

MAGNA PRIMA BERHAD

Company No.: 369519-P

(Incorporated in Malaysia)

Interim Financial Statements

30 September 2010

MAGNA PRIMA BERHAD

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(Incorporated in Malaysia)**

Interim Financial Statements - 30 September 2010

	Page No.
Condensed Consolidated Statement Of Financial Position	1
Condensed Consolidated Statement Of 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 - 12

MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 September 2010

(The figures have not been audited)

	AS AT 30-09-2010 RM'000 (UNAUDITED)	AS AT 31-12-2009 RM'000 (AUDITED & RESTATED)
ASSETS		
Non-Current Assets		
Property, plant and equipment	2,095	3,113
Other Investments	-	235
Land held for property development	6,087	6,059
Goodwill on consolidation	3,269	3,269
Deferred tax assets	4,301	2,953
	<u>15,752</u>	<u>15,629</u>
Current Assets		
Inventories	10,918	7,361
Property development costs	236,121	109,306
Amount owing by customers on contracts	52,588	60,022
Trade receivables	32,211	26,836
Accrued billings	25,294	57,181
Other receivables	32,920	59,715
Tax recoverable	44	43
Cash held under Housing Development Accounts	2,380	3,705
Fixed deposits with licensed banks	2,102	1,026
Cash and bank balances	7,047	20,447
	<u>401,625</u>	<u>345,642</u>
TOTAL ASSETS	<u>417,377</u>	<u>361,271</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	61,775	53,459
Share premium	18,822	10,521
Other reserves	6,481	6,499
Retained profits	40,371	47,753
	<u>127,449</u>	<u>118,232</u>
Non-controlling interests	3,104	3,038
TOTAL EQUITY	<u>130,553</u>	<u>121,270</u>
Non-Current Liabilities		
Hire purchase payables	364	865
Bank borrowings	39,750	10,484
Deferred tax liabilities	68	70
	<u>40,182</u>	<u>11,419</u>
Current Liabilities		
Amount owing to customers on contracts	2,134	1,837
Trade payables	187,811	157,727
Progress billings	845	-
Other payables	18,101	15,007
Hire purchase payables	226	396
Bank borrowings	16,257	26,535
Current tax liabilities	21,268	27,080
	<u>246,642</u>	<u>228,582</u>
TOTAL LIABILITIES	286,824	240,001
TOTAL EQUITY AND LIABILITIES	<u>417,377</u>	<u>361,271</u>
Net assets per share at par value of RM0.25 each attributable to Owners of the Company (RM)	<u>0.52</u>	<u>0.55</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 COMPREHENSIVE INCOME

For the financial period-to-date ended 30 September 2010

(The figures have not been audited)

	3 months ended		9 months ended	
	30-09-2010 RM'000	30-09-2009 RM'000	30-09-2010 RM'000	30-09-2009 RM'000
Revenue	34,492	45,305	83,358	179,283
Cost of sales	(30,888)	(41,184)	(66,876)	(142,731)
Gross profit	3,604	4,121	16,482	36,552
Other operating income	473	1,187	997	2,443
Selling and distribution expenses	(511)	(535)	(1,619)	(4,888)
Administration expenses	(3,678)	(3,686)	(10,712)	(13,543)
Other operating expenses	(4,663)	(1,696)	(6,640)	(7,543)
	(4,775)	(609)	(1,492)	13,021
Finance costs	(270)	(1,104)	(1,167)	(2,823)
Profit / (loss) before taxation	(5,045)	(1,713)	(2,659)	10,198
Taxation	(904)	(918)	(2,186)	(3,872)
Profit / (loss) for the period	(5,949)	(2,631)	(4,845)	6,326
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(5,949)	(2,631)	(4,845)	6,326
Profit / (loss) attributable to:				
Owners of the Company	(5,476)	(2,137)	(4,445)	6,382
Non-controlling interests	(473)	(494)	(400)	(56)
	(5,949)	(2,631)	(4,845)	6,326
Total comprehensive income attributable to:				
Owners of the Company	(5,476)	(2,137)	(4,445)	6,382
Non-controlling interests	(473)	(494)	(400)	(56)
	(5,949)	(2,631)	(4,845)	6,326
Earnings per share attributable to Owners of the Company:		Restated		Restated
- Basic (sen)	(2.38)	(1.00)	(2.03)	2.98
- Diluted (sen)	(1.97)	(0.88)	(1.65)	2.67

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD

(Company No. 36519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2010

(The figures hereinafter are audited)

	Attributable to Owners of the Company					Non-controlling Interests	Total Equity
	Share capital	Share premium	Warrants reserve	Capital reserve	Retained profits		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2010	53,459	10,521	6,469	30	47,753	3,037	121,269
Profit / (loss) for the period	-	-	-	-	(4,445)	(400)	(4,845)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(4,445)	(400)	(4,845)
Issue of ordinary shares:	66	33	-	-	-	-	99
- pursuant to exercise of Warrants 2006/2011	8,250	8,250	-	-	-	-	16,500
- being consideration for land acquisition	-	-	(18)	-	-	-	-
Transfer of warrants reserve	-	-	-	-	(467)	467	-
Dilution arising from change in stake in subsidiary	-	-	-	-	-	-	-
Dividends for the year ended 31 Dec 2009	-	-	-	-	(2,470)	-	(2,470)
Balance as at 30 September 2010	61,775	18,822	6,451	30	40,371	3,104	130,553

	Attributable to Owners of the Company					Non-controlling Interests	Total Equity
	Share capital	Share premium	Warrants reserve	Capital reserve	Retained profits		
	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	2,994	117,273
Profit / (loss) for the period	-	-	-	-	6,382	(56)	6,326
Total comprehensive income for the period	-	-	-	-	6,382	(56)	6,326
Dividends for the year ended 31 Dec 2008	-	-	-	-	(2,673)	-	(2,673)
Balance as at 30 September 2009	53,459	10,521	6,469	30	47,509	2,938	120,926

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2010

(The figures have not been audited)

	9 months ended 30-09-2010 RM'000	9 months ended 30-09-2009 RM'000
Operating activities		
Profit / (loss) before taxation	(2,659)	10,198
Adjustment for:-		
Depreciation of property, plant and equipment	644	713
Allowance for doubtful debts	1,634	3,806
Bad debts written off	52	-
Gain on disposal of property, plant & equipment	(102)	(92)
Loss on disposal of property, plant & equipment	4	1
Property, plant & equipment written off	962	-
Loss on disposal of quoted investment	21	-
Allowance for liquidated & ascertained damages	664	3,865
Write-down in value of inventory	2,693	-
Interest income	(308)	(393)
Interest expense	1,167	2,823
Operating profit before changes in working capital	<u>4,772</u>	<u>20,921</u>
Changes in working capital		
Inventories	(6,250)	(4,724)
Property development costs	(110,343)	18,302
Amount owing by/to customers on contract	7,730	46,938
Trade receivables	(5,375)	31,386
Accrued billings	31,887	-
Other receivables	24,828	(26,457)
Trade payables	28,450	(50,101)
Progress billings	845	-
Other payables	77	(926)
	<u>(28,151)</u>	<u>14,418</u>
Net cash (used in)/generated from operations	(23,379)	35,339
Interest paid	(1,167)	(2,823)
Interest received	308	393
Tax paid	(7,049)	(9,020)
Net cash (used in)/generated from operating activities	<u>(31,287)</u>	<u>23,889</u>
Investing activities		
Purchase of property, plant and equipment	(38)	(170)
Proceeds from disposal of quoted investment	214	-
Proceeds from disposal of property, plant and equipment	511	225
Net cash generated from investing activities	<u>687</u>	<u>55</u>
Financing activities		
Dividend paid	(2,470)	(2,673)
Repayment of hire purchase liabilities	(671)	(626)
Repayment of bank borrowings	(25,633)	(40,486)
Drawdown of bank borrowings	44,000	10,000
Net proceeds from new shares issued	99	-
Net cash generated from/(used in) financing activities	<u>15,325</u>	<u>(33,785)</u>
Net change in cash & cash equivalents	(15,275)	(9,841)
Cash & cash equivalents at the beginning of the financial period	24,152	23,932
Cash & cash equivalents at the end of the financial period	8,877	14,091

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

	As at 30-09-2010 RM'000	As at 30-09-2009 RM'000
Cash and bank balances	7,047	6,098
Cash held under Housing Development Accounts	2,380	8,849
Fixed deposits with licensed banks	2,102	991
Bank overdrafts	(621)	(856)
	<u>10,908</u>	<u>15,082</u>
Less: Fixed deposits pledged with licensed banks	(2,031)	(991)
	<u>8,877</u>	<u>14,091</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 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 2009. 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 2009.

A2 Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2010.

On 1 January 2010, the Group adopted the following FRSs:-

FRSs, Amendments to FRSs and Interpretations

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards
Amendment to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 8	Operating Segments
Amendment to FRS 107	Statement of Cash Flows
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events after the Reporting Period
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 128	Investments in Associates
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendment to FRS 131	Interest in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 140	Investment Property
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Other than for the application of FRS 8, FRS 101, Amendment to FRS 117, and FRS 139, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

(a) FRS 8 : Operating Segments ("FRS 8")

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on the internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This standard does not have any impact on the financial position and results of the Group.

(b) FRS 101: Presentation of Financial Statements (Revised 2009) ("FRS 101")

A set of financial statements now consists of the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements. The statement of comprehensive income consists of profit or loss for the period and other comprehensive income.

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity *only* includes details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as *total* comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard. This standard does not have any impact on the financial position and results of the Group.

(c) Amendment to FRS 117: Leases ("FRS 117")

Prior to this amendment, the Group's leasehold lands were classified as Prepaid Lease Payments. The amended FRS 117 allows leasehold land which qualifies as a finance lease to be treated as Property, Plant & Equipment where the lease is long term, and Prepaid Lease Payments where the lease is short term. The Group treats lease terms of 50 years or more as long term finance leases. The remaining periods of the Group's long term leasehold lands range from 78 years to 86 years, and as such, the entire amount has been reclassified under Property, Plant & Equipment and measured as such retrospectively.

The effects on the comparative figures arising from the adoption of the Amendment to FRS 117 are as follows:-

Consolidated Statement of Financial Position			
	As previously reported	Effects on adoption of	As restated
	Year ended	Amendment	Year ended
	31-12-2009	to FRS 117	31-12-2009
	RM'000	RM'000	RM'000
Property, plant & equipment	2,874	239	3,113
Prepaid lease payments	239	(239)	-

(d) FRS 139: Financial Instruments - Recognition and Measurement ("FRS 139")

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 January 2010.

Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale ("AFS") financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial assets include cash and short-term deposits, loans and receivables and AFS investments.

Prior to 1 January 2010, loans and receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate ("EIR") method. Gains and losses arising from the de-recognition of the loans and receivables, EIR amortisation and impairment losses are recognised in the income statement.

Prior to 1 January 2010, AFS financial assets such as investments were accounted for at cost adjusted for amortisation of premium and accretion of discount less impairment or at the lower of cost and market value, determined on an aggregate basis. Under FRS 139, AFS financial asset is measured at fair value initially and subsequently with amortisation of premium with accretion of discount and other accrual of income recognised in income statement and with unrealised gains or losses recognised as other comprehensive income in the AFS reserve until the investment is de-recognised, at which time the cumulative gain or loss is recognised in the income statement or determined to be impaired, at which time the cumulative loss is recognised in the income statement and removed from the AFS reserve.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include trade and other payables, loans and borrowings, and are carried at amortised cost.

Impact on opening balances

The effects arising from the adoption of FRS 139 are as follows :-

	Balance as at	Effects of	Balance as at
	1 January 2010	adoption	1 January 2010
	as previously	of FRS 139	as restated
	reported	of FRS 139	as restated
	RM'000	RM'000	RM'000
Assets			
Other Investments	235	(235)	-
Available-for-sale investments	-	235	235

In accordance with the transitional provisions of FRS 139, the changes above are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the Condensed Consolidated Statement of Financial Position as at 1 January 2010.

The adoption of FRS 139 does not have any significant impact on the profit for the financial period-to-date.

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 127	Consolidated and Separate Financial Statements	1 July 2010
Amendment to FRS 1	Limited Exemption from Comparatives FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendment to FRS 1	Additional Exemptions for First-time Adopters	1 January 2011
Amendment to FRS 2	Share-based Payment	1 July 2010
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Amendment to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 July 2010
Amendment to FRS 138	Intangible Assets	1 July 2010
Amendment to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 14	Determining Whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012
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
IC Interpretation 18	Transfer of Assets from Customers	1 January 2011

A3 Auditors' Report For The Financial Year Ended 31 December 2009

The auditors' report on the financial statements for the financial year ended 31 December 2009 was not subject to any qualification.

A4 Seasonality 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 to-date under review.

A6 Material Changes In Estimates of Amounts

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

A7 Debts and Equity Securities

During the current financial period to-date ended 30 September 2010, the Company issued 262,000 ordinary shares of RM0.25 each for cash, pursuant to the exercise of MPB Warrants 2006/2011 at the exercise price of RM0.37 per ordinary share.

Further to the Company's subsidiary, Crossborder Team (M) Sdn Bhd's conditional sale and purchase agreement with Muafakat Kekal Sdn Bhd dated 14 October 2009 to acquire a piece of leasehold land held under title no. PM 2780, Lot 2466 ("Land Acquisition"), the Company issued 33,000,000 ordinary shares of RM0.25 each on 18 August 2010 being consideration for the said land acquisition.

Save for the above, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial period to-date.

A8 Dividends Paid

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

	Period to-date ended 30/09/2010 RM'000	Period to-date ended 30/09/2009 Restated RM'000
Final dividend for the year ended :	31 December 2009	31 December 2008
Approved and declared on	17 June 2010	11 June 2009
Date paid	15 September 2010	10 September 2009
Number of ordinary shares on which dividends were payable / paid	247,076.984	213,837
Amount per share (single-tier)	1.0 sen	1.25 sen
Net dividend paid	<u>2,471</u>	<u>2,673</u>

A9 Segmental Analysis

The Group's segmental report for the current financial period to-date is as follows:

	Property development RM'000	Construction & engineering RM'000	Trading RM'000	Non-reportable segments RM'000	Intersegment eliminations RM'000	Consolidated RM'000
<u>Period ended 30/09/2010 :</u>						
Segment Revenue:						
External customers	58,334	3,194	16,806	5,024	-	83,358
Intersegment revenue	-	65,711	4,027	5,880	(75,618)	-
Total revenue	58,334	68,905	20,833	10,904	(75,618)	83,358
Segment Results:						
Unallocated costs	6,772	5,846	674	7,318	(5,747)	14,863
Finance costs						(1,167)
Profit / (loss) before tax:						(2,659)
Segment Assets:						
Unallocated corporate assets	329,524	57,605	9,616	7,835	(2,999)	401,581
Total Assets:						15,796
						417,377
<u>Period ended 30/09/2009 :</u>						
Segment Revenue:						
External customers	131,365	29,817	17,024	1,077	-	179,283
Intersegment revenue	-	76,721	7,887	7,093	(91,701)	-
Total revenue	131,365	106,538	24,911	8,170	(91,701)	179,283
Segment Results:						
Unallocated costs	14,530	14,869	1,576	8,171	(7,482)	31,644
Finance costs						(18,643)
Profit / (loss) before tax:						(2,823)
						10,198
Segment Assets:						
Unallocated corporate assets	236,476	45,625	11,388	13,074	(3,333)	303,230
Total Assets:						6,081
						309,311

Geographical segments

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

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.

A.11 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 18 November 2010 being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim Financial Statements.

A.12 Changes in the Composition of the Group

On 21 April 2010, Magna Prima Berhad purchased from its subsidiary, Pembinaan Contamaju-Infocast Sdn Bhd ("PCI") seventy five thousand (75,000) ordinary shares for a total purchase consideration of Ringgit Malaysia Two only (RM2.00) which represent the remaining 10% of the entire paid-up capital of PCI and has agreed to purchase all the said Shares at the said price free from all charges, pledges, encumbrances and options and with all rights of whatsoever nature attaching thereto and ultimately own 100% the entire paid up capital of PCI.

Save for the abovementioned, there were no other changes in the composition of the Group during the current financial period to-date.

A.13 Contingent Assets and Contingent Liabilities

Details of contingent assets of the company are as follows :

Group	As at 30-09-2010 RM'000	As at 30-09-2009 RM'000
Settlement by defendant in a litigation matter by way of 4,088,000 ordinary shares at par value of RM0.25 per share :-		
- at market value	3,352	2,289
- at par	(1,022)	(1,022)
Inflow of economic benefit which is probable but not virtually certain	<u>2,330</u>	<u>1,267</u>

Details of contingent liabilities of the company are as follows :

Company	As at 30-09-2010 RM'000	As at 30-09-2009 RM'000
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	54,087	45,379
- Unsecured	-	246
Utilised portion of corporate guarantees given to trade creditors of subsidiary companies for credit facilities granted to subsidiary companies:		
- Unsecured	5,554	3,368
	<u>59,641</u>	<u>48,993</u>

A.14 Capital Commitment

Company	As at 30-09-2010 RM'000	As at 30-09-2009 RM'000
Approved and contracted for:		
- Purchase of property, plant and equipment	-	-
- Contractual obligation for development projects	153,561	19,029
	<u>153,561</u>	<u>19,029</u>

A.15 Significant Related Party Transaction

Company	As at 30-09-2010 RM'000	As at 30-09-2009 RM'000
Management fee received/receivable from subsidiary companies	5,880	7,093

B Bursa Malaysia Listing Requirements

B1 Review of Performance - Comparison with Previous Corresponding Quarter

With Magna Ville project already completed, U1 Shah Alam project was the only major contributor to the current quarter compared to 2 projects in the previous corresponding quarter. Revenue declined by 24% from RM45.3 million to RM34.5 million. For the current financial period to-date, the Group achieved a revenue of RM83.4 million, a decline of 54% compared to RM179.3 million for the financial period ended 30 September 2009.

Current quarter's gross profit declined by 13% to 3.6 million compared to the previous corresponding quarter due to reduced contribution post-completion of Magna Ville.

B2 Review of Performance - Comparison with Immediate Preceding Quarter

Apart from U1 Shah Alam, the lack of contribution from other major projects plus the incubation period for new launches resulted in a loss before tax of RM5.0 million for the Group, against a profit before tax of RM2.4 million for the immediate preceding quarter ended 30 June 2010.

One Sierra project has barely started with marginal profit recognition, but not enough to cover the Group's expenses which included an impairment of an unsold unit in Avare of RM2.7 million.

B3 Prospects for the Current Financial Year

The Board expects a better performance towards the final quarter of 2010. One Sierra, a mixed development project in Bandar Selayang launched this quarter has just begun its contribution. Taman Anggun Selayang in Bandar Selayang has also been launched in October 2010 to boost the Group's performance. Registration in early October 2010 for One Jalil project in Bukit Jalil has received a high level of interest among potential buyers seeking to lay a claim to one of the few remaining freehold land parcels in Bukit Jalil township. Both One Jalil and Alam D'16 project in Section 16 Shah Alam are slated to be launched in the 4th quarter of 2010.

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 Malaysian income tax charge is as follows:

	Period to-date ended 30-09-2010 RM'000	Period to-date ended 30-09-2009 RM'000
In respect of :		
- current year	1,149	845
- deferred taxation	(1,350)	4,849
	(201)	5,694
Under / (over) provision in prior years	2,387	(1,822)
	2,186	3,872

The effective tax rate of the Group for the financial period to-date ended 30 September 2010 was higher than the applicable statutory tax rate mainly due to certain expenses which were 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

For the period to-date under review, the Company disposed its entire investment of 500,000 shares in Mulpha Berhad. Details of the disposal are as follows:

	RM'000
Quoted investments, at cost as at 1 January 2010	235
Proceeds on disposal of shares in March 2010	<u>(214)</u>
Loss on disposal of quoted investments	<u>21</u>

B8 Corporate Proposals

The following are the status of the corporate proposals that have been announced by the Company but not completed as at 18 November 2010 (being the latest practicable date) which is not earlier than 7 days from the date of issuance of these Interim Financial Statements :-

- (a) On 2 November 2007, the Company's wholly-owned subsidiary, Magna City Development Sdn Bhd and Muafakat Baru Sdn Bhd entered into a sale and purchase agreement for the proposed acquisition of two parcels of freehold land measuring approximately 10.23 acres in Mukim Batu, Bangkong, District of Kuala Lumpur, Wilayah Persekutuan for a total cash consideration of RM57,930,444.

The agreement has yet to be completed pending payment of balance purchase price to the vendor.

- (b) On 23 March 2009, the Company's wholly-owned subsidiary, Twinicon (M) Sdn Bhd ("TSB") and Lai Meng Girls' School Association entered into a sale and purchase agreement for the proposed acquisition of 5 parcels of freehold land together with the buildings erected thereon, located in Section 44, Town and District of Kuala Lumpur, Wilayah Persekutuan for a cash consideration of RM148,151,380.

The agreement has yet to become unconditional pending fulfillment of the conditions subsequent under the agreement.

- (c) On 10 December 2009, TSB and Santari Sdn Bhd ("Santari") entered into a sale and purchase agreement for the proposed acquisition of a parcel of freehold land measuring 22,280 square metres in Mukim Petaling, District of Kuala Lumpur, Wilayah Persekutuan for a cash consideration of RM10,700,000.

As announced on 13 July 2010, Santari had agreed to extend the period for the completion of the agreement to expire on 9 January 2011.

- (d) On 15 July 2009, the Company's wholly-owned subsidiary, Monetary Icon (M) Sdn Bhd and Seri Dinar Project Development Sdn Bhd ("Seri Dinar") entered into a sale and purchase agreement for the proposed acquisition of a parcel of freehold land measuring approximately 5.56 acres and all those parcels of leasehold land measuring approximately 16.78 acres, located in Mukim Batu, Town of Selayang, District of Gombak, Selangor for a total cash consideration of RM40,532,641.

As announced on 30 June 2010, Seri Dinar had agreed to extend the period for the payment of the balance purchase price to expire on 10 December 2010.

B9 Group Borrowings

Details of Group borrowings as at 30 September 2010 are as follows:

Secured	RM'000
Bank borrowings	
- within 12 months	16,483
- after 12 months	40,114
Total	<u>56,597</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

Kuala Lumpur High Court Suit No.: D3-22-2039-2000 ("Suit")

Magna Prima Berhad ("MPB") & 2 Ors ("Plaintiffs") v Top Green Entity Sdn. Bhd. & 14 Ors. ("Defendants")

- (i) Sometime in 2000 the Plaintiffs proposed to carry out a corporate exercise ("Proposed Corporate Exercise") by, among others, selling some assets which belonged to Magna Prima Construction ("MPC") and Dunia Epik Sdn. Bhd. ("DESB") to third parties for an aggregate amount of RM22,100,000.00 ("Sum"). Mr. Goh Hock Choy ("the 5th Defendant") approached Mr. Yap Soon Huat ("YSH"), who was a director and one of MPB's substantial shareholders, and represented that he had the authority to act for certain parties interested in purchasing shares in MPB with the intention of taking over control of MPB. Negotiations were entered into between YSH and the 5th Defendant for the sale of MPB shares subject to terms and conditions determined by the 5th Defendant ("Sale of Shares"). Following the Sale of Shares, the Sum was paid into the Plaintiffs' Accounts in the following manner :-
- (a) RM16,684,300.00 into MPC's account; and
- (b) RM5,415,700.00 into DESB's account.
- (ii) On 16th October 2000 the Sum was withdrawn from MPC and DESB's accounts ("Withdrawal") without the knowledge and approval of the Plaintiffs. On 19th October 2000 Mr. Ng Yak Hee, a director of the Plaintiffs, lodged a police report concerning the Withdrawal.
- (iii) The Plaintiffs filed a Writ of Summons against the Defendants on 1st November 2000. As of 5th February 2010, the Plaintiffs have chosen to proceed only against the 5th Defendant and Tan Chow Poo, the 12th Defendant. The Suit has been fixed for the hearing of the 5th Defendant's Application to Strike out the Suit on 26th May 2010.
- (iv) The 5th Defendant's solicitor applied for an adjournment, and the matter had been adjourned to 5th July 2010.
- (v) On 5th July 2010, the 5th Defendant's application for striking out was dismissed with cost. The 5th Defendant has appealed to the Court of Appeal.
- (vi) On 7th July 2010, the Company's solicitor wrote to the High Court to seek the date of trial and case management date of the case. Pending reply from the High Court.

B12 Dividend proposed

There was no interim dividend proposed in the current quarter and the previous corresponding quarter.

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		Period to-date ended	
	30-09-2010	Restated 30-09-2009	30-09-2010	Restated 30-09-2009
Net profit / (loss) attributable to ordinary equity holders of the parent (RM'000)	(5,476)	(2,137)	(4,445)	6,382
Weighted average number of ordinary shares in issue ('000)	229,651	213,837	219,194	213,837
Basic EPS (sen)	(2.38)	(1.00)	(2.03)	2.98

(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		Period to-date ended	
	30-09-2010	Restated 30-09-2009	30-09-2010	Restated 30-09-2009
Net profit / (loss) attributable to ordinary equity holders of the parent (RM'000)	(5,476)	(2,137)	(4,445)	6,382
Weighted average number of ordinary shares in issue ('000)	229,651	213,837	219,194	213,837
Effects of dilution ('000)	47,782	27,972	49,961	24,934
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	277,433	241,809	269,155	238,771
Diluted EPS (sen)	(1.97)	(0.88)	(1.65)	2.67

BY ORDER OF THE BOARD

Magna Prima Berhad
 Yuen Yoke Ping (MAICSA 7014044)

Secretary

Petaling Jaya
 25 November 2010