

MAGNA PRIMA BERHAD

Company No.: 369519-P

(Incorporated in Malaysia)

Interim Financial Statements

30 June 2015

MAGNA PRIMA BERHAD

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(Incorporated in Malaysia)**

Interim Financial Statements - 30 June 2015

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MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 June 2015

(The figures have not been audited)

	AS AT 30/06/2015 RM'000 (Unaudited)	AS AT 31/12/2014 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	797	1,331
Investment Properties	56,085	55,123
Land held for property development	65,021	65,013
Deferred tax assets	6,979	11,625
	<u>128,882</u>	<u>133,092</u>
Current Assets		
Inventories	445,147	712,835
Amount owing by customers on contracts	2,057	2,057
Trade receivables	25,446	26,349
Other receivables	18,509	64,215
Tax recoverable	1,230	986
Cash held under Housing Development Accounts	3,389	3,263
Fixed and short term deposits with licensed banks	132,626	27,506
Cash and bank balances	24,877	16,960
	<u>653,281</u>	<u>854,171</u>
Asset classified as held for sale	171,375	171,182
TOTAL CURRENT ASSETS	<u>824,656</u>	<u>1,025,353</u>
TOTAL ASSETS	<u>953,538</u>	<u>1,158,445</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	13,635	9,526
Retained profits	101,109	13,817
	<u>233,532</u>	<u>142,131</u>
Non-controlling interests	6,361	6,367
TOTAL EQUITY	<u>239,893</u>	<u>148,498</u>
Non-Current Liabilities		
Borrowings	224,580	91,704
Deferred tax liabilities	34	34
	<u>224,614</u>	<u>91,738</u>
Current Liabilities		
Trade payables	78,991	98,402
Other payables	28,844	84,577
Deferred revenue	275,617	267,660
Borrowings	55,776	451,624
Current tax liabilities	49,803	15,946
	<u>489,031</u>	<u>918,209</u>
TOTAL LIABILITIES	713,645	1,009,947
TOTAL EQUITY AND LIABILITIES	<u>953,538</u>	<u>1,158,445</u>
Net assets per share at par value of RM0.25 each attributable to Owners of the Company (RM)	<u>0.70</u>	<u>0.43</u>

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 30 June 2015

(The figures have not been audited)

	3 months ended		6 months ended	
	30/06/2015 RM'000	30/06/2014 RM'000	30/06/2015 RM'000	30/06/2014 RM'000
Revenue	71,631	6,693	462,215	139,942
Cost of sales	(35,667)	(1,413)	(312,154)	(102,685)
Gross profit	35,964	5,280	150,061	37,257
Other operating income	7,750	748	11,909	1,270
Selling and distribution expenses	(3,903)	(1,258)	(13,693)	(1,759)
Administration expenses	(2,971)	(2,548)	(5,876)	(5,251)
Other operating expenses	(659)	664	(1,486)	(3,933)
	36,181	2,886	140,915	27,584
Finance costs	(4,403)	(17)	(8,889)	(32)
Profit / (loss) before taxation	31,778	2,869	132,026	27,552
Taxation	(8,548)	655	(44,342)	(5,177)
Profit / (loss) for the period	23,230	3,524	87,684	22,375
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	5,212	2,775	3,709	2,775
Other comprehensive income / (expense) for the period	5,212	2,775	3,709	2,775
Total comprehensive income / (expense) for the period	28,442	6,299	91,393	25,150
Profit / (loss) attributable to:				
Owners of the Company	23,020	3,574	87,691	22,457
Non-controlling interests	210	(50)	(7)	(82)
	23,230	3,524	87,684	22,375
Total comprehensive income / (expense) attributable to:				
Owners of the Company	28,232	6,349	91,400	25,232
Non-controlling interests	210	(50)	(7)	(82)
	28,442	6,299	91,393	25,150
Earnings per share attributable to Owners of the Company:				
- Basic (sen)	6.92	1.07	26.34	6.75
- Diluted (sen)	6.92	1.07	26.34	6.75

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 30 June 2015

(The figures have not been audited)

	Attributable to Owners of the Company								
	Non-Distributable					Distributable			
	Share capital	Share premium	Capital reserve	Capital redemption 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 2015	83,222	35,566	19,706	-	(10,180)	13,817	142,131	6,368	148,499
Profit / (loss) for the period	-	-	-	-	-	87,691	87,691	(7)	87,684
Other comprehensive income / (expense) for the period	-	-	-	-	3,709	-	3,709	-	3,709
Transfer from retained profit to capital redemption reserve	-	-	-	400	-	(400)	-	-	-
Total comprehensive income / (expense) for the period	-	-	-	400	3,709	87,291	91,400	(7)	91,393
Balance as at 30 June 2015	83,222	35,566	19,706	400	(6,471)	101,109	233,532	6,361	239,893
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	-	-	-	-	-	22,459	22,459	(84)	22,375
Other comprehensive income / (expense) for the period	-	-	-	-	2,775	-	2,775	-	2,775
Total comprehensive income / (expense) for the period	-	-	-	-	2,775	22,459	25,234	(84)	25,150
Acquisition of a subsidiary company								59	59
Balance as at 30 June 2014	83,222	35,566	19,706	-	(5,643)	53,258	186,109	7,644	193,753

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

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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2015

(The figures have not been audited)

	6 months ended 30/06/2015 RM'000	6 months ended 30/06/2014 RM'000
Cash Flows From Operating Activities		
Profit before taxation	132,026	27,552
Adjustments for :-		
Depreciation of property, plant and equipment	124	133
Depreciation of investment properties	40	40
Net (gain) / loss on disposal of property, plant & equipment	(141)	(70)
(Over)/under provision for liquidated and ascertained damages	(290)	3,396
Unrealised foreign exchange gain	(1,784)	(991)
Finance income	(1,959)	(523)
Finance expense	8,638	32
Operating profit before changes in working capital	<u>136,654</u>	<u>29,569</u>
Changes in working capital		
Inventories	264,017	(52,689)
Amount owing by/to customers on contract	-	300
Trade receivables	1,044	(1,023)
Other receivables	45,707	(130,739)
Assets classified as held for sale	(194)	-
Trade payables	(19,411)	19,906
Deferred revenue	7,957	(57,781)
Other payables	(53,658)	25,677
	<u>245,462</u>	<u>(196,349)</u>
Net cash generated from/(used in) operations	382,116	(166,780)
Interest paid	(16,025)	(7,799)
Interest received	1,959	523
Tax paid	(6,111)	(2,706)
Tax refund	76	-
	<u>(20,101)</u>	<u>(9,982)</u>
Net cash generated from/(used in) operating activities	362,015	(176,762)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(104)	-
Purchase of investment property	(2)	-
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	514	70
Net cash generated from investing activities	<u>400</u>	<u>130</u>
Cash Flows From Financing Activities		
Repayment of hire purchase liabilities	(18)	(20)
Repayment of bank borrowings	(322,439)	(16,764)
Fixed deposits with licensed banks	(323)	(24,420)
Proceeds/redemption from/to issuance of RCPS	(40,000)	40,000
Drawdown of bank borrowings	100,557	187,419
Net cash (used in)/generated from financing activities	<u>(262,223)</u>	<u>186,215</u>
Net change in cash & cash equivalents	<u>100,192</u>	<u>9,583</u>
Cash & cash equivalents at the beginning of the financial period	<u>43,260</u>	<u>24,322</u>
Effects of exchange rate changes	<u>12,648</u>	<u>2,723</u>
Cash & cash equivalents at the end of the financial period	<u><u>156,100</u></u>	<u><u>36,628</u></u>

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

	As at 30/06/2015 RM'000	As at 30/06/2014 RM'000
Cash and bank balances	24,877	30,203
Cash held under Housing Development Accounts	3,389	3,648
Fixed and short term deposits with licensed banks	132,626	51,760
	<u>160,892</u>	<u>85,611</u>
Less: Fixed deposits pledged with licensed banks	(4,792)	(48,983)
	<u><u>156,100</u></u>	<u><u>36,628</u></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:

MFRSs, Amendments to MFRSs and Interpretations		Effective for dates financial period beginning on or after
Amendments to MFRS 119	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

No dividend was paid during the current financial period ending 30 June 2015.

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 30/06/2015 :						
Total revenue	460,289	38,953	4,666	1,384	(43,077)	462,215
Intersegment revenue	-	(38,953)	(3,174)	(950)	43,077	-
Segment revenue :	460,289	-	1,492	434	-	462,215
Segment profit / (loss) before tax :	120,495	18,248	1,418	(3,074)	(5,061)	132,026
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	1,235	14	-	710	-	1,959
Segment assets :	1,052,604	79,485	6,663	612,389	(797,603)	953,538
Segment liabilities :	855,635	92,074	12,473	369,656	(616,193)	713,645
Period ended 30/06/2014 :						
Total revenue	131,602	33,964	4,425	479	(30,528)	139,942
Intersegment revenue	-	(28,969)	(1,418)	(141)	30,528	-
Segment revenue :	131,602	4,995	3,007	338	-	139,942
Segment profit / (loss) before tax :	47,187	(17,127)	(772)	(1,736)	-	27,552
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	502	2	-	19	-	523
Segment assets :	1,229,413	115,220	11,114	543,625	(776,429)	1,122,943
Segment liabilities :	1,090,839	117,215	11,133	318,675	(608,672)	929,190

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
Period ended 30/06/2015 :			
Total revenue	1,926	460,289	462,215
Intersegment revenue	-	-	-
Segment revenue :	1,926	460,289	462,215
Segment profit / (loss) before tax :	6,887	125,139	132,026
Segment assets :	744,593	208,945	953,538
Segment liabilities :	676,962	36,683	713,645
Period ended 30/06/2014 :			
Total revenue	139,942	-	139,942
Intersegment revenue	-	-	-
Segment revenue :	139,942	-	139,942
Segment profit / (loss) before tax :	26,658	894	27,552
Segment assets :	770,344	352,599	1,122,943
Segment liabilities :	667,086	262,104	929,190

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 12 August 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

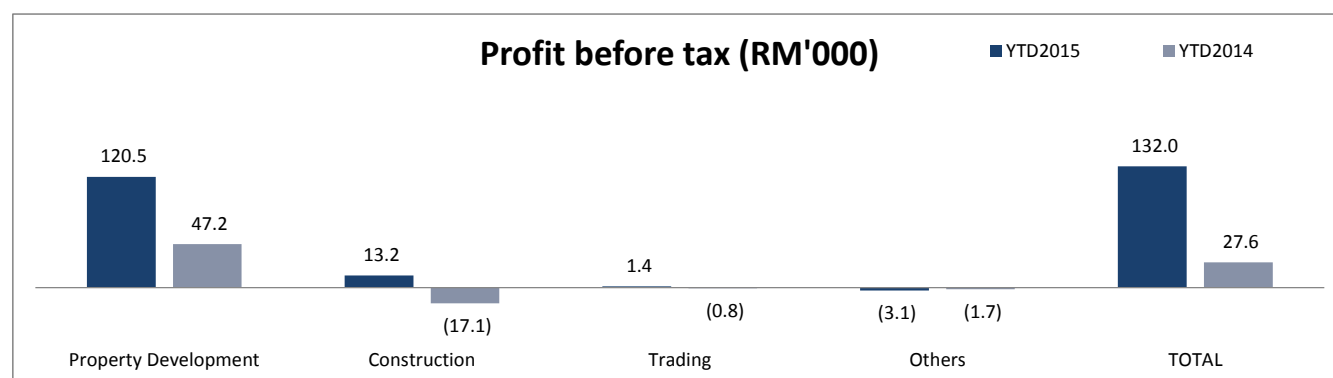
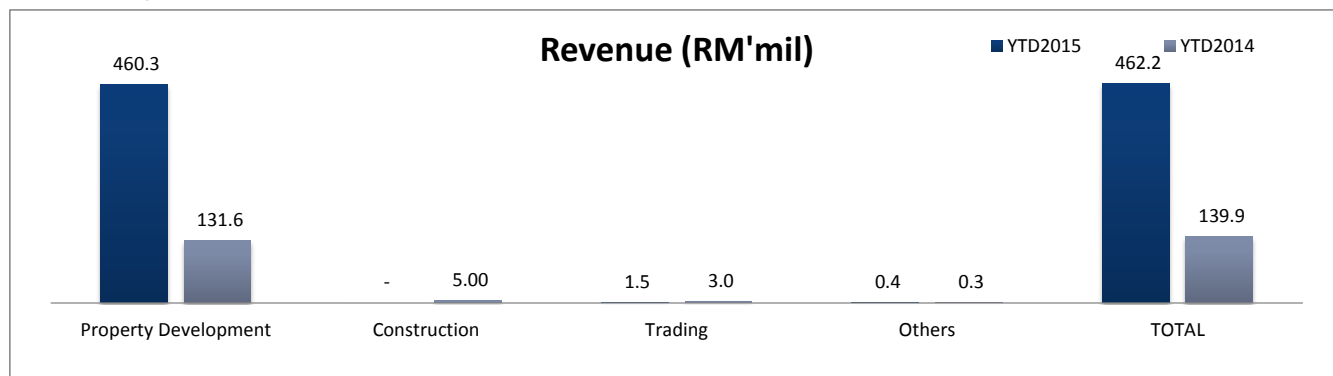
Details of contingent assets of the company are as follows :

Company	As at 30/06/2015 RM'000	As at 30/06/2014 RM'000
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	279,625	503,953
Utilised portion of corporate guarantees given to trade payables of subsidiary companies for credit facilities granted to subsidiary companies:		
- Unsecured	1,739	1,557
	281,364	505,510

B Bursa Malaysia Listing Requirements

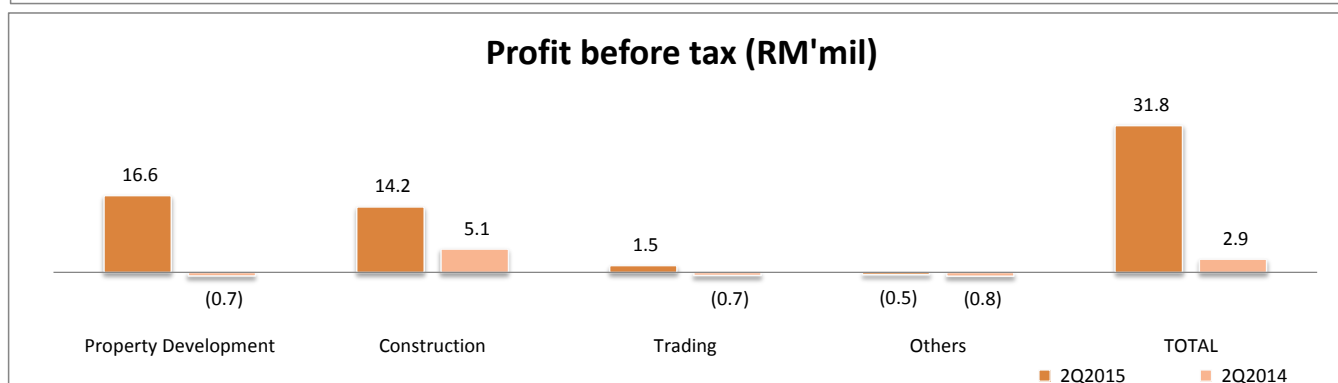
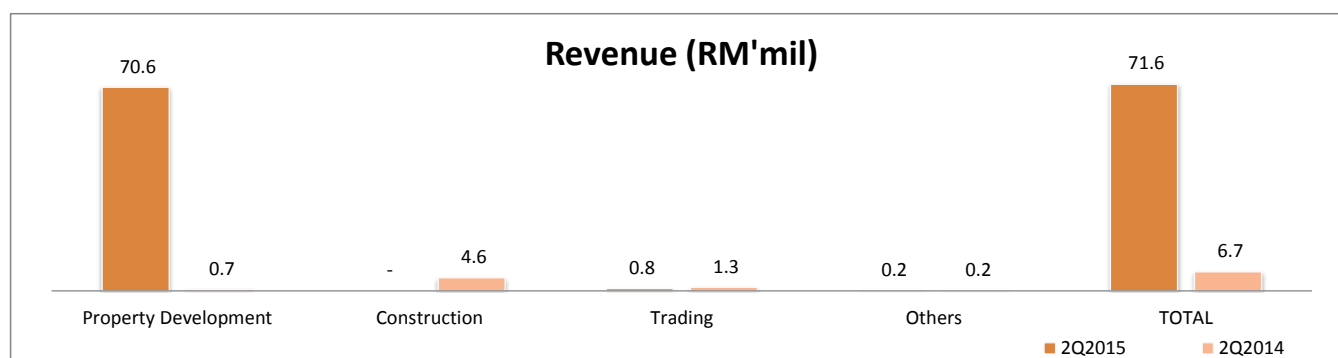
B1 Review of Performance - Comparison with Previous Corresponding Period and Quarter

For the 6 months ended 30 June 2015, the Group achieved a revenue of RM462.2 million, an increase of 230% from previous year's corresponding amount of RM139.9 million and profit before tax of RM132.0 million compared to RM27.6 recorded in the previous corresponding period ended 30 June 2014.



For the current quarter ended 30 June 2015, the Group recorded a revenue of RM71.6 million, an increase of 968% from RM6.7 million in the previous corresponding quarter ended 30 June 2014.

The profit before tax for the current quarter was RM31.8 million, an increase of 1058%, as compared to RM2.9 million in the corresponding quarter.



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

Property Development

The property development segment recorded revenue of RM460.3 million and profit before tax RM120.5 million compared to revenue of RM131.6 million and profit before tax of RM47.2 million in the corresponding period ended 30 June 2015. The improvements were mainly contributed by the completion and settlement of "The Istana" project in Melbourne.

The property development segment reported revenue of RM 70.6 million and profit before tax of RM 16.6 million in the current quarter compared to revenue of RM 0.7 million and loss before tax of RM 0.7 million in the corresponding quarter of the previous financial year. The better performance for the current quarter was also due to completion and settlement of "The Istana" project in Melbourne.

Construction & Engineering

The Construction & Engineering segment did not contribute any revenue but made a profit before tax of RM13.2 million compared to revenue of RM5.0 million and loss before tax of RM17.1 million in the corresponding 6 months period ended 30 June 2015. The construction and engineering segment only carried out internal project in the current period.

The Construction & Engineering segment did not contribute any revenue but made a profit before tax of RM14.2 million in the current quarter compared to revenue of RM 4.6 million and profit before tax of RM 5.1 million in the corresponding quarter of the previous financial year.

The increase in profit before tax was a result of overprovision of losses arising from legal disputes.

Trading

Trading segment reported revenue of RM1.5 million and profit before tax of RM1.4 million compared to revenue of RM3.0 million and loss before tax of RM0.8 million in the 6 months corresponding period.

Trading segment revenue reported revenue of RM0.8 million and profit before tax of RM1.5 million in the current quarter compared to revenue of RM1.3 million and loss before tax of RM0.7 million in the corresponding quarter of the previous financial year.

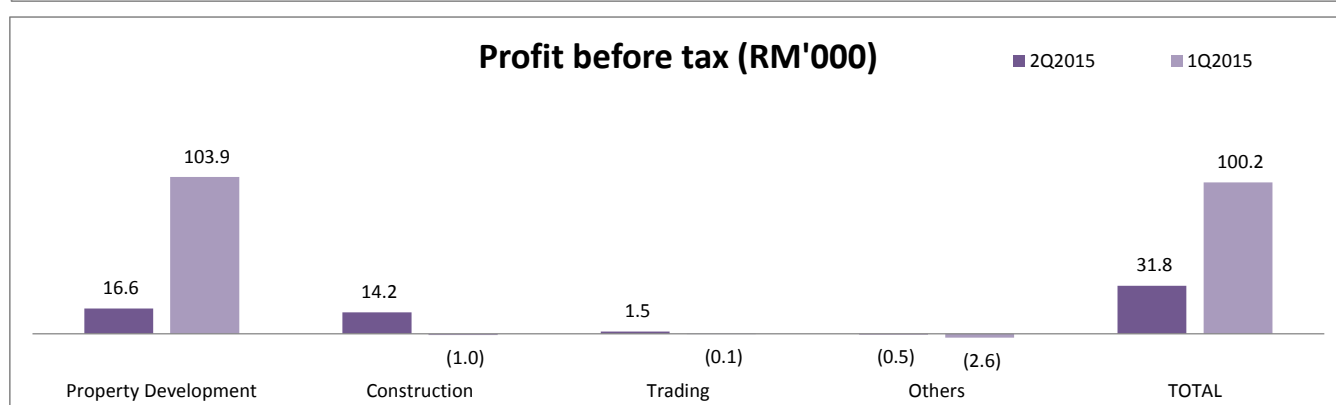
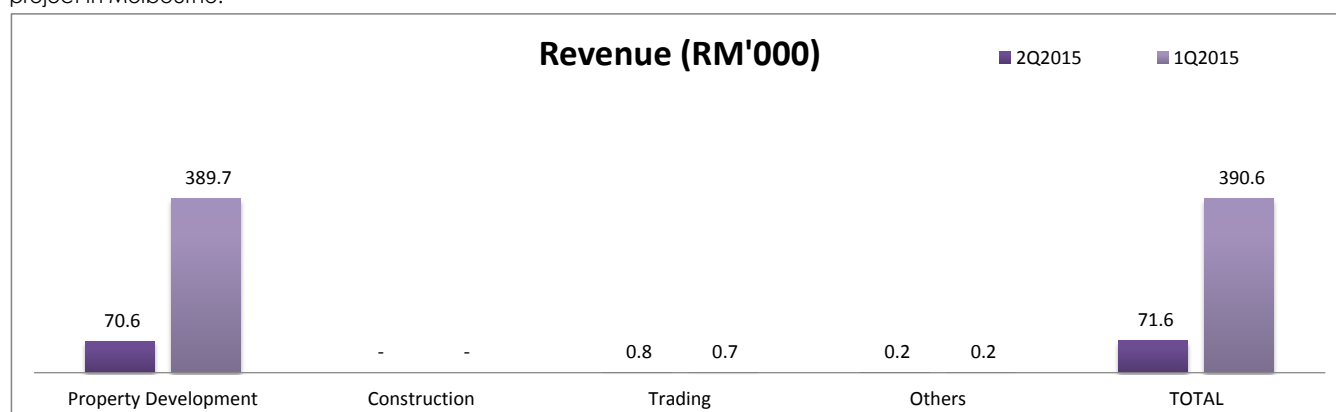
The improvement in the profits before tax was due to overprovision of costs.

B2 Review of Performance - Comparison with Immediate Preceding Quarter

For the current quarter, the Group recorded a revenue of RM71.6 million, as compared to RM390.6 million in the immediate preceding quarter ended 31 March 2015.

The Group posted a profit before tax of RM31.8 million in the current period, as compared to a profit before tax of RM100.2 million in immediate preceding period ended 31 March 2015.

The reduction in Group revenue and profit before tax was mainly due to the reduction in settlement with the Purchases of "The Istana" project in Melbourne.



B3 Prospects for the Current Financial Year

While we expect the second half of the financial year to be challenging, the Board is optimistic of the financial performance of the Group for the full 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- 30/06/2015 RM'000	Period to- 30/06/2014 RM'000
In respect of :		
- current year	43,077	77
- deferred taxation	1,265	5,100
	44,342	5,177
Under / (over) provision in prior years	-	-
	44,342	5,177

The effective tax rate of the Group for the financial period to-date ended 30 June 2015 is consistent with the applicable statutory tax rate of 30% imposed by the Australian Tax Authority and Malaysia statutory tax rate of 25%.

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- 30/06/2015 RM'000	Period to- 30/06/2014 RM'000
Realised	117,763	147,041
Unrealised	(717)	(16,315)
	117,046	130,727
Consolidation adjustments	(15,937)	(46,669)
Total retained profits	101,109	84,057

B7 Corporate Proposals

The following are status on the corporate proposals that have been announced by the Company but not completed as at 12 August 2015 (being the latest practicable date) which is not earlier than 7 days from the date of issuance of these Interim Financial Statements :

- i) The Company had fully redeemed the 40,000,000 Redeemable Convertible Preference Shares of RM 1 each by cash on 23 June 2015.
- ii) On 8 July 2015, the shareholders approved:-
 - a) Bonus issues of 166,444,970 warrants in MPB ("WARRANT(S)") on the basis of one (1) warrant for every two (2) existing ordinary shares of RM0.25 each in MPB ("MPB SHARE(S)" OR "SHARE(S)") on an entitlement date to be determined later ("PROPOSED BONUS ISSUE OF WARRANTS")
 - b) Increase in the Authorised Share Capital of the company from RM125,400,000 comprising 500,000,000 MPB shares and 40,000,000 Redeemable Convertible Preference Shares of RM0.01 each ("RCPS") to RM200,400,000 comprising 800,000,000 MPB shares and 40,000,000 RCPS ("PROPOSED IASC")

B8 Group Borrowings

Details of Group borrowings as at 30 June 2015 are as follows:

	As at 30/06/2015 RM'000	As at 30/06/2014 RM'000
Secured		
Borrowings repayable		
- within 12 months	55,776	179,876
- after 12 months	224,580	324,641
Total borrowings	<u>280,356</u>	<u>504,517</u>

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

	As at 30/06/2015 AUD'000	As at 30/06/2014 AUD'000
Secured		
Borrowings repayable		
- within 12 months	-	73,047
- after 12 months	-	-
Total borrowings	<u>-</u>	<u>73,047</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:-

- Specific performance against Embassy to produce Corporate Guarantee issued by MPB; and
- 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 24 April 2015 and the above mentioned Appeal shall be heard on 20 August 2015 before a special panel in Court of Appeal.

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

- (ii) *In the matter of an Arbitration between Bina BMK vs Magna Prima Construction 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 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 8 May 2014, MPC received the Final Award save as to cost and the Arbitrator has awarded the sum of RM21,819,350.14 in favour of BMK.

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 Assessment 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.

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. Meanwhile, the Hearing of the Appeal has been fixed on 19 August 2015.

This matter has been concluded on 12 July 2015 which MPC&Bina BMK has reached out of Court Settlement that MPC shall pay RM15,000,000.00 as full and final settlement from the Judgement sum.

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

- (iii) *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 December 2014.

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.

On 21 May 2015, MPK and N.V Bina has reached settlement by entering into Consent Judgement that MPC shall pay N.V Bina a sum of RM4 million on 21 May 2015 and RM0.8 million by way of 8 installments commence from 30 June 2015 until 31 January 2016.

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

- (iv) Kuala Lumpur High Court Suit No. 22NCVC-109/02/2015
DR. VICTOR ADAM & 23 ORS-v-MAGNA PRIMA BERHAD (D1)&EMBASSY COURT SDN BHD (D2)& 3 ORS

On 27 february 2015, Dr Victor Adam & 23 Ors ("the Plaintiffs") filed an action MPB and Embassy ("the Defendants") at the High Court of Kuala Lumpur. The arguments made by the Plaintiffs were for:-

- a) The Defendants has failed to hand over the following Approved and As Built Building Plans and Drawings to JMB Avare @ KLCC;
- b) The Defendants has failed to rectify all defects to the parcel and common property of the Avare condominium; and
- c) The Defendants shall be held responsible and liable for all lost, damage, cost, expenses and rectification incurred by the Plaintiffs arising from the defects to the parcel and common property of the Avare condominium.

In furtherance to above, the Plaintiffs claim damages on the followings:-

- 1) RM25,000,000.00 from the Defendants; and
- 2) RM1,558,475.90 to be reimbursed to the JMB Avare @ KLCC for the rectification done by them.

Meanwhile, the Plaintiff's solicitor has filed the Amended Writ of Summons and Amended Statement of Claim dated 5 May 2015.

On 8 June 2015, MPB and ECSB had filed their Amended Defence. The High Court has fixed for case management on 25 June 2015. Meanwhile, MPB and ECSB has proceed with Notice of Application to Striking Out Plaintiff's case on 15 May 2015. Furthermore, The High Court has fixed for Hearing of the Striking Out application on 18 June 2015.

In furtherance to the above, on 29 July 2015, the High Court has fixed new date for decision on Striking Out application by MPB.

- (v) Shah Alam High Court Civil Suit No: 22NCVC-93-02/2015
Ibsul Development (SEL) Sdn Bhd -v- Perbadanan Kemajuan Negeri Selangor (PKNS)

On 18 February 2015, Ibsul Development (SEL) Sdn Bhd ("Ibsul") filed an action against Perbadanan Kemajuan Negeri Selangor ("PKNS") at the High Court of Shah Alam via Writ Summon of Claim. The three main claims by Ibsul were for:-

- a) Declaration on unlawfully termination of the SPA dated 5 August 2009;
- b) Order for specific performance to complete the SPA; and
- c) To obtain an injunction to restrain PKNS from dealing with land of Plot B.

Ibsul has made further application to amend the Writ and Statement of Claim and re-served against the PKNS on 19 May 2015. Meanwhile, PKNS had replied with their amended Defence on 1 June 2015.

The judge has fixed for Case Management on 22 June 2015. Meanwhile, further Case Management has been fixed on 14 July 2015.

In furtherance to the above, the HC Judge has been fixed for further Case Management on 6 August 2015.

In additional, Ibsul has filed for Discovery Application at High Court against PKNS and Land Office by compelling PKNS to produce minutes and other related documentation on the re-consideration on the purchase price of Plot B land. This matter has been fixed for Case Management on 6 August 2015 and Hearing / Decision on 13 August 2015.

B11 Dividend Proposed

A proposed interim single tier exempt dividend of 5.0 sen per share at par value of RM0.25 per share (2014: Nil) had been recommended and approved by the Board on 2 July 2015 for the financial year ended 31 December 2015. The dividend was paid on 13 July 2015.

B12 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		6 months ended	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
Net profit / (loss) attributable to ordinary equity holders of the Company (RM'000)	23,020	3,574	87,691	22,457
Weighted average number of ordinary shares in issue ('000)	332,890	332,890	332,890	332,890
Basic EPS (sen)	<u>6.92</u>	<u>1.07</u>	<u>26.34</u>	<u>6.75</u>

(b) Dilute earning per share

The diluted earnings per share of the Group is similar to the basic earnings per share as the Group does not have any potential dilutive ordinary shares in issue.

B13 Additional disclosures pursuant to para 16, Part A, Appendix 9b of Bursa Malaysia Securities Berhad Listing Requirements

	As at 30/6/2015 RM'000	As at 30/6/2014 RM'000
Interest income	(1,959)	(523)
Other income	(3,866)	(676)
Interest expenses	8,889	32
Depreciation and amortization	169	173
Unrealised Gain or loss of foregin exchange	(1,784)	(991)
Overprovision of losses arising from legal dispute	<u>(15,016)</u>	<u>-</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
 19 August 2015