



MAH SING GROUP BERHAD

Company No.: 230149-P

(Incorporated in Malaysia)

Interim Financial Statements

31 March 2009

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Interim Financial Statements - 31 March 2009

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MAH SING GROUP BERHAD

(Company No.: 230149-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEETS

AS AT 31 MARCH 2009

(The figures have not been audited)

	(UNAUDITED) AS AT 31/03/2009 (RM'000)	(AUDITED) AS AT 31/12/2008 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	59,156	59,458
Other Investment	-	1
Land held for property development	47,099	47,099
Intangible assets	10	12
Prepaid lease payments	5,369	5,330
Deferred tax assets	700	700
	<u>112,334</u>	<u>112,600</u>
Current Assets		
Property development cost	600,378	624,626
Inventories	31,746	31,769
Trade and other receivables	297,554	249,562
Current tax assets	9,376	8,720
Deposits with licensed banks	127,876	131,552
Cash and bank balances	26,459	40,684
	<u>1,093,389</u>	<u>1,086,913</u>
TOTAL ASSETS	<u><u>1,205,723</u></u>	<u><u>1,199,513</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	313,675	313,423
Share premium	134,215	134,167
Other reserves	6,128	5,162
Retained profits	260,195	237,523
	<u>714,213</u>	<u>690,275</u>
Minority interests	6,171	6,335
Total equity	<u>720,384</u>	<u>696,610</u>
Non-current liabilities		
Long term borrowings	199,754	181,929
Deferred payables	2,768	2,776
Deferred taxation	618	618
	<u>203,140</u>	<u>185,323</u>
Current Liabilities		
Trade and other payables	222,948	265,188
Term loans	42,820	35,012
Short term borrowings	2,338	2,117
Bank overdrafts	438	29
Current tax liabilities	13,655	15,234
	<u>282,199</u>	<u>317,580</u>
Total liabilities	<u>485,339</u>	<u>502,903</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,205,723</u></u>	<u><u>1,199,513</u></u>
Net assets per share attributable to equity holders of the Company(RM)	<u>1.14</u>	<u>1.10</u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008 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 31 March 2009

(The figures have not been audited)

	3 months ended		Period ended		
	31/03/2009 (RM'000)	31/03/2008 (RM'000)	31/03/2009 (RM'000)	31/03/2008 (RM'000)	
Revenue	150,315	140,665	150,315	140,665	
Cost of Sales	(102,922)	(96,649)	(102,922)	(96,649)	
Gross profit	47,393	44,016	47,393	44,016	
Other income	205	1,126	205	1,126	
Administrative expenses	(11,166)	(9,950)	(11,166)	(9,950)	
Selling and marketing expenses	(4,490)	(2,963)	(4,490)	(2,963)	
Interest income	(85)	(72)	(85)	(72)	
Finance costs	(738)	(1,242)	(738)	(1,242)	
Profit before taxation	31,119	30,915	31,119	30,915	
Income tax expense	(8,946)	(8,598)	(8,946)	(8,598)	
Profit for the period	22,173	22,317	22,173	22,317	
Attributable to:					
Equity holders of the Company	22,631	22,309	22,631	22,309	
Minority interests	(458)	8	(458)	8	
	22,173	22,317	22,173	22,317	
Earnings per share attributable to equity holders of the Company:					
- Basic (sen)	Note B13	3.61	3.59	3.61	3.59
- Diluted (sen)	Note B13	3.60	3.55	3.60	3.55

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

Mah Sing Group Berhad

(Company No.: 230149-P)

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the financial period ended 31 March 2009

(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		
(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
3 months ended 31 March 2009							
Balance at 1/1/2009	313,423	134,167	5,092	70	237,523	6,335	696,610
Amount recognised directly in equity:							
Foreign exchange fluctuation	-	-	1,007	-	-	294	1,301
Net profit for the financial period	-	-	-	-	22,631	(458)	22,173
Total recognised income and expense for the period	-	-	1,007	-	22,631	(164)	23,474
Issuance of ordinary shares pursuant to:							
- Exercise of warrants	163	-	-	-	-	-	163
- Exercise of employees share options	89	48	-	(41)	41	-	137
Balance at 31/03/2009	313,675	134,215	6,099	29	260,195	6,171	720,384
	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		
(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
3 months ended 31 March 2008							
Balance at 1/1/2008	310,671	133,908	4,256	259	181,223	5,455	635,772
Amount recognised directly in equity:							
Foreign exchange fluctuation	-	-	(317)	-	-	(170)	(487)
Net profit for the financial period	-	-	-	-	22,309	8	22,317
Total recognised income and expense for the period	-	-	(317)	-	22,309	(162)	21,830
Issuance of ordinary shares pursuant to:							
- Exercise of warrants	138	-	-	-	-	-	138
- Exercise of employees share options	101	55	-	(35)	35	-	156
Balance at 31/03/2008	310,910	133,963	3,939	224	203,567	5,293	657,896

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 2008 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

For the financial period ended 31 March 2009

(The figures have not been audited)

	3 months ended 31/03/2009 (RM'000)	3 months ended 31/03/2008 (RM'000)
Net cash used in operating activities	(39,713)	(67,026)
Net cash used in investing activities	(4,094)	(2,176)
Net cash from/(used in) financing activities	23,104	(3,963)
Net decrease in cash and cash equivalents	(20,703)	(73,165)
Effects of exchange rate changes	87	(6)
Cash and cash equivalents at beginning of financial period	160,352	200,358
Cash and cash equivalents at end of financial period	139,736	127,187

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

	As at 31/03/2009 (RM'000)	As at 31/03/2008 (RM'000)
Deposits with licensed banks	127,876	99,532
Cash and bank balances	26,459	31,177
Bank overdraft	(438)	(538)
	153,897	130,171
Less: Deposits pledged as collateral	(664)	(705)
Less: Deposits deposited in Escrow Account	(13,497)	(2,279)
	139,736	127,187

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

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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 2008. 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 2008.

The significant 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 2008.

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 2009, the Company increased its issued and paid up ordinary share capital from RM313,422,791 to RM313,675,373 by way of:

- a) issuance of 178,874 new ordinary shares of RM0.50 each pursuant to exercise of employees share options; and
- b) issuance of 326,289 new ordinary shares of RM0.50 each pursuant to 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

There were no dividend paid during the financial period under review.

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A7 Segment reporting

Period ended 31 March 2009

	Properties	Plastics	Investment Holding & Others	Elimination	Consolidated
REVENUE	RM'000	RM'000	RM'000	RM'000	RM'000
External Sales	121,695	27,803	817	-	150,315
Inter-segment	-	-	7	(7)	-
Total revenue	121,695	27,803	824	(7)	150,315
RESULTS					
Operating profit	32,368	784	(1,082)	(128)	31,942
Interest income					(85)
Finance costs					(738)
Income tax					(8,946)
Profit for the period					22,173
OTHER INFORMATION					
Capital expenditure	312	637	12	-	961
Depreciation and amortisation	432	2,022	18	-	2,472

Period ended 31 March 2008

	Properties	Plastics	Investment Holding & Others	Elimination	Consolidated
REVENUE	RM'000	RM'000	RM'000	RM'000	RM'000
External Sales	103,535	36,116	1,014	-	140,665
Inter-segment	-	-	28	(28)	-
Total revenue	103,535	36,116	1,042	(28)	140,665
RESULTS					
Operating profit	32,168	1,640	(2,167)	588	32,229
Interest income					(72)
Finance costs					(1,242)
Income tax					(8,598)
Profit for the period					22,317
OTHER INFORMATION					
Capital expenditure	665	4,072	12	-	4,749
Depreciation and amortisation	420	1,622	7	-	2,049
Reversal of impairment loss	-	(18)	-	-	(18)

A8 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 2008.

A9 Material subsequent events

There were no material events subsequent to the balance sheet date that have not been reflected in the interim financial statements.

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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 under review.

A11 Changes in contingent liabilities or contingent assets

There were no changes in contingent liabilities or 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 Group performance

Notwithstanding the challenging operating environment, the Group recorded satisfactory results for the first quarter of FY2009, with profit after tax after minority interests ("PATMI") achieved at RM22.6 million against RM22.3 million for the previous year corresponding period.

The contributors for the financial period under review were the Group's residential projects such as Kemuning Residence, Hijauan Residence and Aman Perdana in the Klang Valley as well as Sierra Perdana, Austin Perdana and Sri Pulau Perdana in Johor Bahru and its commercial projects, namely The Icon Jalan Tun Razak and Southgate Commercial Centre in Kuala Lumpur. Apart from property development, the Group's plastics division also contributed to the earnings achieved.

To-date, the Group has 16 property development projects, all located in prime locations in Kuala Lumpur, Klang Valley, Johor Bahru in Iskandar Malaysia and Penang Island. New projects coming onstream are StarParc Point in Setapak, One Legenda in Cheras and the Hulu Langat project, all of which are in the Klang Valley, Sri Pulau Perdana 2 in Johor Bahru as well as Southbay Penang on Penang Island.

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

The Group recorded a profit before tax of RM31.1 million in the current quarter representing an increase of 16% compared to RM26.8 million in the immediate preceding quarter. The improvement is attributable mainly to better performance of the Group's property division.

B3 Prospects for the current financial year

The Group's Easy Home Ownership programme which includes various strategies such as the 5/95 scheme, low monthly payments for 5 years and other innovative promotional plans which fit buyers' financial needs has yielded strong sales of RM170 million in Q1 2009 as compared to RM115 million in Q1 2008. Besides stepping up efforts to ensure its offerings meet market demand, the Group continues to capitalise on its branding, product quality, location, concept and track record to sustain the momentum and to deliver credible sales results for financial year 2009.

The Group continues to be recognised locally and internationally for its efforts in product quality and branding. It was recently awarded The BrandLaureate's Best Brand - Property and The Asia Pacific Property Awards in association with CNBC Arabia for Best Mixed-Use Development for Aman Perdana and Best Office Development for Southgate Commercial Centre project. As part of the Group's commitment towards product quality, it has also adopted the Construction Quality Assessment System ("CONQUAS") certification for its commercial as well as residential projects.

Despite external challenges, the Group believes that strong liquidity, conducive financing environment, i.e. low interest rates coupled with improved equity market sentiments will generate positive wealth effect and the property market should improve further by early 2010.

The Group's healthy balance sheet and low gearing of 0.13 times as at 31 March 2009 allows it to plan ahead and acquire good land bank at the right timing. The following three-prong strategy of the Group in acquiring good landbank should enhance shareholders' value:

- i) the Group shall continue its cash generative, fast turnaround business model for niche, medium to high end landed residential and commercial projects;
- ii) it shall look into large landbank for potential mass housing project; and
- iii) the Group shall also continue to explore overseas opportunities in high population growth countries like China and Vietnam.

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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	
	31/03/2009 (RM'000)	31/03/2008 (RM'000)	31/03/2009 (RM'000)	31/03/2008 (RM'000)
Current tax:				
Malaysian income tax	8,911	8,417	8,911	8,417
Foreign tax	-	181	-	181
	<u>8,911</u>	<u>8,598</u>	<u>8,911</u>	<u>8,598</u>
Under provision of Malaysian income tax in prior year	35	-	35	-
	<u>8,946</u>	<u>8,598</u>	<u>8,946</u>	<u>8,598</u>

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

B6 Profits/(losses) on sale of unquoted investments and/or properties

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

B7 Quoted securities

The Group's dealings in quoted securities for the current quarter and financial period-to-date under review is as follows:

	3 months ended	Period ended
	31/03/2009 (RM'000)	31/03/2009 (RM'000)
Total sale proceeds	<u>2</u>	<u>2</u>
Total gain on disposal	<u>1</u>	<u>1</u>

The Group does not hold any quoted securities as at 31 March 2009.

B8 Status of corporate proposals

The following corporate proposal announced by the Company has not been completed as at 21 May 2009 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Statements):-

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:

- i) 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
- ii) 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.

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B9 Group borrowings and debt securities

Total group borrowings as at 31 March 2009 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	39,916	1,012	1,892	-	42,820
- after 12 months	196,582	1,997	1,175	-	199,754
	236,498	3,009	3,067	-	242,574
Short term borrowings	-	308	-	2,030	2,338
Bank overdrafts	-	438	-	-	438
	-	746	-	2,030	2,776
Finance lease and hire purchase					
- within 12 months	1,264	58	-	-	1,322
- after 12 months	1,555	99	-	-	1,654
	2,819	157	-	-	2,976
Total	239,317	3,912	3,067	2,030	248,326

B10 Off balance sheet financial instruments

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

As at 21 May 2009, the loan balance in foreign currency, the contractual foreign exchange rates and the contractual interest rates were as follows:

<u>Hedged item</u>	<u>Currency to be paid</u>	<u>RM equivalent</u>	<u>Contractual rate Forex rates</u>	<u>Interest rates</u>
Borrowing: USD 103,363	Indonesian Rupiah	364,871	1 USD = Rp9,070	10.85%
Borrowing: USD 508,338	Indonesian Rupiah	1,794,433	1 USD = Rp9,295	13.30%

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

b) Forward foreign exchange purchase contract entered into as at 21 May 2009 by a foreign subsidiary company amounted to RM0.22 million. The contract was entered into as a hedge for creditor denominated in foreign currency so as to limit the exposure of the Group to potential changes in foreign exchange rates. The forward contract matures in December 2009.

There is minimal credit risk for the above off balance sheet financial instruments because the contracts were entered into with a reputable bank.

B11 Material litigation

The Group is not engaged in any material litigation since 31 December 2008, being the latest annual balance sheet date until 21 May 2009, 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 31 March 2009.

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B13 Earnings per share ("EPS")**(a) Basic EPS**

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

	3 months ended		Period ended	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
Net Profit for the period (RM'000)	<u>22,631</u>	<u>22,309</u>	<u>22,631</u>	<u>22,309</u>
Weighted average number of ordinary shares in issue ('000)	627,124	621,563	627,124	621,563
Basic EPS (sen)	<u>3.61</u>	<u>3.59</u>	<u>3.61</u>	<u>3.59</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 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	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
Net Profit for the period (RM'000)	<u>22,631</u>	<u>22,309</u>	<u>22,631</u>	<u>22,309</u>
Weighted average number of ordinary shares in issue ('000)	627,124	621,563	627,124	621,563
Weighted average number of ordinary shares deemed issued at no consideration ('000):				
ESOS	98	681	98	681
Warrants	2,207	5,518	2,207	5,518
Adjusted weighted average number of ordinary shares ('000)	<u>629,429</u>	<u>627,762</u>	<u>629,429</u>	<u>627,762</u>
Diluted EPS (sen)	<u>3.60</u>	<u>3.55</u>	<u>3.60</u>	<u>3.55</u>

B14 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2008 was not subject to any qualification.

BY ORDER OF THE BOARD

YANG BAO LING
KUAN HUI FANG

Secretaries

Kuala Lumpur
28 May 2009