

MAGNA PRIMA BERHAD

Company No.: 369519-P

(Incorporated in Malaysia)

Interim Financial Statements

31 December 2015

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(Incorporated in Malaysia)**

Interim Financial Statements - 31 December 2015

	Page No.
Condensed Consolidated Statement Of Financial Position	1
Condensed Consolidated Statement Of Profit Or Loss And Other Comprehensive Income	2
Condensed Consolidated Statement Of Changes In Equity	3
Condensed Consolidated Statement Of Cash Flows	4
Notes To The Interim Financial Statements	5 - 15

MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 December 2015

(The figures have not been audited)

	AS AT 31/12/2015 RM'000 (Unaudited)	AS AT 31/12/2014 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	961	1,331
Investment Properties	253,064	55,123
Land held for property development	65,025	65,013
Deferred tax assets	1,879	11,625
	<u>320,929</u>	<u>133,092</u>
Current Assets		
Inventories	326,710	712,835
Amount owing by customers on contracts	2,057	2,057
Trade receivables	34,929	26,349
Other receivables	17,176	64,215
Tax recoverable	1,875	986
Cash held under Housing Development Accounts	4,050	3,263
Fixed and short term deposits with licensed banks	78,253	27,506
Cash and bank balances	21,569	16,960
	<u>486,619</u>	<u>854,171</u>
Asset classified as held for sale	-	171,182
TOTAL CURRENT ASSETS	<u>486,619</u>	<u>1,025,353</u>
TOTAL ASSETS	<u>807,548</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
Treasury shares	(76)	-
Other reserves	23,730	9,526
Retained profits	197,422	13,817
	<u>339,864</u>	<u>142,131</u>
Non-controlling interests	<u>6,378</u>	<u>6,368</u>
TOTAL EQUITY	<u>346,242</u>	<u>148,499</u>
Non-Current Liabilities		
Borrowings	191,041	91,704
Deferred tax liabilities	23	34
	<u>191,064</u>	<u>91,738</u>
Current Liabilities		
Trade payables	38,698	98,402
Other payables	58,360	84,576
Deferred revenue	27,167	267,660
Borrowings	77,296	451,624
Current tax liabilities	68,721	15,946
	<u>270,242</u>	<u>918,208</u>
TOTAL LIABILITIES	<u>461,306</u>	<u>1,009,946</u>
TOTAL EQUITY AND LIABILITIES	<u>807,548</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>1.02</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 31 December 2015

(The figures have not been audited)

	3 months ended		12 months ended	
	31/12/2015 RM'000	31/12/2014 RM'000	31/12/2015 RM'000	31/12/2014 RM'000
Revenue	84,806	1,943	795,510	142,553
Cost of sales	(42,540)	13,269	(473,873)	(104,592)
Gross profit	42,266	15,212	321,637	37,961
Other operating income	5,447	622	25,213	2,342
Selling and distribution expenses	(2,613)	(1,101)	(17,555)	(4,174)
Administration expenses	(2,690)	(3,583)	(12,477)	(10,930)
Other operating expenses	2,406	(12,789)	(22,849)	(22,557)
	44,816	(1,639)	293,969	2,642
Finance costs	(2,683)	(9,617)	(13,571)	(9,664)
Profit / (loss) before taxation	42,133	(11,256)	280,398	(7,022)
Taxation	(15,048)	(4,861)	(79,737)	(7,992)
Profit / (loss) for the period	27,085	(16,117)	200,661	(15,014)
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	(3,641)	38	13,804	(1,762)
Other comprehensive income / (expense) for the period	(3,641)	38	13,804	(1,762)
Total comprehensive income / (expense) for the period	23,444	(16,079)	214,465	(16,776)
Profit / (loss) attributable to:				
Owners of the Company	27,610	(15,038)	200,651	(13,653)
Non-controlling interests	(525)	(1,079)	10	(1,361)
	27,085	(16,117)	200,661	(15,014)
Total comprehensive income / (expense) attributable to:				
Owners of the Company	23,969	(15,000)	214,455	(15,415)
Non-controlling interests	(525)	(1,079)	10	(1,361)
	23,444	(16,079)	214,465	(16,776)
Earnings per share attributable to Owners of the Company:				
- Basic (sen)	8.29	(4.52)	60.28	(4.10)
- Diluted (sen)	7.93	-	57.66	-

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 December 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 year	-	-	-	-	-	-	200,651	200,651	10	200,661
Other comprehensive income / (expense) for the year	-	-	-	-	-	13,804	-	13,804	-	13,804
Transfer from retained profit to capital redemption reserve	-	-	-	-	400	-	(400)	-	-	-
Total comprehensive income / (expense) for the year	-	-	-	-	400	13,804	200,251	214,455	10	214,465
Dividends for the year ended 31 Dec 2015	-	-	-	-	-	-	(16,646)	(16,646)	-	(16,646)
Acquisition of treasury share	-	-	(76)	-	-	-	-	(76)	-	(76)
Balance as at 31 December 2015	83,222	35,566	(76)	19,706	400	3,624	197,422	339,864	6,378	346,242
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 year	-	-	-	-	-	-	(13,653)	(13,653)	(1,361)	(15,014)
Other comprehensive income / (expense) for the year	-	-	-	-	-	(1,762)	-	(1,762)	-	(1,762)
Total comprehensive income / (expense) for the year	-	-	-	-	-	(1,762)	(13,653)	(15,415)	(1,361)	(16,776)
Acquisition of a subsidiary company	-	-	-	-	-	-	-	-	60	60
Dividends for the year ended 31 Dec 2014	-	-	-	-	-	-	(3,329)	(3,329)	-	(3,329)
Balance as at 31 December 2014	83,222	35,566	-	19,706	-	(10,180)	13,817	142,131	6,368	148,499

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 year ended 31 December 2015

(The figures have not been audited)

	12 months 31/12/2015 RM'000	12 months 31/12/2014 RM'000
Cash Flows From Operating Activities		
Profit / (Loss) before taxation	280,398	(7,022)
Adjustments for :-		
Depreciation of property, plant and equipment	271	275
Depreciation of investment properties	81	80
Impairment of inventories	1,164	-
Net (gain) / loss on disposal of property, plant & equipment	(72)	(83)
Provision for legal suit	3,280	-
Provision for liquidated and ascertained damages	9,187	3,791
Overprovision for liquidated and ascertained damages	(603)	(422)
Impairment loss of trade receivables	(4,338)	7,088
Reversal impairment loss of trade receivables	1,419	-
Impairment of goodwill on consolidation	-	3,269
Unrealised foreign exchange loss	5,818	2,791
Finance income	(3,102)	(1,300)
Finance expense	13,261	9,664
Operating profit before changes in working capital	<u>306,764</u>	<u>18,131</u>
Changes in working capital		
Inventories	406,176	(122,553)
Amount owing by/to customers on contract	-	299
Trade receivables	(5,463)	(3,135)
Other receivables	47,040	(110,172)
Assets classified as held for sale	171,182	-
Trade payables	(60,071)	(7,974)
Deferred revenue	(240,493)	(1,950)
Other payables	(43,901)	36,329
	<u>274,470</u>	<u>(209,156)</u>
Net cash generated from/(used in) operations	581,234	(191,025)
Interest paid	(25,094)	(31,898)
Interest received	2,904	603
Tax paid	(20,559)	(9,657)
Tax refund	79	-
	<u>(42,670)</u>	<u>(40,952)</u>
Net cash generated from/(used in) operating activities	538,564	(231,977)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(480)	(164)
Purchase of investment property	(195,466)	(5,556)
Purchase of land held for property development	(12)	(23,634)
Net cash generated from acquisition of subsidiary companies	-	60
Proceeds from disposal of property, plant and equipment	650	83
Net cash used in investing activities	<u>(195,308)</u>	<u>(29,211)</u>
Cash Flows From Financing Activities		
Dividend paid	(16,646)	(3,329)
Repayment of hire purchase liabilities	(36)	(34)
Repayment of bank borrowings	(342,409)	(39,644)
Fixed deposits with licensed banks	(1,553)	22,684
Proceeds/redemption from/to issuance of RCPS	(40,000)	40,000
Drawdown of bank borrowings	107,748	254,659
Repurchase of shares	(76)	-
Net cash (used in)/generated from financing activities	<u>(292,972)</u>	<u>274,336</u>
Net change in cash & cash equivalents	<u>50,284</u>	<u>13,148</u>
Cash & cash equivalents at the beginning of the financial year	<u>43,260</u>	<u>21,731</u>
Effects of exchange rate changes	<u>3,423</u>	<u>8,381</u>
Cash & cash equivalents at the end of the financial year	<u><u>96,967</u></u>	<u><u>43,260</u></u>

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

	As at 31/12/2015 RM'000	As at 31/12/2014 RM'000
Cash and bank balances	21,569	16,960
Cash held under Housing Development Accounts	4,050	3,263
Fixed and short term deposits with licensed banks	78,253	27,506
Bank overdrafts	(441)	-
	<u>103,431</u>	<u>47,729</u>
Less: Fixed deposits pledged with licensed banks	(6,464)	(4,469)
	<u><u>96,967</u></u>	<u><u>43,260</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 2015, except for the adoption of the following MFRSs:

MFRSs, Amendments to MFRSs and Interpretations

Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions
 Annual Improvements to MFRSs 2010-2012 Cycle
 Annual Improvements to MFRSs 2011-2013 Cycle

The impact of the above 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
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
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
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date yet to be determined by the Malaysian Accounting Standards Board

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 year under review were not materially affected by any seasonal or cyclical factors.

A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items which affect the assets, liabilities, equity, net income or cash flows of the Group for the current quarter and current financial period under review, except the "Assets classified as held for sale" of RM171.18 million has been reclassified to "Investment Properties".

A6 Material Changes in Estimates of Amounts

There were no changes in estimates that have had any material effect on the results for the current quarter and current financial year under review.

A7 Debts and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial 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 31 December 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)

On 23 June 2015, the Company had fully redeemed the 40,000,000 RCPS at a redemption price of RM 1 each amounting to RM40,000,000. The redemption was made out of internally generated funds.

Accordingly, the par value of the RCPS amounting to RM400,000 was transferred to the capital redemption reserve.

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 year 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
Year ended 31/12/2015 :						
Total revenue	793,127	69,605	6,492	13,720	(87,434)	795,510
Intersegment revenue	-	(69,605)	(4,778)	(13,051)	87,434	-
Segment revenue :	<u>793,127</u>	<u>-</u>	<u>1,714</u>	<u>669</u>	<u>-</u>	<u>795,510</u>
Segment profit / (loss) before tax :	<u>268,623</u>	<u>20,444</u>	<u>3,965</u>	<u>9,017</u>	<u>(21,651)</u>	<u>280,398</u>
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	1,796	39	21	1,048	-	2,904
Segment assets :	<u>1,039,300</u>	<u>125,155</u>	<u>9,014</u>	<u>626,852</u>	<u>(992,773)</u>	<u>807,548</u>
Segment liabilities :	<u>724,596</u>	<u>137,573</u>	<u>12,278</u>	<u>389,473</u>	<u>(802,614)</u>	<u>461,306</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>Year ended 31/12/2014 :</i>						
Total revenue	132,943	49,756	8,266	27,940	(76,352)	142,553
Intersegment revenue	-	(44,921)	(4,157)	(27,274)	76,352	-
Segment revenue :	<u>132,943</u>	<u>4,835</u>	<u>4,109</u>	<u>666</u>	<u>-</u>	<u>142,553</u>
Segment profit / (loss) before tax :	<u>4,550</u>	<u>(42,896)</u>	<u>(7,336)</u>	<u>22,089</u>	<u>16,571</u>	<u>(7,022)</u>
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	1,234	19	-	48	-	1,301
Segment assets :	<u>1,283,661</u>	<u>77,395</u>	<u>4,243</u>	<u>589,065</u>	<u>(795,919)</u>	<u>1,158,445</u>
Segment liabilities :	<u>1,167,859</u>	<u>108,231</u>	<u>11,462</u>	<u>343,230</u>	<u>(620,835)</u>	<u>1,009,947</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>Year ended 31/12/2015 :</i>			
Total revenue	290,877	504,633	795,510
Intersegment revenue	-	-	-
Segment revenue :	<u>290,877</u>	<u>504,633</u>	<u>795,510</u>
Segment profit / (loss) before tax :	<u>151,390</u>	<u>129,008</u>	<u>280,398</u>
Segment assets :	<u>580,773</u>	<u>226,775</u>	<u>807,548</u>
Segment liabilities :	<u>419,595</u>	<u>41,711</u>	<u>461,306</u>
<i>Year ended 31/12/2014 :</i>			
Total revenue	142,553	-	142,553
Intersegment revenue	-	-	-
Segment revenue :	<u>142,553</u>	<u>-</u>	<u>142,553</u>
Segment profit / (loss) before tax :	<u>(927)</u>	<u>(6,095)</u>	<u>(7,022)</u>
Segment assets :	<u>718,228</u>	<u>440,217</u>	<u>1,158,445</u>
Segment liabilities :	<u>649,986</u>	<u>359,961</u>	<u>1,009,947</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 year 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 year till 17 February 2016 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

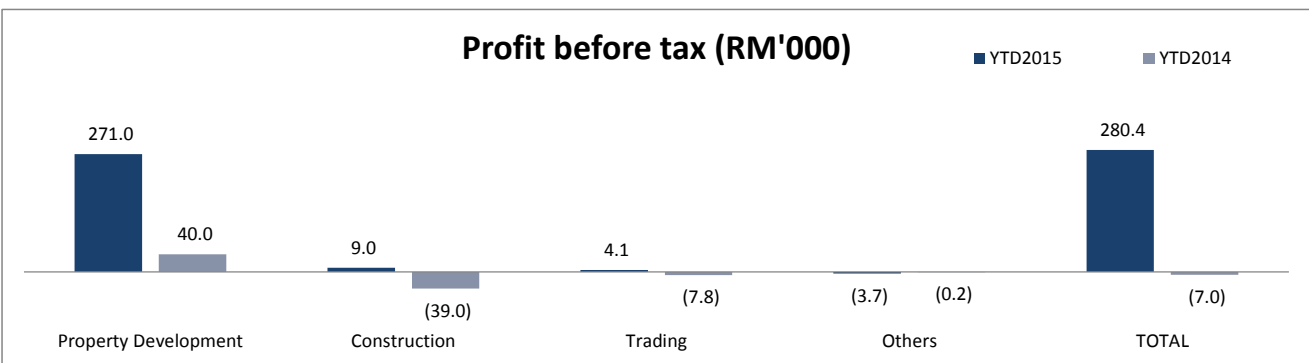
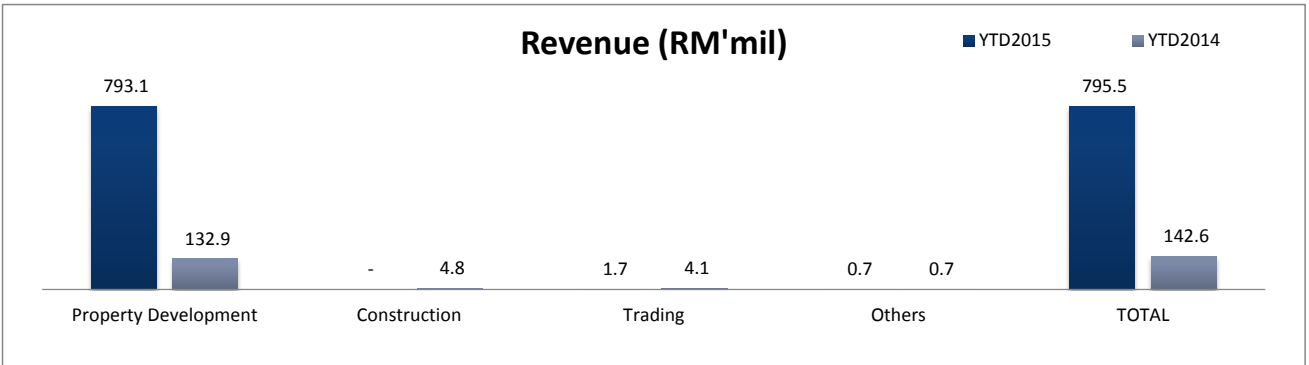
Details of contingent liabilities of the company are as follows :

Company	As at 31/12/2015 RM'000	As at 31/12/2014 RM'000
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	268,337	543,328
Utilised portion of corporate guarantees given to trade payables of subsidiary companies for credit facilities granted to subsidiary companies:		
- Unsecured	190	3,897
	<u>268,527</u>	<u>547,225</u>

B Bursa Malaysia Listing Requirements

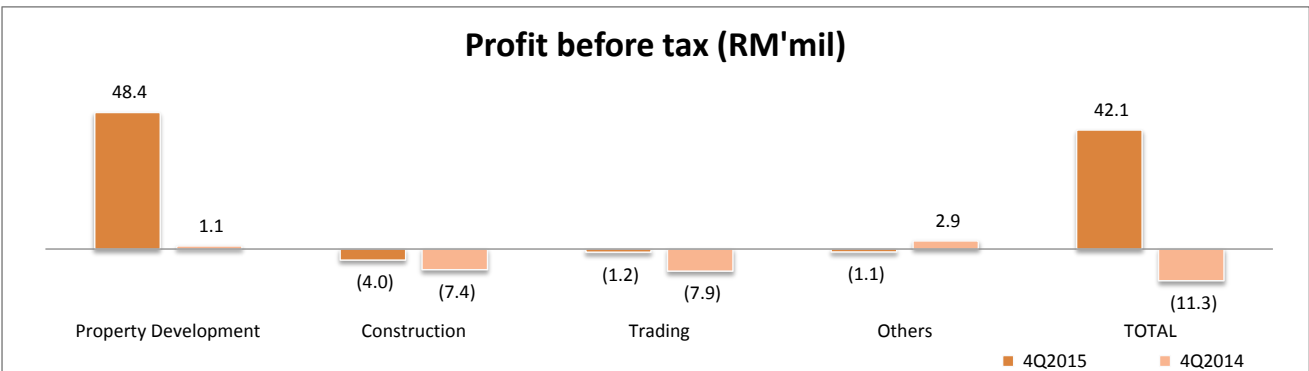
B1 Review of Performance - Comparison with Previous Corresponding Period and Quarter

For the 12 months ended 31 December 2015, the Group achieved a revenue of RM795.5 million, an increase of 458% from previous year's corresponding amount of RM142.6 million and profit before tax of RM280.4 million compared to loss before tax of RM7.0 million recorded in the previous corresponding year ended 31 December 2014.



For the current quarter ended 31 December 2015, the Group recorded a revenue of RM84.8 million from RM1.9 million in the previous corresponding quarter ended 31 December 2014.

The profit before tax for the current quarter was RM42.1 million, as compared to loss RM11.3 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 RM793.1 million and profit before tax of RM271.0 million compared to revenue of RM132.9 million and profit before tax of RM40.0 million for previous corresponding year.

This segment reported revenue of RM84.7 million and profit before tax of RM48.4 million in the current quarter compared to revenue of RM1.3 million and profit before tax of RM1.1 million in the corresponding quarter of the previous financial year.

The improved performance was due to the completion and sale 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 RM9.0 million as compared to revenue of RM4.8 million and loss before tax of RM39.0 million in the previous corresponding year.

This segment reported a loss before tax of RM4.0 million in the current quarter compared to a loss before tax of RM7.4 million in the corresponding quarter of the previous financial year.

The increase in profit before tax for the year was attributed to overprovision of losses upon settlement of legal disputes.

The construction and engineering segment only carried out internal project in the current year.

Trading

Trading segment reported revenue of RM1.7 million and profit before tax of RM4.1 million compared to revenue of RM4.1 million and loss before tax of RM7.8 million in the corresponding year.

Trading segment revenue reported without revenue and loss before tax of RM1.2 million in the current quarter compared to revenue of RM0.6 million and loss before tax of RM7.9 million in the corresponding quarter of the previous financial year.

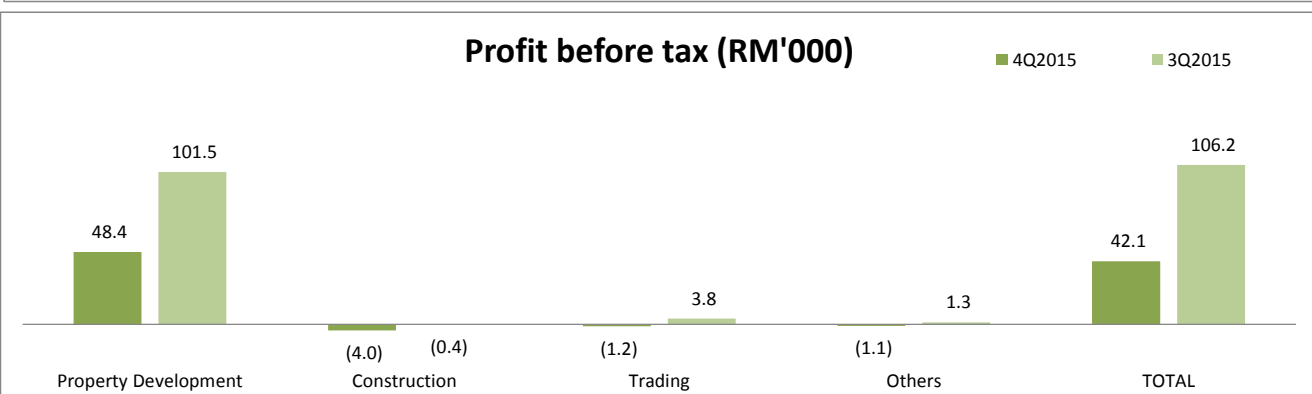
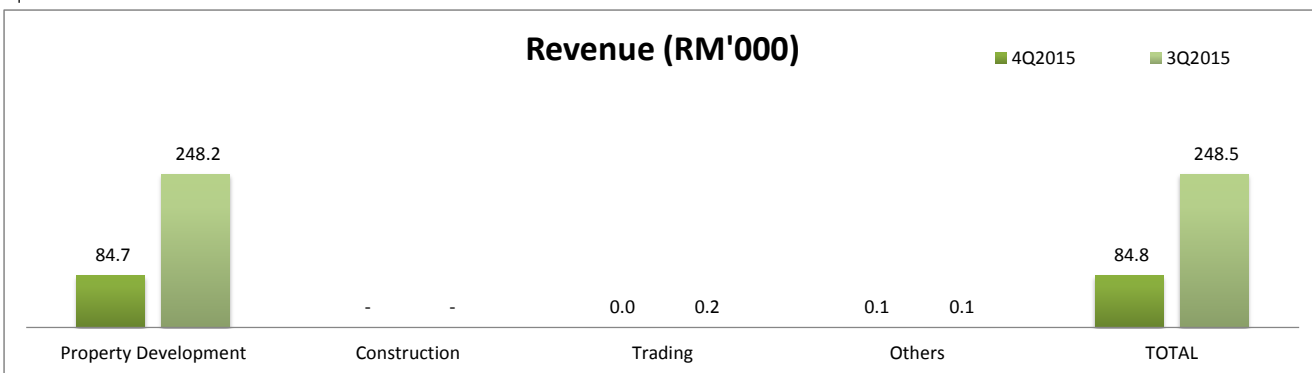
The improvement in profit before tax was due to overprovision of production costs for the current financial year as compared to corresponding year.

B2 Review of Performance - Comparison with Immediate Preceding Quarter

For the current quarter, the Group recorded a revenue of RM84.8 million, as compared to RM248.5 million in the immediate preceding quarter ended 31 December 2015.

The Group posted a profit before tax of RM42.1 million in the current quarter, as compared to a profit before tax of RM106.2 million in the immediate preceding quarter ended 30 Sept 2015.

The reduction of the Group revenue and profit before tax was due to the completion of the balance of 2 blocks of "Shop office of Phase 1 at Jalan Kuching Commercial Centre" Project in the current quarter as compared to 6 blocks in the immediate preceding quarter.



B3 Prospects for the Next Financial Year

The Board expects the next financial year to be satisfactory.

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	Year ended 31/12/2015 RM'000	Year ended 31/12/2014 RM'000
In respect of :		
- current year	67,182	1,212
- deferred taxation	12,355	2,708
	<u>79,537</u>	<u>3,920</u>
Under / (over) provision in prior years	200	4,072
	<u>79,737</u>	<u>7,992</u>

The effective tax rate of the Group for the financial year ended 31 December 2015 is consistent with the applicable statutory tax rate of 30% imposed by the Australian Tax Authority and 25% under the Malaysia statutory tax rate.

B6 Retained Profits

Pursuant to Bursa Malaysia's directive on the disclosure of breakdowns for unappropriated profits or accumulated losses into realised and unrealised profits or losses issued on 25 March 2010, and subsequent guidance issued on 20 December 2010, the breakdown of the Group's retained profits are disclosed as follows :-

Group	Year ended 31/12/2015 RM'000	Year ended 31/12/2014 RM'000
Realised	231,817	20,593
Unrealised	(9,690)	2,840
	<u>222,127</u>	<u>23,433</u>
Consolidation adjustments	(24,705)	(9,616)
Total retained profits	<u>197,422</u>	<u>13,817</u>

B7 Corporate Proposals

There were no corporate proposal announced but not completed as at 17 February 2016, 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 31/12/2015 RM'000	As at 31/12/2014 RM'000
Secured		
Borrowings repayable		
- within 12 months	77,296	411,624
- after 12 months	191,041	91,704
Total borrowings	<u>268,337</u>	<u>503,328</u>

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

	As at 31/12/2015 AUD'000	As at 31/12/2014 AUD'000
Secured		
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 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(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 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 agree to pay a sum of RM16.0 million made payable by way of 12 instalments only as a full and final settlement from RM23.3 million of the High Court judgment 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 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 findings 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.

On 12 July 2015, MPC & Bina 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 afterwards Case Management has 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 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 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 by way of 8 instalments commence from 30 June 2015 until 31 January 2016 from the Judgment sum of RM7.6 million. All the cheques have been duly delivered to N.V. Bina.

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 have proceeded 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 requested defendant to enter defence. MPB is seeking advice from solicitors in relation to defamation suit and security for cost from purchasers since most of purchasers are foreign buyer. The High Court has fixed for Mediation on 30 September 2015 thereafter a full trial to hold on 11-15 January 2016 with the new case management on 8 October 2015.

On 30th September 2015 parties requested for further adjournment to obtained approval on the amount discussed at the mediation hence the mediator granted the next discussion to be held and finalised on 17th November 2015 prior to the trial. As such on 17 November 2015 parties agreed to record consent Judgement on the first trial date with the condition imposed that Plaintiff should obtained an approval in EGM with all the purchasers that there shall be no further claims whatsoever in nature in respect to the Avare project in future by all purchasers and JMB. MPB is awaiting the written approval EGM letter by the plaintiffs.

(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 date on 28 October 2015, the Judge will also decide on 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 as such our solicitor has written to the mediation centre to fix a date at the same time advised the solicitors to update the Court on the outcome of mediation. Nonetheless on the said mediation day there was no settlement been reached between the parties hence the court instructed solicitors to proceed with the full trial and the trial date is fixed on 18,19,24 and 25 of February 2016.

B11 Dividend Proposed/Declared

On 24 February 2016, the Board declared a single tier interim dividend of 3 sen per share of RM0.25 each to the shareholders. The entitlement date and the payment date will be determined later.

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 year by the weighted average number of ordinary shares in issue.

	3 months ended		12 months ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Net profit / (loss) attributable to ordinary equity holders of the Company (RM'000)	27,610	(15,038)	200,651	(13,653)
Weighted average number of ordinary shares in issue ('000)	332,862	332,890	332,862	332,890
Basic EPS (sen)	<u>8.29</u>	<u>(4.52)</u>	<u>60.28</u>	<u>(4.10)</u>

(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.

	3 months ended		12 months ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Net profit / (loss) attributable to ordinary equity holders of the Company (RM'000)	<u>27,610</u>	<u>(15,038)</u>	<u>200,651</u>	<u>(13,653)</u>
Weighted average number of ordinary shares in issue ('000)	332,862	332,890	332,862	332,890
Effect of dilutive potential ordinary shares from the exercise of bonus warrants ('000)	<u>15,127</u>	-	* <u>15,131</u>	-
Weighted average number of ordinary share in issue for diluted earnings per share ('000)	<u>347,989</u>	<u>332,890</u>	<u>347,993</u>	<u>332,890</u>
Diluted EPS (sen)	<u>7.93</u>	-	<u>57.66</u>	-

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

	As at 31/12/2015 RM'000	As at 31/12/2014 RM'000
Interest income	(2,904)	(603)
Impairment of inventory	1,164	-
Other income	(22,309)	(1,738)
Interest expenses	12,889	8,775
Depreciation and amortization	351	356
Unrealised Gain / (loss) of foreign exchange	5,818	2,792
Provision of liquidated and ascertained damages (LAD)	9,187	3,972
Provision of legal suit	3,280	-
Gain or loss of property plant and equipments	(72)	(83)
Overprovision of losses arising from legal dispute	(24,085)	-
Reversal of impairment of trade receivables	1,419	-
Provision of impairment of trade receivables	<u>(4,338)</u>	<u>7,088</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 31 December 2015.

BY ORDER OF THE BOARD

Magna Prima Berhad
Yuen Yoke Ping (MAICSA 7014044)

Secretary

Petaling Jaya
24 February 2016