



MAH SING GROUP BERHAD

(230149-P)

A Premier Lifestyle Developer

(Incorporated in Malaysia)

Interim Financial Report

31 March 2015

MAH SING GROUP BERHAD

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

Interim Financial Report - 31 March 2015

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2015
(The figures have not been audited)

| | AS AT 31/03/2015 RM'000 | (Restated) AS AT 31/12/2014 RM'000 | (Restated) AS AT 01/01/2014 RM'000 |
|--|-------------------------------|---|---|
| ASSETS | | | |
| Non-current Assets | | | |
| <i>Property, plant and equipment</i> | 113,972 | 115,272 | 114,146 |
| <i>Prepaid lease payments</i> | 6,822 | 6,937 | 7,173 |
| <i>Investment properties</i> | 120,257 | 116,123 | 86,194 |
| <i>Land held for property development</i> | 960,084 | 927,450 | 543,794 |
| <i>Intangible assets</i> | 6,882 | 7,353 | 11,499 |
| <i>Deferred tax assets</i> | 72,833 | 68,581 | 75,113 |
| | <u>1,280,850</u> | <u>1,241,716</u> | <u>837,919</u> |
| Current Assets | | | |
| <i>Property development costs</i> | 2,421,145 | 2,466,058 | 2,262,495 |
| <i>Inventories</i> | 144,917 | 158,923 | 76,097 |
| <i>Trade and other receivables</i> | 1,025,347 | 818,338 | 581,748 |
| <i>Current tax assets</i> | 3,851 | 2,139 | 6,545 |
| <i>Deposits, cash and bank balances</i> | 1,589,427 | 639,176 | 822,290 |
| | <u>5,184,687</u> | <u>4,084,634</u> | <u>3,749,175</u> |
| TOTAL ASSETS | <u><u>6,465,537</u></u> | <u><u>5,326,350</u></u> | <u><u>4,587,094</u></u> |
| EQUITY AND LIABILITIES | | | |
| Equity Attributable to Equity Holders of the Company | | | |
| <i>Share capital</i> | 960,235 | 738,055 | 706,807 |
| <i>Share premium</i> | 776,196 | 394,557 | 331,716 |
| <i>Other reserves</i> | 86,749 | 65,700 | 79,743 |
| <i>Retained earnings</i> | 1,189,414 | 1,090,521 | 836,983 |
| | <u>3,012,594</u> | <u>2,288,833</u> | <u>1,955,249</u> |
| Perpetual bond | 540,000 | - | - |
| Non-controlling interests | 8,709 | 9,682 | 10,987 |
| Total Equity | <u><u>3,561,303</u></u> | <u><u>2,298,515</u></u> | <u><u>1,966,236</u></u> |
| Non-current Liabilities | | | |
| <i>Redeemable convertible secured bonds</i> | 297,008 | 292,211 | 283,720 |
| <i>Term loans</i> | 1,151,508 | 1,089,815 | 756,470 |
| <i>Long term and deferred payables</i> | 31,314 | 31,407 | 84,729 |
| <i>Deferred tax liabilities</i> | 15,851 | 16,297 | 19,546 |
| | <u>1,495,681</u> | <u>1,429,730</u> | <u>1,144,465</u> |
| Current Liabilities | | | |
| <i>Trade and other payables</i> | 1,261,841 | 1,508,465 | 1,370,262 |
| <i>Term loans</i> | 113,938 | 63,774 | 74,922 |
| <i>Short term borrowings</i> | 6,005 | 5,577 | 8,988 |
| <i>Bank overdrafts</i> | 77 | - | 340 |
| <i>Current tax liabilities</i> | 26,692 | 20,289 | 21,881 |
| | <u>1,408,553</u> | <u>1,598,105</u> | <u>1,476,393</u> |
| Total Liabilities | <u><u>2,904,234</u></u> | <u><u>3,027,835</u></u> | <u><u>2,620,858</u></u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>6,465,537</u></u> | <u><u>5,326,350</u></u> | <u><u>4,587,094</u></u> |
| Net assets per share attributable to equity holders of the Company (RM) | <u><u>1.57</u></u> | <u><u>1.55</u></u> | <u><u>1.38</u></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 2014 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the financial period ended 31 March 2015
(The figures have not been audited)

| | 3 months ended | | Period ended | | |
|---|------------------|--------------------------|------------------|--------------------------|------|
| | 31/03/2015 | (Restated) 31/03/2014 | 31/03/2015 | (Restated) 31/03/2014 | |
| | RM'000 | RM'000 | RM'000 | RM'000 | |
| Revenue | 784,143 | 642,199 | 784,143 | 642,199 | |
| Cost of sales | (569,849) | (476,372) | (569,849) | (476,372) | |
| Gross profit | 214,294 | 165,827 | 214,294 | 165,827 | |
| Other income | 3,033 | 4,779 | 3,033 | 4,779 | |
| Selling and marketing expenses | (38,072) | (22,995) | (38,072) | (22,995) | |
| Administrative expenses | (49,214) | (36,389) | (49,214) | (36,389) | |
| Interest income | 2,020 | 991 | 2,020 | 991 | |
| Finance costs | (1,615) | (837) | (1,615) | (837) | |
| Profit before tax | 130,446 | 111,376 | 130,446 | 111,376 | |
| Income tax expense | (32,557) | (27,722) | (32,557) | (27,722) | |
| Profit for the period | 97,889 | 83,654 | 97,889 | 83,654 | |
| Profit attributable to: | | | | | |
| Equity holders of the Company | 98,893 | 83,780 | 98,893 | 83,780 | |
| Non-controlling interests | (1,004) | (126) | (1,004) | (126) | |
| | 97,889 | 83,654 | 97,889 | 83,654 | |
| Earnings per share attributable to equity holders of the Company: | | | | | |
| - Basic (sen) | Note B13 | 5.96 | 5.49 | 5.96 | 5.49 |
| - Diluted (sen) | Note B13 | 5.70 | 5.22 | 5.70 | 5.22 |

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 2014 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 31 March 2015

(The figures have not been audited)

| | 3 months ended | | Period ended | |
|--|----------------|------------|---------------|------------|
| | | (Restated) | | (Restated) |
| | 31/03/2015 | 31/03/2014 | 31/03/2015 | 31/03/2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit for the period | 97,889 | 83,654 | 97,889 | 83,654 |
| Other comprehensive income | | | | |
| <i>Item that may be reclassified subsequently to profit or loss:</i> | | | | |
| Foreign currency translation difference for foreign operations | 179 | 1,345 | 179 | 1,345 |
| Other comprehensive income for the period | 179 | 1,345 | 179 | 1,345 |
| Total comprehensive income for the period | 98,068 | 84,999 | 98,068 | 84,999 |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | 99,041 | 84,616 | 99,041 | 84,616 |
| Non-controlling interests | (973) | 383 | (973) | 383 |
| | 98,068 | 84,999 | 98,068 | 84,999 |

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 2014 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 2015
(The figures have not been audited)

| | Attributable to equity holders of the Company | | | | | | | | | |
|---|---|---------------|------------------|------------------------------|---------------|-------------------|-----------|----------------|---------------------------|--------------|
| | Non-Distributable | | | | | Distributable | | | | |
| | Share capital | Share premium | Warrants reserve | Exchange fluctuation reserve | Other reserve | Retained earnings | Total | Perpetual bond | 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 2015 | | | | | | | | | | |
| Balance at 1/1/2015 | 738,055 | 394,557 | 43,451 | 5,120 | 17,129 | 1,090,521 | 2,288,833 | - | 9,682 | 2,298,515 |
| Amount recognised directly in equity: | | | | | | | | | | |
| Profit for the financial period | - | - | - | - | - | 98,893 | 98,893 | - | (1,004) | 97,889 |
| Other comprehensive income | - | - | - | 148 | - | - | 148 | - | 31 | 179 |
| Total comprehensive income for the period | - | - | - | 148 | - | 98,893 | 99,041 | - | (973) | 98,068 |
| Expenses on issuance of ordinary shares | - | (6,930) | - | - | - | - | (6,930) | - | - | (6,930) |
| Issuance of ordinary shares pursuant to: | | | | | | | | | | |
| - Warrants exercised | 587 | 2,112 | (372) | - | - | - | 2,327 | - | - | 2,327 |
| - Rights Issue with warrants | 221,593 | 386,457 | 21,273 | - | - | - | 629,323 | - | - | 629,323 |
| Issuance of perpetual bond | - | - | - | - | - | - | - | 540,000 | - | 540,000 |
| Balance at 31/03/2015 | 960,235 | 776,196 | 64,352 | 5,268 | 17,129 | 1,189,414 | 3,012,594 | 540,000 | 8,709 | 3,561,303 |

CONDENSED CONSOLIDATED STATEMENT 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-controlling interests | Total Equity |
|---|---|---------------|--|------------------|------------------------------|---------------|-------------------|-----------|---------------------------|--------------|
| | Non-Distributable | | | Distributable | | | Retained earnings | Total | | |
| | Share capital | Share premium | Equity-settled employees benefit reserve | Warrants reserve | Exchange fluctuation reserve | Other reserve | | | | |
| 3 months ended 31 March 2014 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| 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 |
| Effect of first-time adoption of MFRS | - | - | - | - | - | - | 2,957 | 2,957 | - | 2,957 |
| Balance at 1/1/2014 (restated) | 706,807 | 331,716 | 11,423 | 46,589 | 4,602 | 17,129 | 836,983 | 1,955,249 | 10,987 | 1,966,236 |
| Amount recognised directly in equity: | | | | | | | | | | |
| Profit for the financial period | - | - | - | - | - | - | 83,780 | 83,780 | (126) | 83,654 |
| Other comprehensive income | - | - | - | - | 836 | - | - | 836 | 509 | 1,345 |
| Total comprehensive income for the period | - | - | - | - | 836 | - | 83,780 | 84,616 | 383 | 84,999 |
| 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 |
| ESOS lapsed during the period | - | - | (54) | - | - | - | 54 | - | - | - |
| Recognition of share-based payment | - | - | 1,842 | - | - | - | - | 1,842 | - | 1,842 |
| Balance at 31/03/2014 (restated) | 709,057 | 335,149 | 12,027 | 46,589 | 5,438 | 17,129 | 922,001 | 2,047,390 | 11,370 | 2,058,760 |

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 2014 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the financial period ended 31 March 2015

(The figures have not been audited)

| | 3 months ended 31/03/2015 RM'000 | (Restated) 3 months ended 31/03/2014 RM'000 |
|--|---|---|
| Operating Activities | | |
| Profit before tax | 130,446 | 111,376 |
| Adjustments for: | | |
| Non-cash items | 10,013 | 6,755 |
| Non-operating items | 8,105 | 6,214 |
| Operating profit before changes in working capital | <u>148,564</u> | <u>124,345</u> |
| Net change in property development costs | 53,048 | 8,795 |
| Net change in inventories | 10,284 | 12 |
| Net change in receivables | (205,801) | (35,926) |
| Net change in payables | <u>(220,637)</u> | <u>(115,718)</u> |
| Cash used in operations | (214,542) | (18,492) |
| Interest received | 4,356 | 3,614 |
| Interest paid | (15,922) | (9,918) |
| Tax paid | <u>(32,562)</u> | <u>(29,190)</u> |
| Net cash used in operating activities | <u>(258,670)</u> | <u>(53,986)</u> |
| Investing Activities | | |
| Additions to property, plant and equipment | (3,052) | (6,923) |
| Additions to investment properties | (4,134) | (5,348) |
| Additions to land held for property development | (32,634) | (15,391) |
| Acquisition of land | (27,779) | (122,468) |
| Proceeds from disposal of property, plant and equipment | 30 | - |
| Net cash used in investing activities | <u>(67,569)</u> | <u>(150,130)</u> |
| Financing Activities | | |
| Issuance of perpetual bond | 540,000 | - |
| Net proceeds from/(repayment of) borrowings | 111,677 | (9,607) |
| Net placement of deposits with licensed banks as collateral/Escrow Account/Trustees' Reimbursement Account | (6,471) | (10,126) |
| Payment for corporate exercise expenses | (6,930) | - |
| Proceeds from ESOS exercised | - | 5,680 |
| Proceeds from Rights Issue | 629,323 | - |
| Proceeds from warrants exercised | 2,327 | 3 |
| Net cash generated from/(used in) financing activities | <u>1,269,926</u> | <u>(14,050)</u> |
| Net changes in cash and cash equivalents | 943,687 | (218,166) |
| Effect of exchange rate changes | 16 | 39 |
| Cash and cash equivalents at beginning of the financial period | <u>613,830</u> | <u>808,321</u> |
| Cash and cash equivalents at end of the financial period | <u><u>1,557,533</u></u> | <u><u>590,194</u></u> |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the financial period ended 31 March 2015 (cont'd)

(The figures have not been audited)

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

| | 3 months ended 31/03/2015 RM'000 | (Restated) 3 months ended 31/03/2014 RM'000 |
|---------------------------------------|---|---|
| Deposits with licensed banks | 661,383 | 73,395 |
| Investments in short term funds | 541,562 | 271,461 |
| Cash and bank balances | 386,482 | 269,316 |
| Bank overdrafts | (77) | (222) |
| | 1,589,350 | 613,950 |
| Less: Deposits pledged as collateral | (30,643) | (13,684) |
| Less: Deposits in Escrow Account | (1,144) | (10,072) |
| Less: Trustees' Reimbursement Account | (30) | - |
| | 1,557,533 | 590,194 |

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 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 Malaysian Financial Reporting Standard No. 134 : *Interim Financial Reporting* and with IAS14 *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 2014. The consolidated financial statements of the Group as at and for the year ended 31 December 2014 were prepared under Financial Reporting Standards ("FRSs"). 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 2014.

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 should 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 allowed to defer the adoption of the MFRS Framework until such time as mandated by the MASB. On 2 September 2014, with the issuance of MFRS 15 *Revenue from Contracts with Customers* and Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*, the MASB announced that Transitioning Entities which have chosen to continue with the FRS Framework is now required to adopt the MFRS Framework latest by 1 January 2017.

The Group has, however, elected to early adopt the MFRS framework which is originally effective for annual periods beginning on or after 1 January 2017.

This is the Group's condensed consolidated interim financial report for the period covered by the Group's first MFRS framework and MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* has been applied. Comparative figures, where applicable, have been restated as result of transition to MFRS framework.

Except as described below, the accounting policies applied by the Group in this condensed interim financial report are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 31 December 2014.

MFRS 15 -

Adoption of this MFRS requires the Group to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group recognises revenue from property development over time if it has an enforceable right to payment for performance completed to date.

Incremental costs of obtaining a contract with a customer are recognised as assets if the entity expects to recover those costs. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained. The Group has, upon adoption, recognised the incremental costs of obtaining a contract with a customer which are expected to be recovered as an asset.

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

A1 Basis of preparation (continued)

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

The financial impacts to the condensed interim financial report of the Group arising from the adoption of MFRS are disclosed in the following tables.

Reconciliation of statement of financial position

| | Audited As at 31/12/2014 RM'000 | Effect of transition to MFRSs RM'000 | Restated As at 31/12/2014 RM'000 | Audited As at 01/01/2014 RM'000 | Effect of transition to MFRSs RM'000 | Restated As at 01/01/2014 RM'000 |
|---|--|---|---|--|---|---|
| ASSETS | | | | | | |
| Non-current Assets | | | | | | |
| <i>Property, plant and equipment</i> | 115,272 | - | 115,272 | 114,146 | - | 114,146 |
| <i>Prepaid lease payments</i> | 6,937 | - | 6,937 | 7,173 | - | 7,173 |
| <i>Investment properties</i> | 116,123 | - | 116,123 | 86,194 | - | 86,194 |
| <i>Land held for property development</i> | 927,450 | - | 927,450 | 543,794 | - | 543,794 |
| <i>Intangible assets</i> | 7,353 | - | 7,353 | 11,499 | - | 11,499 |
| <i>Deferred tax assets</i> | 68,562 | 19 | 68,581 | 75,496 | (383) | 75,113 |
| | <u>1,241,697</u> | <u>19</u> | <u>1,241,716</u> | <u>838,302</u> | <u>(383)</u> | <u>837,919</u> |
| Current Assets | | | | | | |
| <i>Property development costs</i> | 2,449,882 | 16,176 | 2,466,058 | 2,258,641 | 3,854 | 2,262,495 |
| <i>Inventories</i> | 154,754 | 4,169 | 158,923 | 76,225 | (128) | 76,097 |
| <i>Trade and other receivables</i> | 818,338 | - | 818,338 | 581,748 | - | 581,748 |
| <i>Current tax assets</i> | 2,139 | - | 2,139 | 6,545 | - | 6,545 |
| <i>Deposits, cash and bank balances</i> | 639,176 | - | 639,176 | 822,290 | - | 822,290 |
| | <u>4,064,289</u> | <u>20,345</u> | <u>4,084,634</u> | <u>3,745,449</u> | <u>3,726</u> | <u>3,749,175</u> |
| TOTAL ASSETS | <u>5,305,986</u> | <u>20,364</u> | <u>5,326,350</u> | <u>4,583,751</u> | <u>3,343</u> | <u>4,587,094</u> |

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

A1 Basis of preparation (continued)

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

Reconciliation of statement of financial position (continued)

| | Audited As at 31/12/2014 RM'000 | Effect of transition to MFRSs RM'000 | Restated As at 31/12/2014 RM'000 | Audited As at 01/01/2014 RM'000 | Effect of transition to MFRSs RM'000 | Restated As at 01/01/2014 RM'000 |
|---|--|---|---|--|---|---|
| <u>EQUITY AND LIABILITIES</u> | | | | | | |
| Equity Attributable to Equity Holders of the Company | | | | | | |
| <i>Share capital</i> | 738,055 | - | 738,055 | 706,807 | - | 706,807 |
| <i>Share premium</i> | 394,557 | - | 394,557 | 331,716 | - | 331,716 |
| <i>Other reserves</i> | 65,700 | - | 65,700 | 79,743 | - | 79,743 |
| <i>Retained earnings</i> | 1,070,317 | 20,204 | 1,090,521 | 834,026 | 2,957 | 836,983 |
| | <u>2,268,629</u> | <u>20,204</u> | <u>2,288,833</u> | <u>1,952,292</u> | <u>2,957</u> | <u>1,955,249</u> |
| Non-controlling interests | 9,682 | - | 9,682 | 10,987 | - | 10,987 |
| Total Equity | <u>2,278,311</u> | <u>20,204</u> | <u>2,298,515</u> | <u>1,963,279</u> | <u>2,957</u> | <u>1,966,236</u> |
| Non-current Liabilities | | | | | | |
| <i>Redeemable convertible secured bonds</i> | 292,211 | - | 292,211 | 283,720 | - | 283,720 |
| <i>Term loans</i> | 1,089,815 | - | 1,089,815 | 756,470 | - | 756,470 |
| <i>Long term and deferred payables</i> | 31,407 | - | 31,407 | 84,729 | - | 84,729 |
| <i>Deferred tax liabilities</i> | 16,137 | 160 | 16,297 | 19,160 | 386 | 19,546 |
| | <u>1,429,570</u> | <u>160</u> | <u>1,429,730</u> | <u>1,144,079</u> | <u>386</u> | <u>1,144,465</u> |
| Current Liabilities | | | | | | |
| <i>Trade and other payables</i> | 1,508,465 | - | 1,508,465 | 1,370,262 | - | 1,370,262 |
| <i>Term loans</i> | 63,774 | - | 63,774 | 74,922 | - | 74,922 |
| <i>Short term borrowings</i> | 5,577 | - | 5,577 | 8,988 | - | 8,988 |
| <i>Bank overdrafts</i> | - | - | - | 340 | - | 340 |
| <i>Current tax liabilities</i> | 20,289 | - | 20,289 | 21,881 | - | 21,881 |
| | <u>1,598,105</u> | <u>-</u> | <u>1,598,105</u> | <u>1,476,393</u> | <u>-</u> | <u>1,476,393</u> |
| Total Liabilities | <u>3,027,675</u> | <u>160</u> | <u>3,027,835</u> | <u>2,620,472</u> | <u>386</u> | <u>2,620,858</u> |
| TOTAL EQUITY AND LIABILITIES | <u>5,305,986</u> | <u>20,364</u> | <u>5,326,350</u> | <u>4,583,751</u> | <u>3,343</u> | <u>4,587,094</u> |

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

A1 Basis of preparation (continued)

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

Reconciliation of statement of profit or loss

| | 3 months ended 31/03/2014 | | | Period ended 31/03/2014 | | |
|--------------------------------|--|---|--------------------|--|---|--------------------|
| | As previously reported RM'000 | Effect of transition to MFRSs RM'000 | Restated RM'000 | As previously reported RM'000 | Effect of transition to MFRSs RM'000 | Restated RM'000 |
| Revenue | 642,199 | - | 642,199 | 642,199 | - | 642,199 |
| Cost of sales | (467,821) | (8,551) | (476,372) | (467,821) | (8,551) | (476,372) |
| Gross profit | 174,378 | (8,551) | 165,827 | 174,378 | (8,551) | 165,827 |
| Other income | 4,779 | | 4,779 | 4,779 | | 4,779 |
| Selling and marketing expenses | (31,365) | 8,370 | (22,995) | (31,365) | 8,370 | (22,995) |
| Administrative expenses | (36,389) | - | (36,389) | (36,389) | - | (36,389) |
| Interest income | 991 | - | 991 | 991 | - | 991 |
| Finance costs | (837) | - | (837) | (837) | - | (837) |
| Profit before tax | 111,557 | (181) | 111,376 | 111,557 | (181) | 111,376 |
| Income tax expense | (27,656) | (66) | (27,722) | (27,656) | (66) | (27,722) |
| Profit for the period | <u>83,901</u> | <u>(247)</u> | <u>83,654</u> | <u>83,901</u> | <u>(247)</u> | <u>83,654</u> |
| Profit attributable to: | | | | | | |
| Equity holders of the Company | 84,027 | (247) | 83,780 | 84,027 | (247) | 83,780 |
| Non-controlling interests | (126) | - | (126) | (126) | - | (126) |
| | <u>83,901</u> | <u>(247)</u> | <u>83,654</u> | <u>83,901</u> | <u>(247)</u> | <u>83,654</u> |

Reconciliation of statement of cash flows

There are no material differences between the statement of cash flows presented under MFRS Framework and statement of cash flows presented under FRSSs.

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

During the financial period ended 31 March 2015, the Company increased its issued and paid up ordinary share capital from RM738,054,727 to RM960,235,022 by way of:

- a) issuance of 1,174,942 new ordinary shares of RM0.50 each pursuant to the exercise of Warrant B 2013/2018;
- b) issuance of 443,185,318 new ordinary shares of RM0.50 each together with 132,954,970 Warrant C 2015/2020 pursuant to the Rights Issue with warrants; and
- c) issuance of 330 new ordinary shares of RM0.50 each pursuant to the exercise of Warrant C 2015/2020.

The Company has issued RM540.0 million nominal value unrated perpetual sukuk under the Shariah principle of Musharakah by way of private placement which was completed on 31 March 2015.

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 current financial period under review.

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A7 Segment reporting

Period ended 31 March 2015

| | Properties RM'000 | Plastics RM'000 | Investment Holding & Others RM'000 | Elimination RM'000 | Consolidated RM'000 |
|--------------------------------------|----------------------|--------------------|---|-----------------------|------------------------|
| REVENUE | | | | | |
| External revenue | 706,718 | 61,660 | 15,765 | - | 784,143 |
| Inter-segment | - | 5 | 16,723 | (16,728) | - |
| | <u>706,718</u> | <u>61,665</u> | <u>32,488</u> | <u>(16,728)</u> | <u>784,143</u> |
| RESULTS | | | | | |
| Operating profit | 124,382 | 3,592 | 2,067 | - | 130,041 |
| Interest income | 2,008 | 8 | 4 | - | 2,020 |
| Finance costs | (828) | (436) | (351) | - | (1,615) |
| Profit before tax | <u>125,562</u> | <u>3,164</u> | <u>1,720</u> | - | <u>130,446</u> |
| Income tax expense | | | | | <u>(32,557)</u> |
| Profit for the period | | | | | <u>97,889</u> |
| OTHER INFORMATION | | | | | |
| Capital expenditure | 885 | 1,935 | 232 | - | 3,052 |
| Depreciation and amortisation | 1,221 | 3,128 | 225 | - | 4,574 |
| ASSETS AND LIABILITIES | | | | | |
| Segment assets | 5,035,728 | 177,009 | 1,176,116 | - | 6,388,853 |
| Current and deferred tax assets | | | | | <u>76,684</u> |
| Total assets | | | | | <u>6,465,537</u> |
| Segment liabilities | 2,471,345 | 53,153 | 337,193 | - | 2,861,691 |
| Current and deferred tax liabilities | | | | | <u>42,543</u> |
| Total liabilities | | | | | <u>2,904,234</u> |

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A7 Segment reporting (continued)

Period ended 31 March 2014 (restated)

| | Properties RM'000 | Plastics RM'000 | Investment Holding & Others RM'000 | Elimination RM'000 | Consolidated RM'000 |
|--------------------------------------|----------------------|--------------------|---|-----------------------|------------------------|
| REVENUE | | | | | |
| External revenue | 569,399 | 60,607 | 12,193 | - | 642,199 |
| Inter-segment | - | - | 12,704 | (12,704) | - |
| | <u>569,399</u> | <u>60,607</u> | <u>24,897</u> | <u>(12,704)</u> | <u>642,199</u> |
| RESULTS | | | | | |
| Operating profit | 105,193 | 3,936 | 2,093 | - | 111,222 |
| Interest income | 980 | 11 | - | - | 991 |
| Finance costs | (272) | (471) | (94) | - | (837) |
| Profit before tax | 105,901 | 3,476 | 1,999 | - | 111,376 |
| Income tax expense | | | | | (27,722) |
| Profit for the period | | | | | <u>83,654</u> |
| OTHER INFORMATION | | | | | |
| Capital expenditure | 394 | 6,244 | 320 | - | 6,958 |
| Depreciation and amortisation | 1,175 | 3,246 | 88 | - | 4,509 |
| ASSETS AND LIABILITIES | | | | | |
| Segment assets | 3,878,036 | 181,632 | 333,865 | - | 4,393,533 |
| Current and deferred tax assets | | | | | 80,496 |
| Total assets | | | | | <u>4,474,029</u> |
| Segment liabilities | 2,002,834 | 67,356 | 306,449 | - | 2,376,639 |
| Current and deferred tax liabilities | | | | | 38,630 |
| Total liabilities | | | | | <u>2,415,269</u> |

A8 Material subsequent events

Save as disclosed in B6, there were no material events subsequent to the reporting date up to 27 May 2015, 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:

| | 01/01/2015 to 31/03/2015 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) Professional fees paid to a firm in which a Director of a subsidiary company has interest | <u>1,690</u> |

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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:

On 26 January 2015, the Company acquired the entire issued and paid-up share capital of Fusion Heights 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, for a cash consideration of RM2.00.

A11 Changes in contingent liabilities or contingent assets

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

| | 31/03/2015 | 31/12/2014 |
|--|----------------------|---------------|
| | RM'000 | RM'000 |
| Bank guarantees issued in favour of third parties | 34,702 | 31,947 |
| Corporate guarantees issued in favour of third parties | 6,490 | 7,797 |
| Others | 635 | 1,147 |
| | <u>41,827</u> | <u>40,891</u> |

A12 Capital commitments

| | 31/03/2015 |
|---|-------------------------|
| | RM'000 |
| Contractual commitment in relation to: | |
| - Proposed acquisition of land | 1,209,538 |
| - Development Agreement for proposed development of land in Kota Kinabalu | 158,740 |
| Commitment for acquisition of property, plant and equipment: | |
| - Approved and contracted for | 2,787 |
| Commitment for construction of investment properties: | |
| - Approved and contracted for | 10,618 |
| | <u>1,381,683</u> |

As Lessor - for the lease of investment properties

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

| | <u>Lease rentals receivable</u> |
|--------------------|--|
| | 31/03/2015 |
| | RM'000 |
| Less than one year | <u>8</u> |

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 RM784.1 million and profit after tax of approximately RM97.9 million for the first quarter ended 31 March 2015. This represented 22.1% improvement in revenue and 17.0% improvement in profit after tax as compared to the same quarter last year.

As at 31 March 2015, the Group had a cash pile of approximately RM1.59 billion and in a net cash position.

Property development

For the period ended 31 March 2015, revenue from property development was approximately RM706.7 million, marking near to 24.1% improvement as compared to approximately RM569.4 million achieved in the corresponding quarter last year. Operating profit also increased 18.2% from approximately RM105.2 million to approximately RM124.4 million. Improvement in results for the period ended 31 March 2015 compared to the same quarter last year was attributable to the higher work progress and sales from the Group's ongoing development projects such as **Icon City** in Petaling Jaya, **M City** in Jalan Ampang, **M Residence** and **M Residence 2 @ Rawang**, **Southville City@KL South** and **Southbay City** in Penang.

Other projects that contributed to the Group's results in Greater KL and Klang Valley included **Garden Residence**, **Clover @ Garden Residence** and **Garden Plaza** in Cyberjaya, **Kinrara Residence** in Puchong, **Icon Residence** in Mont' Kiara, **Lakeville Residence** in Taman Wahyu, **D'sara Sentral** in Sungai Buloh, **Aman Perdana** in Meru - Shah Alam, **One Legenda** in Cheras, and **M Suites** in Jalan Ampang. Commercial projects included **Star Avenue @ D'sara**. Furthermore, projects in Penang Island i.e. **Ferringhi Residence** and **Legenda @ Southbay** and projects in Iskandar, Johor Bahru i.e. **Mah Sing i-Parc @ Tanjung Pelepas**, **Austin Perdana**, **Sri Pulai Perdana 2**, **Sierra Perdana** and **The Meridin @ Medini** as well as **Sutera Avenue** in Kota Kinabalu, Sabah also contributed.

As at 31 March 2015, a total of RM48.71 billion comprising unbilled sales of RM5.12 billion combined with remaining GDV of RM43.59 billion is expected to sustain revenue growth for the next 8 to 10 years.

Plastics

The plastics segment continued to contribute positively to the revenue and operating profit of the Group. Revenue grew by 1.7% from approximately RM60.6 million to approximately RM61.7 million.

Investment holding & Others

Revenue and profit for the segment comprise mainly interest income from the depository 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 of approximately RM130.4 million compared to the immediate preceding quarter of approximately RM126.0 million (restated).

B3 Prospects for the current financial year

Malaysia's property market is experiencing a softening of demand as buyers are still adjusting to the various cooling measures and the implementation of the Goods and Services Tax. However, underpinned by location and product mix that is in tune with market demand, the Group has intensified its market efforts and strategies to pursue product differentiation by offering diversified range of attractively priced properties at various growth locations. 75% of the Group's remaining landbank are in Klang Valley/ Greater Kuala Lumpur, and 84% of planned residential launches are priced below RM1 million. Performances overall have been satisfactory, with year-to-date sales of RM761 million as at 22 April 2015, 22% and 17% improvement in quarterly revenue and profit after tax compared with the prior-year period, and a net cash position.

The Group has benefited from operating and financial synergies arising from a balanced portfolio of projects that are well spread-out along the project life cycle. These synergies greatly enhanced the Group's competitiveness, and further strengthened its capacity to stay ahead of changing market conditions. New projects that are key drivers of sales include **Southville City@KL South**, **D'sara Sentral** in Sungai Buloh, and **Lakeville Residence** in Taman Wahyu. Matured projects that provide steady streams of revenue and cash flow include **M City** in Jalan Ampang, **Icon City** in Petaling Jaya, **M Residence** and **M Residence 2 @ Rawang**, **Garden Residence** in Cyberjaya and **Southbay City** in Penang. Upcoming projects to drive future sales include **Meridin East** in Iskandar Malaysia and **Festival Lakecity@Puchong CBD**.

The Group is confident of market prospects in the long run particularly in view of the healthy fundamentals that are supported by strong household formation, young demographic and steady employment condition. The Group's strategic positioning in the four property hotspots with greater focus in Klang Valley/Greater Kuala Lumpur and its timely swift to mass market segment favorably position it for significant growth potential. This is due to extensive ongoing and proposed public transportation infrastructure investments in the key corridors where its projects are strategically located.

With a net cash position and unbilled sales of RM5.12 billion, the Group can build on its strong financial capability and capitalise on suitable land acquisition or joint venture opportunities as they arise, to further strengthen its property portfolio for continued long term growth momentum.

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 | |
|------------------------|----------------|--------------------------|----------------|--------------------------|
| | 31/03/2015 | (Restated) 31/03/2014 | 31/03/2015 | (Restated) 31/03/2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax: | | | | |
| Malaysian income tax | 37,255 | 25,100 | 37,255 | 25,100 |
| Foreign tax | - | 163 | - | 163 |
| | 37,255 | 25,263 | 37,255 | 25,263 |
| Deferred tax: | | | | |
| Malaysian deferred tax | (4,698) | 2,459 | (4,698) | 2,459 |
| | 32,557 | 27,722 | 32,557 | 27,722 |

The Group's effective tax rate for the current financial period is approximate the statutory tax rate of 25%.

B6 Status of corporate proposals

The following corporate proposals as announced by the Company have not been completed as at 27 May 2015 (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.

- 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.

Convention City and Yayasan Sabah are currently in discussions on an extension of time to enable the Landowner 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.

B6 Status of corporate proposals (continued)

- 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 and subsequent announcements, the Company proposes to undertake the following ("**Corporate Exercise**"):
- i) A 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 ("**Rights Issue with Warrants**");
 - ii) A 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 Rights Issue with Warrants; and
 - iii) The 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 ("**Increase In The Authorised Share Capital**") and the corresponding amendment to the Company's Memorandum and Articles of Association as a consequence of the Increase In The Authorised Share Capital ("**Amendment**").

At an extraordinary general meeting held on 7 January 2015, the shareholders of the Company had approved the Corporate Exercise. The completion of the Amendment and the Increase in the Authorised Share Capital had been announced on 12 January 2015.

The renounceable rights issue of 443,185,318 new ordinary shares of RM0.50 each in the Company together with 132,954,970 free detachable warrants was completed on 26 February 2015.

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B6 Status of corporate proposals (continued)

The total gross proceeds raised by the Company from the Rights Issue amounted to RM629,323,152. The status of the utilisation of proceeds as at 27 May 2015 is as follow:

| Details of utilisation | Approved utilisation RM'000 | Actual utilisation RM'000 | Balance unutilised RM'000 | Timeframe for utilisation RM'000 |
|--|--|--------------------------------------|--------------------------------------|---|
| Land acquisition and property development activities | 530,000 | (244,830) | 285,170 | Within 24 months |
| General working capital | 91,323 | (32,495) | 58,828 | Within 12 months |
| Estimated expenses in relation to the Corporate Exercise | 8,000 | (7,336) | 664 | Within 6 months |
| Total | 629,323 | (284,661) | 344,662 | |

On 27 May 2015, the Company announced that the entitlement date for the Bonus Issue will be on 5.00 p.m. on 10 June 2015. The Bonus Issue will be completed on 11 June 2015 following the listing and quotation of the Bonus Shares on the Main Market of Bursa Securities.

B7 Group borrowings

Total group borrowings as at 31 March 2015 were as follows:

| (Denominated in) | Secured RM'000 (RM) | Secured RM'000 (Indonesian Rupiah) | Secured RM'000 (USD) | Total RM'000 |
|---------------------------------|------------------------------------|---|-------------------------------------|-------------------------|
| Redeemable convertible bonds | | | | |
| - after 12 months | 297,008 | - | - | 297,008 |
| Term loans payable | | | | |
| - within 12 months | 110,308 | 3,630 | - | 113,938 |
| - after 12 months | 1,149,397 | 2,111 | - | 1,151,508 |
| | 1,259,705 | 5,741 | - | 1,265,446 |
| Short term borrowings | 1,902 | 1,132 | 2,971 | 6,005 |
| Bank overdrafts | - | 77 | - | 77 |
| Finance lease and hire purchase | | | | |
| - within 12 months | 1,637 | 841 | - | 2,478 |
| - after 12 months | 2,407 | 2,420 | - | 4,827 |
| | 4,044 | 3,261 | - | 7,305 |
| Total | 1,562,659 | 10,211 | 2,971 | 1,575,841 |

B8 Material litigation

The Group is not engaged in any material litigation as at 27 May 2015, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report.

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B9 Derivatives financial instrument

The Group's outstanding derivatives financial instrument as at 31 March 2015 were analysed as follows:

| | Notional Value RM'000 | Fair Value Asset RM'000 |
|---|--------------------------------------|--|
| Foreign currency forward contracts | | |
| - Less than one year | <u>1,245</u> | <u>93</u> |

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 financial period are taken directly to profit or loss.

B10 Realised and unrealised earnings or losses disclosure

The retained earnings as at 31 March 2015 and 31 December 2014 were analysed as follows:

| | 31/03/2015 RM'000 | (Restated) 31/12/2014 RM'000 |
|--|------------------------------|---|
| Total retained earnings of the Group | | |
| - Realised | 1,137,709 | 1,022,547 |
| - Unrealised | <u>68,166</u> | <u>62,345</u> |
| | 1,205,875 | 1,084,892 |
| Total share of accumulated losses from associated company | | |
| - Realised | <u>(73)</u> | <u>(73)</u> |
| | 1,205,802 | 1,084,819 |
| Consolidation adjustments | <u>(16,388)</u> | <u>5,702</u> |
| Total group retained earnings as per consolidated accounts | <u>1,189,414</u> | <u>1,090,521</u> |

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

| | 3 months ended 31/03/2015 RM'000 | Period ended 31/03/2015 RM'000 |
|---|---|---|
| Depreciation and amortisation | (4,574) | (4,574) |
| Gain on redemption of investments in short term funds | 27 | 27 |
| Impairment of intangible assets | (471) | (471) |
| Net foreign exchange gain | 25 | 25 |
| Net gain on foreign exchange forward contracts | 81 | 81 |
| Reversal of write down of slow-moving inventories | <u>423</u> | <u>423</u> |

Other than the items above which have been included in profit or loss, there were no allowance for doubtful debts, impairment of assets or exceptional items which may have an effect on the results for the current financial period ended 31 March 2015.

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B12 Dividend proposed

No dividend has been proposed for the first quarter ended 31 March 2015.

In respect of the previous financial year ended 31 December 2014:

- i) The Board of Directors has proposed first and final single-tier dividend of 6.5 sen per ordinary share of RM0.50 each (2013: 8.0 sen per ordinary share of RM0.50 each) in respect of the financial year ended 31 December 2014, which is subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting.

As the share capital base is enlarged due to rights issue and the proposed bonus issue, the 6.5 sen proposed dividend is expected to result in above 40% dividend payout ratio, subject to the number of shares in issue on dividend entitlement date which to be announced later.

- 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.

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

| | 3 months ended | | Period ended | |
|---|-----------------------|--------------------------|---------------------|--------------------------|
| | 31/03/2015 | (Restated) 31/03/2014 | 31/03/2015 | (Restated) 31/03/2014 |
| Net profit for the period (RM'000) | 98,893 | 83,780 | 98,893 | 83,780 |
| Weighted average number of ordinary shares in issue ('000)* | 1,659,298 | 1,526,206 | 1,659,298 | 1,526,206 |
| Basic EPS (sen) | 5.96 | 5.49 | 5.96 | 5.49 |

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B13 Earnings per share ("EPS") (continued)

(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 financial period by the weighted average number of ordinary shares that would have been in issue assuming conversion of bonds and full exercise of the remaining warrants and options under the ESOS, adjusted for the number of such ordinary shares that would have been issued at fair value.

| | 3 months ended | | Period ended | |
|---|------------------|--------------------------|------------------|--------------------------|
| | 31/03/2015 | (Restated) 31/03/2014 | 31/03/2015 | (Restated) 31/03/2014 |
| Net profit for the period (RM'000) | 98,893 | 83,780 | 98,893 | 83,780 |
| Weighted average number of ordinary shares in issue ('000)* | 1,659,298 | 1,526,206 | 1,659,298 | 1,526,206 |
| Weighted average number of ordinary shares deemed issued at no consideration ('000) | | | | |
| ESOS | - | 19,129 | - | 19,129 |
| Bonds conversion | 61,671 | 52,490 | 61,671 | 52,490 |
| Warrants B | 14,158 | 8,627 | 14,158 | 8,627 |
| Warrants C ⁽¹⁾ | n/a | - | n/a | - |
| Adjusted weighted average number of ordinary shares ('000) | 1,735,127 | 1,606,452 | 1,735,127 | 1,606,452 |
| Diluted EPS (sen) | 5.70 | 5.22 | 5.70 | 5.22 |

* 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 adjustment arising from the Rights Issue which was completed on 26 February 2015. .

⁽¹⁾ The effects of potential ordinary shares arising from the conversion of Warrants C is anti-dilutive and accordingly is excluded in the Diluted EPS computation above.

B14 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2014 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
28 May 2015