



MAH SING GROUP BERHAD

Company No.: 230149-P

(Incorporated in Malaysia)

Interim Financial Statements

30 September 2008

MAH SING GROUP BERHAD

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

Interim Financial Statements - 30 September 2008

	Page No.
Condensed Consolidated Balance Sheets	1
Condensed Consolidated Income Statements	2
Condensed Consolidated Statements Of Changes In Equity	3
Condensed Consolidated Cash Flow Statements	4
Notes To The Interim Financial Statements	5 - 10

MAH SING GROUP BERHAD

(Company No.: 230149 P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEETS

AS AT 30 SEPTEMBER 2008

(The figures have not been audited)

	(UNAUDITED) AS AT 30/09/2008 (RM'000)	(AUDITED) AS AT 31/12/2007 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	60,127	53,907
Investment in associated companies	-	26
Other Investment	1	1
Land held for property development	47,099	-
Intangible assets	14	20
Prepaid lease payments	5,394	5,542
Deferred tax assets	465	-
	<u>113,100</u>	<u>59,496</u>
Current Assets		
Property development cost	589,578	569,325
Inventories	31,292	43,018
Trade and other receivables	260,822	234,558
Deposits with licensed banks	119,609	153,907
Cash and bank balances	23,937	49,820
	<u>1,025,238</u>	<u>1,050,628</u>
TOTAL ASSETS	<u><u>1,138,338</u></u>	<u><u>1,110,124</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	313,006	310,671
Share premium	134,148	133,908
Other reserves	5,036	4,515
Retained profits	220,428	181,223
	<u>672,618</u>	<u>630,317</u>
Minority interests	<u>6,936</u>	<u>5,455</u>
Total equity	<u><u>679,554</u></u>	<u><u>635,772</u></u>
Non-current liabilities		
Long term borrowings	201,371	142,984
Deferred payables	3,163	52,576
Deferred taxation	8	7
	<u>204,542</u>	<u>195,567</u>
Current Liabilities		
Trade and other payables	213,308	258,850
Term loans	22,807	6,125
Short term borrowings	4,308	7,832
Bank overdrafts	-	385
Taxation	13,819	5,593
	<u>254,242</u>	<u>278,785</u>
Total liabilities	<u>458,784</u>	<u>474,352</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,138,338</u></u>	<u><u>1,110,124</u></u>
Net assets per share attributable to equity holders of the Company(RM)	<u><u>1.07</u></u>	<u><u>1.01</u></u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

Mah Sing Group Berhad

(Company No.: 230149 P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the financial period ended 30 September 2008

(The figures have not been audited)

	3 months ended		Period ended	
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	163,893	166,863	499,979	452,961
Cost of Sales	(113,065)	(114,821)	(331,243)	(318,434)
Gross profit	50,828	52,042	168,736	134,527
Other income	186	441	1,547	1,144
Administrative expenses	(9,822)	(12,534)	(35,844)	(32,495)
Selling and marketing expenses	(15,656)	(4,189)	(22,886)	(11,378)
Interest income	931	116	1,019	1,468
Finance costs	(1,030)	(1,693)	(3,359)	(5,022)
Profit before taxation	25,437	34,183	109,213	88,244
Income tax expense	(8,589)	(11,457)	(32,717)	(26,474)
Profit for the period	16,848	22,726	76,496	61,770
Attributable to:				
Equity holders of the Company	16,536	22,424	76,092	60,759
Minority interests	312	302	404	1,011
	16,848	22,726	76,496	61,770
Earnings per share attributable to equity holders of the Company:				
- Basic (sen) Note B13	2.65	3.62	12.22	11.63
- Diluted (sen) Note B13	2.63	3.57	12.12	10.88

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

Mah Sing Group Berhad

(Company No.: 230149 P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the financial period ended 30 September 2008

(The figures have not been audited)

	Attributable to equity holders of the Company					Minority Interests	Total Equity	
	Non-Distributable		Distributable					
	Share capital	Share premium	Exchange fluctuation reserve	Equity-settled Employees Benefit Reserve	Retained earnings			Total
(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)		
9 months ended 30 September 2008								
Balance at 1/1/2008	310,671	133,908	4,256	259	181,223	630,317	5,455	635,772
Amount recognised directly in equity:								
Foreign exchange fluctuation	-	-	691	-	-	691	267	958
Net profit for the financial period	-	-	-	-	76,092	76,092	404	76,496
Total recognised income and expense for the period	-	-	691	-	76,092	76,783	671	77,454
Issuance of ordinary shares of subsidiaries to minority interests	-	-	-	-	-	-	810	810
Issuance of ordinary shares pursuant to:								
- Exercise of warrants	1,892	-	-	-	-	1,892	-	1,892
- Exercise of employees share options	443	240	-	(170)	170	683	-	683
Dividends for the financial year ended 31 December 2007	-	-	-	-	(37,057)	(37,057)	-	(37,057)
Balance at 30/09/2008	313,006	134,148	4,947	89	220,428	672,618	6,936	679,554

	Attributable to equity holders of the Company					Minority Interests	Total Equity	
	Non-Distributable		Distributable					
	Share capital	Share premium	Exchange fluctuation reserve	Equity-settled Employees Benefit Reserve	Retained earnings			Total
(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)		
9 months ended 30 September 2007								
Balance at 1/1/2007	152,044	31,104	5,092	1,243	126,295	315,778	4,522	320,300
Amount recognised directly in equity:								
Foreign exchange fluctuation	-	-	(422)	-	-	(422)	(142)	(564)
Net profit for the financial period	-	-	-	-	60,759	60,759	1,011	61,770
Total recognised income and expense for the period	-	-	(422)	-	60,759	60,337	869	61,206
Issue of ordinary shares of subsidiaries to minority interests	-	-	-	-	-	-	90	90
Issuance of ordinary shares pursuant to:								
- Exercise of warrants	38,398	-	-	-	-	38,398	-	38,398
- Rights Issue	51,267	117,915	-	-	-	169,182	-	169,182
- Private Placement	15,200	37,424	-	-	-	52,624	-	52,624
- Bonus Issue	51,327	(51,327)	-	-	-	-	-	-
- Exercise of ESOS	2,302	1,243	-	(961)	961	3,545	-	3,545
Expenses for issuance of equity securities	-	(2,476)	-	-	-	(2,476)	-	(2,476)
Dividends for the financial year ended 31 December 2006	-	-	-	-	(27,181)	(27,181)	-	(27,181)
Balance at 30/09/2007	310,538	133,883	4,670	282	160,834	610,207	5,481	615,688

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

MAH SING GROUP BERHAD

(Company No.: 230149 P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

For the financial period ended 30 September 2008

(The figures have not been audited)

	9 months ended 30/09/2008 (RM'000)	9 months ended 30/09/2007 (RM'000)
Net cash used in operating activities	(44,646)	(111,687)
Net cash used in investing activities	(50,824)	(7,645)
Net cash from financing activities	27,369	294,216
Net (decrease)/increase in cash and cash equivalents	(68,101)	174,884
Effects of exchange rate changes	7	(7)
Cash and cash equivalents at beginning of financial period	203,277	42,305
Cash and cash equivalents at end of financial period	135,183	217,182

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

	As at 30/09/2008 (RM'000)	As at 30/09/2007 (RM'000)
Deposits with licensed banks	119,609	177,731
Cash and bank balances	23,937	41,407
Bank overdraft	-	(1,891)
	143,546	217,247
Less: Deposits with licensed banks pledged as collateral	(8,363)	(65)
	135,183	217,182

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

A Explanatory Notes

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard ("FRS") No. 134 : Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2007. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2007.

A2 Accounting Policies

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2007, except for the adoption of the new/revised FRSs and interpretations that are relevant to the Group and effective for the Group's financial year ending 31 December 2008 as follows:-

FRS 107	Cash Flow Statement
FRS 112	Income Taxes
FRS 118	Revenue
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Scope of FRS 2

The adoption of these new/revised FRSs does not have significant financial impact on the Group.

A3 Preceding annual audit report status

The auditors' report on the financial statements for the financial year ended 31 December 2007 was not subject to any qualification.

A4 Seasonal or cyclical factors

The operations of the Group were not significantly affected by any major seasonal or cyclical factors during the current quarter under review and financial period-to-date.

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There was no item of a material and unusual nature which would affect substantially the assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review and financial period-to-date.

A6 Changes in estimates

There were no material changes in estimates in the current quarter under review and financial period-to-date.

A7 Debts and equity securities

During the financial period ended 30 September, 2008, the Company increased its issued and paid up ordinary share capital from RM310,670,715 to RM313,005,884 by way of:

- a) issuance of 886,254 new ordinary shares of RM0.50 each pursuant to exercise of employees share options; and
- b) issuance of 3,784,084 new ordinary shares of RM0.50 each pursuant to exercise of warrants.

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

A8 Dividends paid

On 18 August 2008, the Company paid a first and final dividend of 16% per share, less income tax, amounting to RM37,057,206 in respect of the financial year ended 31 December 2007.

A9 Segment reporting

Period ended 30 September 2008

	Properties	Plastics	Investment Holding & Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External Sales	383,041	114,122	2,816	-	499,979
Inter-segment	-	-	4,790	(4,790)	-
Total revenue	383,041	114,122	7,606	(4,790)	499,979
RESULTS					
Operating profit	108,470	8,147	233	(5,297)	111,553
Finance costs					(3,359)
Interest income					1,019
Income tax					(32,717)
Profit for the period					76,496
OTHER INFORMATION					
Capital expenditure	1,208	10,698	32	-	11,938
Depreciation and amortisation	1,272	5,299	22	-	6,593
Reversal of impairment loss	-	(48)	-	-	(48)

Period ended 30 September 2007

	Properties	Plastics	Investment Holding & Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External Sales	356,733	94,224	2,004	-	452,961
Inter-segment	-	-	146	(146)	-
Total revenue	356,733	94,224	2,150	(146)	452,961
RESULTS					
Operating profit	88,093	6,952	(1,577)	(1,670)	91,798
Finance costs					(5,022)
Interest income					1,468
Income tax					(26,474)
Profit for the period					61,770
OTHER INFORMATION					
Capital expenditure	2,936	6,791	39	-	9,766
Depreciation and amortisation	1,205	5,003	19	-	6,227
Reversal of impairment loss	-	(85)	-	-	(85)

A10 Valuation of Property, Plant and Equipment

The valuation of Property, Plant and Equipment have been brought forward without any amendment from annual financial statements for the financial year ended 31 December 2007.

A11 Material events subsequent to the end of the interim period

There were no material events or transactions subsequent to the balance sheet date.

A12 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter under review and financial period-to-date.

A13 Changes in contingent liabilities or contingent assets

There were no changes in the contingent liabilities or the contingent assets of the Group since the last annual balance sheet date.

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

B1 Review of performance

For the current financial year to-date, the Group recorded a profit after tax after minority interests ("PATMI") of RM76.1 million, an improvement of 25.2% as compared to RM60.8 million for the previous corresponding financial period.

The contributors to the PATMI for the financial period ended 30 September 2008 are the Group's commercial project, The Icon@Tun Razak and residential projects, namely Hijauan Residence, Aman Perdana, Kemuning Residence and Perdana Residence in the Klang Valley as well as Sierra Perdana, Austin Perdana and Sri Pulai Perdana in Johor Bahru.

To-date, the Group has 16 projects, all located in prime locations - 11 in the Klang Valley, 4 in Johor Bahru in Iskandar Malaysia and 1 in Penang.

B2 Material change in profit before taxation for the current quarter as compared with the immediate preceding quarter

The Group's current quarter profit before tax of RM25.4 million is lower than the immediate preceding quarter ended 30 June 2008 due mainly to timing mismatch as the construction work on Icon Tun Razak, East Wing was in advance stage of construction when the transaction was completed.

B3 Prospect for the current financial year

Sentiments are selectively cautious for the property sector, but the Group will continue to create demand for their products with more creative product development and marketing strategies. The Group sees demand to be resilient for branded developers targeting medium to high-end residential and commercial projects in good locations. Klang Valley, Johor Bahru and Penang island are favoured due to the growing population and stronger economic activities. The Group has approximately RM3.9 billion in remaining Gross Development Value and unbilled sales as at 30 September 2008 which will contribute positively to the Group's earnings for the next 5 to 7 years.

The Group's low gearing of only 0.13 times as at 30 September 2008 and strong cashflow allows the Group to look for good investment opportunities. The Group will continue to be prudent while taking calculated risks for the Group's expansion plans.

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	
	30/09/2008 (RM'000)	30/09/2007 (RM'000)	30/09/2008 (RM'000)	30/09/2007 (RM'000)
Current tax:				
Malaysian income tax	6,303	9,412	29,660	24,211
Foreign tax	380	154	900	480
	<u>6,683</u>	<u>9,566</u>	<u>30,560</u>	<u>24,691</u>
Under provision of Malaysian income tax in prior year	2,371	2,257	2,622	2,001
	<u>9,054</u>	<u>11,823</u>	<u>33,182</u>	<u>26,692</u>
Deferred taxation				
Malaysian deferred tax	(155)	(366)	(155)	(218)
Under provision of Malaysian deferred tax in previous quarters	(310)	-	(310)	-
	<u>8,589</u>	<u>11,457</u>	<u>32,717</u>	<u>26,474</u>

The effective tax rate of the Group for the current financial period to-date is slightly higher than the applicable statutory tax rate mainly due to certain non-tax deductible expenses and pre-operating expenses of development projects.

B6 Sale of unquoted investments & properties

There were no sales of unquoted investments and properties which are not in the ordinary course of the Group's business during the current quarter under review and financial period-to-date.

B7 Quoted securities

(a) There were no purchase or sale of quoted securities during the current quarter and financial period-to-date.

(b) Total investments in quoted securities are as follows:

	30/09/2008 (RM'000)	31/12/2007 (RM'000)
(i) At cost	<u>4</u>	<u>4</u>
(ii) At carrying value/book value	<u>1</u>	<u>1</u>
(iii) At market value	<u>2</u>	<u>1</u>

B8 Status of corporate proposals

The following corporate proposals announced by the Company have not been completed as at 21 November 2008 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Statements):-

- a) On 27 November 2007, the Company's wholly owned subsidiary company, Maxim Heights Sdn Bhd has entered into the following tripartite agreements with Majlis Agama Islam Wilayah Persekutuan and Prompt Symphony Sdn Bhd:
- Sale and Purchase Agreement for the proposed en bloc sale of net lettable area of 380,510 square feet in The Icon @ Mont Kiara, for a total cash consideration of RM285,382,500 ("Proposed MTK En Bloc Sale"), and;
 - A Put and Call Option Agreement, at option consideration of RM1, for the sale of not less than 637 car park bays in The Icon @ Mont Kiara for a total cash consideration of RM19,900,000.

The proposed MTK En Bloc Sale has yet to become unconditional pending fulfillment of certain conditions precedent.

- b) On 10 November 2008, the Company's wholly owned subsidiary, Supreme Springs Sdn Bhd ("SSSB") has entered into a Joint Development Agreement ("JDA") with Link Mark Sdn Bhd ("LMSB") for a proposed joint development of a piece of commercial land in Setapak measuring 5.3 acres ("Setapak Land").

Under the terms of the JDA, LMSB will grant SSSB the exclusive rights to develop the Setapak Land in return for a cash consideration of RM13.0 million.

The JDA became unconditional on 18 November 2008.

B9 Group borrowings and debt securities

Total group borrowings as at 30 September 2008 are as follows:

	Secured (RM'000)	Secured (RM'000)	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
(Denominated in)	(RM)	(Indonesian Rupiah)	(USD)	(RM)	
Term loans payable					
- within 12 months	21,336	1,471	-	-	22,807
- after 12 months	193,889	7,428	54	-	201,371
	215,225	8,899	54	-	224,178
Short term borrowings	-	-	1,898	2,410	4,308
	-	-	1,898	2,410	4,308
Finance lease and hire purchase					
- within 12 months	1,833	22	-	-	1,855
- after 12 months	1,950	199	-	-	2,149
	3,783	221	-	-	4,004
Total	219,008	9,120	1,952	2,410	232,490

B10 Off balance sheet financial instruments

A foreign subsidiary has entered into cross currency swap transaction contracts with a foreign bank with termination dates in November 2008, October 2009 and June 2010 respectively.

As at 21 November 2008, the loan balance in foreign currency, the contractual foreign exchange rates and the contractual interest rates were as follows:

Hedged item	Currency to be paid	RM equivalent	Contractual rate	
			Forex rates	Interest rates
Borrowing: Rp225,000,000	US Dollar	88,533	1 USD = Rp9,200	13.25%
Borrowing: Rp2,062,500,000	US Dollar	823,181	1 USD = Rp9,070	10.85%
Borrowing: Rp6,750,000,000	US Dollar	2,628,833	1 USD = Rp9,295	13.35%

The cross currency swap contracts of the foreign subsidiary entitle it to pay interest at fixed rates on notional principal amounts.

B11 Material litigation

The Group is not engaged in any material litigation since 31 December 2007, being the latest annual balance sheet date until 21 November 2008, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Statements.

B12 Dividend proposed

No dividend has been proposed in respect of the financial period ended 30 September 2008.

B13 Earnings per share ("EPS")

(a) Basic EPS

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

	3 months ended		Period ended	
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
Net Profit for the period (RM'000)	16,536	22,424	76,092	60,759
Weighted average number of ordinary shares in issue ('000)	624,857	619,675	622,780	522,482
Basic EPS (sen)	2.65	3.62	12.22	11.63

(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 issued upon full exercise of the remaining options under the ESOS and the Warrants, adjusted for the number of such ordinary shares that would have been issued at fair value.

	3 months ended		Period ended	
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
Net Profit for the period (RM'000)	16,536	22,424	76,092	60,759
Weighted average number of ordinary shares in issue ('000)	624,857	619,675	622,780	522,482
Weighted average number of ordinary shares deemed issued at no consideration ('000):				
ESOS	318	1,737	495	3,008
Warrants	3,448	6,244	4,613	32,902
Diluted weighted average number of ordinary shares ('000)	628,623	627,656	627,888	558,392
Diluted EPS (sen)	2.63	3.57	12.12	10.88

BY ORDER OF THE BOARD

YANG BAO LING
 KUAN HUI FANG

Secretaries

Kuala Lumpur
 28 November 2008