

# **MAGNA PRIMA BERHAD**

Company No.: 369519-P

(Incorporated in Malaysia)

**Interim Financial Statements**

**31 March 2016**

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(Incorporated in Malaysia)**

## **Interim Financial Statements - 31 March 2016**

	<b>Page No.</b>
<b>Condensed Consolidated Statement Of Financial Position</b>	<b>1</b>
<b>Condensed Consolidated Statement Of Profit Or Loss And Other Comprehensive Income</b>	<b>2</b>
<b>Condensed Consolidated Statement Of Changes In Equity</b>	<b>3</b>
<b>Condensed Consolidated Statement Of Cash Flows</b>	<b>4</b>
<b>Notes To The Interim Financial Statements</b>	<b>5 - 14</b>

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

AS AT 31 March 2016

*(The figures have not been audited)*

	AS AT 31/03/2016 RM'000 (Unaudited)	AS AT 31/12/2015 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	1,056	961
Investment Properties	220,593	253,064
Land held for property development	65,033	65,025
Deferred tax assets	5,723	10,311
	<u>292,405</u>	<u>329,361</u>
<b>Current Assets</b>		
Inventories	334,817	329,645
Contract assets	15,799	-
Amount owing by customers on contracts	-	2,057
Trade receivables	32,889	31,649
Other receivables	17,980	17,176
Tax recoverable	1,406	1,875
Cash held under Housing Development Accounts	7,962	4,050
Fixed and short term deposits with licensed banks	72,731	78,253
Cash and bank balances	13,537	21,569
<b>TOTAL CURRENT ASSETS</b>	<u>497,121</u>	<u>486,274</u>
<b>TOTAL ASSETS</b>	<u>789,526</u>	<u>815,635</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 shares	(2,249)	(77)
Other reserves	15,826	23,730
Retained profits	223,063	205,422
	<u>355,428</u>	<u>347,863</u>
<b>Non-controlling interests</b>	6,325	6,378
<b>TOTAL EQUITY</b>	<u>361,753</u>	<u>354,241</u>
<b>Non-Current Liabilities</b>		
Borrowings	191,199	191,041
Deferred tax liabilities	132	92
	<u>191,331</u>	<u>191,133</u>
<b>Current Liabilities</b>		
Trade payables	40,491	38,698
Other payables	44,372	55,080
Deferred revenue	-	27,167
Contract liabilities	1,993	-
Borrowings	77,369	77,296
Current tax liabilities	72,217	72,020
	<u>236,442</u>	<u>270,261</u>
<b>TOTAL LIABILITIES</b>	427,773	461,394
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>789,526</u>	<u>815,635</u>
<b>Net assets per share at par value of RM0.25 each attributable to Owners of the Company (RM)</b>	<u>1.07</u>	<u>1.04</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

**MAGNA PRIMA BERHAD***(Company No.: 369519-P)***(Incorporated in Malaysia)****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the quarter and period to-date ended 31 March 2016

*(The figures have not been audited)*

	<b>3 months ended</b>	
	<b>31/03/2016</b>	31/03/2015
	<b>RM'000</b>	RM'000
Revenue	<b>24,548</b>	390,584
Cost of sales	<b>(13,745)</b>	(276,487)
Gross profit	<b>10,803</b>	114,097
Other operating income	<b>4,906</b>	4,159
Selling and distribution expenses	<b>(516)</b>	(9,790)
Administration expenses	<b>(2,893)</b>	(2,905)
Other operating expenses	<b>(909)</b>	(827)
	<b>11,391</b>	104,734
Finance costs	<b>(1,873)</b>	(4,486)
Profit before taxation	<b>9,518</b>	100,248
Taxation	<b>(4,041)</b>	(35,794)
Profit for the period	<b>5,477</b>	64,454
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	<b>(7,904)</b>	(1,503)
Other comprehensive income / (expense) for the period	<b>(7,904)</b>	(1,503)
Total comprehensive income / (expense) for the period	<b>(2,427)</b>	62,951
Profit / (loss) attributable to:		
Owners of the Company	<b>5,530</b>	64,671
Non-controlling interests	<b>(53)</b>	(217)
	<b>5,477</b>	64,454
Total comprehensive income / (expense) attributable to:		
Owners of the Company	<b>(2,374)</b>	63,168
Non-controlling interests	<b>(53)</b>	(217)
	<b>(2,427)</b>	62,951
Earnings per share attributable to Owners of the Company:		
- Basic (sen)	<b>1.67</b>	19.43
- Diluted (sen)	<b>1.57</b>	19.43

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 2015 and the accompanying explanatory notes attached to the interim financial statements.

# MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

(The figures have not been audited)

	Attributable to Owners of the Company									
	Non-Distributable						Distributable			
	Share capital	Share premium	Treasury shares	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 2016	83,222	35,566	(77)	19,706	400	3,624	205,422	347,863	6,378	354,241
Effects of early adoption of MFRS 15	-	-	-	-	-	-	12,111	12,111	-	12,111
Balance as at 1 January 2016 restated	83,222	35,566	(77)	19,706	400	3,624	217,533	359,974	6,378	366,352
Profit / (loss) for the period	-	-	-	-	-	-	5,530	5,530	(53)	5,477
Other comprehensive income / (expense) for the period	-	-	-	-	-	(7,904)	-	(7,904)	-	(7,904)
Total comprehensive income / (expense) for the period	-	-	-	-	-	(7,904)	5,530	(2,374)	(53)	(2,427)
Acquisition of treasury shares	-	-	(2,172)	-	-	-	-	(2,172)	-	(2,172)
<b>Balance as at 31 March 2016</b>	<b>83,222</b>	<b>35,566</b>	<b>(2,249)</b>	<b>19,706</b>	<b>400</b>	<b>(4,280)</b>	<b>223,063</b>	<b>355,428</b>	<b>6,325</b>	<b>361,753</b>
Balance as at 1 January 2015	83,222	35,566	-	19,706	-	(10,180)	13,816	142,130	6,368	148,498
Profit / (loss) for the period	-	-	-	-	-	-	64,671	64,671	(217)	64,454
Other comprehensive income / (expense) for the period	-	-	-	-	-	(1,503)	-	(1,503)	-	(1,503)
Total comprehensive income / (expense) for the period	-	-	-	-	-	(1,503)	64,671	63,168	(217)	62,951
Balance as at 31 March 2015	83,222	35,566	-	19,706	-	(11,683)	78,487	205,298	6,151	211,449

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

**MAGNA PRIMA BERHAD**

(Company No.: 369519-P)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the period ended 31 March 2016

*(The figures have not been audited)*

	<b>3 months ended 31/03/2016 RM'000</b>	3 months ended 31/03/2015 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	<b>9,518</b>	100,248
Adjustments for :-		
Depreciation of property, plant and equipment	<b>70</b>	64
Depreciation of investment properties	<b>20</b>	20
Amortisation of cost incurred to obtain a contract	<b>103</b>	-
Provision for liquidated and ascertained damages	<b>57</b>	-
Overprovision for liquidated and ascertained damages	<b>-</b>	(96)
Unrealised foreign exchange (gain) / loss	<b>(4,094)</b>	922
Finance income	<b>(484)</b>	(884)
Finance expense	<b>1,892</b>	2,779
Operating profit before changes in working capital	<b>7,082</b>	103,053
Changes in working capital		
Inventories	<b>4,660</b>	239,330
Contract assets	<b>4,842</b>	-
Trade receivables	<b>(1,240)</b>	(4,630)
Other receivables	<b>(804)</b>	47,665
Assets classified as held for sale	<b>-</b>	(24)
Trade payables	<b>1,793</b>	(8,656)
Deferred revenue	<b>-</b>	(6,612)
Other payables	<b>(6,672)</b>	(20,086)
Contract liabilities	<b>1,993</b>	-
	<b>4,572</b>	246,987
Net cash generated from operations	<b>11,654</b>	350,040
Interest paid	<b>(4,581)</b>	(7,358)
Interest received	<b>484</b>	884
Tax paid	<b>(1,993)</b>	(344)
Tax refund	<b>477</b>	76
	<b>(5,613)</b>	(6,742)
Net cash generated from operating activities	<b>6,041</b>	343,298
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	<b>(164)</b>	(88)
Purchase of investment property	<b>(3,865)</b>	(1)
Purchase of land held for property development	<b>(8)</b>	(8)
Net cash used in investing activities	<b>(4,037)</b>	(97)
<b>Cash Flows From Financing Activities</b>		
Repayment of hire purchase liabilities	<b>(9)</b>	(9)
Repayment of bank borrowings	<b>(5,536)</b>	(315,671)
Fixed deposits with licensed banks	<b>(32)</b>	(45,633)
Drawdown of bank borrowings	<b>4,255</b>	91,806
Repurchase of shares	<b>(2,173)</b>	-
Net cash used in financing activities	<b>(3,495)</b>	(269,507)
<b>Net change in cash &amp; cash equivalents</b>	<b>(1,491)</b>	73,694
<b>Cash &amp; cash equivalents at the beginning of the financial period</b>	<b>97,409</b>	43,260
<b>Effects of exchange rate changes</b>	<b>(9,502)</b>	10,527
<b>Cash &amp; cash equivalents at the end of the financial period</b>	<b>86,416</b>	127,481

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

	<b>As at 31/03/2016 RM'000</b>	As at 31/03/2015 RM'000
Cash and bank balances	<b>13,537</b>	25,263
Cash held under Housing Development Accounts	<b>7,962</b>	3,261
Fixed and short term deposits with licensed banks	<b>72,731</b>	149,059
Bank overdrafts	<b>(880)</b>	-
	<b>93,350</b>	177,583
Less: Fixed deposits pledged with licensed banks	<b>(6,934)</b>	(50,102)
	<b>86,416</b>	127,481

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 2015. 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 2015.

### **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 new standards and amendments/improvements to existing standards that are applicable to the Group for the financial period beginning 1 January 2016 as set out below:

#### **MFRSs, Amendments to MFRSs and Interpretations**

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment entities: Applying the Consolidation Exception
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101	Disclosure initiative
Amendments to MFRS 116 and MFRS 138	Clarification on Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Annual Improvements to MFRSs 2012-2014 Cycle	

The effective new standards and amendments/improvements to existing standards during the financial period did not have any significant impact to the financial results and position of the Group.

#### **Early adoption of a Standard**

The Group has elected to early adopt MFRS 15 "Revenue from Contracts with Customers" as issued by the Malaysian Accounting Standards Board ("MASB") on 2 September 2014. The Group has elected to apply the transitional provisions under MFRS 15 paragraph C3(b) whereby the effects of adopting MFRS 15 is adjusted at the opening balance of equity as at 1 January 2016 and prior year comparatives are not restated. The effects of the adoption of MFRS 15 are as follows:

#### Presentation of contract assets and liabilities

Reclassifications were made as at 1 January 2016 to be consistent with the terminology used under MFRS 15:

- Contract liabilities recognised in relation to property development activities were previously presented as deferred revenue.
- Contract assets recognised in relation to construction activities were previously presented as amount owing by customers on contracts.

#### Accounting for property development activities

In prior reporting periods, the Group accounts for property development activities when significant risk and rewards of ownership has been transferred to the customers on delivery in its entirety at a single time upon vacant possession and not continuously as construction progresses.

Under MFRS 15, properties that have no alternative use to the Group due to contractual reasons and when the Group has an enforceable right to payment from the customer for performance completed to date, the Group recognises revenue as the performance obligations are satisfied over time in accordance with the input method for measuring progress.

The excess of cumulative revenue recognised in profit or loss over the billings to purchasers of properties is recognised as contract assets - accrued billings.

The excess of cumulative billings to purchasers of properties over revenue recognised in profit or loss is recognised as contract liabilities - progress billings.

#### Accounting of costs incurred to obtain a contract

In prior reporting periods, sales commissions and other costs incurred in order to secure long term property development contracts with purchasers were expensed in profit or loss as they did not qualify for recognition as an asset under any other accounting standards. Following the adoption of MFRS 15, such incremental costs of obtaining a contract, if recoverable, are capitalised as contract assets and are subsequently amortised consistently with the pattern of revenue for the related contract.

**A2 Significant Accounting Policies (Cont'd)**

	As at 31 December 2015			Restated RM
	As previously stated RM	Reclassifications under MFRS 15 RM	Adjustments under MFRS 15 RM	
<u>Consolidated statement of financial position</u>				
Investment properties *	253,064	-	(37,408)	215,656
Deferred tax assets	10,311	-	(4,329)	5,982
Inventories	329,645	-	8,032	337,677
Amount owing by customers on contracts	2,057	(2,057)	-	-
Contract assets	-	2,057	18,688	20,745
Deferred revenue	(27,167)	27,167	-	-
Contract liabilities	-	(27,167)	27,167	-
Deferred tax liabilities	(92)	-	(39)	(131)
Retained earnings	(205,422)	-	(12,111)	(217,533)

\* The adjustment on investment properties arises from the differences in the method used to measure the stage of completion. Prior to the adoption of MFRS 15, the stage of completion of the investment property was accounted with reference to certifications of progress by the project Architect. Following the adoption of MFRS 15, management has taken a consistent approach for all its projects to measure stage of completion with reference to the input method of measuring progress.

The amount by which each financial statement item is affected in the current reporting quarter and period to date by the application of MFRS 15 as compared to MFRS 111, MFRS 118 and the related IC interpretations 15 that were previously in effect before the adoption of MFRS 15 are as follows:

	Quarter and period to date ended 31 March 2016		
	Results without the early adoption of MFRS 15 RM	Effects of the early adoption of MFRS 15 RM	Results as reported RM
<u>Consolidated statement of financial position (extract)</u>			
Investment properties	258,287	(37,694)	220,593
Deferred tax assets	11,639	(5,916)	5,723
Inventories	332,508	2,309	334,817
Amount owing by customers on contracts	2,057	(2,057)	-
Contract assets	-	15,799	15,799
Deferred revenue	(47,112)	47,112	-
Contract liabilities	-	(1,993)	(1,993)
Deferred tax liabilities	-	(132)	(132)
Retained profits	(205,634)	(17,429)	(223,063)
<u>Consolidated statement of profit or loss and other comprehensive income (extract)</u>			
Revenue	10,483	14,065	24,548
Cost of sales	(6,781)	(6,964)	(13,745)
Selling and distribution expenses	(413)	(103)	(516)
Taxation	(2,362)	(1,679)	(4,041)
<u>Consolidated statement of cash flows (extract)</u>			
<b>Cash flows from operating activities</b>			
Profit/(Loss) before taxation	2,520	6,998	9,518
Amortisation of cost incurred to obtain a contract	-	103	103
Inventories	(1,063)	5,723	4,660
Contract assets	-	4,842	4,842
Contract liabilities	-	1,993	1,993
Deferred revenue	19,945	(19,945)	-
<b>Cash flows from investing activities</b>			
Purchase of investment properties	(4,151)	286	(3,865)



## A2 Significant Accounting Policies (Cont'd)

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 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
MFRS 9	Financial Instruments	1 January 2018
MFRS 16	Leases	1 January 2019
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. 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 2015

The auditors' report on the financial statements for the financial year ended 31 December 2015 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 except as disclose in item A2 relating to the early adoption of MFRS 15.

## 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 1,983,200 ordinary shares at an average price of RM1.096 each of its issued share capital from the open market.

	No. of Treasury Shares Units	Treasury Shares RM
Balance as at 1 January 2016	85,200	76,254
Repurchased during the period	1,983,200	2,172,969
Balance as at 31 March 2016	<u>2,068,400</u>	<u>2,249,223</u>

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

## 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.

- second single tier interim dividend of 3.0 sen per ordinary share, paid on 4 May 2016, amounting to RM9,984,142.00.

**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 31/03/2016 :</b>						
Total revenue	27,181	17,229	-	207	(20,069)	24,548
Intersegment revenue	(2,784)	(17,229)	-	(56)	20,069	-
<b>Segment revenue :</b>	<b>24,397</b>	<b>-</b>	<b>-</b>	<b>151</b>	<b>-</b>	<b>24,548</b>
<b>Primary geographical markets:</b>						
Australia	7,536	-	-	-	-	7,536
Malaysia	19,644	17,229	-	207	(20,068)	17,012
	27,180	17,229	-	207	(20,068)	24,548
<b>Nature of product</b>						
Commercial properties	12,301	17,229	-	207	(20,068)	9,669
Residential properties	14,879	-	-	-	-	14,879
	27,180	17,229	-	207	(20,068)	24,548
<b>Timing of revenue recognition:</b>						
Good transferred at a point in time	10,332	-	-	-	-	10,332
Good transferred over time	16,848	17,229	-	207	(20,068)	14,216
	27,180	17,229	-	207	(20,068)	24,548
<b>Segment profit / (loss) before tax :</b>	<b>10,662</b>	<b>1,792</b>	<b>(25)</b>	<b>(1,535)</b>	<b>(1,376)</b>	<b>9,518</b>
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	428	2	-	54	-	484
<b>Segment assets :</b>	<b>998,112</b>	<b>133,906</b>	<b>7,539</b>	<b>649,993</b>	<b>(1,000,024)</b>	<b>789,526</b>
<b>Segment liabilities :</b>	<b>672,808</b>	<b>145,310</b>	<b>10,827</b>	<b>416,321</b>	<b>(817,493)</b>	<b>427,773</b>
<b>Period ended 31/03/2015 :</b>						
Total revenue	389,704	24,958	2,362	1,116	(27,556)	390,584
Intersegment revenue	-	(24,958)	(1,711)	(887)	27,556	-
<b>Segment revenue :</b>	<b>389,704</b>	<b>-</b>	<b>651</b>	<b>229</b>	<b>-</b>	<b>390,584</b>
<b>Segment profit / (loss) before tax :</b>	<b>103,882</b>	<b>2,269</b>	<b>(57)</b>	<b>(2,586)</b>	<b>(3,260)</b>	<b>100,248</b>
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	630	8	-	246	-	884
<b>Segment assets :</b>	<b>1,076,949</b>	<b>95,101</b>	<b>5,476</b>	<b>600,276</b>	<b>(781,183)</b>	<b>996,619</b>
<b>Segment liabilities :</b>	<b>892,967</b>	<b>124,449</b>	<b>12,752</b>	<b>357,026</b>	<b>(602,024)</b>	<b>785,170</b>

**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 :-

	<b>Malaysia RM'000</b>	<b>Australia RM'000</b>	<b>Consolidated RM'000</b>
<b>Period ended 31/03/2016 :</b>			
Total revenue	17,012	7,536	24,548
Intersegment revenue	-	-	-
Segment revenue :	<u>17,012</u>	<u>7,536</u>	<u>24,548</u>
Segment profit / (loss) before tax :	<u>4,086</u>	<u>5,432</u>	<u>9,518</u>
Segment assets :	<u>568,224</u>	<u>221,302</u>	<u>789,526</u>
Segment liabilities :	<u>387,433</u>	<u>40,340</u>	<u>427,773</u>
<b>Period ended 31/03/2015 :</b>			
Total revenue	880	389,704	390,584
Intersegment revenue	-	-	-
Segment revenue :	<u>880</u>	<u>389,704</u>	<u>390,584</u>
Segment profit / (loss) before tax :	<u>(8,317)</u>	<u>108,565</u>	<u>100,248</u>
Segment assets :	<u>772,004</u>	<u>224,615</u>	<u>996,619</u>
Segment liabilities :	<u>716,004</u>	<u>69,166</u>	<u>785,170</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 20 May 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**

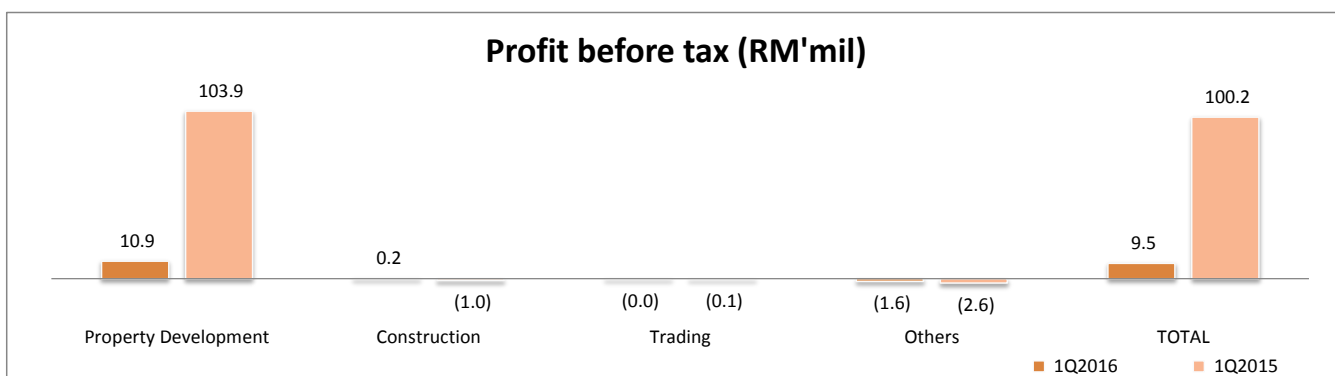
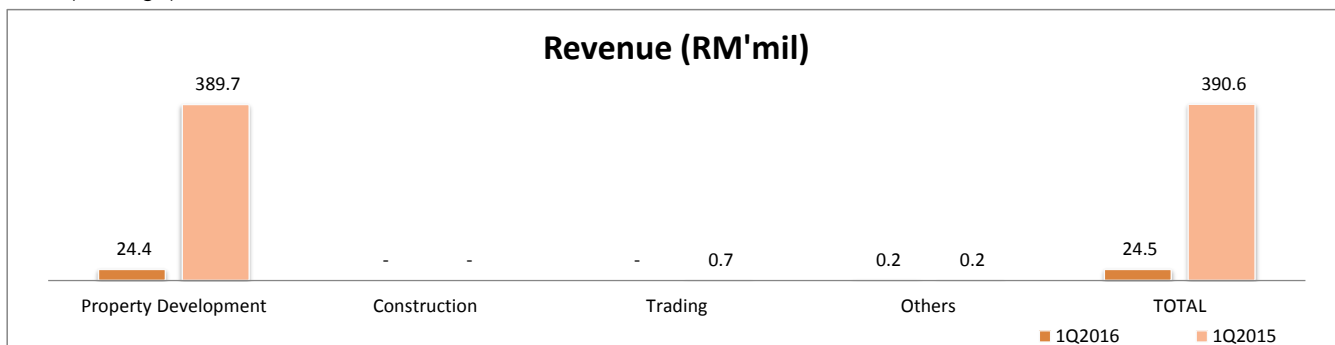
Details of contingent liabilities of the company are as follows :

<b>Company</b>	<b>As at 31/03/2016 RM'000</b>	<b>As at 31/03/2015 RM'000</b>
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	<b>269,008</b>	283,686
Utilised portion of corporate guarantees given to trade payables of subsidiary companies for credit facilities granted to subsidiary companies:		
- Unsecured	<b>2</b>	2,535
	<u><b>269,010</b></u>	<u>286,221</u>

**B Bursa Malaysia Listing Requirements**

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

For the 3 months ended 31 March 2016, the Group achieved a revenue of RM24.5 million, a decrease of 1491% from previous year's corresponding amount of RM390.6 million and profit before tax of RM9.5 million compared to RM100.2 million recorded in the previous corresponding quarter ended 31 March 2015.



**Property Development**

The property development segment recorded revenue of RM24.4 million and profit before tax of RM10.9 million compared to revenue of RM389.7 million and profit before tax of RM103.9 million in the corresponding quarter of the previous financial year.

This quarter revenue and profit before tax were contributed mainly from sale of completed units of "The Istana" and "Jalan Kuching Phase 1 shop office" project and from recognition of revenue and profits based on percentage of completion method in accordance with MFRS 15.

The corresponding quarter revenue and profits before tax were recognised based on "Completion Method" and arose mainly from the completion and settlement of "The Istana" project in Melbourne, Australia.

**Construction & Engineering**

The Construction & Engineering segment registered no revenue and a profit before tax of RM0.2 million as compared to no revenue and loss before tax of RM1.0 million in the previous corresponding quarter.

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

**Trading**

Trading segment reported no revenue and profit before tax compared to revenue of RM0.7 million and loss before tax of RM0.1 million in the corresponding quarter of the previous financial year.

The management has decided to discontinue the operation for trading segment.

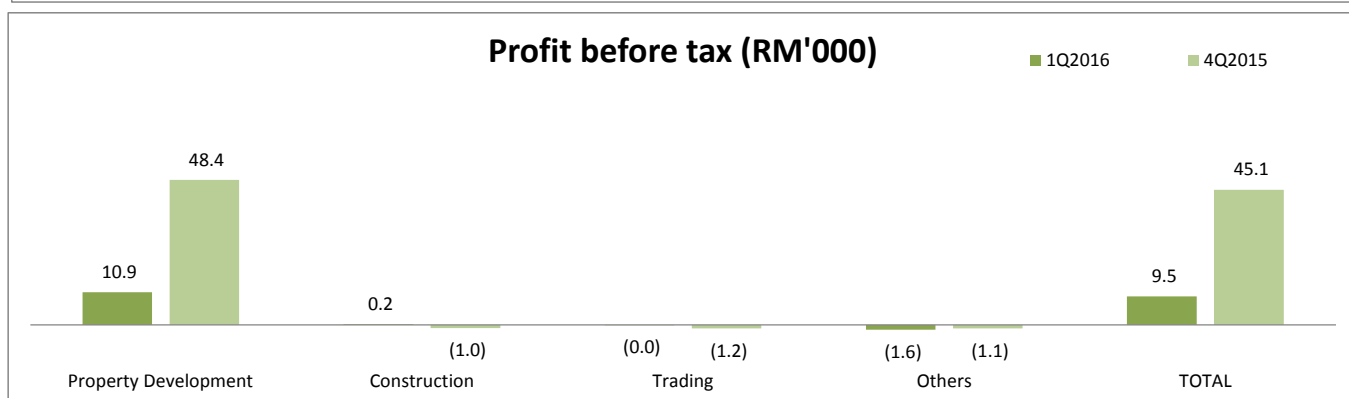
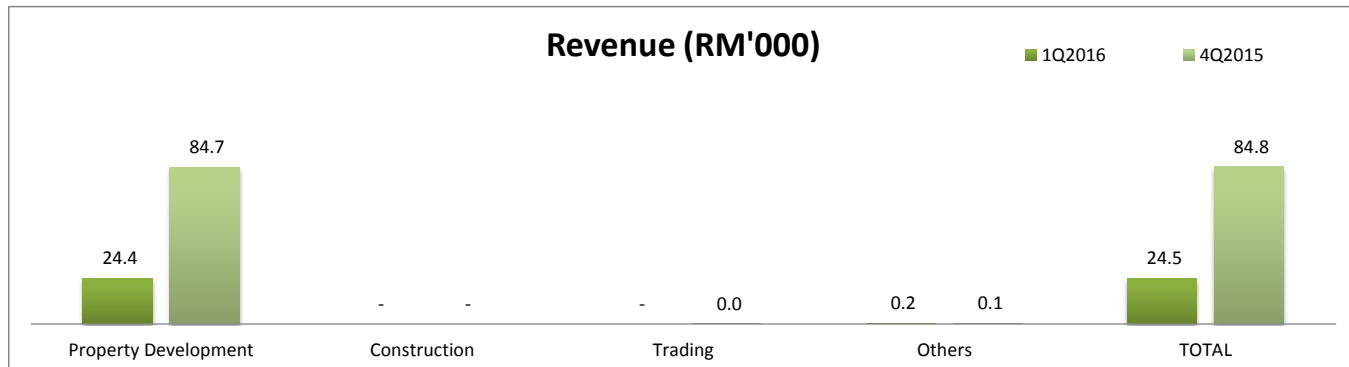
**B2 Review of Performance - Comparison with Immediate Preceding Quarter**

For the current quarter, the Group recorded a revenue of RM24.5 million, as compared to RM84.8 million in the immediate preceding quarter ended 31 December 2015.

The Group posted a profit before tax of RM9.5 million in the current quarter, as compared to a profit before tax of RM45.1 million in the immediate preceding quarter ended 31 December 2015.

This quarter revenue and profit before tax were contributed mainly from sale of completed units of "The Istana" and "Jalan Kuching Phase 1 shop office" project and from recognition of revenue and profits based on percentage of completion method in accordance with MFRS 15.

The corresponding revenue and profits before tax were recognised based on "Completion Method" and arose mainly from the delivery of vacant possession to Purchases of "Jalan Kuching Phase 1 shop office" project.



**B3 Prospects for the Current Financial Year**

The Board expects the current 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	3 months ended	
	31/03/2016 RM'000	31/03/2015 RM'000
In respect of :		
- current year	4,371	34,979
- deferred taxation	(330)	815
	<b>4,041</b>	<b>35,794</b>
Under / (over) provision in prior years	-	-
	<b>4,041</b>	<b>35,794</b>

The effective tax rate of the Group for the financial period to-date ended 31 March 2016 is not consistent with the applicable statutory tax rate of 30% imposed by the Australian Tax Authority and 24% under the Malaysian statutory tax rate due to unrelieved tax losses.

**B6 Retained Profits**

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

	<b>As at</b>	As at
<b>Group</b>	<b>31/03/2016</b>	31/03/2015
	<b>RM'000</b>	RM'000
Realised	<b>254,983</b>	89,786
Unrealised	<b>(14,897)</b>	2,176
	<b>240,086</b>	91,962
Consolidation adjustments	<b>(17,023)</b>	(13,475)
Total retained profits	<b>223,063</b>	78,487

**B7 Corporate Proposals**

There were no corporate proposal announced but not completed as at 20 May 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 31 March 2016 are as follows:

	<b>As at</b>	As at
<b>Secured</b>	<b>31/03/2016</b>	31/03/2015
	<b>RM'000</b>	RM'000
Borrowings repayable		
- within 12 months	<b>77,369</b>	75,651
- after 12 months	<b>191,199</b>	242,832
Total borrowings	<b>268,568</b>	318,483

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

There were no off-balance sheet risks 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. 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 Others ("the Plaintiffs") filed an action against Magna Prima Berhad ("MPB") and Embassy Court Sdn. Bhd. ("ECSB") (collectively known as "the Defendants") at the High Court of Kuala Lumpur. The arguments made by the Plaintiffs were for:

- The Defendants had failed to hand over the following Approved and As-Built Building Plans and Drawings to JMB Avare @ KLCC;
- The Defendants had failed to rectify all defects to the parcel and common property of the Avare condominium; and
- 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:-

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

On 15 May 2015 and 8 June 2015, the Defendants had filed their Notice of Application to strike out the Plaintiffs' case and their defence respectively. On 29 July 2015, the Court has dismissed MPB's striking out application.

On 17 November 2015, the plaintiffs and defendants had agreed to record a consent Judgement for a global settlement of RM3,279,830 with a condition that the Plaintiffs should obtain prior approval from the Joint Management Body ("JMB") in an Emergency General Meeting ("EGM") so that there shall be no further claims whatsoever in nature in respect to the Avare project in future by all purchasers and the JMB.

To date, the Company is still awaiting for the JMB to hold an EGM to obtain approval from all the purchasers for a global settlement.

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

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

On 19 May 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:

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

PKNS had replied with their Defence on 1 June 2015.

On 9 July 2015, Ibsul had 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.

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.

On 9 November 2015, mediation had been adjourned by the request of PKNS to further obtain an instruction from the State Government of Selangor to enter into a Joint Venture Agreement with Ibsul, the discussion of the proposal on an out of court settlement by way of JV Agreement was held on 18 November 2015. However, Ibsul is not agreeable on the proposed terms of the said JV agreement and instructed its solicitors to proceed with a trial.

The High Court Judge has fixed full trial from 26 January 2016 to 28 January 2016 and further trial is to be continued on 7 April 2016, 8 April 2016 and 18 April 2016.

Trial on this matter has been concluded on 18 April 2016. The High Court Judge has fixed filing of written submission on 13 May 2016 thereafter the hearing of final judgement shall be on 10 June 2016.

**B11 Dividend Proposed/Declared**

There were no dividend proposed for the current financial quarter ended 31 March 2016.

**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.

	<b>3 months ended</b>	
	<b>31/03/2016</b>	31/03/2015
Net profit attributable to ordinary equity holders of the Company (RM'000)	<b>5,530</b>	64,671
Weighted average number of ordinary shares in issue ('000)	<b>332,115</b>	332,890
Basic EPS (sen)	<u><b>1.67</b></u>	<u>19.43</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.

	<b>3 months ended</b>	
	<b>31/03/2016</b>	31/03/2015
Net profit attributable to ordinary equity holders of the Company (RM'000)	<u><b>5,530</b></u>	<u>64,671</u>
Weighted average number of ordinary shares in issue ('000)	<b>332,115</b>	332,890
Effect of dilutive potential ordinary shares from the exercise of bonus warrants ('000)	<u><b>19,891</b></u>	<u>-</u>
Weighted average number of ordinary share in issue for diluted earnings per share ('000)	<u><b>352,006</b></u>	<u>332,890</u>
Diluted EPS (sen)	<u><b>1.57</b></u>	<u>19.43</u>

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

	3 months ended	
	31/3/2016	31/3/2015
	RM'000	RM'000
Interest income	(484)	(884)
Other income	(85)	(3,275)
Interest expenses	1,873	4,486
Depreciation and amortization	70	84
Amortisation of cost incurred to obtain a contract	103	-
Unrealised (Gain) / loss of foreign exchange	(4,094)	922
Underprovision of liquidated and ascertained damages (LAD)	57	-

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 under review.

BY ORDER OF THE BOARD

Magna Prima Berhad  
Yuen Yoke Ping (MAICSA 7014044)

Secretary

Petaling Jaya  
27 May 2016