



MAH SING GROUP BERHAD

Company No.: 230149-P

(Incorporated in Malaysia)

Interim Financial Report

31 March 2012

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	Page No.
Condensed Consolidated Statement Of Financial Position	1
Condensed Consolidated Income Statement	2
Condensed Consolidated Statement of Comprehensive Income	3
Condensed Consolidated Statement Of Changes In Equity	4
Condensed Consolidated Statement of Cash Flow	5 - 6
Notes To The Interim Financial Report	7 - 17

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2012

(The figures have not been audited)

	AS AT 31/3/2012 RM'000	(AUDITED) AS AT 31/12/2011 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	85,838	85,325
Prepaid lease payments	2,745	2,890
Investment properties	59,170	56,076
Land held for property development	71,869	71,869
Intangible assets	12,968	70
Deferred tax assets	28,266	27,457
	<u>260,856</u>	<u>243,687</u>
Current Assets		
Property development costs	1,628,251	1,536,097
Inventories	36,829	43,781
Trade and other receivables	532,715	355,570
Current tax assets	7,317	5,529
Deposits, cash and bank balances	581,156	665,717
	<u>2,786,268</u>	<u>2,606,694</u>
TOTAL ASSETS	<u>3,047,124</u>	<u>2,850,381</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	416,664	415,936
Share premium	132,776	131,101
Other reserves	29,940	29,348
Retained earnings	556,975	496,766
	<u>1,136,355</u>	<u>1,073,151</u>
Non-controlling interests	<u>15,047</u>	<u>15,338</u>
Total Equity	<u>1,151,402</u>	<u>1,088,489</u>
Non-current Liabilities		
Redeemable convertible bonds	272,739	268,298
Term loans	648,247	666,508
Long term and deferred payables	10,722	12,364
Deferred tax liabilities	21,956	6,888
	<u>953,664</u>	<u>954,058</u>
Current Liabilities		
Trade and other payables	871,364	736,237
Term loans	30,464	34,981
Short term borrowings	4,822	4,022
Bank overdrafts	-	150
Current tax liabilities	35,408	32,444
	<u>942,058</u>	<u>807,834</u>
Total Liabilities	<u>1,895,722</u>	<u>1,761,892</u>
TOTAL EQUITY AND LIABILITIES	<u>3,047,124</u>	<u>2,850,381</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>1.36</u>	<u>1.29</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED INCOME STATEMENT
For the financial period ended 31 March 2012*(The figures have not been audited)*

	3 months ended		Period ended	
	31/3/2012	31/3/2011	31/3/2012	31/3/2011
	RM'000	RM'000	RM'000	RM'000
Revenue	457,775	311,755	457,775	311,755
Cost of sales	(325,429)	(221,003)	(325,429)	(221,003)
Gross profit	132,346	90,752	132,346	90,752
Other income	4,959	1,663	4,959	1,663
Selling and marketing expenses	(16,923)	(8,101)	(16,923)	(8,101)
Administrative expenses	(27,437)	(18,820)	(27,437)	(18,820)
Other operating expenses	(9,542)	(7,168)	(9,542)	(7,168)
Interest income	1,253	149	1,253	149
Finance costs	(472)	(286)	(472)	(286)
Profit before taxation	84,184	58,189	84,184	58,189
Income tax expense	(24,207)	(16,285)	(24,207)	(16,285)
Profit for the period	59,977	41,904	59,977	41,904
Profit attributable to:				
Equity holders of the Company	59,920	41,168	59,920	41,168
Non-controlling interests	57	736	57	736
	59,977	41,904	59,977	41,904
Earnings per share attributable to equity holders of the Company:				
- Basic (sen) Note B12	7.20	4.95	7.20	4.95
- Diluted (sen) Note B12	7.10	4.85	7.10	4.85

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial period ended 31 March 2012

(The figures have not been audited)

	3 months ended		Year ended	
	31/3/2012	31/3/2011	31/3/2012	31/3/2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	59,977	41,904	59,977	41,904
Foreign currency translation difference for foreign operations	(917)	(1,175)	(917)	(1,175)
Total comprehensive income for the period	59,060	40,729	59,060	40,729
Total comprehensive income attributable to:				
Equity holders of the Company	59,351	39,900	59,351	39,900
Non-controlling interests	(291)	829	(291)	829
	59,060	40,729	59,060	40,729

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial period ended 31 March 2012
(The figures have not been audited)

	Attributable to equity holders of the Company								
	Non-Distributable				Distributable				
	Share capital	Share premium	Equity-settled employees benefit reserve	Exchange fluctuation reserve	Other reserve	Retained earnings	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
3 months ended 31 March 2012									
Balance at 1/1/2012	415,936	131,101	8,451	3,768	17,129	496,766	1,073,151	15,338	1,088,489
Amount recognised directly in equity:									
Profit for the financial period	-	-	-	-	-	59,920	59,920	57	59,977
Other comprehensive income	-	-	-	(569)	-	-	(569)	(348)	(917)
Total comprehensive income for the period	-	-	-	(569)	-	59,920	59,351	(291)	59,060
Recognition of share-based payment	-	-	1,450	-	-	-	1,450	-	1,450
Issuance of ordinary shares pursuant to ESOS exercised	728	1,675	(289)	-	-	289	2,403	-	2,403
Balance at 31/3/2012	416,664	132,776	9,612	3,199	17,129	556,975	1,136,355	15,047	1,151,402

	Attributable to equity holders of the Company								
	Non-Distributable				Distributable				
	Share capital	Share premium	Equity-settled employees benefit reserve	Exchange fluctuation reserve	Other reserve	Retained earnings	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
3 months ended 31 March 2011									
Balance at 1/1/2011	415,784	130,752	1,002	(4,222)	-	375,550	918,866	17,590	936,456
Amount recognised directly in equity:									
Profit for the financial period	-	-	-	-	-	41,168	41,168	736	41,904
Other comprehensive income	-	-	-	(1,268)	-	-	(1,268)	93	(1,175)
Total comprehensive income for the period	-	-	-	(1,268)	-	41,168	39,900	829	40,729
Recognition of share-based payment	-	-	2,464	-	-	-	2,464	-	2,464
Balance at 31/3/2011	415,784	130,752	3,466	(5,490)	-	416,718	961,230	18,419	979,649

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the financial period ended 31 March 2012

(The figures have not been audited)

	3 months ended 31/3/2012 RM'000	3 months ended 31/3/2011 RM'000
Operating Activities		
Profit before taxation	84,184	58,189
Adjustments for:		
Non-operating items	(2,947)	1,604
Non-cash items	5,278	5,200
Operating profit before changes in working capital	86,515	64,993
Net change in property development costs	2,913	(181,624)
Net change in inventories	6,927	(487)
Net change in receivables	(169,938)	(11,979)
Net change in payables	107,050	35,644
Cash generated from/(used in) operations	33,467	(93,453)
Interest received	1,552	505
Interest paid	(6,488)	(2,109)
Tax paid	(23,775)	(13,916)
Net cash generated from/(used in) operating activities	4,756	(108,973)
Investing Activities		
Payment for acquisition of property, plant and equipment	(4,254)	(1,533)
Proceeds from disposal of property, plant and equipment	103	4
Payment of balance of equity in a subsidiary	(5,000)	-
Additions to investment properties	(3,094)	-
Acquisition of investment in a subsidiary	(56,758)	-
Net cash used in investing activities	(69,003)	(1,529)
Financing Activities		
Proceeds from ESOS exercised	2,403	-
Net withdrawal of deposits with licensed banks as collateral/ Escrow Account	1,383	58,164
Net (repayment of)/ proceeds from borrowings	(22,308)	78,356
Net cash (used in)/generated from financing activities	(18,522)	136,520
Net changes in cash and cash equivalents	(82,769)	26,018
Effect of exchange rate changes	(259)	(959)
Cash and cash equivalents at beginning of financial period	634,215	246,479
Cash and cash equivalents at end of financial period	551,187	271,538

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**For the financial period ended 31 March 2012** (cont'd)*(The figures have not been audited)*

	3 months ended 31/3/2012 RM'000	3 months ended 31/3/2011 RM'000
Cash and cash equivalents at the end of the financial period comprise the following:		
Deposits with licensed banks	414,768	171,537
Cash and bank balances	166,388	103,931
	581,156	275,468
Less: Deposits pledged as collateral	(28,757)	-
Less: Deposits in Escrow Account	(1,212)	(3,930)
	551,187	271,538

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

A Explanatory Notes**A1 Basis of Preparation**

The interim financial report has been prepared in accordance with Financial Reporting Standard ("FRS") No. 134 : Interim Financial Reporting and applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2011. The explanatory notes attached to the interim financial report provides 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 2011.

The significant accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2011 save for the adoption of the following:

FRS 124 (revised)	Related Party Disclosures
Amendment to FRS 7	Financial Instruments: Disclosures - Transfers of Financial Assets
Amendment to FRS 112	Income Taxes - Deferred Tax : Recovery of Underlying Assets
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendment to IC Interpretation 14	Prepayments of a Minimum Funding Requirement

The adoption of the above revised FRSs, amendments to FRSs and Interpretations does not have any material impact on the financial statements of the Group.

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called "Transitioning Entities"). Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the new MFRS Framework by Transitioning Entities will be mandatory for annual period beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits. The Group is currently reviewing its accounting policies to assess financial effects of the differences between the current FRSs and accounting standards under the MFRS Framework.

A2 Seasonal or cyclical factors

The operations of the Group were not significantly affected by any seasonal or cyclical factors during the financial period under review.

A3 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the financial period under review.

A4 Changes in estimates

There were no material changes in estimates for the financial period under review.

A5 Debt and equity securities

For the financial period under review, there were no issuance and repayment of debt and equity securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares other than an increase in issued and paid up ordinary share capital from RM415,936,070 to RM416,664,120 by way of issuance of 1,456,100 new ordinary shares of RM0.50 each pursuant to exercise of employees share options.

A6 Dividends paid

No dividend was paid in the current financial period under review.

A7 Segment reporting

Period ended 31 March 2012

	Properties RM'000	Plastics RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
REVENUE					
External revenue	405,759	49,851	2,165	-	457,775
Inter-segment	-	-	10,330	(10,330)	-
Total revenue	405,759	49,851	12,495	(10,330)	457,775
RESULTS					
Operating profit	87,977	3,390	2,281	(10,245)	83,403
Interest income					1,253
Finance costs					(472)
Income tax					(24,207)
Profit for the period					59,977
OTHER INFORMATION					
Capital expenditure	900	3,377	22	-	4,299
Depreciation and amortisation	642	2,278	33	-	2,953

Period ended 31 March 2011

	Properties RM'000	Plastics RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
REVENUE					
External revenue	262,395	49,003	357	-	311,755
Inter-segment	-	-	16,080	(16,080)	-
Total revenue	<u>262,395</u>	<u>49,003</u>	<u>16,437</u>	<u>(16,080)</u>	<u>311,755</u>
RESULTS					
Operating profit	57,275	5,528	9,348	(13,825)	58,326
Interest income					149
Finance costs					(286)
Income tax					(16,285)
Profit for the period					<u>41,904</u>
OTHER INFORMATION					
Capital expenditure	326	1,155	52	-	1,533
Depreciation and amortisation	526	1,915	24	-	2,465

A8 Material subsequent events

Save as disclosed in B6, there were no material events subsequent to the balance sheet date up to 23 May 2012, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report.

A9 Significant Related Party Transactions

Transactions with directors of the Company and subsidiary companies and companies in which they have interests:

	01/01/2012 to 31/03/2012 RM'000
(i) Rental paid to a Company in which a Director has interest	306
(ii) Maintenance services rendered from a Company in which the Directors are family members of a Director of the Company	26
(iii) Sale of development property to a Director of subsidiary companies	<u>1,035</u>

A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the financial period except for the following:

- 1) On 13 January 2012, the Company acquired the entire issued and paid-up share capital of Reputable Housing Development Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up, for a cash consideration of RM2.00.
- 2) On 15 February 2012, the Company completed the acquisition of the entire issued and paid-up share capital of Semai Meranti Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each, of which 1,800,000 ordinary shares of RM1.00 each have been issued and fully paid-up, for a cash consideration of RM57,000,000.

A11 Changes in contingent liabilities or contingent assets

There were no contingent assets. Contingent liabilities of the Group are as follows:

	31/03/2012	31/12/2011
	RM'000	RM'000
Bank guarantees issued to third parties	3,923	6,200

A12 Capital Commitments

	31/3/2012
	RM'000
Contractual commitment in relation to:	
- Joint Venture Agreement for proposed joint development of land along Jalan Tun Razak	100,204
- Purchase of development lands in Rawang	36,851
- Joint Development Agreement for proposed joint development of land in Kota Kinabalu	38,000
Commitment for acquisition of property, plant and equipment	
- Approved and contracted	7,543
- Approved but not contracted	237
	<u>182,835</u>

A13 Operating Lease Commitments

As Lessee - for the lease of commercial buildings

The future operating lease commitments for rental of commercial buildings (net of lease rentals receivable from sublease) contracted for as at balance sheet date but not recognised as liabilities are as follows:

	<u>Lease rentals payable</u>		<u>Lease rentals receivable</u>		<u>Net</u>	
	31/03/2012	31/12/2011	31/03/2012	31/12/2011	31/03/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Less than one year	33,807	41,909	(14,986)	(14,404)	18,821	27,505
One to two years	6,250	10,624	(3,082)	(3,676)	3,168	6,948
	40,057	52,533	(18,068)	(18,080)	21,989	34,453
				Provision	(10,424)	(11,800)
					11,565	22,653

The operating lease commitments are in respect of leaseback of commercial buildings sold en-bloc ie **The Icon, Jalan Tun Razak** and the Corporate Building Block of **Southgate Commercial Centre** from the purchasers at 7% and 8% per annum of the respective buildings' sale considerations. The lease is for a period of 3 and 2 years from the commencement date as set out in the respective leaseback agreements. Leaseback for **The Icon, Jalan Tun Razak** shall expire by December 2012. Leaseback for the Corporate Building Block of **Southgate Commercial Centre** has commenced since September 2011 and shall expire by August 2013.

During the financial period, the Group has recognised in the income statement leaseback rental amounting to RM8.3 million (2011: RM7.2 million) and rental income from sublease amounting to RM3.8 million (2011: RM1.2 million). The Group has also made further provision of RM1.2 million (2011: Nil) for future lease commitments based on assessment of expected net outflows.

As Lessor - for the lease of investment properties

The Group leases out its investment properties. The future minimum lease receivable under non-cancellable leases are as follow:-

	<u>Lease rentals</u> <u>receivable</u> 31/03/2012 RM'000
Less than one year	466
One to two years	375
More than two years	39
	880

B Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1 Review of Group performance

The Group recorded strong revenue at RM457.8 million for the first quarter ended 31 March 2012. This represents 47% improvement compared to the same quarter last year. Net profit also improved 46% to RM59.9 million quarter-on-quarter (q-o-q).

The Group made good progress in land acquisitions/joint development with an impressive RM3.63 billion in new potential Gross Development Value ("GDV") from 3 land deals secured year-to-date.

Balance sheets remained strong, with high cash pile at RM581.1 million and net gearing at 0.33 as at 31 March 2012.

Properties

Revenue from property segment improved 55% q-o-q to RM405.8 million. The Group also achieved strong sales of slightly above RM1 billion as at 15 May 2012.

Projects that contributed to revenue and profit include **Kinrara Residence** in Puchong, **Garden Residence**, **Clover @ Garden Residence** and **Garden Plaza** in Cyberjaya, **Perdana Residence 2** in Selayang, **M-Suites and M-City** in Jalan Ampang, **One Legenda**, **Hijauan Residence** and **Bayu Sekamat** in Cheras, **Icon Residence** in Mont' Kiara, **Star Avenue @ D'sara**, **Icon City** in Petaling Jaya and **Aman Perdana** in Meru - Shah Alam. Commercial projects such as **Southgate Commercial Centre** in Sungai Besi, **StarParc Point** in Setapak and industrial projects, **i-Parc 1** and **i-Parc 3** in Bukit Jelutong, **i-Parc 2** in Shah Alam as well as projects in Penang Island, **Legenda @ Southbay** and in Johor Bahru, **Sierra Perdana**, **Sri Pulai Perdana 2** and **Austin Perdana** also contributed to the Group's performance.

There was no major fluctuation in gross margin compared to the same quarter last year.

On 21 May 2012, the Group announced its biggest township acquisition, the 412 acres **Southville City** in Bandar Baru Bangi with GDV estimated at RM2.15 billion. Encouraged by the strong take-up and to meet spillover demand from the 226 acres **M Residence** @ Rawang, the Group in February 2012, acquired the 157 acres **M Residence 2**, with GDV estimated at RM650 million.

In March 2012, the Group announced its first foray into East Malaysia with the proposed joint development of 4.26 acres and option for another 4.408 acres prime commercial land along the coastal highway in Kota Kinabalu's Cental Business District. Named **Sutera Avenue**, the project is estimated to have a combined GDV of RM830 million.

As at 31 March 2012 and adjusted to include **Southville City**, the Group's remaining undeveloped land was 1,531 acres and approximately RM18.2 billion in GDV and unbilled sales.

Plastics

Plastics segment continued to contribute positively to group revenue and profit. Revenue for the segment grew by 2% to RM49.9 million compared to RM49.0 million for the first quarter 2011.

Fluctuation in profit margin was mainly due to foreign exchange difference and minimum wage ruling in Indonesia.

Investment holding & Others

Revenue and profit for the segment comprise mainly of interest income from funds placement.

B2 Material change in quarterly results compared with the immediate preceding quarter

The Group's current quarter profit before taxation was 47% higher than the preceding quarter ended 31 December 2011. This was mainly attributable to improved margin from property development activities, a result of property mix. Profit in the preceding quarter was also affected by higher provision made for operating lease commitments.

B3 Prospects for the current financial year

Strong new sales and results for the first quarter, coupled with unbilled sales balances and strong balance sheet, means the Group is well-positioned to capitalise on the current market conditions.

The opportunistic acquisition of 412 acres **Southville City** and the combined 383 acres **M Residence** and **M Residence 2** @ Rawang complemented the Group's portfolio with mainly affordable homes priced below RM1 million to meet strong market demand for bread and butter properties.

We expect our award winning design and concept to attract strong responses to new product releases. Slated for launch later this year is **Mah Sing iParc** at Iskandar Johor Bahru. Also planned for preview is **Ferringhi Residence** in Penang island following the successful launch of **Southbay Plaza** in Southbay City. Proven record in execution speed and delivery continued to provide steady cash flows and liquidity.

The Group is confident of strong performance for 2012, given its fundamentals and quick turnaround expertise in unlocking value. Looking beyond immediate term, the Group's landbanking deals will drive further creation of longer term and sustainable earnings.

B4 Profit forecast

Not applicable as the Group has not issued profit forecast or profit guarantee in a public document.

B5 Income tax expense

	3 months ended		Period ended	
	31/3/2012	31/3/2011	31/3/2012	31/3/2011
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	24,690	17,654	24,690	17,654
Foreign tax	278	831	278	831
	24,968	18,485	24,968	18,485
Deferred taxation:				
Malaysian deferred tax	(761)	(2,200)	(761)	(2,200)
	24,207	16,285	24,207	16,285

The Group's effective tax rate for the current financial period was higher than the statutory tax rate of 25% mainly due to non-tax deductible expenses and non-recognition of deferred tax assets for certain temporary differences.

B6 Status of corporate proposals

The following corporate proposals announced by the Company have not been completed as at 23 May 2012 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report):

- 1) On 5 July 2010, the Company's wholly-owned subsidiary, Grand Prestige Development Sdn Bhd ("Grand Prestige") entered into a Joint Venture Agreement ("JVA") with Medan Damai Sdn Bhd ("Medan Damai") for the joint development of a piece of residential land in Kinrara with total gross area measuring approximately 13.2 acres (net aggregate area of 7.59 acres) in Mukim Petaling, Daerah Petaling, Negeri Selangor Darul Ehsan ("JV Land"). Under the terms of the JVA, Medan Damai shall grant Grand Prestige the exclusive rights to continue with the sales and development of the JV Land in return for an entitlement sum of RM35,403,863.85.
- 2) On 2 August 2011, the Company's wholly-owned subsidiary, Grand Pavilion Development Sdn Bhd ("Grand Pavilion") entered into a Joint Venture Agreement ("JVA") with Asie Sdn Bhd ("Asie") and Usaha Nusantara Sdn Bhd ("Usaha Nusantara"), a wholly-owned subsidiary of Asie, for the proposed joint development of a parcel of prime leasehold land situated along Jalan Tun Razak measuring approximately 4.08 acres ("JV Land"). Under the terms of the JVA, Usaha Nusantara shall grant Grand Pavilion the sole and absolute right to undertake the development of the JV Land for an entitlement of RM106.60 million to be settled 60% in cash (RM63.96 million) and 40% by way of issuance of shares in the share capital of Grand Pavilion.

As disclosed in Note B8, Grand Pavilion has instituted legal proceedings against Asie and Usaha Nusantara in the High Court of Malaya at Kuala Lumpur via Civil Suit No. 22NCVC-1228-12/2011.

- 3) On 29 February 2012, the Company's wholly-owned subsidiaries, Major Land Development Sdn Bhd and Elite Park Development Sdn Bhd entered into separate sale and purchase agreements with Vibrant Domain Sdn Bhd and Topaz Best Sdn Bhd for the proposed acquisition of 2 parcels of adjacent land measuring approximately 157 acres (63.4 hectares) in aggregate gross area in Bandar Kundang, Daerah Gombak, Negeri Selangor Darul Ehsan for a total cash consideration of RM40,945,914 or approximately RM6.00 per square foot.

The Proposed Acquisition became unconditional on 19 April 2012.

- 4) On 26 March 2012, the Company's wholly-owned subsidiary, Capitol Avenue Development Sdn Bhd ("Capitol Avenue") entered into a Joint Development Agreement ("Agreement") with Paduan Hebat Sdn Bhd ("Paduan Hebat") for the proposed joint development of a parcel of prime leasehold commercial land measuring approximately 4.26 acres ("Land") in Kota Kinabalu, Negeri Sabah. Under the terms of the Agreement, Paduan Hebat agrees with Capitol Avenue to jointly develop the Land for an entitlement of RM39 million or approximately RM210 per square foot.

Capitol Avenue is also granted an exclusive option to jointly develop with Paduan Hebat in respect of further two parcels of adjacent commercial land measuring approximately 4.408 acres at an entitlement price of RM216 per square foot or approximately RM41.5 million. The option is exercisable by Capitol Avenue within six months from the date of the Agreement.

- 5) On 21 May 2012, the Company's wholly-owned subsidiary, Tristar Acres Sdn Bhd ("Tristar") entered into a sale and purchase agreement with Boon Siew Development Sdn Bhd for the proposed acquisition of 8 parcels of adjacent freehold land with a total net area measuring approximately 408.243 acres ("Lands"), all located in Bandar Baru Bangi for a total cash consideration of RM330,765,010.49 or approximately RM18.60 per square foot.

On the same day, Tristar also entered into another sale and purchase agreement with Wong Hong Foi @ Ho Hea Sia for the purchase of a piece of leasehold land measuring approximately 4.122 acres located in Bandar Baru Bangi ("Leasehold Land"), for a total cash consideration of RM2,477,679.95. The Leasehold Land is contiguous with the Lands.

B7 Group borrowings

Total group borrowings as at 31 March 2012 were as follows:

<i>(Denominated in)</i>	Secured RM'000 (RM)	Secured RM'000 (Indonesian Rupiah)	Secured RM'000 (USD)	Total RM'000
Redeemable convertible bonds				
- after 12 months	272,739	-	-	272,739
Term loans payable				
- within 12 months	29,140	1,324	-	30,464
- after 12 months	640,309	7,938	-	648,247
	669,449	9,262	-	678,711
Short term borrowings	2,370	-	2,452	4,822
Finance lease and hire purchase				
- within 12 months	1,050	-	-	1,050
- after 12 months	2,279	-	-	2,279
	3,329	-	-	3,329
Total	947,887	9,262	2,452	959,601

B8 Material litigation

On 19 December 2011, Grand Pavilion Development Sdn Bhd ("Grand Pavilion"), a wholly-owned subsidiary of the Company instituted legal proceedings against Asie Sdn Bhd ("Asie") and Usaha Nusantara Sdn Bhd ("Usaha Nusantara") in the High Court of Malaya at Kuala Lumpur via Civil Suit No. 22NCVC-1228-12/2011 ("the Suit"). The Suit essentially claims for specific performance of a condition precedent stipulated in a Joint Venture Agreement dated 2 August 2011 entered into between Grand Pavilion, Asie and Usaha Nusantara. The Court has fixed trial dates on 28 May 2012 and 29 May 2012 respectively.

B9 Realised and unrealised earnings or losses disclosure

The retained earnings as at 31 March 2012 and 31 December 2011 were analysed as follows:

	31/3/2012 RM'000	31/12/2011 RM'000
Total retained earnings of the Group		
- Realised	548,323	498,520
- Unrealised	23,781	15,952
	572,104	514,472
Total share of accumulated losses from associated company		
- Realised	(73)	(73)
	572,031	514,399
Less: Consolidation adjustments	(15,056)	(17,633)
Total group retained earnings as per consolidated accounts	556,975	496,766

B10 Additional disclosures pursuant to para 16, Part A, Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements**3 months ended
31/03/2012
RM'000**

Depreciation and amortisation	(2,953)
Allowance for slow moving inventories	(25)
Reversal of impairment of property, plant and equipment	1
Net foreign exchange loss	<u>(3,752)</u>

Other than the items above which have been included in the income statement, there were no allowance for doubtful debts; gain/(loss) on disposal of quoted or unquoted investments; gain or loss on derivatives and exceptional items affecting results for the current financial period ended 31 March 2012.

B11 Dividend proposed

No dividend has been proposed for the first quarter ended 31 March 2012.

In respect of the previous financial year ended 31 December 2011:

- i) The Board of Directors has proposed a first and final dividend of 11.0 sen per ordinary share of RM0.50 each, less income tax of 25% (2010: 7.6 sen per ordinary share of RM0.50 each, less income tax of 25%) in respect of the financial year ended 31 December 2011, which is subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting.
- ii) The date payable of the dividend will be determined at a later date.
- iii) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at a date to be determined later.

B12 Earnings per share ("EPS")**(a) Basic EPS**

The basic earnings per share has been calculated by dividing the Group's net profit attributable to ordinary equity holders for the period by the weighted average number of ordinary shares in issue.

	3 months ended		Period ended	
	31/3/2012	31/3/2011	31/3/2012	31/3/2011
Net profit for the period (RM'000)	<u>59,920</u>	41,168	<u>59,920</u>	41,168
Weighted average number of ordinary shares in issue ('000)	832,204	831,569	832,204	831,569
Basic EPS (sen)	<u>7.20</u>	4.95	<u>7.20</u>	4.95

(b) Diluted EPS

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

	3 months ended		Period ended	
	31/3/2012	31/3/2011	31/3/2012	31/3/2011
Net profit for the period (RM'000)	59,920	41,168	59,920	41,168
Weighted average number of ordinary shares in issue ('000)	832,204	831,569	832,204	831,569
Weighted average number of ordinary shares deemed issued at no consideration ('000)				
ESOS	10,560	16,818	10,560	16,818
Bonds conversion	1,717	-	1,717	-
Adjusted weighted average number of ordinary shares ('000)	844,481	848,387	844,481	848,387
Diluted EPS (sen)	7.10	4.85	7.10	4.85

B13 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2011 was not subject to any qualification.

B14 Comparative figures

Comparative figures, where applicable, have been modified to conform to the current quarter presentation.

BY ORDER OF THE BOARD

YANG BAO LING
KUAN HUI FANG

Secretaries

Kuala Lumpur
28 May 2012