	<b>73,694</b>	<b>(5,979)</b>
<b>Cash &amp; cash equivalents at the beginning of the financial period</b>	<b>43,260</b>	<b>21,732</b>
<b>Effects of exchange rate changes</b>	<b>10,527</b>	<b>2,568</b>
<b>Cash &amp; cash equivalents at the end of the financial period</b>	<b><u>127,481</u></b>	<b><u>18,321</u></b>

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

	<b>As at 31/03/2015 RM'000</b>	As at 31/03/2014 RM'000
Cash and bank balances	25,263	4,692
Cash held under Housing Development Accounts	3,261	11,724
Fixed and short term deposits with licensed banks	149,059	51,018
	<u>177,583</u>	<u>67,434</u>
Less: Fixed deposits pledged with licensed banks	(50,102)	(48,983)
	<u>127,481</u>	<u>18,451</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 2014. 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 2014.

**A2 Significant Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2014, 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

The impact of the above 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:

<b>MFRSs, Amendments to MFRSs and Interpretations</b>		<b>Effective for dates financial period beginning on or after</b>
Amendments to MFRS119	Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010-2012 Cycle		1 July 2014
Annual Improvements to MFRSs 2011-2013 Cycle		1 July 2014
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendment to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 101	Disclosure initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification on Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012-2014 Cycle		1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
MFRS 9	Financial Instruments	1 January 2018

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have a material impact to the financial statements of the Group upon their initial recognition other than the adoption of MFRS 9 Financial Instruments and MFRS 15 Revenue from Contracts with Customers. The Group is currently assessing the impact of these standards and plans to adopt these standards on the respective effective dates.

**A3 Auditors' Report For The Financial Year Ended 31 December 2014**

The auditors' report on the financial statements for the financial year ended 31 December 2014 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
<b>Period ended 31/03/2015 :</b>						
Total revenue	389,704	24,958	2,362	1,116	(27,556)	390,584
Intersegment revenue	-	(24,958)	(1,711)	(887)	27,556	-
<b>Segment revenue :</b>	<b>389,704</b>	<b>-</b>	<b>651</b>	<b>229</b>	<b>-</b>	<b>390,584</b>
<b>Segment profit / (loss) before tax :</b>	<b>103,882</b>	<b>2,269</b>	<b>(57)</b>	<b>(2,586)</b>	<b>(3,260)</b>	<b>100,248</b>
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	630	8	-	246	-	884
<b>Segment assets :</b>	<b>1,076,949</b>	<b>95,101</b>	<b>5,476</b>	<b>600,276</b>	<b>(781,183)</b>	<b>996,619</b>
<b>Segment liabilities :</b>	<b>892,967</b>	<b>124,449</b>	<b>12,752</b>	<b>357,026</b>	<b>(602,024)</b>	<b>785,170</b>
<b>Period ended 31/03/2014 :</b>						
Total revenue	130,945	14,526	2,545	258	(15,025)	133,249
Intersegment revenue	-	(14,131)	(811)	(83)	15,025	-
<b>Segment revenue :</b>	<b>130,945</b>	<b>395</b>	<b>1,734</b>	<b>175</b>	<b>-</b>	<b>133,249</b>
<b>Segment profit / (loss) before tax :</b>	<b>47,928</b>	<b>(22,197)</b>	<b>(113)</b>	<b>(934)</b>	<b>-</b>	<b>24,684</b>
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	111	2	-	1	-	114
<b>Segment assets :</b>	<b>949,509</b>	<b>123,232</b>	<b>10,129</b>	<b>494,863</b>	<b>(669,169)</b>	<b>908,564</b>
<b>Segment liabilities :</b>	<b>813,429</b>	<b>122,063</b>	<b>10,098</b>	<b>269,203</b>	<b>(496,302)</b>	<b>718,491</b>



**A9 Segmental Analysis (Cont'd)**

**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
<b>Period ended 31/03/2015 :</b>			
Total revenue	880	389,704	390,584
Intersegment revenue	-	-	-
<b>Segment revenue :</b>	<b>880</b>	<b>389,704</b>	<b>390,584</b>
<b>Segment profit / (loss) before tax :</b>	<b>(8,317)</b>	<b>108,565</b>	<b>100,248</b>
<b>Segment assets :</b>	<b>772,004</b>	<b>224,615</b>	<b>996,619</b>
<b>Segment liabilities :</b>	<b>716,004</b>	<b>69,166</b>	<b>785,170</b>
<b>Period ended 31/03/2014 :</b>			
Total revenue	133,249	-	133,249
Intersegment revenue	-	-	-
<b>Segment revenue :</b>	<b>133,249</b>	<b>-</b>	<b>133,249</b>
<b>Segment profit / (loss) before tax :</b>	<b>23,790</b>	<b>894</b>	<b>24,684</b>
<b>Segment assets :</b>	<b>555,965</b>	<b>352,599</b>	<b>908,564</b>
<b>Segment liabilities :</b>	<b>456,387</b>	<b>262,104</b>	<b>718,491</b>

**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 4 May 2015 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 discounted operations.

**A13 Contingent Liabilities**

Details of contingent assets of the company are as follows :

<b>Company</b>	<b>As at 31/03/2015 RM'000</b>	<b>As at 31/03/2014 RM'000</b>
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	<b>283,686</b>	331,841
Utilised portion of corporate guarantees given to trade payables of subsidiary companies for credit facilities granted to subsidiary companies:		
- Unsecured	<b>2,535</b>	1,662
	<b>286,221</b>	333,503

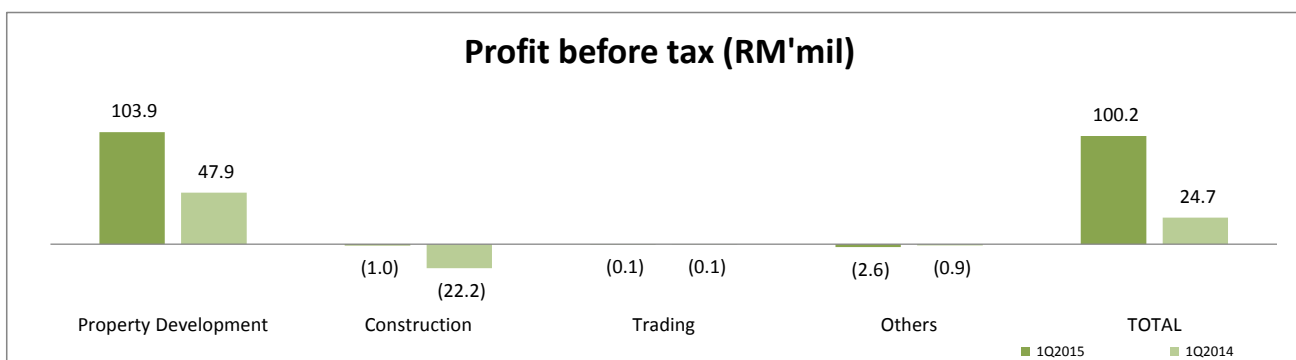
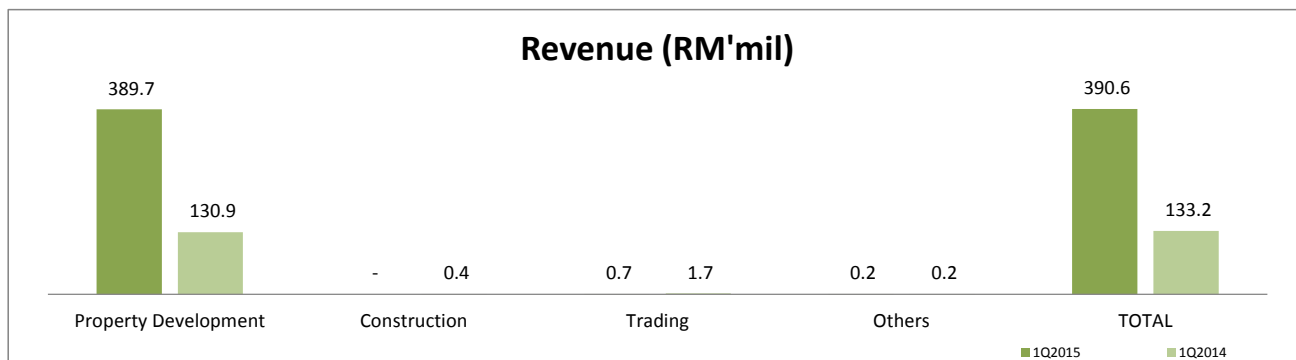
**A14 Capital Commitment**

	<b>As at 31/03/2015 RM'000</b>	<b>As at 31/03/2014 RM'000</b>
Approved and contracted for:		
- Purchase of property, plant and equipment	-	-
- Contractual obligation for development projects	-	118,521
	-	118,521

**B Bursa Malaysia Listing Requirements**

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

For the 3 months ended 31 March 2015, the Group achieved a revenue of RM390.6 million, an increase of 193% from RM133.2 million and profit before tax of RM100.2 million compared to RM24.7 recorded in the previous corresponding quarter for the financial period ended 31 March 2014.



**Property Development**

Property Development segment recorded a revenue of RM389.7 million for current quarter, an increase of 198% from RM130.9 million for the previous corresponding quarter. Profit before tax improved by 117% to RM 103.9 million compared to RM 47.9 million in the previous corresponding quarter. The improvements were mainly contributed by the completion of "The Istana" project in Melbourne.

**Construction & Engineering**

For the first 3 months, Construction & Engineering segment did not contribute any revenue and incurred a loss before tax of RM1.0 million as compared with a revenue amount of RM0.4 million and loss before tax of RM22.2 million in the previous corresponding quarter.

The construction and engineering segment only carried out internal project in the current quarter. The decrease in loss before tax of 95.5% was a result of major reduction in provisions of losses arising from legal disputes for the current quarter ended 31 March 2015.

**Trading**

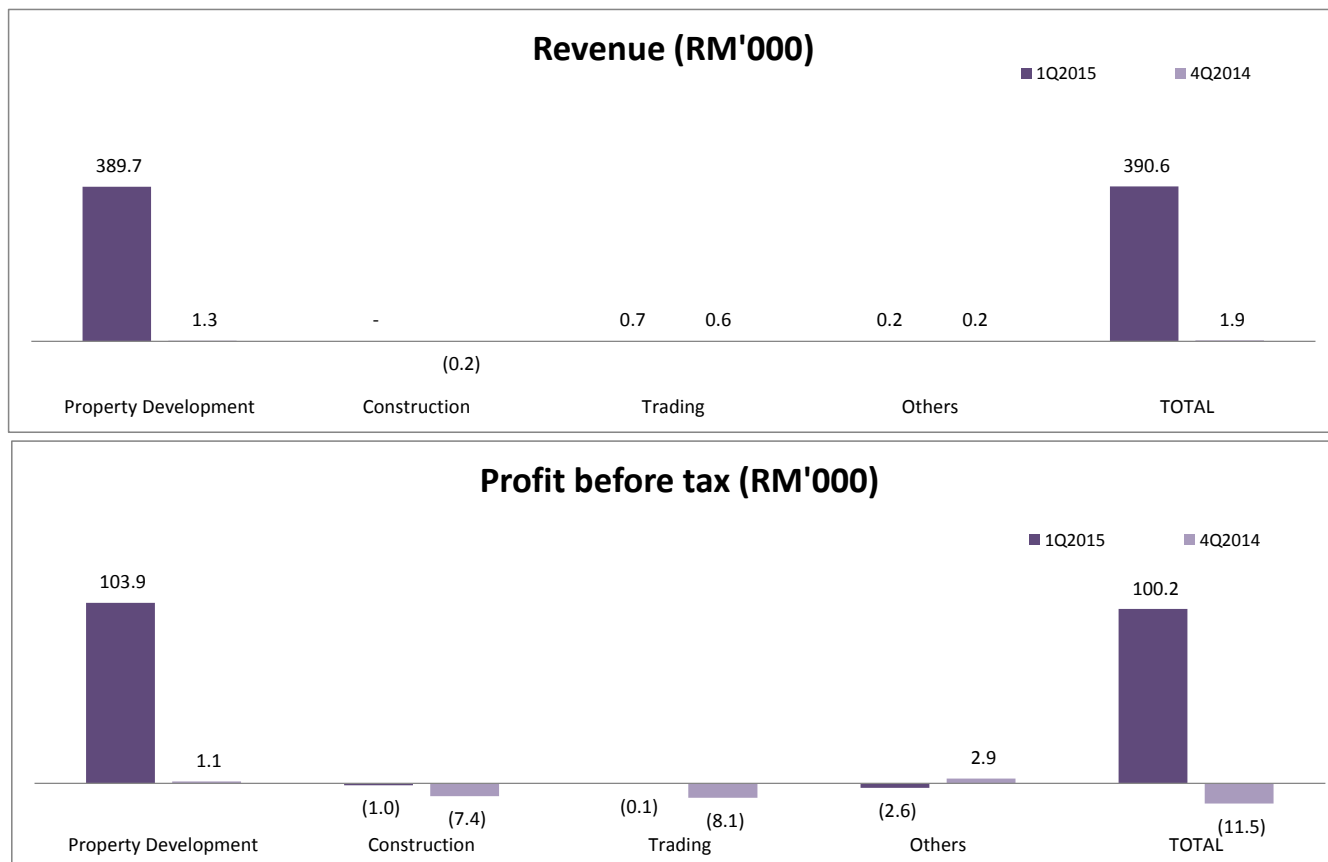
Trading segment revenue declined by 59% to RM0.7 million from RM1.7 million compared to the previous corresponding quarter and the segment incurred loss before tax of RM0.1 million due to competitive products selling prices in the market and volatility in raw material prices.

**B2 Review of Performance - Comparison with Immediate Preceding Quarter**

For the current quarter, the Group recorded a revenue of RM390.6 million, as compared to RM1.9 million in the immediate preceding quarter ended 31 December 2014.

The Group posted a profit before tax of RM100.2 million in the current period, as compared to a loss before tax of RM11.5 million in immediate preceding period ended 31 December 2014.

The improvements in Group revenue and profit before tax are mainly due to the completion of "The Istana" project in Melbourne.



**B3 Prospects for the Current Financial Year**

In view of the realisation of the Istana Project in Melbourne and significant progress of Phase 1 of the Jalan Kuching Commercial Centre Project, the Board is optimistic of the financial performance of the Group for the current financial year.

**B4 Variance from Profit Forecast and Profit Guarantee**

Not applicable as there were no profit forecast and profit guarantee published.

**B5 Taxation**

The breakdown of income tax charge is as follows:

Group	Period to-	Period to-
	31/03/2015	31/03/2014
	RM'000	RM'000
In respect of :		
- current year	34,979	-
- deferred taxation	815	5,832
	<b>35,794</b>	5,832
Under / (over) provision in prior years	-	-
	<b>35,794</b>	5,832

The effective tax rate of the Group for the financial period to-date ended 31 March 2015 is not consistent with the applicable statutory tax rate mainly due to unrelieved group tax losses.

**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-	Period to-
	31/03/2015	31/03/2014
	RM'000	RM'000
Realised	89,786	60,326
Unrealised	2,176	(10,640)
	<b>91,962</b>	49,686
Consolidation adjustments	(13,475)	-
Total retained profits	<b>78,487</b>	49,686

**B7 Corporate Proposals**

The following are status on the corporate proposals that have been announced by the Company but not completed as at 04 May 2015 (being the latest practicable date) which is not earlier than 7 days from the date of issuance of these Interim Financial Statements :

During the current quarter and financial period Magna Prime Berhad completed the exercise relating to the issuance of Redeemable Convertible Preference Shares ("RCPS") facilities. The details of the exercise are as follows:

Date of drawdown	Amounts drawdown	Subscriber
17-Dec-14	RM 40 million	Lembaga Tabung Angkatan Tentera

The total gross proceeds raised by the Company from the Redeemable Convertible Preference Share (RCPS) amounted to RM 40,000,000.00. The status of the utilisation of proceeds as at 04 May 2015 is as follows:

Details of utilisation	Approved utilisation	Actual Utilisation	Reallocation	Balance unutilised	Timeframe for utilisation
	RM'000	RM'000	RM'000	RM'000	
MPB Group's property development	38,000	(35,000)		3,000	12 months
General Working Capital	1,600	(1,742)	142	-	3 months
Defrayment of expenses in relation to the Proposals	400	(258)	(142) *	-	3 months
Total	<b>40,000</b>	<b>(37,000)</b>	-	<b>3,000</b>	

\* The unutilised amount of RM142,000 designated for the estimated expenses in relation to the Proposals has been reallocated for general working capital requirements.

On 30 April 2015, the Company proposal the following relating to the bonus issue of warrants to the existing shareholders:-

- (i) Proposed bonus issue of 186,052,813 warrants ("Warrants") in MPB on the basis of one (1) Warrant for every two (2) MPB Shares on an entitlement date to be determined later;
- (ii) Proposed increase in the authorised share capital of MPB from RM125,400,000 comprising 500,000,000 MPB Shares and 40,000,000 redeemable convertible preference shares of RM0.01 each to RM200,400,000 comprising 800,000,000 MPB Shares and 40,000,000 RCPS("Proposed IASC"); and
- (iii) Proposed amendments to the Company's Memorandum and Articles of Association to facilitate the implementation of the Proposed IASC ("Proposed Amendments")

**B8 Group Borrowings**

Details of Group borrowings as at 31 December 2014 are as follows:

	As at 31/03/2015 RM'000	As at 31/03/2014 RM'000
<b>Secured</b>		
Borrowings repayable		
- within 12 months	75,651	46,124
- after 12 months	242,832	286,105
Total borrowings	<u>318,483</u>	<u>332,229</u>

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

	As at 31/03/2015 AUD'000	As at 31/03/2014 AUD'000
<b>Secured</b>		
Borrowings repayable		
- within 12 months	-	2,877
- after 12 months	-	51,729
Total borrowings	<u>-</u>	<u>54,606</u>

**B9 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.

**B10 Changes and Details of Pending Material Litigation**

- (i) *Kuala Lumpur High Court Suit No. : S-22NCVC-178-2011*  
*Court of Appeal ("MPB") Suit No. : W-02(IM)(NCVC)-819-05/2014*  
*Court of Appeal ("Embassy") Suit No. : W-02(NCVC)(W)-614-04/2014*  
*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. 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.

On 3 April 2014 The Court granted Stay in favour of MPB against the Judgement of High Court until final disposal of Magna Prima's Appeal to Court of Appeal.

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.

The Court fixed Case Management on the above mentioned Appeal on 24 April 2015 before a special panel. Meanwhile, the Court of Appeal has fixed the hearing of appeal to 20 August 2015.

**B10 Changes and Details of Pending Material Litigation (cont'd)**

(ii) *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 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.

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 Akitek 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.

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.

(iii) *Kuala Lumpur High Court OS Suit No. 24NCC(ARB)-32-06/2014 Magna Prima Construction Sdn. Bhd. v Bina BMK Sdn. Bhd. Notice of Appeal Suit No. W-02(C)(A)292-02/2015*

On 13 January 2015 Kuala Lumpur High Court delivered the decision that the finding of the Arbitrator to be set aside which resulted in Bina BMK being wrongfully entitle to the sum of RM6,202,600.01 and allowed cost of RM15,000.00 in favour of MPC.

Meanwhile the Court allowed Bina BMK's Application for recognition and enforcement of Award for the sum of RM27,770,172.32 pursuant to Section 38.

MPC has instructed solicitor to file in a Notice of Appeal against the decision of the High Court dated 13 January 2015 and Notice of Appeal has been filed by MPC's solicitor on 12 February 2015.

Court of Appeal has fixed further case management on 12 May 2015

**B10 Changes and Details of Pending Material Litigation (cont'd)**

- (iv) *Kuala Lumpur High Court Suit No. 22NCVC-256-03/2013*  
*COA, Application Suit No. W-02(NCVC)(W)-2224-12/2014*  
*COA, Civil Application No. W-02(IM)(NCVC)-353-03/2015*  
*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. Meanwhile, the Court has fixed for Decision on 5 December 2014.

On 5 December 2014 High Court of Kuala Lumpur has delivered the Judgement allowing N.V Bina's claim against Magna Park Sdn Bhd that the sum of RM6,041,934.55 together with the Judgement interest at a rate of 4% per annum to be paid by Magna Park Sdn Bhd and RM15,000.00 cost.

On 8 December 2014 MPK instructed solicitor to appeal against the decision of the High Court dated 5 December 2014. Meanwhile on 18 December 2014 N.V Bina's solicitor has served Section 218 Notice pursuant to Companies Act against Magna Park Sdn Bhd.

In order to prevent Winding Up Petition, MPK has further instructed solicitor to file in an application to restrain the N.V Bina in their presentation of Winding Up Petition by way of Originating Summons dated 6 January 2015.

Meanwhile, the Court has fixed 15 January 2015 for hearing of the Originating Summons on the Notice of Stay.

On 15 January 2015 on the Hearing of the Submission MPK duly instructed solicitor to inform the Court that (2) units of Apartments namely Lot 2-20-03 together with the attached car parks and Lot 1-11/03A with the attached car parks value at the judgement sum belonging to Magna Shah Alam Sdn Bhd by way of power of Attorney shall be produced as collateral until full and final disposal of Magna Park's Appeal againts the decision of HC dated 5/12/14.

Meanwhile, as a matter of abundant caution we have further instructed solicitor to apply for Interim Injunction and the Court has fixed 10 January 2015 for a new Case Management on the hearing of Stay pending appeal and the stay has not been granted by the Court.

However on 24 January 2015 the court granted injunction to restrain N.V Bina from serving petition to wind up and the hearing of the Appeal is now fixed on 21 May 2015.

**B11 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.

	<b>3 months ended</b>	
	<b>31/03/2015</b>	31/03/2014
Net profit / (loss) attributable to ordinary equity holders of the Company (RM'000)	<b>64,671</b>	18,886
Weighted average number of ordinary shares in issue ('000)	<b>332,890</b>	332,890
Basic EPS (sen)	<b><u>19.43</u></b>	<u>5.67</u>

**(b) Dilute loss/ earning per share**

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.

	<b>3 months ended</b>	
	<b>31/03/2015</b>	31/03/2014
Net profit / (loss) attributable to ordinary equity holders of the Company (RM'000)	<b>64,671</b>	18,886
Weighted average number of ordinary shares in issue ('000)	<b>332,890</b>	332,890
Redeemable Convertible Preference Share (RCPS) ('000)	<b>* 40,000</b>	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<b><u>372,890</u></b>	<u>332,890</u>
Diluted EPS (sen)	<b><u>17.34</u></b>	<u>5.67</u>

\* Assuming conversion share are issued at RM 1 par shares, being approximately a 5% discount to the 5-day " Volume Weighted Average Market Price".

**B12 Additional disclosures pursuant to para 16, Part A, Appendix 9b of Bursa Malaysia Securities Berhad Listing Requirements**

	<b>As at</b>	<b>As at</b>
	<b>31/03/2015</b>	<b>31/03/2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income	(884)	(114)
Other income	(3,275)	(338)
Interest expenses	4,486	15
Depreciation and amortization	84	88
Unrealised Gain or loss of foreign exchange	<u>922</u>	<u>(1,022)</u>

Other than items above which have been included in the profit or loss, there were no impairment of assets or exceptional items which may have an effect on the results for the current financial year ended 31 December 2015.

BY ORDER OF THE BOARD

Magna Prima Berhad  
Yuen Yoke Ping (MAICSA 7014044)

Secretary

Petaling Jaya  
11 May 2015