

MAGNA PRIMA BERHAD

Company No.: 369519-P

(Incorporated in Malaysia)

Interim Financial Statements

31 December 2009

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(Incorporated in Malaysia)

Interim Financial Statements - 31 December 2009

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MAGNA PRIMA BERHAD*(Company No.: 369519-P)***(Incorporated in Malaysia)****CONDENSED CONSOLIDATED BALANCE SHEET**

AS AT 31 December 2009

(The figures have not been audited)

	AS AT 31/12/2009 RM'000 (UNAUDITED)	AS AT 31/12/2008 RM'000 (AUDITED)
ASSETS		
Non-Current Assets		
Property, plant and equipment	2,874	3,790
Prepaid lease rental	239	245
Investments	235	690
Intangible assets	3,269	-
Deferred tax asset	2,953	6,828
	<u>9,570</u>	<u>11,553</u>
Current Assets		
Inventories	7,361	2,343
Property development costs	114,357	136,210
Amount owing by customers on contracts	60,787	85,818
Trade receivables	82,018	114,256
Other receivables	49,836	20,019
Cash held under Housing Development Accounts	3,705	5,926
Fixed deposits with licensed banks	1,026	1,842
Cash and bank balances	20,447	18,006
	<u>339,537</u>	<u>384,420</u>
TOTAL ASSETS	<u><u>349,107</u></u>	<u><u>395,973</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	53,459	53,459
Share premium	10,521	10,521
Other reserves	6,499	6,499
Retained profits	47,753	43,800
	<u>118,232</u>	<u>114,279</u>
Minority interests	3,038	2,994
TOTAL EQUITY	<u><u>121,270</u></u>	<u><u>117,273</u></u>
Non-Current Liabilities		
Hire purchase payables	865	1,338
Bank borrowings	9,584	34,360
Deferred taxation	70	69
	<u>10,519</u>	<u>35,767</u>
Current Liabilities		
Amount owing to customers on contracts	1,837	8,484
Trade payables	145,256	139,181
Other payables	15,406	19,118
Hire purchase payables	396	639
Bank borrowings	27,435	39,630
Taxation	26,988	35,881
	<u>217,318</u>	<u>242,933</u>
TOTAL LIABILITIES	<u><u>227,837</u></u>	<u><u>278,700</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>349,107</u></u>	<u><u>395,973</u></u>
Net asset per share attributable to equity holders of the parent (RM)	<u><u>2.21</u></u>	<u><u>2.14</u></u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT

For the quarter and year ended 31 December 2009

(The figures have not been audited)

	3 months ended		12 months ended	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
	RM'000	RM'000	RM'000	RM'000
Revenue	13,670	80,614	192,953	280,632
Cost of sales	(9,619)	(51,972)	(152,350)	(205,922)
Gross profit	4,051	28,642	40,603	74,710
Other operating income	897	227	3,340	1,834
Selling and distribution expenses	(1,888)	(3,793)	(6,776)	(12,670)
Administration expenses	(3,108)	(4,446)	(16,651)	(18,709)
Other operating expenses	1,892	(4,247)	(5,651)	(7,241)
	1,844	16,383	14,865	37,924
Finance costs	(600)	(150)	(3,423)	(444)
Profit before taxation	1,244	16,233	11,442	37,480
Taxation	(900)	(3,917)	(4,772)	(10,198)
Net profit for the period	344	12,316	6,670	27,282
Attributable to:				
Equity holders of the Company	244	12,189	6,626	26,888
Minority interests	100	127	44	394
Net profit for the period	344	12,316	6,670	27,282
Earnings per share attributable to equity holders of the parent:				
- Basic (sen)	0.46	22.80	12.39	50.72
- Diluted (sen)	0.39	18.68	10.93	40.85

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2009

(The figures have not been audited)

	Attributable to equity holders of the parent					Total	Minority Interests	Total Equity
	Non-Distributable			Distributable				
	Share capital	Share premium	Warrants reserve	Capital reserve	Retained profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 January 2009	53,459	10,521	6,469	30	43,800	114,279	2,994	117,273
Total recognised income and expense for the period	-	-	-	-	6,626	6,626	44	6,670
Dividends for the year ended 31 Dec 2008	-	-	-	-	(2,673)	(2,673)	-	(2,673)
Balance as at 31 December 2009	53,459	10,521	6,469	30	47,753	118,232	3,038	121,270
	Attributable to equity holders of the parent							
	Non-Distributable			Distributable				
	Share capital	Share premium	Warrants reserve	Capital reserve	Retained profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2008	51,622	9,418	7,020	30	20,515	88,605	2,458	91,063
Total recognised income and expense for the period	-	-	-	-	26,888	26,888	394	27,282
Issue of ordinary shares:								
- pursuant to exercise of warrants	1,837	552	-	-	-	2,389	-	2,389
Transfer of warrants reserve	-	551	(551)	-	-	-	-	-
Acquisition of shares in a subsidiary	-	-	-	-	-	-	142	142
Dividends for the year ended 31 Dec 2007	-	-	-	-	(3,603)	(3,603)	-	(3,603)
Balance as at 31 December 2008	53,459	10,521	6,469	30	43,800	114,279	2,994	117,273

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2009

(The figures have not been audited)

	12 months ended ended 31/12/2009 RM'000	12 months ended ended 31/12/2008 RM'000 (As restated)
Operating activities		
Profit before taxation	11,442	37,480
Adjustment for:-		
Depreciation of property, plant and equipment	997	1,157
Amortisation of prepaid lease rental	6	6
Allowance for doubtful debts	4,566	1,375
Bad debts written off	-	144
Gain on disposal of property, plant & equipment	(97)	(285)
Loss on disposal of property, plant & equipment	13	-
Property, plant & equipment written off	-	706
Allowance for liquidated & ascertained damages	566	2,887
Over provision for liquidated & ascertained damages	(486)	(2,786)
Over provision for foreseeable loss	-	(289)
Goodwill written off	-	114
Allowance for impairment of other investment	455	-
Interest income	(617)	(419)
Interest expense	3,423	444
Operating profit before changes in working capital	<u>20,268</u>	<u>40,533</u>
Changes in working capital		
Inventories	(5,018)	(336)
Property development costs	21,853	(22,078)
Amount owing by/to customers on contract	18,384	(19,767)
Trade receivables	32,238	58,402
Other receivables	(29,001)	(8,733)
Amount owing by/to director	-	(639)
Trade payables	1,509	(42,530)
Other payables	(7,291)	7,753
	<u>32,674</u>	<u>(27,929)</u>
Net cash generated from operations	52,942	12,604
Interest paid	(3,423)	(5,385)
Interest received	617	419
Tax paid	(9,790)	(444)
Net cash generated from operating activities	<u>40,346</u>	<u>7,194</u>
Investing activities		
Purchase of property, plant and equipment	(207)	(710)
Acquisition of subsidiary, net of cash acquired	231	(1,351)
Proceeds from disposal of property, plant and equipment	263	1,188
Net cash generated from/(used in) investing activities	<u>287</u>	<u>(872)</u>
Financing activities		
Dividend paid	(2,673)	(3,603)
Repayment of hire purchase liabilities	(769)	(1,223)
Repayment of bank borrowings	(44,406)	(35,115)
Drawdown of bank borrowings	10,000	24,987
Net proceeds from new shares issued	-	2,389
Net cash used in financing activities	<u>(37,848)</u>	<u>(12,566)</u>
Net change in cash & cash equivalents	<u>2,785</u>	<u>(6,245)</u>
Cash & cash equivalents at beginning of the year	<u>20,573</u>	<u>26,818</u>
Cash & cash equivalents at end of the financial year	<u><u>23,358</u></u>	<u><u>20,573</u></u>

Cash and cash equivalents at the end of the financial period comprise the following:

	As at 31/12/2009 RM'000	As at 31/12/2008 RM'000
Cash and bank balances	20,447	18,006
Cash held under Housing Development Accounts	3,705	5,926
Fixed deposits with licensed banks	1,026	1,842
Bank overdrafts	(794)	(3,359)
	<u>24,384</u>	<u>22,416</u>
Less: Fixed deposits pledged with licensed banks	(1,026)	(1,842)
	<u><u>23,358</u></u>	<u><u>20,573</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

A Explanatory Notes Pursuant To FRS 134

A1 Basis of Preparation

The unaudited interim financial report has been prepared in accordance with the reporting requirements as set out in the Financial Reporting Standards ("FRS") No. 134 - Interim Financial Reporting and Paragraph 9.22 of the Listing Requirement 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 2008. 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 2008.

A2 Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008.

At the date of authorisation of these interim financial statements, the following FRSs, Amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group:

FRSs and Interpretations	Effective for financial periods beginning on or after	
FRS 1 (revised)	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 (revised)	Business Combinations	1 July 2010
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 101	Presentation of Financial Statements (Revised 2009)	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 127	Consolidated and Separate Financial Statements	1 July 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2010
Amendment to FRS 2	Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendment to FRS 2	Share-based Payment	1 July 2010
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2010 and 1 July 2010
Amendment to FRS 7	Financial Instruments: Disclosures	1 January 2010
Amendment to FRS 8	Operating Segments	1 January 2010
Amendment to FRS 107	Statement of Cash Flows	1 January 2010
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
Amendment to FRS 110	Events after the Reporting Period	1 January 2010
Amendment to FRS 116	Property, Plant and Equipment	1 January 2010
Amendment to FRS 117	Leases	1 January 2010
Amendment to FRS 118	Revenue	1 January 2010
Amendment to FRS 119	Employee Benefits	1 January 2010
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2010
Amendment to FRS 123	Borrowing Costs	1 January 2010
Amendment to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendment to FRS 128	Investments in Associates	1 January 2010
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies	1 January 2010
Amendment to FRS 131	Interest in Joint Ventures	1 January 2010
Amendments to FRS 132	Financial Instruments: Presentation	1 January 2010
Amendment to FRS 134	Interim Financial Reporting	1 January 2010
Amendment to FRS 136	Impairment of Assets	1 January 2010
Amendment to FRS 138	Intangible Assets	1 January 2010 and 1 July 2010
Amendment to FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendment to FRS 140	Investment Property	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
Amendment to IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010 and 1 July 2010

The adoption of the FRSs, Amendments to FRSs and Interpretations upon their effective dates are not expected to have any significant impact on the financial statements of the Group. The Group is exempted from disclosing the possible impact, if any, to the financial statements upon its initial application of FRS7 and FRS139.

A3 Auditors' Report For The Financial Year Ended 31 December 2008

The auditors' report on the financial statements for the financial year ended 31 December 2008 was not subject to any qualification.

A4 Seasonality or Cyclical Factors

The Group's operations during the financial period under review are 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 material changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.

A7 Debts and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial year.

A8 Dividends Paid

The following dividends were paid during the current and previous corresponding year:

	Year ended 31/12/2009 RM'000	Year ended 31/12/2008 RM'000
Final dividend for the financial year ended	31 December 2008	31 December 2007
Approved and declared on	11 June 2009	29 May 2008
Date paid	10 September 2009	12 August 2008
Number of ordinary shares on which dividends were payable / paid	53,459	53,459
a) Amount per share (franked)	-	1.0 sen less 26 per cent taxation
Net dividend paid	-	395
b) Amount per share (single-tier)	5.0 sen	6.0 sen
Net dividend paid	2,673	3,207
Total dividend paid	<u>2,673</u>	<u>3,602</u>

A9 Segmental Analysis

The Group's segmental report for the current financial year is as follows:

	Year ended 31/12/2009 RM'000	Year ended 31/12/2008 RM'000
Segment Revenue		
Property Development	137,642	179,892
Construction and Engineering	113,467	230,502
Trading & Others	43,136	38,863
	<u>294,245</u>	<u>449,257</u>
Consolidation adjustments	(101,292)	(168,625)
Group Revenue	<u><u>192,953</u></u>	<u><u>280,632</u></u>
Segment Results		
Property Development	9,964	6,083
Construction and Engineering	8,335	31,903
Trading & Others	688	2,040
	<u>18,987</u>	<u>40,026</u>
Consolidation adjustments	(4,122)	(2,102)
Profit from Operations	<u><u>14,865</u></u>	<u><u>37,924</u></u>

No geographical segment has been presented as the Group's activities are carried out in Malaysia.

A10 Property, Plant and Equipment

There were no valuations done on the Group's property, plant and equipment.

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 17 February 2010 being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim Financial Statements.

A12 Changes in the Composition of the Group

On 9 October 2009, Winicon (M) Sdn Bhd ("Winicon"), a wholly-owned subsidiary of Magna Prima Berhad, acquired from Dato' Ahmad Shafee Bin Sabaruddin and Mohd Sabki Bin Razali of 250,002 ordinary shares of RM1.00 each in Ibsul Development (Sel) Sdn Bhd ("IDSB") representing the entire issued and paid up share capital of IDSB for a total cash consideration of RM3,500,000.

Save for those events disclosed under Note B8 and the abovementioned, there were no other changes in the composition of the Group during the current financial year.

A13 Contingent Assets and Contingent Liabilities

Details of contingent assets of the company are as follows :

Group	As at 31/12/2009 RM'000	As at 31/12/2008 RM'000
Settlement by defendant in a litigation matter by way of 1,022,000 shares at par value of RM1.00 per share [refer to Notes B11 (xi) & (xvii) :-		
- at market value	3,086,440	-
- at par	(1,022,000)	-
Inflow of economic benefit not virtually certain	<u>2,064,440</u>	<u>-</u>

Details of contingent liabilities of the company are as follows :

Company	As at 31/12/2009 RM'000	As at 31/12/2008 RM'000
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	38,882	78,251
- Unsecured	246	246
Utilised portion of corporate guarantees given to trade creditors of subsidiary companies for credit facilities granted to subsidiary companies:		
- Unsecured	2,514	5,648
	<u>41,642</u>	<u>84,145</u>

A14 Capital Commitment

	As at 31/12/2009 RM'000	As at 31/12/2008 RM'000
Approved and contracted for:		
- Purchase of property, plant and equipment	-	-
- Contractual obligation for development projects	48,090	36,551
	<u>48,090</u>	<u>36,551</u>

A15 Significant Related Party Transaction

Company	As at 31/12/2009 RM'000	As at 31/12/2008 RM'000
Management fee received/receivable from subsidiary companies	<u>8,912</u>	<u>10,687</u>

B Bursa Malaysia Listing Requirements

B1 Review of Performance - Comparison with Previous Corresponding Quarter

The Group achieved a revenue of RM192.9 million for the year ended 31 December 2009, a 31% drop from previous financial year ended 31 December 2008. For the quarter ended 31 December 2009, the Group recorded a revenue of RM13.7 million, down 83% compared to the revenue of RM80.6 million for the preceding year corresponding quarter ended 31 December 2008 due to completion of a project in early 2009. Current quarter revenue contribution was mostly from the U1 project in Shah Alam.

B2 Review of Performance - Comparison with Immediate Preceding Quarter

The Group managed to achieve a marginal profit for the current quarter with two projects completed and one remaining project in progress. Group profit before tax of RM1.2 million for the quarter ended 31 December 2009, was higher compared to the gross loss before tax of RM1.7 million for the immediate preceding quarter ended 30 September 2009 due to better cost control.

B3 Prospects for the Next Financial Year

The Board is confident of better performance in year 2010 with five new projects in line for launching from the 2nd quarter of 2010 onwards. The said projects are: Magna City, an integrated development in Jalan Kuching; a gated & guarded residential project in Section 16, Shah Alam; a residential project in Bandar Selayang; a lifestyle commercial project in Section 5, Petaling Jaya; and One Sierra, a mixed development project in Bandar Selayang.

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 tax charge is as follows:

	31/12/2009 RM'000	31/12/2008 RM'000
Current taxation		
- Malaysian income tax	2,237	10,831
- Deferred Taxation	3,875	(586)
	<u>6,112</u>	<u>10,244</u>
Over provision of Malaysian income tax in prior years	(1,340)	(46)
	<u>4,772</u>	<u>10,198</u>

Deferred tax reversal of RM3.87 million and the over provision in prior years amounting to RM1.34 million were due to the finalisation of a tax assessment by Inland Revenue Board on a subsidiary company. The effective tax rate of the Group was higher than the applicable statutory tax rate due to certain expenses not deductible for tax purposes.

B6 Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investments or properties for the current quarter and current financial year.

B7 Quoted Investments

There was no purchase or disposal of quoted investments for the period under review. Details of quoted investments as at 31 December 2009 are as follows:

	RM'000
Total investment at cost	1,525
Less: Provision for diminution in value	(1,290)
Total investment at book value	<u>235</u>
Total investment at market value	<u>235</u>

88 Corporate Proposals

The following corporate proposals announced by the Company have not been completed as at 17 February 2010 being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim Financial Statements.

- (a) On 2 November 2007, the Company's wholly-owned subsidiary, Magna City Development Sdn Bhd has entered into a Sale and Purchase Agreement with Muafakat Baru Sdn. Bhd. to purchase two parcels of freehold land held under Geran Mukim No. Hakmilik 1343 and 1344 with Lot 1075 and 1073 respectively all in the Mukim of Batu and Tempat Bangkong and District of Kuala Lumpur and State of Wilayah Persekutuan of total area measuring approximately 10.23 acres for a total cash consideration of RM 57,930,444 ("Proposed Acquisition").

The Proposed Acquisition was approved by Shareholders on 7 January 2008 and by the Foreign Investment Committee on 19 February 2008.

On 15 December 2009, Muafakat Baru Sdn. Bhd. had agreed to an extension of time of three months until 19 March 2010 to complete the Proposed Acquisition.

- (b) On 2 March 2009, Magna Prima Berhad announced that its subsidiary, Permata Juang (M) Sdn Bhd ("PJSB") had entered into a conditional sale and purchase agreement with Bukit Jalil Development Sdn. Bhd. ("BJD"), wherein BJD shall sell and PJSB shall purchase all the parcel of freehold land held under Lot 38476 in the Mukim of Petaling, Kuala Lumpur and State of Wilayah Persekutuan for a cash consideration of RM19,408,370.57 ("Proposed Acquisition").

The Proposed Acquisition was approved by Shareholders on 11 June 2009 and the Foreign Investment Committee had been notified on 4 May 2009.

PJSB had on 5 October 2009 served a writ summons on BJD claiming for, inter-alia, specific performance of the SPA and an injunction to immediately stop and / or restrain BJD whether by themselves and / or through their servants and / or agents and / or any other persons besides themselves from continuing with the Tender Exercise with the intention of selling the Property for any other parties.

On 14 October 2009 the Court had granted an ad-interim injunction order to stop and / or restrain BJD whether by themselves and / or through their servants and / or agents and / or any other persons besides themselves with immediate effect from disposing the Property to any party via tender or any other manner, as well as from continuing with the Tender Exercise ("Ad-Interim Injunction"). The Ad-Interim Injunction is valid until the inter-parties hearing of the application for the interim injunction which have been fixed by the Court on 10 November 2009. On 10th November 2009 - Ad -Interim Injunction was given pending the "Inter-Parte" hearing of the summons in chambers and an injunction order to prevent the sale of the land by the Defendants, his agents, or his nominee and further to prevent the defendant, his agents, his nominee from continuing his tender exercise to sell the said land by tender.

On 14 December 2009 the Court had granted Order in Terms of PJSB's application for injunction (the "Order") whereupon Permata has been granted an injunction to: -

- (a) stop and / or restrain BJD whether by themselves or by their servants and/or agents and/or other persons besides themselves with immediate effect from disposing the Property to any party vide a tender and / or in any other manner until the completion of the trial of this legal suit filed against BJD for specific performance of the sale and purchase transaction vide the sale and purchase agreement dated 2 March 2009 ("SPA");
- (b) stop and / or restrain BJD whether by themselves or by their servants and/or agents and/or other persons besides themselves with immediate effect from continuing with the tender exercise for the purpose of selling the Property to a third party; and
- (c) compel BJD whether by themselves or by their servants and/or agents and/or other persons besides themselves to perform its obligation by complying with the condition precedent as contained in clause 3.02 (b) of the SPA specifically the condition precedent contained in clause 3.02 (b) (xii) of the SPA within 30 days from the date of the Order.

The Court had also awarded costs in favour of PJSB to be paid by BJD within 14 days from the date hereof.

On 9 February 2010, MPB had received the executed order of the Kuala Lumpur High Court ("Court") dated 19 January 2010 whereby the Court had granted a variation to the Order in Terms dated 14 December 2009 ("14 December 2009 Order") compelling BJD, whether by themselves or by their servants and/or agents and/or other persons besides themselves to comply with the condition precedent contained in clause 3.02(b)(xii) of the sale and purchase agreement dated 2 March 2009, from 30 days from the date of the 14 December 2009 Order to 90 days from the date of the 14 December 2009 Order with the condition that BJD files an affidavit on or before 22 January 2010 affirming that BJD would not increase or decrease its paid-up share capital from 19 January 2010 until the extraordinary general meeting to be held on 19 March 2010 for the voting on the resolution by the members of BJD on the proposed disposal of the parcel of freehold land held under Geran 55268, Lot 38476 in the Mukim of Petaling, District of Kuala Lumpur and State of Wilayah Persekutuan.

Cost of the application was ordered to be costs in the cause.

- (c) On 23 March 2009, Magna Prima Berhad announced that its subsidiary, Twinicon (M) Sdn Bhd had entered into a conditional sale and purchase agreement with Lai Meng Girls' School Association for the proposed acquisition of all pieces of land measuring an aggregate area of approximately 10,587.50 square meters held under Geran 4628, 4629, 4630, 4631 and 4632, Lots 124, 125, 126, 127 and 128 all in Section 44, Town and District of Kuala Lumpur, Negeri Wilayah Persekutuan together with the buildings erected thereon for a cash consideration of RM148,151,380 ("Proposed Acquisition").

The Proposed Acquisition is pending for shareholders' approval and was approved by the Foreign Investment Committee on 15 May 2009.

On 10 December 2009, Magna Prima Berhad announced that the Proposed Lai Meng Acquisition is conditional upon Twinicon (M) Sdn Bhd causing the transfer of all the freehold land measuring 22,280 square metres held under Geran 55267, Lot 38474, Mukim Petaling, District Kuala Lumpur, Negeri Wilayah Persekutuan (the "Property") from the Property's proprietor in LMGSA's favour free from all encumbrances, for the purpose of relocating the existing Lai Meng Primary School and Lai Meng Kindergarten currently located at the Lai Meng Property to the Property. Magna Prima Berhad also announced that Twinicon (M) Sdn Bhd had, on the same day, entered into a sale and purchase agreement with Santari Sdn Bhd for the proposed acquisition of the Property, for a cash consideration of RM10,700,000.

On 16 December 2009 Magna Prima Berhad had announced that Twinicon (M) Sdn Bhd and the Vendor, Lai Meng Girls' School Association, have mutually agreed to an extension of time of three (3) months until 22 March 2010 for the following:

- to cause Geran 55267, Lot 38474, Mukim of Petaling, District of Kuala Lumpur, Negeri Wilayah Persekutuan ("Land") to be transferred to the Vendor; and
- to obtain the approval of the State Education Authority or any authority authorised by it for such purpose to relocate the Existing School currently located at the Said Property to the Land.

- (d) On 15 July 2009, Magna Prima Berhad announced that its subsidiary, Monetary Icon (M) Sdn. Bhd. had entered into a conditional sale and purchase agreement with Seri Dinar Project Development Sdn Bhd for the proposed acquisition of one (1) parcel of freehold land measuring approximately 5.56 acres held under Lot No. 3587 in Mukim 899, Mukim Batu, District of Gombak, Selangor and all those parcels of leasehold land measuring in aggregate approximately 16.78 acres comprising Lot Nos. 1964, 1965, 1966, 3592, 3593, 3594, 3595 and 3601 within Selayang, district of Gombak, Selangor for a total cash consideration of RM40,532,641 ("Proposed Acquisition").

The Proposed Acquisition is pending for shareholders' approval.

On 4 January 2010 Magna Prima Berhad had announced that Monetary Icon (M) Sdn Bhd and Sri Dinar Project Development Sdn Bhd have both mutually agreed to an extension of time up to end-February 2010 to comply with the Conditions Precedent in accordance to Section 3.02 of the SPA.

- (e) On 4 September 2009, Magna Prima Berhad announced that its subsidiary, 33 Sentral Park Sdn Bhd had entered into a sale and purchase agreement with Petaling Garden Sdn Bhd to acquire all the piece of land held under H.S.(D) 16678 PT 320 Mukim Kuala Lumpur, Daerah Petaling, Negeri Selangor measuring approximately 16,790.363 square metres / 180,736 square feet in area and all the piece of land held under H.S.(D) 16679 PT 321 Mukim Kuala Lumpur, Daerah Petaling, Negeri Selangor measuring approximately 11,358.000 square metres / 122,260 square feet in area together with a row of fifteen (15) single storey lock-up shops erected thereon and each of the shop(s) bearing postal address(es) of No.1 to No.15 respectively at Jalan 5/44, Petaling Garden 46000, Petaling Jaya, Selangor for an aggregate cash consideration of RM48,479,360 ("Proposed Acquisition").

The Proposed Acquisition was approved by Shareholders on 29 January 2010 and was approved by the Economic Planning Unit, Prime Minister's Department ("EPU") on 26 October 2009 under the Guideline on the Acquisition of Properties issued by the EPU.

- (f) On 14 October 2009, Magna Prima Berhad announced that its subsidiary, Crossborder Team (M) Sdn. Bhd. had entered into a conditional sale and purchase agreement with Muafakat Kekal Sdn Bhd for the proposed acquisition of a piece of leasehold land held under title no. PM 2780, Lot 2466, Town of Selayang, District of Gombak, Selangor Darul Ehsan for a total cash consideration of RM16,500,000 to be satisfied by the issuance of 8,250,000 new ordinary shares of RM1.00 each in Magna Prima Berhad ("MPB Share") at an issue price of RM2.00 per MPB Share ("Proposed Acquisition").

Magna Prima Berhad announced on 23 October 2009 that the Company proposes to undertake a share split exercise involving the subdivision into four (4) new ordinary shares of RM0.25 each ("Subdivided Shares") for every one (1) existing MPB Share held by the shareholders of MPB ("Proposed Share Split"). Since the Proposed Share Split has been approved by Bursa Malaysia Securities Berhad (vide its letter dated 30 November 2009), the Board expects to implement the Proposed Share Split prior to the completion of the Proposed Selayang Land Acquisition.

On 1 December 2009 the listing application for the new MPB Shares to be issued pursuant to the Proposed Selayang Land Acquisition has been submitted to Bursa Malaysia Securities Berhad.

On 7 December 2009, Magna Prima Berhad clarified that under the terms of the sale and purchase agreement for the Proposed Selayang Land Acquisition, in the event at any time before the completion of the Proposed Selayang Land Acquisition where MPB undertakes any exercise to alter the par value of the MPB Shares by reason of consolidation or sub-division or undertakes a bonus issue or rights issue of new MPB shares, the number of new MPB shares to be issued shall be adjusted to an amount equivalent to the purchase consideration of the Proposed Selayang Land Acquisition. In such an event, the number of shares to be issued pursuant to the Proposed Selayang Land Acquisition will be adjusted from 8,250,000 new MPB Shares to 33,000,000 new Subdivided Shares.

On 20 January 2010, the Company has completed its share split exercise involving the subdivision into four (4) new ordinary shares of RM0.25 each ("Subdivided Shares") for every one (1) existing MPB Share held by the shareholders of MPB ("Share Split").

Resulting thereto and in accordance with the terms of the sale and purchase agreement on the Proposed Selayang Land Acquisition, the Vendor and the Purchaser have on 20 January 2010 mutually agreed in writing that the number of shares to be issued pursuant to the Proposed Selayang Land Acquisition will be adjusted from 8,250,000 new MPB Shares at an issue price of RM2.00 per share to 33,000,000 new Subdivided Shares at an issue price of RM0.50 per share.

The Proposed Acquisition is pending for shareholders' approval.

- (g) On 23 October 2009 Magna Prima Berhad announced that the Company proposes to undertake the following:
- (i) a share split exercise whereby every one (1) ordinary share of RM1.00 each in MPB will be divided into four (4) new ordinary shares of RM0.25 each in the Company ("Proposed Share Split");
 - (ii) the amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Share Split ("Proposed Amendments"); and
 - (iii) to seek MPB shareholders' approval for the authority to purchase and/or hold its own shares of an aggregate amount of up to 10% of MPB's prevailing issued and paid-up share capital at any time ("Proposed Share Buy-Back").

The Proposed Share Split, Proposed Amendments and Proposed Share Buy-Back are collectively referred to as "the Proposals".

On 2 December 2010, Magna Prima Berhad announced that on 30 November 2009, Bursa Malaysia Securities Berhad had approved the Proposed Share Split and the listing of up to 86,245,956 additional warrants arising from the adjustment to the number of outstanding warrants pursuant to the Proposed Share Split.

On 4 January 2010, all the resolutions relating to the Proposals have been approved by the shareholders.

On 19 January 2010, Magna Prima Berhad announced that 213,836,984 Subdivided Shares pursuant to the Share Split have been issued and credited to the shareholders of MPB whose names appear in the Record of Depositors for ordinary shares as at the close of business at 5.00 p.m. on 19 January 2010 ("Entitlement Date"). The Subdivided Shares will be listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 20 January 2010.

Further, 86,245,956 new Warrants pursuant to the Adjustments have been issued and credited to the Warrantheolders whose names appear in the Record of Depositors for Warrants as at the Entitlement Date. The new Warrants will be listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 20 January 2010. In accordance with the Deed Poll, the exercise price of the Warrants will be adjusted from RM1.50 per Warrant to RM0.37 per Warrant pursuant to the Adjustments.

The issued and paid-up share capital of MPB as at 19 January 2010 is RM53,459,246 comprising 213,836,984 Subdivided Shares.

B9 Group Borrowings

Details of Group borrowings as at 31 December 2009 are as follows:

Secured	RM'000
Bank borrowings	
- within 12 months	27,831
- after 12 months	10,448
Total	<u>38,279</u>

There are no borrowings in foreign currency.

B10 Details of Financial Instruments with Off Balance Sheet Risks

There is no off-balance sheet risk envisaged as at the date of this report that might materially affect the Group's business position.

B11 Changes and Details of Pending Material Litigation

- i) A police report was lodged by Ng Yak Hee, a director of Magna Prima Berhad ("Company"), on 23 October 2000 stating that a sum of RM22,100,000 was withdrawn from the bank accounts of two (2) subsidiary companies, namely Magna Prima Construction Sdn Bhd ("MPC") and Dunia Epik Sdn Bhd ("DE"), on 16 October 2000 without proper authorisation.
- ii) On 1 November 2000, the Company, together with MPC and DE as joint Plaintiffs (collectively known as "the Plaintiffs"), instituted a civil suit no.: D6-22-2039-2000 ("1st Suit") in the High Court of Kuala Lumpur ("Court") against Top Green Entity Sdn Bhd ("Top Green") and six (6) other individuals namely Lim Kee Peng, Chiang Yee Hong, Tang Chee Meng, Goh Hock Choy, Ser Cheng Chong and Goh Chiang Fein (collectively known with Top Green as "the Original Defendants"), for certain injunctive relief restraining the Defendants, amongst others, from disposing of their assets within the jurisdiction of the Court and for the recovery of the abovesaid sum of RM22,100,000. On 2 November 2000, the Court granted an ex-parte Injunction Order against the Original Defendants.

- iii) Top Green did not enter appearance in the 1st Suit. On 13 February 2001, the Plaintiffs entered judgment in default of appearance against Top Green in the 1st Suit. Subsequently, on 27 August 2002, the Plaintiffs obtained a charge over 200,000 ordinary shares of RM1.00 each in the Company ("Magna Shares") held by Top Green. On 28 November 2003, the Plaintiffs instituted a new suit no.: D6-24-323-2003 ("3rd Suit") in Court for the 200,000 Magna Shares held by Top Green and, on 12 March 2004, the Court granted in favour of the Plaintiffs an order for sale and transfer of the 200,000 Magna Shares. The said order was served on the then Malaysian Central Depository Sdn Bhd (now known as Bursa Malaysia Depository Sdn Bhd) and the said 200,000 Magna Shares were duly transferred on 10 May 2004 from Top Green to the CDS account of MPC, except for matters concerning suit no. D6-24-323-2003 ("3rd Suit") which we do not have any cause papers, the remaining details are in order.
- iv) The Plaintiffs, on 2 April 2002, instituted a new suit no.: D3-22-488-2002 ("2nd Suit") in Court for the relief and, amongst others, the recovery of the abovesaid sum of RM22,100,000 against Chiang Yee Hong, a former director of MPC and DE. Chiang Yee Hong did not enter appearance in the 2nd Suit. The Plaintiffs thereafter successfully entered a judgment in default of appearance against Chiang Yee Hong on 13 November 2003.
- v) A stockbroking company, Kuala Lumpur City Securities Sdn Bhd ("KLCS"), being a party interested in 150,000 and 155,000 Magna Shares held by Chiang Yee Hong and Tang Chee Meng respectively, both of whom were former directors of MPC and DE, via a legal charge, was allowed by the Court to intervene in the 1st Suit on 5 April 2003. Subsequently, KLCS filed an application ("KLCS's Application") in Court for an order to vary or set aside the injunctive order obtained by the Plaintiffs so that KLCS can exercise its rights under the abovesaid charge. A consent order was entered between the Plaintiffs and KLCS on 4 November 2003 wherein KLCS was allowed to exercise its rights to sell the abovesaid shares held by Chiang Yee Hong and Tang Chee Meng to recover money owing to KLCS.
- vi) The Plaintiffs applied on 10 April 2001 in the 1st Suit to trace the RM22,100,000 which was withdrawn from the accounts of the 2nd Plaintiff and 3rd Plaintiff. A consent judgment dated 21 May 2001 was entered into between the Plaintiffs and Bumiputra-Commerce Bank Berhad whereby the Plaintiffs are allowed amongst others to trace the flow of the RM22,100,000 so as to identify the recipients of the monies.
- vii) Since Judgment in Default had been granted against Chiang Yee Hong and in light of KLCS's Application, the Plaintiffs, on 11 December 2003, proceeded to file an application in respect of the 2nd Suit to garnish any moneys refundable by KLCS to Chiang Yee Hong after KLCS had recovered moneys owing by Chiang Yee Hong to KLCS. KLCS subsequently sold a part of the 150,000 Magna Shares and recovered money owing by Chiang Yee Hong to KLCS. On 25 May 2004, the Court subsequently allowed the Plaintiffs to garnish the moneys refundable by KLCS to Chiang Yee Hong. Nonetheless, the sum garnished was only RM1,602.10.
- viii) After KLCS had recovered the monies due and owing to them, there were 64,000 Magna Shares still held by Chiang Yee Hong. The Plaintiffs applied on 25 May 2004 to obtain a charge over the said 64,000 Magna Shares, On 28 June 2004, the Court granted Charging Order Nisi and subsequently on 3 August 2004, the Court granted Charging Order Absolute over the said 64,000 Magna shares.
- ix) Subsequently, the Plaintiffs discovered that there were 69,000 Magna Shares held by Top Green but currently pledged to Affin Nominees (Tempatan) Sdn Bhd ("Affin Nominees") and thus filed an application on 10 June 2004 to obtain a charge over the 69,000 Magna Shares. On 6 July 2004, the Charging Order Nisi was granted. On 5 November 2004, the Court granted Charging Order Absolute in respect of the said 69,000 Magna Shares.
- x) On 16 March 2004, the Court in the 1st Suit allowed the Plaintiff to amend the writ of summons and statement of claim, primarily to include three (3) new defendants: Amsteel Equity Capital Sdn Bhd, Konasegaran a/l Koothayan and Ee Beng Guan in the 1st Suit. On 6 July 2004, the Court allowed the Plaintiffs to amend the name Konasegaran a/l Koothayan to read as Konasagaran a/l Koothayan. The re-amended writ and statement of claim were extracted on 29 July 2004 and the extracted on 29 July 2004 and had been duly served on the respective defendants.
- xi) On 23 February 2005, the Plaintiffs having obtained a charging order over 69,000 Magna Shares in the 1st Suit instituted a new action by way of an originating summons no: D7-24-63-2005 ("the 4th Suit") in Court to apply for an order for sale of the 69,000 Magna Shares held by Top Green but pledged to Affin Nominees. Top Green did not enter appearance in the 4th Suit. On 28 September 2005, the Court ordered and with the consent of Affin Nominees (who entered into a consent judgment with the Plaintiffs in the 4th Suit) that the Plaintiffs be allowed to transfer of the 69,000 Magna Shares to the CDS account of MPC and subsequently to sell the same.
- xii) On 23 February 2005, the Plaintiffs, having obtained a charging order over the said 64,000 Magna Shares in the 2nd Suit, instituted a new action by way of an originating summons no: D5-24-64-2005 ("the 5th Suit") in Court to apply for an order for the sale of the 64,000 Magna Shares held by Chiang Yee Hong but pledged to Kuala Lumpur City Nominees (Tempatan) Sdn Bhd ("KLCN"). Subsequent to filing of the 5th Suit, it was discovered that Chiang Yee Hong had been made a bankrupt. As such all assets of Chiang Yee Hong vests in the Director General of Insolvency ("DG"). Accordingly, the Plaintiffs must first apply for leave from the court which made Chiang Yee Hong a bankrupt ("Bankruptcy Court") before proceeding with the hearing of the 5th Suit. The hearing of the application for the sale of the said 64,000 Magna Shares is now fixed on 28 August 2006 pending approvals of the DG and the creditors of Chiang Yee Hong in the relation to the proposed sale of 64,000 Magna Share by the Plaintiffs and the subsequent approval of the application to the Bankruptcy Court. The Plaintiffs have given instructions on 18 May 2006 to withdraw the 5th Suit.
- xiii) Pursuant to the consent judgment dated 21 May 2001, the Plaintiffs' solicitors had on 22 June 2004, applied for and the Court granted an order ordering both Nor Suhamine Bin Gusti and Tan Chow Poo, who were former officers of Bumiputra-Commerce Bank Berhad to appear in Court to be cross examined by the Plaintiffs' solicitors. The said cross examination of Tan Chow Poo was completed on 10 May 2005. Nor Suhamine bin Gusti was not cross-examined by the Plaintiffs' solicitors.

- xiv) On 16 September 2005, the Plaintiffs filed an application in the 1st Suit to amend the re-amended writ of summons and statement of claim to include five (5) new defendants: Bumiputra-Commerce Bank Berhad, Tan Chow Poo, Chok Chew Lan, Tsunami Capital Sdn Bhd and Schwab & Co Sdn Bhd. On 24 October 2005, the Court allowed the Plaintiff to amend the re-amended writ of summons and statement of claim to include the said five (5) new defendants.
- xv) As at 14 February 2006, the Plaintiffs have served the re-amended writ of summons and statements of claims on all the defendants. Bumiputra-Commerce Bank Berhad, Tan Chow Poo, Chok Chew Lan and Tsunami Capital Sdn Bhd are presently represented by their respective solicitors and have entered appearance in the 1st Suit. The Plaintiffs have served the re-amended writ of summons and statement at the both registered and business address of Schwab & Co Sdn. Bhd. as appearing in the official search report produced by the Companies Commission of Malaysia but it appears the Schwab & Co Sdn. Bhd. has moved from those addresses. The Plaintiffs would attempt to enter the judgment against the Schwab & Co Sdn. Bhd. as soon as possible.
- xvi) Lim Kee Peng, the 2nd Defendant had been adjudicated a bankrupt by way of the Adjudicating and Receiving Orders dated 22 November 2006 through a bankruptcy petition no.: 29-2404-2002 filed in the High Court of Shah Alam.
- xvii) Settlement Agreement (SA) dated 10 September 2008 has been signed between the Company, MPC, DE and Tang Chee Meng the 4th Defendant for the purpose of transferring the said shares. As at 13 May 2009, 953,000 shares belonging to the 4th Defendant have been transferred to the Company to hold in trust on behalf of MPC & DE.

Filed "Notice of Discontinuance against Mr. Tang Chee Meng who was the 4th Defendant in the Suit on 16 June 2009.

Withdrawn the Suit against the 8th, 9th, 10th, 13th and 15th Defendants on 29 June 2009.

During the previous case management ("CM") on 23 July 2009, the Court has :-

a) directed parties to file the Statement of Agreed Facts ("Facts") and Issues To Be Tried ("Issues") within one month from CM. In this regard, the Plaintiffs had served the Facts and Issues to the solicitors of the 5th, 11th, and 12th Defendants respectively for their approval to enable filing of the same; and

b) fixed 14 and 15 December 2009 for trial of the Suit. However, the aforesaid trial dates may be changed as the 5th Defendant's solicitors have recently informed that the 5th Defendant's counsel will be away during that period.

In connection thereto, we wish to inform that the Company had written off RM22,100,000 arising from the abovementioned case and is shown as an exceptional item in the consolidated accounts for 31 December 2000 of the Group.

The plaintiff has withdrawn civil proceedings against the 5th, 11th, and 12th Defendants as advised by their solicitors.

During the case management on 14 October 2009, the date of trial was fixed.

MPB has discontinued the suit only against Bumiputra Commerce Bank Berhad (the 11th Defendant).

B12 Dividend proposed

A proposed final single tier exempt dividend of 1 sen per share at par value of RM0.25 per share (2008: single tier exempt dividend of 5 sen per share at par value of RM1.00 per share) has been recommended for the financial year ended 31 December 2009 subject to shareholders' approval at the forthcoming Annual General Meeting.

B13 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 parent for the year by the weighted average number of ordinary shares in issue.

	3 months ended		Year ended	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Net profit attributable to ordinary equity holders of the parent (RM'000)	244	12,189	6,626	26,888
Weighted average number of ordinary shares in issue ('000)	53,459	53,459	53,459	53,015
Basic EPS (sen)	0.46	22.80	12.39	50.72

(b) Diluted EPS

The diluted earnings per share has been calculated by dividing the Group's net profit attributable to ordinary equity holders of the parent for the period by the weighted average number of ordinary shares that would have been in issue upon full exercise of the remaining Option under Warrants, adjusted for the number of such ordinary shares that would have been issued at fair value.

	3 months ended		Year ended	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Net profit attributable to ordinary equity holders of the parent (RM'000)	244	12,189	6,626	26,888
Weighted average number of ordinary shares in issue ('000)	53,459	53,459	53,459	53,015
Effect of dilution ('000)	9,493	11,790	7,187	12,811
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	62,952	65,249	60,646	65,826
Diluted EPS (sen)	0.39	18.68	10.93	40.85

BY ORDER OF THE BOARD

Magna Prima Berhad
 Yuen Yoke Ping (MAICSA 7014044)

Secretary

Petaling Jaya
 24 February 2010