



# **MAH SING GROUP BERHAD**

Company No.: 230149-P

**(Incorporated in Malaysia)**

**Interim Financial Report**

**31 March 2014**

# **MAH SING GROUP BERHAD**

Company No.: 230149-P  
(Incorporated in Malaysia)

## **Interim Financial Report - 31 March 2014**

	<b>Page No.</b>
<b>Condensed Consolidated Statements Of Financial Position</b>	<b>1</b>
<b>Condensed Consolidated Statements of Profit or Loss</b>	<b>2</b>
<b>Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income</b>	<b>3</b>
<b>Condensed Consolidated Statements Of Changes In Equity</b>	<b>4</b>
<b>Condensed Consolidated Statements Of Cash Flow</b>	<b>5 - 6</b>
<b>Notes To The Interim Financial Report</b>	<b>7 - 16</b>

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**As at 31 March 2014**

(The figures have not been audited)

	AS AT 31/03/2014 RM'000	(AUDITED) AS AT 31/12/2013 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
<i>Property, plant and equipment</i>	118,189	114,146
<i>Prepaid lease payments</i>	7,490	7,173
<i>Investment properties</i>	91,543	86,194
<i>Land held for property development</i>	561,063	543,794
<i>Intangible assets</i>	10,424	11,499
<i>Deferred tax assets</i>	72,446	75,496
	<u>861,155</u>	<u>838,302</u>
<b>Current Assets</b>		
<i>Property development costs</i>	2,257,429	2,258,641
<i>Inventories</i>	77,349	76,225
<i>Trade and other receivables</i>	652,329	581,748
<i>Current tax assets</i>	8,486	6,545
<i>Deposits, cash and bank balances</i>	614,172	822,290
	<u>3,609,765</u>	<u>3,745,449</u>
<b>TOTAL ASSETS</b>	<u><b>4,470,920</b></u>	<u><b>4,583,751</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Company</b>		
<i>Share capital</i>	709,057	706,807
<i>Share premium</i>	335,149	331,716
<i>Other reserves</i>	81,183	79,743
<i>Retained earnings</i>	919,291	834,026
	<u>2,044,680</u>	<u>1,952,292</u>
<b>Non-controlling interests</b>	<u>11,370</u>	<u>10,987</u>
<b>Total Equity</b>	<u><b>2,056,050</b></u>	<u><b>1,963,279</b></u>
<b>Non-current Liabilities</b>		
<i>Redeemable convertible secured bonds</i>	288,378	283,720
<i>Term loans</i>	745,736	756,470
<i>Long term and deferred payables</i>	85,773	84,729
<i>Deferred tax liabilities</i>	18,504	19,160
	<u>1,138,391</u>	<u>1,144,079</u>
<b>Current Liabilities</b>		
<i>Trade and other payables</i>	1,170,000	1,370,262
<i>Term loans</i>	77,402	74,922
<i>Short term borrowings</i>	9,128	8,988
<i>Bank overdrafts</i>	222	340
<i>Current tax liabilities</i>	19,727	21,881
	<u>1,276,479</u>	<u>1,476,393</u>
<b>Total Liabilities</b>	<u><b>2,414,870</b></u>	<u><b>2,620,472</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>4,470,920</b></u>	<u><b>4,583,751</b></u>
<b>Net assets per share attributable to equity holders of the Company (RM)</b>		
	<u><b>1.44</b></u>	<u><b>1.38</b></u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**  
**For the financial period ended 31 March 2014**

*(The figures have not been audited)*

	3 months ended		Period ended	
	31/03/2014 RM'000	31/03/2013 RM'000	31/03/2014 RM'000	31/03/2013 RM'000
Revenue	642,199	423,143	642,199	423,143
Cost of sales	<u>(467,821)</u>	<u>(284,352)</u>	<u>(467,821)</u>	<u>(284,352)</u>
Gross profit	174,378	138,791	174,378	138,791
Other income	4,779	9,004	4,779	9,004
Selling and marketing expenses	(31,365)	(21,792)	(31,365)	(21,792)
Administrative expenses	(36,389)	(32,760)	(36,389)	(32,760)
Other operating expenses	-	(1,924)	-	(1,924)
Interest income	991	1,312	991	1,312
Finance costs	<u>(837)</u>	<u>(614)</u>	<u>(837)</u>	<u>(614)</u>
Profit before tax	111,557	92,017	111,557	92,017
Income tax expense	(27,656)	(22,600)	(27,656)	(22,600)
Profit for the period	<u>83,901</u>	<u>69,417</u>	<u>83,901</u>	<u>69,417</u>
Profit attributable to:				
Equity holders of the Company	84,027	69,474	84,027	69,474
Non-controlling interests	(126)	(57)	(126)	(57)
	<u>83,901</u>	<u>69,417</u>	<u>83,901</u>	<u>69,417</u>
Earnings per share attributable to equity holders of the Company:				
- Basic (sen)	Note B13	<u>5.94</u>	<u>5.99</u>	<u>5.99</u>
- Diluted (sen)	Note B13	<u>5.62</u>	<u>5.78</u>	<u>5.78</u>

The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the financial period ended 31 March 2014**

*(The figures have not been audited)*

	<b>3 months ended</b>		<b>Period ended</b>	
	<b>31/03/2014</b>	31/03/2013	<b>31/03/2014</b>	31/03/2013
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Profit for the period</b>	<b>83,901</b>	69,417	<b>83,901</b>	69,417
<b>Other comprehensive income</b>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation difference for foreign operations	<b>1,345</b>	348	<b>1,345</b>	348
Other comprehensive income for the period	<u><b>1,345</b></u>	<u>348</u>	<u><b>1,345</b></u>	<u>348</u>
<b>Total comprehensive income for the period</b>	<u><b>85,246</b></u>	<u>69,765</u>	<u><b>85,246</b></u>	<u>69,765</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<b>84,863</b>	69,708	<b>84,863</b>	69,708
Non-controlling interests	<b>383</b>	57	<b>383</b>	57
	<u><b>85,246</b></u>	<u>69,765</u>	<u><b>85,246</b></u>	<u>69,765</u>

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**For the financial period ended 31 March 2014**

(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	Warrants 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	RM'000
<b>3 months ended 31 March 2014</b>										
Balance at 1/1/2014	706,807	331,716	11,423	46,589	4,602	17,129	834,026	1,952,292	10,987	1,963,279
Amount recognised directly in equity:										
Profit for the financial period	-	-	-	-	-	-	84,027	84,027	(126)	83,901
Other comprehensive income	-	-	-	-	836	-	-	836	509	1,345
Total comprehensive income for the period	-	-	-	-	836	-	84,027	84,863	383	85,246
ESOS lapsed during the period	-	-	(54)	-	-	-	54	-	-	-
Issuance of ordinary shares pursuant to:										
- ESOS exercised	2,249	3,431	(1,184)	-	-	-	1,184	5,680	-	5,680
- Warrants exercised	1	2	-	-	-	-	-	3	-	3
Recognition of share-based payment	-	-	1,842	-	-	-	-	1,842	-	1,842
<b>Balance at 31/03/2014</b>	<b>709,057</b>	<b>335,149</b>	<b>12,027</b>	<b>46,589</b>	<b>5,438</b>	<b>17,129</b>	<b>919,291</b>	<b>2,044,680</b>	<b>11,370</b>	<b>2,056,050</b>

	Attributable to equity holders of the Company									
	Non-Distributable						Distributable			
	Share capital	Share premium	Equity-settled employees benefit reserve	Warrants 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	RM'000
<b>3 months ended 31 March 2013</b>										
Balance at 1/1/2013	419,934	140,287	10,614	-	3,146	17,129	653,787	1,244,897	10,104	1,255,001
Amount recognised directly in equity:										
Profit for the financial period	-	-	-	-	-	-	69,474	69,474	(57)	69,417
Other comprehensive income	-	-	-	-	234	-	-	234	114	348
Total comprehensive income for the period	-	-	-	-	234	-	69,474	69,708	57	69,765
ESOS lapsed during the period	-	-	(141)	-	-	-	141	-	-	-
Issuance of ordinary shares pursuant to ESOS exercised	397	874	(234)	-	-	-	234	1,271	-	1,271
Issuance of ordinary shares pursuant to Rights Issue	140,050	193,829	-	63,863	-	-	-	397,742	-	397,742
Recognition of share-based payment	-	-	1,231	-	-	-	-	1,231	-	1,231
<b>Balance at 31/03/2013</b>	<b>560,381</b>	<b>334,990</b>	<b>11,470</b>	<b>63,863</b>	<b>3,380</b>	<b>17,129</b>	<b>723,636</b>	<b>1,714,849</b>	<b>10,161</b>	<b>1,725,010</b>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**  
**For the financial period ended 31 March 2014**

*(The figures have not been audited)*

	<b>3 months ended 31/03/2014 RM'000</b>	3 months ended 31/03/2013 RM'000
<b>Operating Activities</b>		
Profit before tax	111,557	92,017
Adjustments for:		
Non-cash items	6,755	5,639
Non-operating items	6,214	3,560
Operating profit before changes in working capital	<u>124,526</u>	101,216
Net change in property development costs*	(79,229)	(7,190)
Net change in inventories	12	2,166
Net change in receivables*	(68,674)	(61,147)
Net change in payables	<u>(115,718)</u>	(107,765)
Cash used in operations	<u>(139,083)</u>	(72,720)
Interest received	3,614	3,092
Interest paid	(9,918)	(7,577)
Tax paid	<u>(29,190)</u>	(21,448)
Net cash used in operating activities	<u>(174,577)</u>	(98,653)
<b>Investing Activities</b>		
Additions to property, plant and equipment	(6,923)	(4,128)
Additions to investment properties	(5,348)	(237)
Payment for land held for property development	(17,268)	(302,439)
Proceeds from disposal of property, plant and equipment	-	34
Net cash used in investing activities	<u>(29,539)</u>	(306,770)
<b>Financing Activities</b>		
Net (repayment of)/proceeds from borrowings	(9,607)	239,523
Net (placement)/withdrawal of deposits with licensed banks as collateral/Escrow Account	(10,126)	37,967
Payment for corporate exercise expenses	-	(156)
Proceeds from ESOS exercised	5,680	1,271
Proceeds from Rights Issue	-	397,742
Proceeds from warrants exercised	3	-
Net cash (used in)/generated from financing activities	<u>(14,050)</u>	676,347
Net changes in cash and cash equivalents	<u>(218,166)</u>	270,924
Effect of exchange rate changes	39	(4)
Cash and cash equivalents at beginning of the financial period	<u>808,321</u>	543,774
Cash and cash equivalents at end of the financial period	<u><u>590,194</u></u>	<u><u>814,694</u></u>

\* Included in net change in property development costs and receivables is payment for land amounting to a total of RM122,467,662.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**  
**For the financial period ended 31 March 2014 (cont'd)**

*(The figures have not been audited)*

	<b>3 months ended 31/03/2014 RM'000</b>	3 months ended 31/03/2013 RM'000
Cash and cash equivalents at the end of the financial period comprise the followings:		
Deposits with licensed banks	<b>73,395</b>	584,534
Investments in short term funds	<b>271,461</b>	-
Cash and bank balances	<b>269,316</b>	237,361
Bank overdrafts	<b>(222)</b>	-
	<b>613,950</b>	821,895
Less: Deposits pledged as collateral	<b>(13,684)</b>	(2,961)
Less: Deposits in Escrow Account	<b>(10,072)</b>	(4,240)
	<b>590,194</b>	814,694

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.



**MAH SING GROUP BERHAD (230149-P)**  
(Incorporated in Malaysia)

---

**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 2013. The explanatory notes attached to the interim financial report 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 2013.

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 2013 save for the adoption of the followings:

FRS 10	Consolidated Financial Statements (Amendments relating to Investment Entities)
FRS 12	Disclosure of Interests in Other Entities (Amendments relating to Investment Entities)
FRS 127	Separate Financial Statements (Amendments relating to Investment Entities)
FRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)
FRS 136	Impairment of Assets (Amendments relating to Recoverable Amounts Disclosures for Non-Financial Assets)
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)
IC Interpretation 21	Levies

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.

**Malaysian Financial Reporting Standard ("MFRS Framework")**

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework"), a fully-IFRS compliant framework. Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities.

Transitioning Entities, being entities within the scope of MFRS 141 *Agriculture* and/or IC Interpretation 15: *Agreements for the Construction of Real Estate*, including its parents, significant investors and venturers were given a transitional period of two years, which allowed these entities an option to continue with the FRS Framework. Following the announcement by the MASB on 7 August 2013, the transitional period for Transitioning Entities has been extended for an additional year.

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 its first set of MFRS financial statements when the MFRS Framework is mandated by MASB.

The Group is currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. At the date of authorisation for issue of this interim financial report, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group's first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

**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.

**MAH SING GROUP BERHAD (230149-P)**  
(Incorporated in Malaysia)

**A4 Changes in estimates**

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

**A5 Debt and equity securities**

During the financial period ended 31 March 2014, the Company increased its issued and paid up ordinary share capital from RM706,806,627 to RM709,056,731 by way of:

- a) issuance of 4,499,201 new ordinary shares of RM0.50 each pursuant to the exercise of employees share options; and
- b) issuance of 1,008 new ordinary shares of RM0.50 each pursuant to the exercise of the warrants.

Save for the above, there were no issuance and repayment of debt and equity securities, share buybacks, share cancellations, share held as treasury shares and resale of treasury shares during the financial period under review.

**A6 Dividends paid**

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

**A7 Segment reporting**

Period ended 31 March 2014

	Properties RM'000	Plastics RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>					
External revenue	569,399	60,607	12,193	-	642,199
Inter-segment	-	-	12,704	(12,704)	-
<b>Total revenue</b>	<b>569,399</b>	<b>60,607</b>	<b>24,897</b>	<b>(12,704)</b>	<b>642,199</b>
<b>RESULTS</b>					
Operating profit	105,374	3,936	11,104	(9,011)	111,403
Interest income					991
Finance costs					(837)
Income tax expense					(27,656)
<b>Profit for the period</b>					<b>83,901</b>
<b>OTHER INFORMATION</b>					
Capital expenditure	394	6,244	320		6,958
Depreciation and amortisation	1,175	3,246	88		4,509
<b>Assets and Liabilities</b>					
Segment assets	3,874,491	181,632	333,865		4,389,988
Current and deferred tax assets					80,932
<b>Total assets</b>					<b>4,470,920</b>
Segment liabilities	2,002,834	67,356	306,449		2,376,639
Current and deferred tax liabilities					38,231
<b>Total liabilities</b>					<b>2,414,870</b>

**MAH SING GROUP BERHAD (230149-P)**  
(Incorporated in Malaysia)

**A7 Segment reporting (continued)**

Period ended 31 March 2013

	Properties RM'000	Plastics RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>					
External revenue	355,962	58,821	8,360	-	423,143
Inter-segment	-	-	9,658	(9,658)	-
Total revenue	<u>355,962</u>	<u>58,821</u>	<u>18,018</u>	<u>(9,658)</u>	<u>423,143</u>
<b>RESULTS</b>					
Operating profit	88,274	3,707	8,283	(8,945)	91,319
Interest income					1,312
Finance costs					(614)
Income tax expense					(22,600)
Profit for the period					<u>69,417</u>
<b>OTHER INFORMATION</b>					
Capital expenditure	1,212	2,827	90	-	4,129
Depreciation and amortisation	1,025	2,873	45	-	3,943
<b>Assets and Liabilities</b>					
Segment assets	3,066,977	174,083	581,363		3,822,423
Current and deferred tax assets					66,641
Total assets					<u>3,889,064</u>
Segment liabilities	1,740,019	74,680	291,525		2,106,224
Current and deferred tax liabilities					57,830
Total liabilities					<u>2,164,054</u>

**A8 Material subsequent events**

Save as disclosed in B6, there were no material events subsequent to the reporting date up to 22 May 2014, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report.

**A9 Related Party Transactions**

Transactions with companies in which a Director of the Company and subsidiary companies has interests:

	01/1/2014 to 31/03/2014 RM'000
(i) Rental paid to a Company in which a Director has interest	368
(ii) Maintenance services rendered from a Company in which the Directors are family members of a Director of the Company	42
(iii) Sales of building materials to a Company in which a Director has interest	<u>2</u>

**MAH SING GROUP BERHAD (230149-P)**  
(Incorporated in Malaysia)

**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 followings:

On 23 January 2014, the Company acquired the entire issued and paid-up share capital of the following companies for cash consideration of RM2.00 each respectively:

- a) Enchanting View Development Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up.
- b) Garden Vista Development Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up.

**A11 Changes in contingent liabilities or contingent assets**

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

	<b>31/03/2014</b>	31/12/2013
	<b>RM'000</b>	RM'000
Bank guarantees issued in favour of third parties	<b>23,485</b>	15,602
Corporate guarantee issued in favour of third parties	<b>7,974</b>	8,489
Others	<b>1,023</b>	700
	<b>32,482</b>	24,791

**A12 Capital Commitments**

	<b>31/03/2014</b>
	<b>RM'000</b>
Contractual commitment in relation to:	
- Proposed acquisition of lands	<b>661,633</b>
- Development Agreement for proposed development of land in Kota Kinabalu	<b>158,740</b>
Commitment for acquisition of property, plant and equipment:	
- Approved and contracted for	<b>2,471</b>
Commitment for construction of investment properties	
- Approved and contracted for	<b>34,467</b>
	<b>857,311</b>

**As Lessee - for the lease of commercial buildings**

The leaseback for the Corporate Building Block of **Southgate Commercial Centre** and **The Icon**, Jalan Tun Razak have expired in August 2013 and December 2012 respectively. There is no new leaseback of commercial building during the financial period.

The Group had recognised the leaseback rental amounted to RM1.9 million and the rental income from the sub-lease amounted to RM1.9 million in profit or loss in the corresponding quarter last year.

**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 follows:-

	<b>Lease rentals receivable</b>
	<b>31/03/2014</b>
	<b>RM'000</b>
Less than one year	83
One to two years	8
	<b>91</b>

**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 and net profit of approximately RM642.2 million and approximately RM84 million respectively for the first quarter ended 31 March 2014. This represents a 51.8% improvement in revenue and 20.9% improvement in net profit compared to the same quarter last year.

Despite expanded operations, balance sheets remained strong with a high cash pile of approximately RM614.2 million and low net gearing at 0.25 times as at 31 March 2014.

**Property development**

For the period ended 31 March 2014, revenue from property development is approximately RM569.4 million, marking near to 60% improvement as compared to approximately RM356.0 million achieved in the corresponding quarter last year. The improved revenue is attributable to the higher work progress from the Group's ongoing development projects. Operating profit also increased 19.4% from approximately RM88.3 million to approximately RM105.4 million. The higher profit this quarter compared to the same quarter last year was due to higher recognition of profit on **Icon City** in Petaling Jaya, **M Residence @ Rawang** and **M City** in Jalan Ampang. Last year corresponding quarter's profit recognition was mainly from **i-Parc 1** in Bukit Jelutong and **i-Parc 2** in Shah Alam, **Garden Residence** in Cyberjaya and **M-Suites** in Jalan Ampang. The Group achieved property sales of approximately RM770 million as at 31 March 2014 due to the focus in mass market properties at the right locations and products that are in line with market demand.

Other projects that contributed to the Group's results in Greater KL and Klang Valley included **Icon Residence** in Mont' Kiara, **M-Suites** in Jalan Ampang, **Garden Residence**, **Clover @ Garden Residence** and **Garden Plaza** in Cyberjaya, **M Residence 2@Rawang**, **Kinrara Residence** in Puchong, **Aman Perdana** in Meru - Shah Alam, **Bayu Sekamat** in Cheras and **Perdana Residence 2** in Selayang. Commercial projects included **Star Avenue @ D'sara** and industrial project **i-Parc 3** in Bukit Jelutong. Projects in Penang Island included **Legenda @ Southbay**, **Southbay City** and **Ferringhi Residence**. Projects in Iskandar, Johor Bahru included **Sierra Perdana**, **Sri Pulai Perdana 2**, **Austin Perdana**, **Mah Sing i-Parc @ Tanjung Pelepas** and **The Meridin @ Medini** whilst **Sutera Avenue** in Kota Kinabalu, Sabah also contributed.

The Group started off the year with the acquisition of Sultan Salahuddin Abdul Aziz Shah (KGSSAAS) Golf Course land in Shah Alam measuring approximately 85.43 acres for a cash consideration of approximately RM327.5 million. The project has a potential Gross Development Value (GDV) of approximately RM2.5 billion. The acquisition, with favourable deferred payment terms allows the Group to further expand its presence in Shah Alam and leverage on its past successes on its fully sold developments such as **Kemuning Residence**, industrial developments of **i-Parc**, **i-Parc 2** and **i-Parc 3** as well as **Star Avenue**, a commercial development. The Group intends to actively scout for prime land in Malaysia for further expansion.

The Group's remaining GDV of RM26.08 billion coupled with unbilled sales of RM4.64 billion provides a total RM30.72 billion GDV pipeline which gives the Group earnings visibility of 7-8 years.

**Plastics**

The plastics segment continued to contribute positively to the revenue and operating profit of the Group. Revenue grew by 3% from approximately RM58.8 million to approximately RM60.6 million over the corresponding quarter last year as a result of higher pallet sales.

**Investment holding & Others**

Revenue and profit for the segment comprise mainly interest income from the placement of funds and the trading of building materials respectively.

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

The Group's current quarter profit before taxation of approximately RM111.6 million was 22.4% higher than the immediate preceding quarter due mainly to higher profit contribution from property development activities and lower selling and marketing expenses.

**B3 Prospects for the current financial year**

The timely switch in focus to mass market products in locations where there is supply shortage has ensured continued strong sales of approximately RM770 million for the quarter. 87% of planned residential launches for the current year are priced below RM1 million to target demand for mid-range homes from first time homebuyers and the growing middle income households.

**MAH SING GROUP BERHAD (230149-P)**  
(Incorporated in Malaysia)

**B3 Prospects for the current financial year (continued)**

The Group also has strong earnings visibility, with unbilled sales of approximately RM4.64 billion as at 31 March 2014 or 2.7 times the revenue recognized from the property division in 2013. This assures the Group of near term revenue visibility and steady streams of cash flows and liquidity.

Encouraged by the strong registration of interests, previews and launches of new products at various hotspots are according to plan. Strong sales were locked in from affordable high rises such as Savanna Executive Suites at **Southville City@KL South**, Bangi (serviced residences from RM338,000), and **D'sara Sentral** in Sungai Buloh (SoVo from RM380,000, service residences from RM550,000 and retail units from RM818,000). The preview of **Lakeville Residence** in Taman Wahyu, Kepong where the residential suites are indicatively priced from RM529,800 also received good response. The affordable landed link homes in new phases of **M Residence 1** (double storey superlink homes from RM748,000 per unit) and **M Residence 2** in Rawang (double storey link homes from RM538,800 per unit) continued to see strong take-up.

The Group expects stronger buying momentum in the second half of the year, with prospective buyers expected to buy ahead of Goods and Services Tax (GST) implementation next year. The fundamentals of Malaysian property market remains solid driven by a relatively young working population, continued urbanisation, stable employment market, attractive mortgage rates, and the cultural preference for owning or investing in properties. These should sustain demand for the right properties in major hotspots, likely continuing to outpace supply over the near and medium term.

**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	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	25,100	16,917	25,100	16,917
Foreign tax	163	154	163	154
	<u>25,263</u>	<u>17,071</u>	<u>25,263</u>	<u>17,071</u>
Deferred taxation:				
Malaysian deferred tax	2,393	5,529	2,393	5,529
	<u>27,656</u>	<u>22,600</u>	<u>27,656</u>	<u>22,600</u>

There is no significant difference between the Group's effective tax rate and the statutory tax rate for the current quarter.

**B6 Status of corporate proposals**

The following corporate proposals as announced by the Company have not been completed as at 22 May 2014 (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 ("**Kinrara 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 Kinrara Land and in return for an entitlement sum of RM35,403,863.85.

The JVA is pending fulfilment by Medan Damai of certain obligations pertaining to the development components.

- 2) On 26 March 2012, the Company's wholly-owned subsidiary, Capitol Avenue Development Sdn Bhd ("**Capitol Avenue**") entered into a Joint Development Agreement ("**JDA**") 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 ("**KK Land**") in Kota Kinabalu, Negeri Sabah. Under the terms of the JDA, Paduan Hebat agreed with Capitol Avenue to jointly develop the KK Land for an entitlement of RM39 million. RM25 million of the entitlement for the KK Land shall be satisfied by way of cash and the remaining balance shall be settled by way of conveyance of such number of unit(s) which shall be developed on the KK Land with total value equivalent to RM14 million or such other lesser sum as may be adjusted in accordance with the provisions of the JDA.

On 4 December 2012, all Paduan Hebat's obligations have been fully performed pursuant to the JDA. The development of KK Land has commenced in December 2013.

**B6 Status of corporate proposals (continued)**

- 3) On 29 May 2013, the Company's subsidiary, Convention City Development Sdn Bhd ("**Convention City**") entered into a development agreement ("**DA**") with Yayasan Sabah ("**Yayasan Sabah**" or "**Landowner**") for the proposed development of a parcel of prime land measuring approximately 8.33 acres ("**Parcel A**") forming part of all that piece of master land held under title no. 016290976 in the locality of Tanjung Lipat, District of Kota Kinabalu, Negeri Sabah. Under the terms of the DA, Yayasan Sabah agrees to grant an exclusive right to Convention City to develop Parcel A for a cash consideration of RM163 million. Convention City has also been granted an exclusive option to develop 2 parcels of adjacent land with a total land area measuring approximately 5.95 acres ("**Option Land**") at an entitlement price of RM117 million. The option is exercisable by Convention City within 2 years from the date the Landowner procures the separate issue document of title to the Option Land.

The proposed development is pending fulfilment of Landowner's obligations.

- 4) On 27 August 2013, the Company's wholly-owned subsidiary, Mediterranean View Development Sdn Bhd entered into a sale and purchase agreement with Ng Tan Moi and Tan Lee Kau ("**Mediterranean SPA**") for the proposed acquisition of all that piece of prime land measuring approximately 96.71 acres held under H.S.(D) 35626, PT No. 23373, Mukim Rawang, Daerah Gombak, Negeri Selangor for cash consideration of RM68,666,807.88.

The Mediterranean SPA was declared unconditional on 13 December 2013.

- 5) On 1 October 2013, the Company's wholly-owned subsidiary, Sanjung Tropika Development Sdn Bhd ("**Sanjung Tropika**") entered into a conditional sale and purchase agreement ("**SPA**") with Bistari Land Sdn Bhd ("**Bistari**") for the proposed acquisition of 31 pieces of adjoining freehold lands with a total net land area measuring approximately 1,351.84 acres (after deducting the areas acquired by the relevant authority measuring approximately 14.028 acres) all in Tempats of LKTP Cahaya Baru, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim ("**Lands**") for a total cash consideration of RM429,868,897.92 ("**Proposed Acquisition**").

Sanjung Tropika and Bistari had on 18 October 2013 entered into a supplemental agreement and on 10 January 2014 via the exchange of letters between the solicitors of the respective parties, both to vary certain relevant terms and conditions of the SPA in relation to the Proposed Acquisition, inter alia, the purchase price of the Lands was revised to RM411,163,937.85 and the mode of payment thereof.

Sanjung Tropika had on 27 March 2014 entered into a further supplemental agreement with Bistari to further vary certain relevant terms and conditions of the Sanjung SPA in relation to the Proposed Acquisition, inter alia, the purchase price of the Lands was further revised to RM401,163,937.85 and the mode of payment thereof.

The Proposed Acquisition is pending fulfilment of the conditions precedent of the SPA.

- 6) On 10 December 2013, the Company's wholly-owned subsidiary, Nature Legend Development Sdn Bhd entered into 4 separate sale and purchase agreements with several parties for the proposed acquisition of all that 20 pieces of prime freehold contiguous land in Jawi, Penang measuring approximately 76.38 acres held under their respective title numbers, all in Mukim 07, District of Seberang Perai Selatan, State of Pulau Pinang for a total cash consideration of RM42,589,001.27.

All the 4 sale and purchase agreements are declared unconditional on 24 December 2013.

- 7) On 12 March 2014, the Company's wholly-owned subsidiary, Enchanting View Development Sdn Bhd entered into a sale and purchase agreement ("**SPA**") with Great Doctrine (M) Sdn Bhd for the proposed acquisition of a portion of prime land measuring approximately 85.43 acres forming part of all that piece of leasehold land measuring approximately 77.02 hectares held under master title known as PN 11895, Lot 741 Seksyen 13, Bandar Shah Alam, Daerah Petaling, Negeri Selangor for a cash consideration of RM327,477,110.40

The proposed acquisition is pending fulfilment of the conditions precedent of the SPA.

**MAH SING GROUP BERHAD (230149-P)**  
(Incorporated in Malaysia)

**B6 Status of corporate proposals (continued)**

- 8) The total gross proceeds raised by the Company from the Rights Issue amounted to RM397,741,720. The status of the utilisation of proceeds as at 22 May 2014 is as follow:

Details of utilisation	Approved utilisation RM'000	Actual utilisation RM'000	Reallocation RM'000	Balance unutilised RM'000	Timeframe for utilisation
Property development expenditure and future land acquisition	350,000	(307,318)	-	42,682	Within 24 months
General working capital	42,742	(43,311)	569	-	Within 12 months
Estimated expenses in relation to the Proposal	5,000	(4,431)	(569)*	-	Within 6 months
<b>Total</b>	<b>397,742</b>	<b>(355,060)</b>	<b>-</b>	<b>42,682</b>	

\* The unutilised amount of RM569,000 designated for the estimated expenses in relation to the Proposals has been reallocated for general working capital requirements.

**B7 Group borrowings**

Total group borrowings as at 31 March 2014 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	288,378	-	-	288,378
Term loans payable				
- within 12 months	73,707	3,695	-	77,402
- after 12 months	739,894	5,842	-	745,736
	813,601	9,537	-	823,138
Short term borrowings	3,546	2,304	3,278	9,128
Bank overdrafts	-	222	-	222
Finance lease and hire purchase				
- within 12 months	1,649	7	-	1,656
- after 12 months	3,324	28	-	3,352
	4,973	35	-	5,008
<b>Total</b>	<b>1,110,498</b>	<b>12,098</b>	<b>3,278</b>	<b>1,125,874</b>

**B8 Material litigation**

The Group is not engaged in any material litigation as at 22 May 2014, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report.

**B9 Derivatives Financial Instrument**

The Group's outstanding derivatives financial instrument as at 31 March 2014 were analysed as follows:

Foreign currency forward contracts	Notional Value RM'000	Fair Value Asset RM'000
- Less than one year	12,932	245

Foreign currency forward contracts were entered into by a subsidiary company within the Plastics Division of the Group to manage its exposure against adverse fluctuations in foreign currency risks as a results of transactions denominated in currencies other than the functional currency of the subsidiary company.

These derivatives are stated at fair value, using the prevailing market rates and any changes in fair value of these derivatives during the year are taken directly to profit or loss.



**MAH SING GROUP BERHAD (230149-P)**  
(Incorporated in Malaysia)

**B10 Realised and unrealised earnings or losses disclosure**

The retained earnings as at 31 March 2014 and 31 December 2013 were analysed as follows:

	<b>31/03/2014</b>	<b>31/12/2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings of the Group		
- Realised	839,898	744,271
- Unrealised	67,057	73,025
	<u>906,955</u>	<u>817,296</u>
Total share of accumulated losses from associated company		
- Realised	(73)	(73)
	<u>906,882</u>	<u>817,223</u>
Less: Consolidation adjustments	12,409	16,803
Total group retained earnings as per consolidated accounts	<u><u>919,291</u></u>	<u><u>834,026</u></u>

**B11 Additional disclosures pursuant to para 16, Part A, Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements**

	<b>3 months</b>	<b>Period</b>
	<b>ended</b>	<b>ended</b>
	<b>31/03/2014</b>	<b>31/03/2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Depreciation and amortisation	(4,509)	(4,509)
Gain on redemption of investments in short term funds	98	98
Impairment of intangible assets	(1,074)	(1,074)
Net foreign exchange gain	1,224	1,224
Net gain on foreign exchange forward contracts	247	247
Allowance for doubtful debts - trade and other receivables	(1)	(1)
Reversal of allowance for slow-moving inventories	<u>516</u>	<u>516</u>

Other than the items above which have been included in the profit or loss, there were no impairment of assets or exceptional items which may have an effect on the results for the current financial period ended 31 March 2014.

**B12 Dividend proposed**

No dividend has been proposed for the first quarter ended 31 March 2014.

In respect of the previous financial year ended 31 December 2013:

- i) The Board of Directors has proposed first and final single-tier dividend of 8.0 sen per ordinary share of RM0.50 each (2012: 7.6 sen per ordinary share of RM0.50 each consisting of 0.4 sen per share less income tax of 25% and single-tier dividend of 7.2 sen per share) in respect of the financial year ended 31 December 2013, 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.

**MAH SING GROUP BERHAD (230149-P)**  
(Incorporated in Malaysia)

**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 for the period by the weighted average number of ordinary shares in issue.

	3 months ended		Period ended	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Net profit for the period (RM'000)	84,027	69,474	84,027	69,474
Weighted average number of ordinary shares in issue ('000)*	1,414,450	1,159,538	1,414,450	1,159,538
Basic EPS (sen)	5.94	5.99	5.94	5.99

**(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, conversion of bonds and warrants, adjusted for the number of such ordinary shares that would have been issued at fair value.

	3 months ended		Period ended	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Net profit for the period (RM'000)	84,027	69,474	84,027	69,474
Weighted average number of ordinary shares in issue ('000)*	1,414,450	1,159,538	1,414,450	1,159,538
Weighted average number of ordinary shares deemed issued at no consideration ('000)				
ESOS	19,129	15,446	19,129	15,446
Bonds conversion	52,490	26,000	52,490	26,000
Warrants	8,627	n/a	8,627	n/a
Adjusted weighted average number of ordinary shares ('000)	1,494,696	1,200,984	1,494,696	1,200,984
Diluted EPS (sen)	5.62	5.78	5.62	5.78

\* Comparative figures for the weighted average number of ordinary shares for both the basic and fully diluted earnings per ordinary share computations have been restated to reflect the adjustments arising from the Rights and Bonus Issues which were completed on 22 March 2013 and 9 July 2013 respectively.

**B14 Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 31 December 2013 was not subject to any qualification.

**B15 Comparative figures**

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

BY ORDER OF THE BOARD

YANG BAO LING  
KUAN HUI FANG

Kuala Lumpur  
29 May 2014