

# **MAGNA PRIMA BERHAD**

Company No.: 369519-P

(Incorporated in Malaysia)

**Interim Financial Statements**

**30 September 2015**

# **MAGNA PRIMA BERHAD**

**Company No.: 369519-P  
(Incorporated in Malaysia)**

## **Interim Financial Statements - 30 September 2015**

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**MAGNA PRIMA BERHAD**

(Company No.: 369519-P)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 30 September 2015

	AS AT 30/09/2015 RM'000 (Unaudited)	AS AT 31/12/2014 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	1,103	1,331
Investment Properties	56,747	55,123
Land held for property development	65,021	65,013
Deferred tax assets	4,909	11,625
	<u>127,780</u>	<u>133,092</u>
<b>Current Assets</b>		
Inventories	385,647	712,835
Amount owing by customers on contracts	2,057	2,057
Trade receivables	24,781	26,349
Other receivables	20,195	64,215
Tax recoverable	1,892	986
Cash held under Housing Development Accounts	4,053	3,263
Fixed and short term deposits with licensed banks	102,767	27,506
Cash and bank balances	17,294	16,960
	<u>558,686</u>	<u>854,171</u>
Asset classified as held for sale	171,182	171,182
<b>TOTAL CURRENT ASSETS</b>	<u>729,868</u>	<u>1,025,353</u>
<b>TOTAL ASSETS</b>	<u>857,648</u>	<u>1,158,445</u>
<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
Treasury share	(77)	-
Other reserves	27,371	9,526
Retained profits	169,814	13,817
	<u>315,896</u>	<u>142,131</u>
<b>Non-controlling interests</b>	6,903	6,367
<b>TOTAL EQUITY</b>	<u>322,799</u>	<u>148,498</u>
<b>Non-Current Liabilities</b>		
Borrowings	214,966	91,704
Deferred tax liabilities	34	34
	<u>215,000</u>	<u>91,738</u>
<b>Current Liabilities</b>		
Trade payables	50,755	98,402
Other payables	79,259	84,577
Deferred revenue	68,752	267,660
Borrowings	62,330	451,624
Current tax liabilities	58,753	15,946
	<u>319,849</u>	<u>918,209</u>
<b>TOTAL LIABILITIES</b>	<u>534,849</u>	<u>1,009,947</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>857,648</u>	<u>1,158,445</u>
<b>Net assets per share at par value of RM0.25 each attributable to Owners of the Company (RM)</b>	<u>0.95</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 September 2015

*(The figures have not been audited)*

	3 months ended		9 months ended	
	30/09/2015 RM'000	30/09/2014 RM'000	30/09/2015 RM'000	30/09/2014 RM'000
Revenue	<b>248,489</b>	668	<b>710,704</b>	140,610
Cost of sales	<b>(119,179)</b>	(15,176)	<b>(431,333)</b>	(117,861)
Gross profit	<b>129,310</b>	(14,508)	<b>279,371</b>	22,749
Other operating income	<b>7,857</b>	450	<b>19,766</b>	1,720
Selling and distribution expenses	<b>(1,249)</b>	(1,314)	<b>(14,942)</b>	(3,073)
Administration expenses	<b>(3,911)</b>	(2,096)	<b>(9,787)</b>	(7,347)
Other operating expenses	<b>(23,769)</b>	(5,835)	<b>(25,255)</b>	(9,768)
	<b>108,238</b>	(23,303)	<b>249,153</b>	4,281
Finance costs	<b>(1,999)</b>	(15)	<b>(10,888)</b>	(47)
Profit / (loss) before taxation	<b>106,239</b>	(23,318)	<b>238,265</b>	4,234
Taxation	<b>(20,347)</b>	2,046	<b>(64,689)</b>	(3,131)
Profit / (loss) for the period	<b>85,892</b>	(21,272)	<b>173,576</b>	1,103
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	<b>13,736</b>	(1,800)	<b>17,445</b>	(1,800)
Other comprehensive income / (expense) for the period	<b>13,736</b>	(1,800)	<b>17,445</b>	(1,800)
Total comprehensive income / (expense) for the period	<b>99,628</b>	(23,072)	<b>191,021</b>	(697)
Profit / (loss) attributable to:				
Owners of the Company	<b>85,350</b>	(21,072)	<b>173,041</b>	1,385
Non-controlling interests	<b>542</b>	(200)	<b>535</b>	(282)
	<b>85,892</b>	(21,272)	<b>173,576</b>	1,103
Total comprehensive income / (expense) attributable to:				
Owners of the Company	<b>99,086</b>	(22,872)	<b>190,486</b>	(415)
Non-controlling interests	<b>542</b>	(200)	<b>535</b>	(282)
	<b>99,628</b>	(23,072)	<b>191,021</b>	(697)
Earnings per share attributable to Owners of the Company:				
- Basic (sen)	<b>25.64</b>	(6.33)	<b>51.98</b>	0.42
- Diluted (sen)	<b>24.42</b>	-	<b>49.51</b>	0.42

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 September 2015

(The figures have not been audited)

	Attributable to Owners of the Company									
	Non-Distributable						Distributable			
	Share capital	Share premium	Treasury share	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	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	-	-	-	-	-	-	173,041	173,041	535	173,576
Other comprehensive income / (expense) for the period	-	-	-	-	-	17,445	-	17,445	-	17,445
Transfer from retained profit to capital redemption reserve	-	-	-	-	400	-	(400)	-	-	-
Total comprehensive income / (expense) for the period	-	-	-	-	400	17,445	172,641	190,486	535	191,021
Dividends for the year ended 31 Dec 2015	-	-	-	-	-	-	(16,644)	(16,644)	-	(16,644)
Acquisition of treasury share	-	-	(77)	-	-	-	-	(77)	-	(77)
<b>Balance as at 30 September 2015</b>	<b>83,222</b>	<b>35,566</b>	<b>(77)</b>	<b>19,706</b>	<b>400</b>	<b>7,265</b>	<b>169,814</b>	<b>315,896</b>	<b>6,903</b>	<b>322,799</b>
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 a 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

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 30 September 2015

*(The figures have not been audited)*

	<b>9 months ended 30/09/2015 RM'000</b>	9 months ended 30/09/2014 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	238,265	4,234
Adjustments for :-		
Depreciation of property, plant and equipment	194	197
Depreciation of investment properties	60	60
Net (gain) / loss on disposal of property, plant & equipment	(141)	(85)
(Over)/under provision for liquidated and ascertained damages	(688)	(1,838)
Unrealised foreign exchange gain	1,364	(2,884)
Finance income	(2,534)	(735)
Finance expense	10,495	47
Operating profit before changes in working capital	<u>247,015</u>	(1,004)
Changes in working capital		
Land held for property development	-	(128,831)
Inventories	334,072	(107,723)
Amount owing by/to customers on contract	-	299
Trade receivables	1,568	445
Other receivables	44,021	22,631
Assets classified as held for sale	-	-
Trade payables	(47,646)	42,218
Deferred revenue	(198,907)	(22,563)
Other payables	(5,998)	9,151
	<u>127,110</u>	(184,373)
Net cash generated from/(used in) operations	374,125	(185,377)
Interest paid	(20,343)	(21,770)
Interest received	2,534	735
Tax paid	(15,850)	(942)
Tax refund	76	-
	<u>(33,583)</u>	(21,977)
Net cash generated from/(used in) operating activities	340,542	(207,354)
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(480)	(12)
Purchase of investment property	(3)	1,608
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	655	83
Net cash generated from investing activities	<u>164</u>	1,739
<b>Cash Flows From Financing Activities</b>		
Dividend paid	(16,644)	(3,329)
Repayment of hire purchase liabilities	(27)	(20)
Repayment of bank borrowings	(326,788)	(43,304)
Fixed deposits with licensed banks	(437)	(6,416)
Proceeds/redemption from/to issuance of RCPS	(40,000)	-
Drawdown of bank borrowings	101,860	254,516
Repurchase of shares	(77)	-
Net cash (used in)/generated from financing activities	<u>(282,113)</u>	201,447
<b>Net change in cash &amp; cash equivalents</b>	<u>58,593</u>	(4,168)
<b>Cash &amp; cash equivalents at the beginning of the financial period</b>	<u>43,260</u>	24,322
<b>Effects of exchange rate changes</b>	<u>17,355</u>	(1,763)
<b>Cash &amp; cash equivalents at the end of the financial period</b>	<u><u>119,208</u></u>	<u><u>18,391</u></u>

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

	<b>As at 30/09/2015 RM'000</b>	As at 30/09/2014 RM'000
Cash and bank balances	17,294	11,252
Cash held under Housing Development Accounts	4,053	4,094
Fixed and short term deposits with licensed banks	102,767	34,024
	<u>124,114</u>	49,370
Less: Fixed deposits pledged with licensed banks	(4,906)	(30,979)
	<u><u>119,208</u></u>	<u><u>18,391</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
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
Annual Improvements to MFRSs 2010-2012 Cycle	
Annual Improvements to MFRSs 2011-2013 Cycle	
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>
Amendment to MFRS 7	Financial Instruments: Disclosures	1 January 2016
Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions	1 January 2016
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 2018
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 subjected to any qualification.

**A4 Seasonal 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, except:

1) Share buy back

The Company repurchased 85,200 ordinary share of RM0.895 each of its issued share capital from the open market.

	No of Treasury Shares Units	Treasury Shares RM
Balance as at 1 January 2015	-	-
Repurchased during the period	85,200	76,254
Balance as at 30 September 2015	<u>85,200</u>	<u>76,254</u>

None of the treasury shares held were resold or cancelled during the quarter under review.

2) Redemption of Redeemable Convertible Preference Share (RCPS)

The Company issued 40,000,000 RCPS of RM0.01 each at an issue price of RM1.00 per RCPS in cash. The proceeds are expected to be utilised for the Group's property development and working capital purposes.

The Company had fully redeemed the 40,000,000 RCPS of RM 1 each by cash on 23 June 2015.

**A8 Dividends Paid**

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

In respect of financial year ended 31 December 2015:

- single tier interim dividend of 5.0 sen per ordinary share, paid on 13 July 2015, amounting to RM16,644,497.00.

In respect of financial year ended 31 December 2013:

- single tier final dividend of 1.0 sen per ordinary share, paid on 26 August 2014, amounting to RM3,328,899.40.

**A9 Segmental Analysis**

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

**By operating segment :**

	Property Dev't RM'000	Const. & Engineering RM'000	Trading RM'000	Non- reportable segments RM'000	Intersegment eliminations RM'000	Consolidated RM'000
<b>Period ended 30/09/2015 :</b>						
Total revenue	708,473	69,591	5,998	1,548	(74,906)	710,704
Intersegment revenue	-	(69,591)	(4,288)	(1,027)	74,906	-
<b>Segment revenue :</b>	<u>708,473</u>	<u>-</u>	<u>1,710</u>	<u>521</u>	<u>-</u>	<u>710,704</u>
<b>Segment profit / (loss) before tax :</b>	<u>221,896</u>	<u>21,824</u>	<u>5,256</u>	<u>(1,647)</u>	<u>(9,064)</u>	<u>238,265</u>
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	1,532	24	-	978	-	2,534
<b>Segment assets :</b>	<u>1,011,671</u>	<u>72,285</u>	<u>10,248</u>	<u>588,909</u>	<u>(825,465)</u>	<u>857,648</u>
<b>Segment liabilities :</b>	<u>716,317</u>	<u>83,725</u>	<u>12,221</u>	<u>361,639</u>	<u>(639,053)</u>	<u>534,849</u>



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

	Property devt RM'000	Const. & Engineering RM'000	Trading RM'000	reportable segments RM'000	Intersegment eliminations RM'000	Consolidated RM'000
<i>Period ended 30/09/2014 :</i>						
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>

**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
<i>Period ended 30/09/2015 :</i>			
Total revenue	227,571	483,133	710,704
Intersegment revenue	-	-	-
<b>Segment revenue :</b>	<u>227,571</u>	<u>483,133</u>	<u>710,704</u>
<b>Segment profit / (loss) before tax :</b>	<u>113,599</u>	<u>124,666</u>	<u>238,265</u>
<b>Segment assets :</b>	<u>634,185</u>	<u>223,463</u>	<u>857,648</u>
<b>Segment liabilities :</b>	<u>497,053</u>	<u>37,796</u>	<u>534,849</u>
<i>Period ended 30/09/2014 :</i>			
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>

**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 10 November 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 discontinued operations.

**A13 Contingent Liabilities**

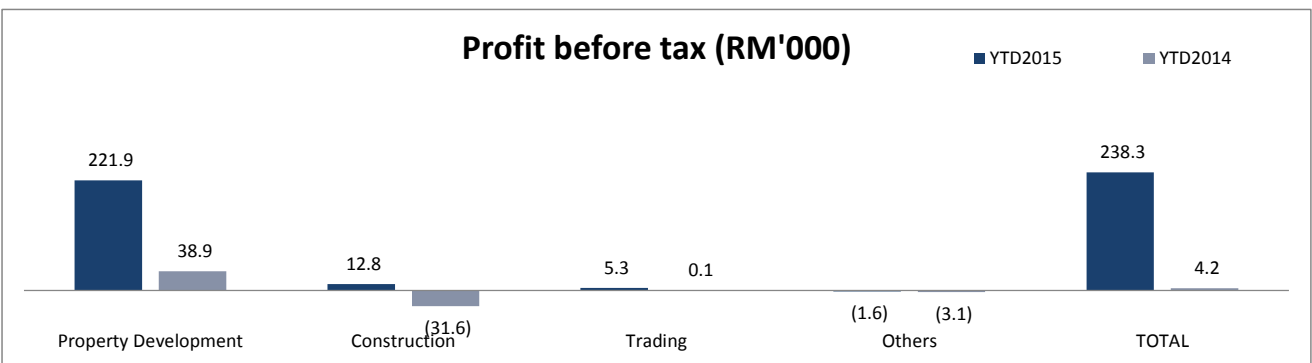
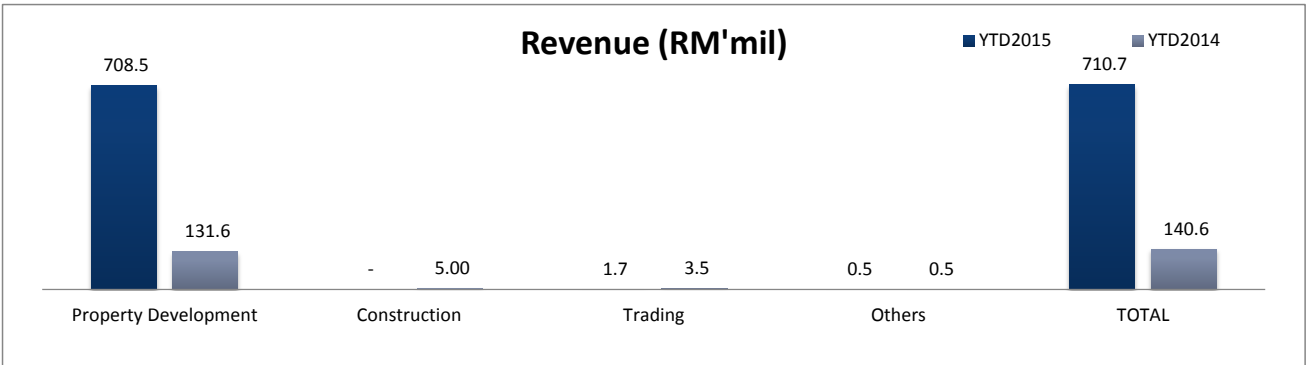
Details of contingent liabilities of the company are as follows :

Company	As at 30/09/2015 RM'000	As at 30/09/2014 RM'000
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	275,159	508,662
Utilised portion of corporate guarantees given to trade payables of subsidiary companies for credit facilities granted to subsidiary companies:		
- Unsecured	329	3,025
	<u>275,488</u>	<u>511,687</u>

**B Bursa Malaysia Listing Requirements**

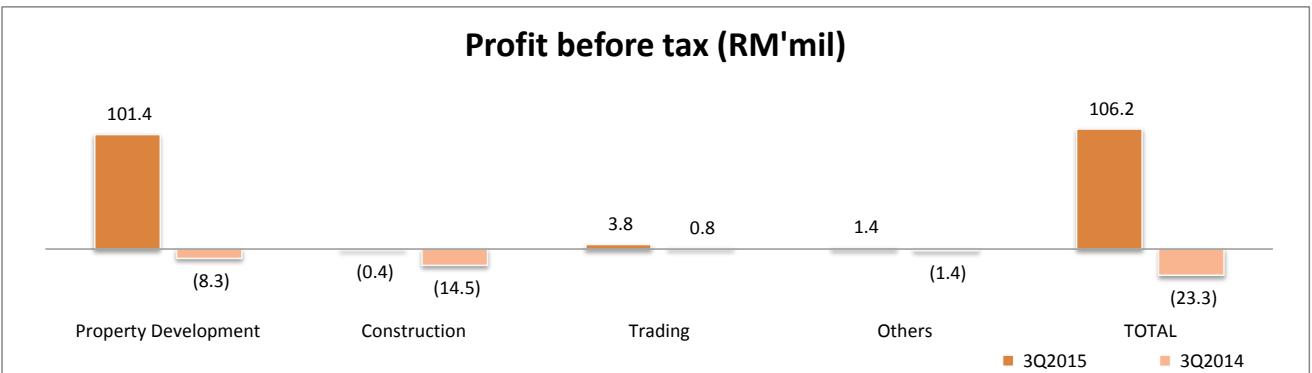
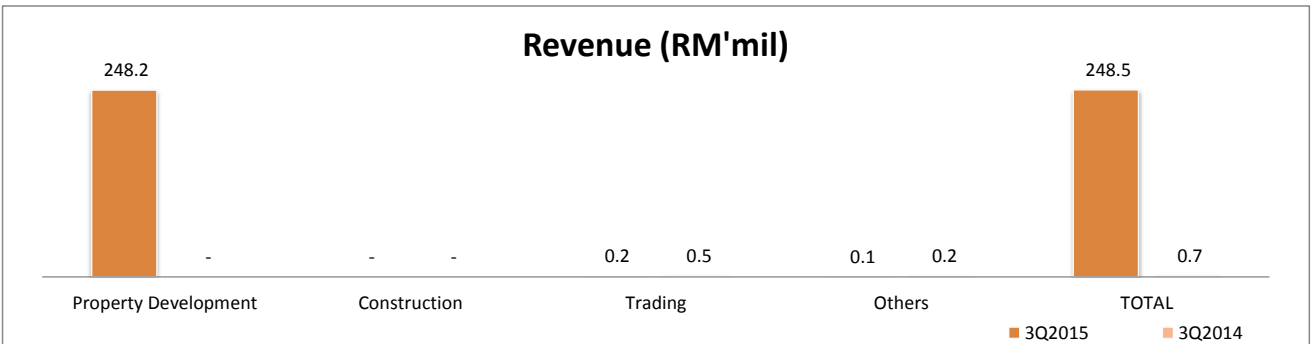
**B1 Review of Performance - Comparison with Previous Corresponding Period and Quarter**

For the 9 months ended 30 September 2015, the Group achieved a revenue of RM710.7 million, an increase of 405% from previous year's corresponding amount of RM140.6 million and profit before tax of RM238.3 million compared to RM4.2 million recorded in the previous corresponding period ended 30 September 2014.



For the current quarter ended 30 September 2015, the Group recorded a revenue of RM248.5 million from RM0.7 million in the previous corresponding quarter ended 30 September 2014.

The profit before tax for the current quarter was RM106.2 million, as compared to loss RM23.3 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 RM708.5 million and profit before tax of RM221.9 million compared to revenue of RM131.6 million and profit before tax of RM38.9 million for previous corresponding period.

Similarly, this segment reported revenue of RM248.2 million and profit before tax of RM101.4 million in the current quarter compared to a loss before tax of RM8.3 million and without revenue in the corresponding quarter of the previous financial year.

The improved performance was due to the completion and sale of "6 Blocks of shop office of Phase 1 at Jalan Kuching Commercial Centre" project and "The Istana" project in Melbourne, Australia.

**Construction & Engineering**

The Construction & Engineering segment registered no revenue and a profit before tax of RM12.8 million compared to revenue of RM5.0 million and loss before tax of RM36.1 million in the previous corresponding period. The construction and engineering segment only carried out internal project in the current period.

Similarly, this segment reported a loss before tax of RM0.4 million in the current quarter compared to a loss before tax of RM14.5 million in the corresponding quarter of the previous financial year.

The increase in profit before tax for this period was a result of overprovision of losses upon settlement of legal disputes.

**Trading**

Trading segment reported revenue of RM1.7 million and profit before tax of RM5.3 million compared to revenue of RM3.5 million and loss before tax of RM0.1 million in the 9 months corresponding period.

Trading segment revenue reported revenue of RM0.2 million and profit before tax of RM3.8 million in the current quarter compared to revenue of RM0.5 million and loss before tax of RM0.8 million in the corresponding quarter of the previous financial year.

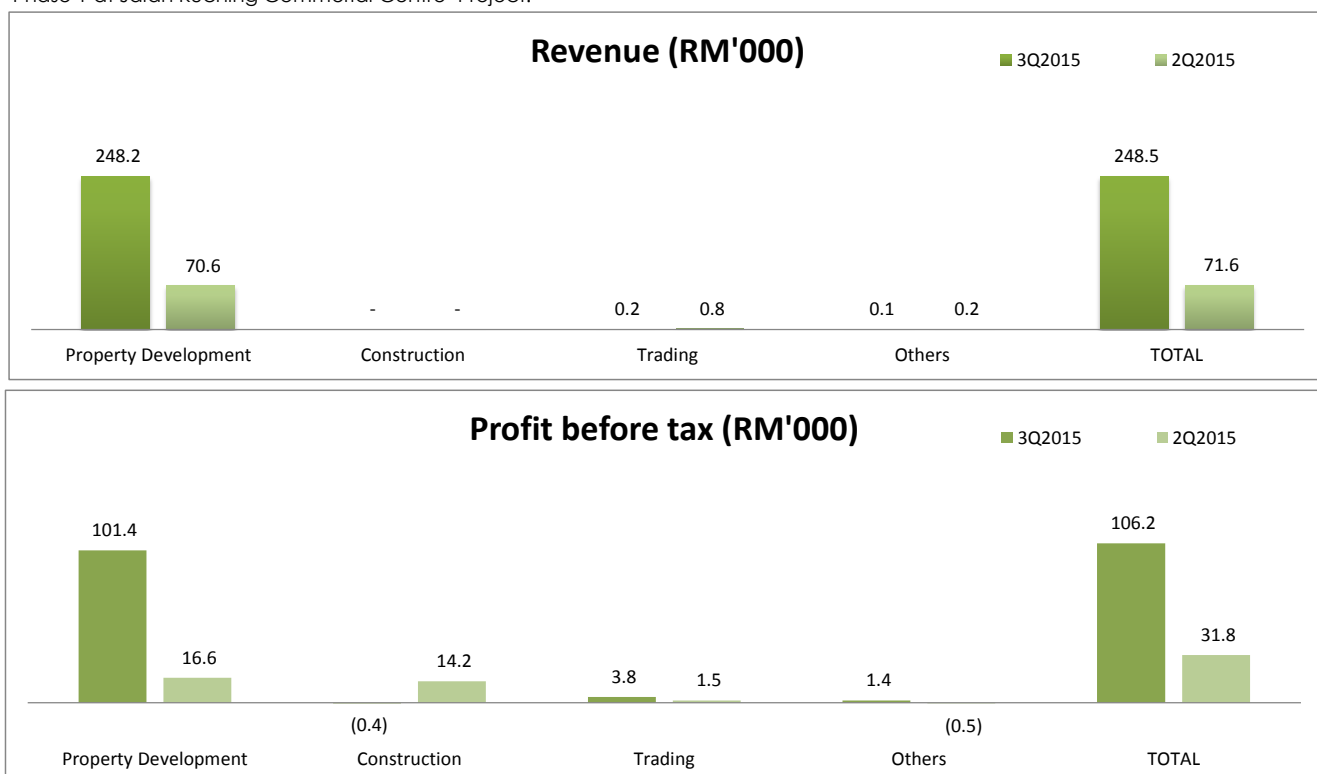
The improvement in the profits before tax was due to overprovision of production costs.

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

For the current quarter, the Group recorded a revenue of RM248.5 million, as compared to RM71.6 million in the immediate preceding quarter ended 30 June 2015.

The Group posted a profit before tax of RM106.2 million in the current quarter, as compared to a profit before tax of RM31.8 million in the immediate preceding quarter ended 30 June 2015.

The improvements in Group revenue and profit before tax were mainly due to the completion and sale of "6 Blocks of shop office of Phase 1 at Jalan Kuching Commercial Centre" Project.



**B3 Prospects for the Current Financial Year**

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:

<b>Group</b>	<b>Period to- 30/09/2015 RM'000</b>	Period to- 30/09/2014 RM'000
In respect of :		
- current year	<b>58,703</b>	-
- deferred taxation	<b>7,446</b>	4,232
	<b>66,149</b>	4,232
Under / (over) provision in prior years	<b>(1,460)</b>	(1,101)
	<b>64,689</b>	3,131

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

<b>Group</b>	<b>Period to- 30/09/2015 RM'000</b>	Period to- 30/09/2014 RM'000
Realised	<b>219,585</b>	100,445
Unrealised	<b>(28,289)</b>	6,610
	<b>191,296</b>	107,055
Consolidation adjustments	<b>(21,482)</b>	(44,071)
Total retained profits	<b>169,814</b>	62,984

**B7 Corporate Proposals**

There were no corporate proposal announced but not completed as at 10 November 2015, being the latest practicable date which is not earlier than 7 days from the date of the issuance of this interim financial statements.

**B8 Group Borrowings**

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

	As at 30/09/2015 RM'000	As at 30/09/2014 RM'000
<b>Secured</b>		
Borrowings repayable		
- within 12 months	62,330	407,342
- after 12 months	214,966	102,654
Total borrowings	<u>277,296</u>	<u>509,996</u>

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

	As at 30/09/2015 AUD'000	As at 30/09/2014 AUD'000
<b>Secured</b>		
Borrowings repayable		
- within 12 months	-	83,000
- after 12 months	-	-
Total borrowings	<u>-</u>	<u>83,000</u>

**B9 Details of Financial Instruments with Off Balance Sheet Risks**

There were 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 ("MPB" 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 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(COA), 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 in excess of full Judgement sum. MPB as a caution apply for a court injunction to restrain Bauer on representing or filing the petition against MPB pursuant to S.218(1)(e) dated 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 MPB's Appeal to Court of Appeal.

On 5 May 2014, The Court allow for Fortuna injunction in favour of MPB until the full & final determination in respect of MPB'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.

On 20 August 2015, parties entered into consent Judgment that Embassy shall agreed to pay a sum of RM16.0 million only as a full and final settlement from RM23.3 million of High Court judgement sum dated 27 February 2014.

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

- (ii) In the matter of an Arbitration between Bina BMK Sdn Bhd vs Magna Prima Construction Sdn Bhd 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 termination 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 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 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 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 Summons vide Kuala Lumpur High Court Suit No 24(ARB)-10-07/2014 on 5 August 2014 against BMK in respect of the decision of the Learned Arbitrator.

On 13 January 2015 Kuala Lumpur High Court delivered the decision that the findings of the Arbitrator to be set aside which resulted in 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 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.

On 12 July 2015 that MPC & BMK has conceded an out of Court Settlement that MPC shall pay RM15,000,000.00 as full and final settlement from the Judgement sum amounting to RM27,770,172.34.

**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 and Case Management had been fixed on 8 July 2014.

The Court has fix the Trial dates 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 its 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 its 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 High Court dated 5 December 2014.

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 attained a settlement by entering into Consent Judgement that MPK shall pay N.V Bina a sum of RM4.8 million on 21 May 2015 from the Judgment sum of RM7.6 million.

**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.

On 29 July 2015, the Court has dismissed MPB's application and request to enter defence. MPB is seeking advice from solicitors in relation to defamation suit and security for cost from Purchasers. The High Court has fixed for Mediation on 30 September 2015 and new case management on 8 October 2015.

Meanwhile, the trial has been fixed on 11 until 15 January 2016. Meantime, the Mediation has been adjourned by the High Court to 6 October 2015. The said Mediation has further been adjourned by the High Court to 17 November 2015. In addition, MPB & Embassy's solicitors are in the midst of filling the application for security for cost.

(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 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.

Meantime, 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. The Court has fixed date for Case Management on Discovery Application on 6 August 2015 and decision on 17 August 2015.

On 17 August 2015, the learned Judge had allowed the Discovery application in so far as the documents, emails and correspondences are concerned. However, the Judge did not allow the disclosure of the minutes. Apart from that, the Trial is fixed to commence from 21 September 2015 to 23 September 2015.

In addition, the Court has fixed next case management on 15 September 2015 for the solicitors to prepare their witness statements. The Judge has directed Plaintiff to file the amended Statement Of Claim by 1 October 2015, the Defendant to file their Amended Defence by 12 October 2015 and Plaintiff's Reply should be filed by 20 October 2015. The Judge has further fixed Mention on 28 October 2015 for parties to appear before the Judge with the Amended Issues to be Tried, Agreed Facts and Bundle of Documents. At the Mention on 28 October 2015, the Judge will decide whether there should be any preliminary issues that ought to be decided first or fix this matter for trial.

Moreover, the Judge also directed parties to attempt mediation and as such our solicitor has wrote to the mediation centre of Shah Alam to fix a date. In addition, the next case management has been fixed on 19 November 2015 to update the Court on the outcome of mediation which was fixed on 9 November 2013. Meantime, since the full trial has been adjourned thus the new Trial dates are most likely to be fixed in December 2015 by the High Court judge.



**B11 Dividend Proposed**

There was no dividend proposed for the current quarter and financial period ended 30 September 2015.

**B12 Earnings per Share ("EPS")**

	3 months ended		9 months ended	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Net profit / (loss) attributable to ordinary equity holders of the Company (RM'000)	<u>85,350</u>	<u>(21,072)</u>	<u>173,041</u>	<u>1,385</u>
Weighted average number of ordinary shares in issue ('000)	<u>332,862</u>	332,890	<u>332,880</u>	332,890
Effect of dilutive potential ordinary shares from the exercise of bonus warrants ('000)	<u>16,644</u>	-	* <u>16,644</u>	-
Weighted average number of ordinary share in issue for diluted earnings per share ('000)	<u>349,506</u>	332,890	<u>349,525</u>	332,890
Basic EPS (sen)	<u>25.64</u>	-	<u>51.98</u>	<u>0.42</u>
Diluted EPS (sen)	<u>24.42</u>	-	<u>49.51</u>	0.42

**(a) Basic EPS**

The basic EPS is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period excluding treasury shares held by the Company.

**(b) Diluted EPS**

The diluted EPS is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period after adjustment for the effects of dilutive potential ordinary shares comprising warrants in accordance with MFRS 133.

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

	As at 30/9/2015 RM'000	As at 30/9/2014 RM'000
Interest income	(2,534)	(735)
Interest expenses	10,888	47
Depreciation and amortization	254	256
Unrealised Gain / (loss) of foreign exchange	1,364	(2,884)
Provision of liquidated and ascertained damages (LAD)	18,160	3,839
Overprovision of losses arising from legal dispute	<u>(22,694)</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 period ended 30 September 2015.

BY ORDER OF THE BOARD

Magna Prima Berhad  
Yuen Yoke Ping (MAICSA 7014044)

Secretary

Petaling Jaya  
17 November 2015