



**MAH SING GROUP BERHAD**  
(230149-P)

A Premier Lifestyle Developer

**(Incorporated in Malaysia)**

**Interim Financial Report**

**30 September 2014**

# **MAH SING GROUP BERHAD**

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

## **Interim Financial Report - 30 September 2014**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 30 September 2014**

(The figures have not been audited)

	AS AT 30/09/2014 RM'000	(AUDITED) AS AT 31/12/2013 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
<i>Property, plant and equipment</i>	115,874	114,146
<i>Prepaid lease payments</i>	6,777	7,173
<i>Investment properties</i>	108,214	86,194
<i>Land held for property development</i>	985,883	543,794
<i>Intangible assets</i>	7,876	11,499
<i>Deferred tax assets</i>	63,896	75,496
	<u>1,288,520</u>	<u>838,302</u>
<b>Current Assets</b>		
<i>Property development costs</i>	2,352,103	2,258,641
<i>Inventories</i>	67,953	76,225
<i>Trade and other receivables</i>	766,432	581,748
<i>Current tax assets</i>	6,121	6,545
<i>Deposits, cash and bank balances</i>	656,060	822,290
	<u>3,848,669</u>	<u>3,745,449</u>
<b>TOTAL ASSETS</b>	<u><b>5,137,189</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>	737,853	706,807
<i>Share premium</i>	393,833	331,716
<i>Other reserves</i>	64,922	79,743
<i>Retained earnings</i>	985,769	834,026
	<u>2,182,377</u>	<u>1,952,292</u>
<b>Non-controlling interests</b>	<u>10,352</u>	<u>10,987</u>
<b>Total Equity</b>	<u><b>2,192,729</b></u>	<u><b>1,963,279</b></u>
<b>Non-current Liabilities</b>		
<i>Redeemable convertible secured bonds</i>	292,663	283,720
<i>Term loans</i>	1,103,396	756,470
<i>Long term and deferred payables</i>	55,361	84,729
<i>Deferred tax liabilities</i>	16,750	19,160
	<u>1,468,170</u>	<u>1,144,079</u>
<b>Current Liabilities</b>		
<i>Trade and other payables</i>	1,364,985	1,370,262
<i>Term loans</i>	62,301	74,922
<i>Short term borrowings</i>	4,106	8,988
<i>Bank overdrafts</i>	143	340
<i>Current tax liabilities</i>	44,755	21,881
	<u>1,476,290</u>	<u>1,476,393</u>
<b>Total Liabilities</b>	<u><b>2,944,460</b></u>	<u><b>2,620,472</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>5,137,189</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>1.48</b></u>	<u><b>1.38</b></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 2013 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

**For the financial period ended 30 September 2014**

*(The figures have not been audited)*

	3 months ended		Period ended		
	30/09/2014	30/09/2013	30/09/2014	30/09/2013	
	RM'000	RM'000	RM'000	RM'000	
Revenue	<b>713,554</b>	536,497	<b>2,060,772</b>	1,435,389	
Cost of sales	<b>(517,197)</b>	(385,660)	<b>(1,500,970)</b>	(990,179)	
Gross profit	<b>196,357</b>	150,837	<b>559,802</b>	445,210	
Other income	<b>1,825</b>	8,284	<b>7,905</b>	24,042	
Selling and marketing expenses	<b>(40,708)</b>	(31,891)	<b>(110,446)</b>	(82,676)	
Administrative expenses	<b>(42,793)</b>	(34,514)	<b>(117,733)</b>	(102,815)	
Other operating expenses	-	(1,271)	-	(5,114)	
Interest income	<b>2,109</b>	1,512	<b>4,157</b>	3,969	
Finance costs	<b>(946)</b>	(837)	<b>(2,809)</b>	(2,257)	
Profit before tax	<b>115,844</b>	92,120	<b>340,876</b>	280,359	
Income tax expense	<b>(30,176)</b>	(22,034)	<b>(86,655)</b>	(70,872)	
Profit for the period	<b>85,668</b>	70,086	<b>254,221</b>	209,487	
Profit attributable to:					
Equity holders of the Company	<b>85,939</b>	70,618	<b>254,701</b>	209,918	
Non-controlling interests	<b>(271)</b>	(532)	<b>(480)</b>	(431)	
	<b>85,668</b>	70,086	<b>254,221</b>	209,487	
Earnings per share attributable to equity holders of the Company:					
- Basic (sen)	Note B13	<b>5.86</b>	5.17	<b>17.73</b>	16.46
- Diluted (sen)	Note B13	<b>5.55</b>	4.66	<b>16.78</b>	15.15

The Condensed Consolidated Statement 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 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the financial period ended 30 September 2014**

*(The figures have not been audited)*

	3 months ended		Period ended	
	30/09/2014 RM'000	30/09/2013 RM'000	30/09/2014 RM'000	30/09/2013 RM'000
<b>Profit for the period</b>	<b>85,668</b>	70,086	<b>254,221</b>	209,487
<b>Other comprehensive income</b>				
<b><i>Item that may be reclassified subsequently to profit or loss:</i></b>				
Foreign currency translation difference for foreign operations	(155)	979	(543)	2,033
Other comprehensive income for the period	<u>(155)</u>	<u>979</u>	<u>(543)</u>	<u>2,033</u>
<b>Total comprehensive income for the period</b>	<b><u>85,513</u></b>	<u>71,065</u>	<b><u>253,678</u></b>	<u>211,520</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<b>85,850</b>	71,288	<b>254,313</b>	211,312
Non-controlling interests	(337)	(223)	(635)	208
	<b><u>85,513</u></b>	<u>71,065</u>	<b><u>253,678</u></b>	<u>211,520</u>

The Condensed Consolidated Statement 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 STATEMENT OF CHANGES IN EQUITY**  
**For the financial period ended 30 September 2014**

(The figures have not been audited)

	Attributable to equity holders of the Company									
	Non-Distributable						Distributable		Non-controlling interests	Total Equity
	Share capital	Share premium	Equity-settled employees benefit reserve	Warrants reserve	Exchange fluctuation reserve	Other reserve	Retained earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>9 months ended 30 September 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	-	-	-	-	-	-	254,701	254,701	(480)	254,221
Other comprehensive income	-	-	-	-	(388)	-	-	(388)	(155)	(543)
Total comprehensive income for the period	-	-	-	-	(388)	-	254,701	254,313	(635)	253,678
Dividends for the financial year ended 31 December 2013	-	-	-	-	-	-	(118,057)	(118,057)	-	(118,057)
Issuance of ordinary shares pursuant to:										
- ESOS exercised	26,293	45,037	(14,514)	-	-	-	14,514	71,330	-	71,330
- Warrants exercised	4,753	17,080	-	(3,010)	-	-	-	18,823	-	18,823
ESOS lapsed during the period	-	-	(585)	-	-	-	585	-	-	-
Recognition of share-based payment	-	-	3,676	-	-	-	-	3,676	-	3,676
<b>Balance at 30/09/2014</b>	<b>737,853</b>	<b>393,833</b>	<b>-</b>	<b>43,579</b>	<b>4,214</b>	<b>17,129</b>	<b>985,769</b>	<b>2,182,377</b>	<b>10,352</b>	<b>2,192,729</b>

	Attributable to equity holders of the Company									
	Non-Distributable						Distributable		Non-controlling interests	Total Equity
	Share capital	Share premium	Equity-settled employees benefit reserve	Warrants reserve	Exchange fluctuation reserve	Other reserve	Retained earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>9 months ended 30 September 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	-	-	-	-	-	-	209,918	209,918	(431)	209,487
Other comprehensive income	-	-	-	-	1,394	-	-	1,394	639	2,033
Total comprehensive income for the period	-	-	-	-	1,394	-	209,918	211,312	208	211,520
Dividends for the financial year ended 31 December 2012	-	-	-	-	-	-	(104,075)	(104,075)	-	(104,075)
Issuance of ordinary shares pursuant to:										
- Bonus issue	113,101	(113,101)	-	-	-	-	-	-	-	-
- ESOS exercised	6,194	12,190	(3,064)	-	-	-	3,064	18,384	-	18,384
- Rights Issue	140,050	193,829	-	63,863	-	-	-	397,742	-	397,742
- Warrants exercised	14,604	52,663	-	(9,249)	-	-	-	58,018	-	58,018
ESOS lapsed during the period	-	-	(294)	-	-	-	294	-	-	-
Recognition of share-based payment	-	-	3,092	-	-	-	-	3,092	-	3,092
Ordinary shares issued to non-controlling interests by a subsidiary company	-	-	-	-	-	-	-	-	1,568	1,568
<b>Balance at 30/09/2013</b>	<b>693,883</b>	<b>285,868</b>	<b>10,348</b>	<b>54,614</b>	<b>4,540</b>	<b>17,129</b>	<b>762,988</b>	<b>1,829,370</b>	<b>11,880</b>	<b>1,841,250</b>

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 2013 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**For the financial period ended 30 September 2014**

*(The figures have not been audited)*

	<b>9 months ended 30/09/2014 RM'000</b>	9 months ended 30/09/2013 RM'000
<b>Operating Activities</b>		
Profit before tax	<b>340,876</b>	280,359
Adjustments for:		
Non-cash items	<b>17,401</b>	19,001
Non-operating items	<b>15,366</b>	7,336
Operating profit before changes in working capital	<b>373,643</b>	306,696
Net change in property development costs	<b>(98,756)</b>	(58,946)
Net change in inventories	<b>8,901</b>	(2,140)
Net change in receivables	<b>(79,682)</b>	(99,862)
Net change in payables	<b>112,914</b>	(10,164)
Cash generated from operations	<b>317,020</b>	135,584
Interest received	<b>12,983</b>	13,658
Interest paid	<b>(33,485)</b>	(30,112)
Tax paid	<b>(54,110)</b>	(59,847)
Net cash generated from operating activities	<b>242,408</b>	59,283
<b>Investing Activities</b>		
Additions to property, plant and equipment	<b>(13,756)</b>	(20,793)
Additions to investment properties	<b>(22,020)</b>	(9,340)
Additions to land held for property development	<b>(95,260)</b>	(39,469)
Acquisition of land	<b>(575,861)</b>	(407,038)
Proceeds from disposal of property, plant and equipment	<b>221</b>	1,139
Net cash used in investing activities	<b>(706,676)</b>	(475,501)
<b>Financing Activities</b>		
Dividends paid to shareholders of the Company	<b>(118,057)</b>	(104,075)
Net proceeds from borrowings	<b>331,443</b>	252,610
Net (placement)/withdrawal of deposits with licensed banks as collateral/Escrow Account	<b>(11,263)</b>	31,251
Payment for corporate exercise expenses	<b>-</b>	(4,431)
Payment of bonds coupon	<b>(5,267)</b>	(5,267)
Proceeds from issuance of ordinary shares by a subsidiary company to non-controlling interests	<b>-</b>	1,568
Proceeds from ESOS exercised	<b>71,330</b>	18,384
Proceeds from Rights Issue	<b>-</b>	397,742
Proceeds from warrants exercised	<b>18,823</b>	58,018
Net cash generated from financing activities	<b>287,009</b>	645,800
Net changes in cash and cash equivalents	<b>(177,259)</b>	229,582
Effect of exchange rate changes	<b>(38)</b>	21
Cash and cash equivalents at beginning of the financial period	<b>808,321</b>	543,774
Cash and cash equivalents at end of the financial period	<b>631,024</b>	773,377

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**For the financial period ended 30 September 2014 (cont'd)**

*(The figures have not been audited)*

	<b>9 months ended 30/09/2014 RM'000</b>	9 months ended 30/09/2013 RM'000
Cash and cash equivalents at the end of the financial period comprise the followings:		
Deposits with licensed banks	<b>140,471</b>	90,314
Investments in short term funds	<b>65,971</b>	304,279
Cash and bank balances	<b>449,618</b>	393,512
Bank overdrafts	<b>(143)</b>	(811)
	<b>655,917</b>	787,294
Less: Deposits pledged as collateral	<b>(23,584)</b>	(6,088)
Less: Deposits in Escrow Account	<b>(1,309)</b>	(7,829)
	<b>631,024</b>	773,377

The Condensed Consolidated Statement 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.



**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. On 2 September 2014, MASB further announced that Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2017.

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 for the financial year ending 31 December 2017.

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 30 September 2014, the Company increased its issued and paid up ordinary share capital from RM706,806,627 to RM737,853,182 by way of:

- a) issuance of 52,586,618 new ordinary shares of RM0.50 each pursuant to the exercise of employees share options; and
- b) issuance of 9,506,492 new ordinary shares of RM0.50 each pursuant to the exercise of 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**

On 25 September 2014, the Company paid a first and final single-tier dividend of 8.0 sen per ordinary share of RM0.50 each amounted to RM118,056,509 in respect of the financial year ended 31 December 2013.

**A7 Segment reporting**

Period ended 30 September 2014

	Properties RM'000	Plastics RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>					
External revenue	1,834,047	182,837	43,888	-	2,060,772
Inter-segment	-	-	175,924	(175,924)	-
<b>Total revenue</b>	<b>1,834,047</b>	<b>182,837</b>	<b>219,812</b>	<b>(175,924)</b>	<b>2,060,772</b>
<b>RESULTS</b>					
Operating profit	323,527	10,630	181,116	(175,745)	339,528
Interest income					4,157
Finance costs					(2,809)
Income tax expense					(86,655)
<b>Profit for the period</b>					<b>254,221</b>
<b>OTHER INFORMATION</b>					
Capital expenditure	2,664	11,515	337	-	14,516
Depreciation and amortisation	3,504	8,989	241	-	12,734
<b>ASSETS AND LIABILITIES</b>					
Segment assets	4,708,234	169,721	189,217		5,067,172
Current and deferred tax assets					70,017
<b>Total assets</b>					<b>5,137,189</b>
Segment liabilities	2,525,071	50,748	307,136		2,882,955
Current and deferred tax liabilities					61,505
<b>Total liabilities</b>					<b>2,944,460</b>

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

**A7 Segment reporting (continued)**

Period ended 30 September 2013

	Properties RM'000	Plastics RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>					
External revenue	1,222,554	178,149	34,686	-	1,435,389
Inter-segment	-	-	162,348	(162,348)	-
Total revenue	<u>1,222,554</u>	<u>178,149</u>	<u>197,034</u>	<u>(162,348)</u>	<u>1,435,389</u>
<b>RESULTS</b>					
Operating profit	260,489	13,125	167,465	(162,432)	278,647
Interest income					3,969
Finance costs					(2,257)
Income tax expense					(70,872)
Profit for the period					<u>209,487</u>
<b>OTHER INFORMATION</b>					
Capital expenditure	11,291	9,390	112	-	20,793
Depreciation and amortisation	3,224	8,775	196	-	12,195
<b>ASSETS AND LIABILITIES</b>					
Segment assets	3,544,586	172,931	410,296		4,127,813
Current and deferred tax assets					73,820
Total assets					<u>4,201,633</u>
Segment liabilities	1,921,626	64,764	299,249		2,285,639
Current and deferred tax liabilities					74,744
Total liabilities					<u>2,360,383</u>

**A8 Material subsequent events**

Save as disclosed in B6, there were no material events subsequent to the reporting date up to 20 November 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 Directors of the Company and subsidiary companies and companies in which they have interests:

	<b>01/1/2014 to 30/09/2014 RM'000</b>
(i) Rental paid to a Company in which a Director has interest	1,104
(ii) Maintenance services rendered from a Company in which the Directors are family members of a Director of the Company	127
(iii) Professional fees paid to firms in which Directors of subsidiary companies have interest	2,717
(iv) Sales of development properties to a Director of subsidiary companies	649
(v) Sales of building materials to a Company in which a Director has interest	<u>2</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 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>30/09/2014</b>	31/12/2013
	<b>RM'000</b>	RM'000
Bank guarantees issued in favour of third parties	<b>26,730</b>	15,602
Corporate guarantee issued in favour of third parties	<b>7,877</b>	8,489
Others	<b>666</b>	700
	<b><u>35,273</u></b>	<u>24,791</u>

**A12 Capital Commitments**

	<b>30/09/2014</b>
	<b>RM'000</b>
Contractual commitment in relation to:	
- Proposed acquisition of land	<b>1,209,538</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>3,648</b>
Commitment for construction of investment properties	
- Approved and contracted for	<b>20,821</b>
	<b><u>1,392,747</u></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 had 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 RM5.1 million and the rental income from the sub-lease amounted to RM5.1 million in profit or loss in the corresponding period 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><u>Lease rentals receivable</u></b>
	<b>30/09/2014</b>
	<b>RM'000</b>
Less than one year	<b><u>35</u></b>

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

**B1 Review of Group performance**

The Group posted revenue of approximately RM2.1 billion and net profit of approximately RM254.7 million for the nine-months ended 30 September 2014. This represents 43.6% improvement in revenue and 21.3% improvement in net profit compared to the corresponding period last year. The current quarter revenue and net profit of approximately RM713.6 million and approximately RM85.9 million represent 33.0% and 21.7% improvement respectively over the same quarter last year.

As at 30 September 2014, the Group had a cash pile of approximately RM656.1 million and net gearing at 0.37 times.

**Property development**

For the nine-months ended 30 September 2014, revenue from property development is approximately RM1.8 billion, marking near to 50.0% improvement as compared to approximately RM1.2 billion achieved in the corresponding period last year. The improved revenue is attributable to the higher work progress from the Group's ongoing development projects. Operating profit also increased 24.2% from approximately RM260.5 million to approximately RM323.5 million. The higher profit for the nine-months ended 30 September 2014 compared to the same period last year was due to higher recognition of profit on **Icon City** in Petaling Jaya and **M Residence @ Rawang**. In the last year corresponding period, profit recognition was mainly from **Garden Residence** in Cyberjaya and **M-Suites** in Jalan Ampang. The Group achieved property sales of approximately RM2.45 billion for the nine-months ended 30 September 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 **M-City** and **M-Suites** in Jalan Ampang, **Icon Residence** in Mont' Kiara, **Garden Residence**, **Clover @ Garden Residence** and **Garden Plaza** in Cyberjaya, **Kinrara Residence** in Puchong, **Southville City@KL South**, **M Residence 2@Rawang**, **D'sara Sentral** in Sungai Buloh, **Aman Perdana** in Meru - Shah Alam, **Bayu Sekamat** and **One Legenda** in Cheras and **Perdana Residence 2** in Selayang. Commercial projects included **Star Avenue @ D'sara**, **StarParc Point** in Setapak and industrial project **i-Parc 3** in Bukit Jelutong. Furthermore, projects in Penang Island included **Legenda @ Southbay**, **Southbay City** and **Ferringhi Residence** and projects in Iskandar, Johor Bahru included **Sierra Perdana**, **Mah Sing i-Parc @ Tanjung Pelepas**, **Sri Pulai Perdana 2**, **Austin Perdana** and **The Meridin @ Medini** whilst **Sutera Avenue** in Kota Kinabalu, Sabah also contributed.

Year-to-date, the Group has further grown its landbank by 1,134 acres with 3 proposed acquisition of new lands in Shah Alam, Seremban and Puchong that will potentially add RM19.3 billion GDV to its future pipeline. With this, the Group's total remaining undeveloped landbank is 3,658 acres, and remaining GDV is RM44.8 billion. Combined with unbilled sales of RM5.1 billion, the Group has potential future revenue visibility amounting to RM49.9 billion.

**Plastics**

The plastics segment continued to contribute positively to the revenue and operating profit of the Group. Revenue grew by 2.6% from approximately RM178.1 million to approximately RM182.8 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.

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

There was no major fluctuation in the Group's current quarter profit before tax compared to the immediate preceding quarter.

**B3 Prospects for the current financial year**

The Group continued to chart strong new sales of RM2.45 billion for the nine-months ended 30 September 2014. The strong performance reflects the Group's keen sense of timing and its ability to identify demand trends ahead of market. The timely shift to mid-range mass market products resulted in very successful launches of key projects such as Savanna Executive Suites in **Southville City@KL South**, Bangi (from RM338,000), **Lakeville Residence** in Taman Wahyu, KL (from RM529,800), and **D'sara Sentral** in Sungai Buloh (from RM548,000). The Group's foresight of remaining focused in the Greater KL has ensured continued robust sales momentum. The strength of the market here is expected to be sustainable especially in new growth corridors benefiting from ongoing and proposed infrastructure projects that include various new expressways, MRT 1 and 2, LRT extensions and LRT 3, and potentially the KL-Singapore High Speed Rail. The Greater KL market has also benefited from higher concentration of young workforce and relatively lower home ownership levels.

The Group has locked in unbilled sales amounting to RM5.1 billion that shall ensure continued revenue and earnings visibility for the immediate term. With track record of 25% compounded annual growth rate in revenue and net profit the last five years, and 15% average ROE, the Group remains committed to delivering sustainable and steady growth going forward.

**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	
	30/09/2014 RM'000	30/09/2013 RM'000	30/09/2014 RM'000	30/09/2013 RM'000
Current tax:				
Malaysian income tax	23,075	32,609	79,659	74,919
Foreign tax	(302)	(175)	57	325
	<u>22,773</u>	<u>32,434</u>	<u>79,716</u>	<u>75,244</u>
(Over)/Under provision of Malaysian income tax in prior year	<u>(2,250)</u>	<u>3,244</u>	<u>(2,250)</u>	<u>3,244</u>
	<u>20,523</u>	<u>35,678</u>	<u>77,466</u>	<u>78,488</u>
Deferred taxation:				
Malaysian deferred tax	9,653	(13,644)	9,189	(7,616)
	<u>30,176</u>	<u>22,034</u>	<u>86,655</u>	<u>70,872</u>

The Group's effective tax rate for the current quarter and current financial period were slightly higher than the statutory tax rate of 25% mainly due to the non deductibility of certain expenses.

**B6 Status of corporate proposals**

The following corporate proposals as announced by the Company have not been completed as at 20 November 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.

On 27 May 2014, Convention City and Yayasan Sabah had mutually agreed to extend the performance period to 29 November 2014 for Yayasan Sabah to perform the Landowner's Obligations.

- 4) 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.

- 5) On 11 August 2014, the Company's wholly-owned subsidiary, Grand Prestige Development Sdn Bhd entered into a sale and purchase agreement with the respective vendors for the proposed acquisition of a piece of prime freehold land in Mukim Rantau, Daerah Seremban, Negeri Sembilan for a total cash consideration of RM359,557,153.36.

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

- 6) On 28 August 2014, the Company's wholly-owned subsidiary, Mah Sing Group Ventures Sdn Bhd (formerly known as Grand Pavilion Development Sdn Bhd) ("**Mah Sing Ventures**") entered into a sale and purchase agreement with Huges Development Sdn Bhd ("**Huges Development**") for the proposed acquisition of a piece of prime leasehold land in Puchong, Selangor measuring approximately 88.7 acres for a total cash consideration of RM656,896,779.

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

On the same date, in consideration for RM1.00 paid by Mah Sing Ventures to Huges Development, Huges Development and Mah Sing Ventures have entered into a memorandum of understanding effective from the date of the memorandum for a period of 4 years. During the duration of the memorandum of understanding, Huges Development shall negotiate first with Mah Sing Ventures to enter into a sale and purchase, joint venture or such other arrangement in respect of a piece of prime land measuring approximately 170 acres ("**Subject Land**") upon terms and conditions to be mutually agreed upon by Huges Development and Mah Sing Ventures. Failing which, Mah Sing Ventures shall have the first right of refusal for any arrangement in respect of the Subject Land.

- 7) Through an announcement made on 20 November 2014, the Company proposes to undertake the following:
- i) A proposed renounceable rights issue of new ordinary shares of RM0.50 each in the Company ("**Mah Sing Shares**") together with free detachable warrants to raise proceeds of up to RM630.00 million ("**Proposed Rights Issue with Warrants**");
  - ii) A proposed bonus issue of new Mah Sing Shares ("**Bonus Shares**") to be credited as fully paid-up on the basis of one (1) Bonus Share for every four (4) Mah Sing Shares held after the Proposed Rights Issue with Warrants; and
  - iii) The proposed increase in the authorised share capital of the Company from RM1,000,000,000 comprising 2,000,000,000 Mah Sing Shares to RM2,500,000,000 comprising 5,000,000,000 Mah Sing Shares ("**Proposed Increase In The Authorised Share Capital**") and the corresponding proposed amendment to the Company's Memorandum and Articles of Association as a consequence of the Proposed Increase In The Authorised Share Capital.

Barring any unforeseen circumstances, the applications to the relevant authorities are expected to be made within one (1) month from the date of the announcement.

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

**B7 Group borrowings**

Total group borrowings as at 30 September 2014 were as follows:

<i>(Denominated in)</i>	<b>Secured RM'000 (RM)</b>	<b>Secured RM'000 (Indonesian Rupiah)</b>	<b>Secured RM'000 (USD)</b>	<b>Total RM'000</b>
Redeemable convertible bonds				
- after 12 months	292,663	-	-	292,663
Term loans payable				
- within 12 months	58,850	3,451	-	62,301
- after 12 months	1,099,665	3,731	-	1,103,396
	1,158,515	7,182	-	1,165,697
Short term borrowings	1,260	269	2,577	4,106
Bank overdrafts	-	143	-	143
Finance lease and hire purchase				
- within 12 months	1,666	751	-	2,417
- after 12 months	3,127	2,712	-	5,839
	4,793	3,463	-	8,256
<b>Total</b>	<b>1,457,231</b>	<b>11,057</b>	<b>2,577</b>	<b>1,470,865</b>

**B8 Material litigation**

The Group is not engaged in any material litigation as at 20 November 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 30 September 2014 were analysed as follows:

<b>Foreign currency forward contracts</b>	<b>Notional Value RM'000</b>	<b>Fair Value Asset RM'000</b>
- Less than one year	1,670	172

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 currency 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 period are taken directly to profit or loss.

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

The retained earnings as at 30 September 2014 and 31 December 2013 were analysed as follows:

	<b>30/09/2014 RM'000</b>	<b>31/12/2013 RM'000</b>
Total retained earnings of the Group		
- Realised	936,510	744,271
- Unrealised	57,225	73,025
	993,735	817,296
Total share of accumulated losses from associated company		
- Realised	(73)	(73)
	993,662	817,223
Consolidation adjustments	(7,893)	16,803
<b>Total group retained earnings as per consolidated accounts</b>	<b>985,769</b>	<b>834,026</b>



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

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

	<b>3 months ended 30/09/2014 RM'000</b>	<b>Period ended 30/09/2014 RM'000</b>
Allowance for doubtful debts - trade and other receivables	-	(3)
Depreciation and amortisation	(3,657)	(12,734)
Impairment of intangible assets	(1,363)	(3,623)
Loss on redemption of investments in short term funds	(1,002)	(835)
Net foreign exchange (loss)/gain	(305)	517
Net gain on foreign exchange forward contracts	26	495
(Provision for)/Reversal of allowance for slow-moving inventories	(219)	584

Other than the items above which have been included in 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 30 September 2014.

**B12 Dividend proposed**

No dividend has been proposed for the nine-months ended 30 September 2014.

**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.

	<b>3 months ended</b>		<b>Period ended</b>	
	<b>30/09/2014</b>	30/09/2013	<b>30/09/2014</b>	30/09/2013
Net profit for the period (RM'000)	<u><b>85,939</b></u>	<u>70,618</u>	<u><b>254,701</b></u>	<u>209,918</u>
Weighted average number of ordinary shares in issue ('000)	<u><b>1,466,522</b></u>	1,367,032	<u><b>1,436,388</b></u>	1,275,661
Basic EPS (sen)	<u><b>5.86</b></u>	<u>5.17</u>	<u><b>17.73</b></u>	<u>16.46</u>

**(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.

	<b>3 months ended</b>		<b>Period ended</b>	
	<b>30/09/2014</b>	30/09/2013	<b>30/09/2014</b>	30/09/2013
Net profit for the period (RM'000)	<u><b>85,939</b></u>	<u>70,618</u>	<u><b>254,701</b></u>	<u>209,918</u>
Weighted average number of ordinary shares in issue ('000)	<u><b>1,466,522</b></u>	1,367,032	<u><b>1,436,388</b></u>	1,275,661
Weighted average number of ordinary shares deemed issued at no consideration ('000)				
ESOS	-	43,279	-	24,036
Bonds conversion	<b>63,413</b>	68,160	<b>63,413</b>	61,840
Warrants	<b>18,145</b>	35,743	<b>18,325</b>	23,758
Adjusted weighted average number of ordinary shares ('000)	<u><b>1,548,080</b></u>	<u>1,514,214</u>	<u><b>1,518,126</b></u>	<u>1,385,295</u>
Diluted EPS (sen)	<u><b>5.55</b></u>	<u>4.66</u>	<u><b>16.78</b></u>	<u>15.15</u>

**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  
20 November 2014