



# **MAH SING GROUP BERHAD**

Company No.: 230149-P

(Incorporated in Malaysia)

**Interim Financial Report**

**30 June 2011**

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(Incorporated in Malaysia)**

## **Interim Financial Report - 30 June 2011**

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**MAH SING GROUP BERHAD**

(Company No.: 230149-P)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As at 30 June 2011**

(The figures have not been audited)

	AS AT 30/6/2011 RM'000	(AUDITED) AS AT 31/12/2010 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	67,276	66,070
Prepaid lease payments	2,951	3,149
Investment property	30,609	30,609
Land held for property development	62,889	62,889
Intangible assets	70	70
Deferred tax assets	11,582	6,864
	<u>175,377</u>	<u>169,651</u>
<b>Current Assets</b>		
Property development costs	1,546,645	1,194,326
Inventories	30,355	33,183
Trade and other receivables	303,050	426,083
Current tax assets	6,204	5,853
Deposits, cash and bank balances	803,368	308,647
	<u>2,689,622</u>	<u>1,968,092</u>
<b>TOTAL ASSETS</b>	<u><b>2,864,999</b></u>	<u><b>2,137,743</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Company</b>		
Share capital	415,784	415,784
Share premium	130,752	130,752
Other reserves	16,639	(3,220)
Retained earnings	412,451	375,550
	<u>975,626</u>	<u>918,866</u>
<b>Non-controlling interests</b>	<u>17,969</u>	<u>17,590</u>
<b>Total Equity</b>	<u><b>993,595</b></u>	<u><b>936,456</b></u>
<b>Non-current Liabilities</b>		
Redeemable convertible bonds	265,999	-
Term loans	590,066	368,531
Long term and deferred payables	4,913	4,191
Deferred tax liabilities	7,621	1,838
	<u>868,599</u>	<u>374,560</u>
<b>Current Liabilities</b>		
Trade and other payables	760,616	670,908
Term loans	91,819	73,019
Short term borrowings	62,754	61,670
Bank overdrafts	-	74
Current tax liabilities	40,217	21,056
Dividend payable	47,399	-
	<u>1,002,805</u>	<u>826,727</u>
<b>Total Liabilities</b>	<u><b>1,871,404</b></u>	<u><b>1,201,287</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>2,864,999</b></u>	<u><b>2,137,743</b></u>
<b>Net assets per share attributable to equity holders of the Company(RM)</b>	<u><b>1.17</b></u>	<u><b>1.10</b></u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial report.

## Mah Sing Group Berhad

(Company No.: 230149-P)

(Incorporated in Malaysia)

### CONDENSED CONSOLIDATED INCOME STATEMENT

For the financial period ended 30 June 2011

(The figures have not been audited)

	3 months ended		Period ended	
	30/6/2011	30/6/2010	30/6/2011	30/6/2010
	RM'000	RM'000	RM'000	RM'000
Revenue	<b>416,119</b>	289,050	<b>727,874</b>	527,362
Cost of sales	<b>(300,943)</b>	(210,262)	<b>(521,946)</b>	(378,031)
Gross profit	<b>115,176</b>	78,788	<b>205,928</b>	149,331
Other income	<b>440</b>	467	<b>859</b>	773
Selling and marketing expenses	<b>(22,101)</b>	(8,877)	<b>(30,202)</b>	(15,367)
Administrative expenses	<b>(25,817)</b>	(15,006)	<b>(44,637)</b>	(30,148)
Other operating expenses	<b>(5,861)</b>	(7,008)	<b>(11,785)</b>	(14,123)
Interest income	<b>727</b>	105	<b>876</b>	230
Finance costs	<b>(579)</b>	(504)	<b>(865)</b>	(1,018)
Profit before taxation	<b>61,985</b>	47,965	<b>120,174</b>	89,678
Income tax expense	<b>(19,316)</b>	(15,378)	<b>(35,601)</b>	(25,462)
Profit For The Period	<b>42,669</b>	32,587	<b>84,573</b>	64,216
Profit attributable to:				
Equity holders of the Company	<b>43,132</b>	29,159	<b>84,300</b>	57,043
Non-controlling interests	<b>(463)</b>	3,428	<b>273</b>	7,173
	<b>42,669</b>	32,587	<b>84,573</b>	64,216
Earnings per share attributable to equity holders of the Company:				
- Basic (sen) Note B14	<b>5.19</b>	3.51	<b>10.14</b>	6.86
- Diluted (sen) Note B14	<b>5.04</b>	3.51	<b>9.89</b>	6.86

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial report.

## Mah Sing Group Berhad

(Company No.: 230149-P)

(Incorporated in Malaysia)

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### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial period ended 30 June 2011

(The figures have not been audited)

	3 months ended		Period ended	
	30/6/2011	30/6/2010	30/6/2011	30/6/2010
	RM'000	RM'000	RM'000	RM'000
Profit For The Period	<b>42,669</b>	32,587	<b>84,573</b>	64,216
Foreign currency translation difference for foreign operations	<b>(571)</b>	(202)	<b>(1,746)</b>	(6,072)
Total comprehensive income for the period	<b><u>42,098</u></b>	<u>32,385</u>	<b><u>82,827</u></b>	<u>58,144</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<b>42,548</b>	28,997	<b>82,448</b>	51,321
Non-controlling interests	<b>(450)</b>	3,388	<b>379</b>	6,823
	<b><u>42,098</u></b>	<u>32,385</u>	<b><u>82,827</u></b>	<u>58,144</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial report.

**Mah Sing Group Berhad**

(Company No.: 230149-P)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**For the financial period ended 30 June 2011**

(The figures have not been audited)

	Attributable to equity holders of the Company								
	Non-Distributable				Distributable				
	Share capital	Share premium	Equity-settled employees benefit reserve	Exchange fluctuation reserve	Other reserve	Retained earnings	Total	Non-controlling Interests	Total Equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>6 months ended 30 June 2011</b>									
Balance at 1/1/2011	415,784	130,752	1,002	(4,222)	-	375,550	918,866	17,590	936,456
Amount recognised directly in equity:									
Foreign exchange fluctuation	-	-	-	(1,852)	-	-	(1,852)	106	(1,746)
Profit for the financial period	-	-	-	-	-	84,300	84,300	273	84,573
Total comprehensive income for the period	-	-	-	(1,852)	-	84,300	82,448	379	82,827
Options granted under ESOS	-	-	4,374	-	-	-	4,374	-	4,374
Equity component of convertible bonds	-	-	-	-	17,337	-	17,337	-	17,337
Dividends for the financial year ended 31 December 2010	-	-	-	-	-	(47,399)	(47,399)	-	(47,399)
<b>Balance at 30/6/2011</b>	<b>415,784</b>	<b>130,752</b>	<b>5,376</b>	<b>(6,074)</b>	<b>17,337</b>	<b>412,451</b>	<b>975,626</b>	<b>17,969</b>	<b>993,595</b>

	Attributable to equity holders of the Company								
	Non-Distributable				Distributable				
	Share capital	Share premium	Equity-settled employees benefit reserve	Exchange fluctuation reserve	Other reserve	Retained earnings	Total	Non-controlling Interests	Total Equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>6 months ended 30 June 2010</b>									
Balance at 1/1/2010	346,487	200,369	22	4,762	-	294,054	845,694	7,774	853,468
Effect of first adoption of FRS 139	-	-	-	-	-	1,812	1,812	299	2,111
Balance at 1/1/2010 (restated)	346,487	200,369	22	4,762	-	295,866	847,506	8,073	855,579
Amount recognised directly in equity:									
Foreign exchange fluctuation	-	-	-	(5,722)	-	-	(5,722)	(350)	(6,072)
Profit for the financial period	-	-	-	-	-	57,043	57,043	7,173	64,216
Total comprehensive income for the period	-	-	-	(5,722)	-	57,043	51,321	6,823	58,144
Issuance of ordinary shares pursuant to bonus issue	69,297	(69,297)	-	-	-	-	-	-	-
Expenses set off against share premium	-	(256)	-	-	-	-	(256)	-	(256)
Dividends for the financial year ended 31 December 2009	-	-	-	-	-	(40,539)	(40,539)	-	(40,539)
<b>Balance at 30/6/2010</b>	<b>415,784</b>	<b>130,816</b>	<b>22</b>	<b>(960)</b>	<b>-</b>	<b>312,370</b>	<b>858,032</b>	<b>14,896</b>	<b>872,928</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial report.

## Mah Sing Group Berhad

(Company No.: 230149-P)

(Incorporated in Malaysia)

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the financial period ended 30 June 2011

(The figures have not been audited)

	<b>6 months ended 30/6/2011 RM'000</b>	6 months ended 30/6/2010 RM'000
Net cash used in operating activities	<b>(22,903)</b>	(213,612)
Net cash used in investing activities	<b>(6,501)</b>	(2,729)
Net cash from financing activities	<b>565,251</b>	157,058
Net increase/(decrease) in cash and cash equivalents	<b>535,847</b>	(59,283)
Effects of exchange rate changes	<b>(1,304)</b>	(4,753)
Cash and cash equivalents at beginning of financial period	<b>246,479</b>	356,564
Cash and cash equivalents at end of financial period	<b><u>781,022</u></b>	<u>292,528</u>

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

	<b>As at 30/6/2011 RM'000</b>	As at 30/6/2010 RM'000
Deposits with licensed banks	<b>644,541</b>	155,792
Cash and bank balances	<b>158,827</b>	137,787
	<b>803,368</b>	293,579
Less: Deposits in Escrow Account	<b>(22,346)</b>	(1,051)
	<b><u>781,022</u></b>	<u>292,528</u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial report.

## **A Explanatory Notes**

### **A1 Basis of Preparation**

The interim financial report is unaudited and has 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 report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2010. The explanatory notes attached to the interim financial report provides 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 2010.

The significant accounting policies and methods of computation adopted for the interim financial report is consistent with those adopted for the audited financial statements for the financial year ended 31 December 2010 save for the adoption of the following:

FRS 3 (revised)	Business combinations
FRS 127 (revised)	Consolidated and separate financial statements
Amendment to FRS 1	First-time adoption of financial reporting standards
Amendment to FRS 2	Share-based Payment
Amendment to FRS 7	Financial Instruments: Disclosure
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 138	Intangible assets
IC Interpretation 4	Determining whether an arrangement contains a lease
IC Interpretation 9	Reassessment of embedded derivatives
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers

The adoption of the above revised FRSs, amendments to FRSs and Interpretations does not have any material impact on the financial statements of the Group.

### **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**

For the financial period under review, 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 except for the issuance of RM325 million nominal value of 7-year Redeemable Convertible Secured Bonds, which was completed on 10 June 2011.

**A6 Dividends paid**

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

**A7 Segment reporting**

Period ended 30 June 2011

	Properties RM'000	Plastics RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>					
External revenue	626,134	99,402	2,338	-	727,874
Inter-segment	-	-	85,748	(85,748)	-
<b>Total revenue</b>	<b>626,134</b>	<b>99,402</b>	<b>88,086</b>	<b>(85,748)</b>	<b>727,874</b>
<b>RESULTS</b>					
Operating profit	126,281	10,356	67,673	(84,147)	120,163
Interest income					876
Finance costs					(865)
Income tax					(35,601)
<b>Profit for the period</b>					<b>84,573</b>
<b>OTHER INFORMATION</b>					
Capital expenditure	2,530	3,999	82	-	6,611
Depreciation and amortisation	1,108	3,925	48	-	5,081

Period ended 30 June 2010

	Properties RM'000	Plastics RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>					
External revenue	437,785	88,495	1,082	-	527,362
Inter-segment	-	-	7	(7)	-
<b>Total revenue</b>	<b>437,785</b>	<b>88,495</b>	<b>1,089</b>	<b>(7)</b>	<b>527,362</b>
<b>RESULTS</b>					
Operating profit	87,725	8,512	(11,158)	5,387	90,466
Interest income					230
Finance costs					(1,018)
Income tax					(25,462)
<b>Profit for the period</b>					<b>64,216</b>
<b>OTHER INFORMATION</b>					
Capital expenditure	536	2,997	27	-	3,560
Depreciation and amortisation	1,641	4,642	46	-	6,329

**A8 Material subsequent events**

Save as disclosed in B8, there were no material events subsequent to the end of reporting period until 12 August 2011, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report.

**A9 Changes in the composition of the Group**

There were no changes in the composition of the Group for the current quarter and financial period to-date except for the following:

- 1) On 19 January 2011, the Company acquired the entire issued and paid-up share capital of Elite Park Development Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 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.
- 2) On 25 March 2011, the Company acquired the entire issued and paid-up share capital of the following companies for a cash consideration of RM2.00 each respectively:
  - a) Capitol Avenue Development Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up; and
  - b) Liberty Property Management Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up.
- 3) On 15 April 2011, the Company acquired the entire issued and paid-up share capital of Marvellous Vantage Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 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.

**A10 Changes in contingent liabilities or contingent assets**

Changes in contingent liabilities of the Group since the last annual audited position at 31 December 2010 is in the form of additional bank guarantees amounting to RM955,750.

**A11 Capital Commitments**

	<b>30/6/2011</b> <b>RM'000</b>
Contractual commitment for acquisition of property, plant and equipment	<u>13,471</u>

## A12 Operating Lease Commitments

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

The future operating lease commitments for rental of commercial buildings contracted for as at end of reporting period but not recognised as liabilities are as follows:-

	<b>RM'000</b>
Future minimum lease payments	69,514
Less: rental receivable	<u>(15,848)</u>
Net	<u><u>53,666</u></u>
Not later than 1 year	31,517
Later than 1 year and not later than 3 years	<u>22,149</u>
	<u><u>53,666</u></u>

The operating lease commitments are in respect of leaseback of commercial buildings ie **The Icon, Jalan Tun Razak** and **Southgate Commercial Centre** from the purchasers at 7% and 8% per annum of the respective buildings' sale considerations. The lease is for a period of 3 and 2 years from the commencement date as set out in the respective leaseback agreements. Leaseback for **The Icon, Jalan Tun Razak** shall expire by December 2012. Southgate Commercial Centre lease commitment is expected to commence in September 2011.

The lease commitments are expected to be offset with increasing income from subletting of the said commercial buildings. The Group is in active negotiation with several prospective tenants and will continue to sign up quality tenants given the commercial buildings' strategic locations and award winning concepts.

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

**B1 Review of Group performance**

The Group recorded strong revenue and net profit of RM727.9 million and RM84.3 million for the first half of 2011. This represents 38% improvement for revenue and 48% improvement for net profit over the corresponding period in the previous year. The current quarter revenue and net profit of RM416.1 million and RM43.1 million represents 44% and 48% improvement respectively over same quarter last year.

Revenue and profit for the quarter is attributable to property development activities carried out in Kuala Lumpur, Klang Valley, Penang Island and Johor Bahru. Ongoing projects that contributed to revenue and profit include **Garden Residence** in Cyberjaya, **Kinrara Residence** in Puchong, **Perdana Residence 2** in Selayang, **M-Suites** in Jalan Ampang, **One Legenda** and **Hijauan Residence** in Cheras, **Kemuning Residence** in Shah Alam and **Aman Perdana** in Meru - Shah Alam. Also contributing are commercial projects such as **Southgate Commercial Centre** in Sungai Besi, **StarParc Point** in Setapak and industrial projects, **i-Parc 1** and **i-Parc 3** in Bukit Jelutong as well as **i-Parc 2** in Shah Alam. Projects in Penang Island, **Residence @ Southbay** and **Legenda @ Southbay** and in Johor Bahru, **Sierra Perdana**, **Sri Pulai Perdana 2** and **Austin Perdana** also contributed to revenue and profit. The Plastics division continued to contribute positively to the Group's performance.

The Group has achieved property sales of RM1.24 billion as of 30 June 2011, representing 62% of its full year 2011 sales target of more than RM2 billion. The remarkable sales achieved and timely execution continued to provide steady cashflows and liquidity. The Group's balance sheets remain healthy with net gearing ratio at 0.21 as at 30 June 2011.

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

The Group's current quarter profit before taxation of RM62.0 million is 6.5% higher than the preceding quarter ended 31 March 2011. The better performance is mainly attributable to higher profit contribution from property development activities.

**B3 Prospects for the current financial year**

The maiden launch of **Icon City**, Petaling Jaya in July 2011 was a huge success, with record sales of more than RM420 million. Incorporating 3 green standards, namely Malaysia's Green Building Index, Singapore's Green Mark and the US's stringent LEED in its various components, the **Icon City**, Petaling Jaya is expected to generate RM3.2 billion in Gross Development Value (GDV). The overwhelming take-up at this recent launch further confirmed the view that demand remains firm for well-located properties with good concept and design, offered by branded developer.

The Group also achieved new milestone in its landbanking with the recent proposed joint development of **M Sentral**, Jalan Tun Razak. Strategically located at the former Pekeliling flats area, this joint development presents an opportunity for the Group to participate in one of the largest privatized urban regeneration project in Kuala Lumpur.

The multiple-location, multiple-sector portfolio of 35 projects provides the Group with flexibility to time new launches and new releases according to market trend and demand. With strong balance sheets and established branding, the Group is well positioned to seize opportunities arising for quality land acquisition or to enter into joint venture to further build on its earnings base for sustainable long term growth.

The Group's fast turnaround business model and execution track record has made it the most efficient developer amongst industry peers in terms of asset utilization, with asset turnover ratio consistently above 45% for the last 5 years. With unbilled locked in sales and remaining GDV estimated at more than RM14.5 billion, the Group is confident of strong performance for the immediate year and beyond.

**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	
	30/6/2011	30/6/2010	30/6/2011	30/6/2010
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	21,230	14,478	38,884	28,074
Foreign tax	586	907	1,417	1,121
	<u>21,816</u>	<u>15,385</u>	<u>40,301</u>	<u>29,195</u>
Over provision of Malaysian income tax in prior year	-	(7)	-	(3,733)
	<u>21,816</u>	<u>15,378</u>	<u>40,301</u>	<u>25,462</u>
Deferred taxation				
Malaysian deferred tax	(2,500)	-	(4,700)	-
	<u>19,316</u>	<u>15,378</u>	<u>35,601</u>	<u>25,462</u>

The Group's effective tax rate for the current financial year is higher than the statutory tax rate of 25% mainly due to non-tax deductible expenses and non-recognition of deferred tax assets for certain temporary differences.

**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 under review.

**B7 Quoted securities**

The Group does not hold any quoted securities as at 30 June 2011.

**B8 Status of corporate proposals**

The following corporate proposals announced by the Company have not been completed as at 12 August 2011 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report):

- 1) On 2 December 2009, the Company's wholly-owned subsidiary, Mah Sing International (HK) Limited ("Mah Sing International"), jointly with Danlong Realty (Beijing) Limited entered into a letter of intent with the Wujin District People's Government, Changzhou City ("Wujin Government") to develop a mixed property development project on all that piece of land measuring approximately 87.31 acres located in Wujin, Changzhou City, Jiangsu Province, the People Republic of China. As announced on 24 December 2009, Mah Sing Property Consulting (Changzhou) Pte Ltd with an initial registered capital of USD29.8 million was set up as a wholly owned subsidiary of Mah Sing International in China as requested by Wujin Government for the purpose of acquisition of land use rights in Wujin to develop the mixed property development project.

Since the above announcements, the relevant parties are still in negotiation with the Wujin Government to obtain the land use rights.

- 2) 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 ("JV 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 JV Land in return for an entitlement sum of RM35,403,863.85.
- 3) On 12 April 2011, the Company's wholly-owned subsidiary, Mah Sing Properties Sdn Bhd entered into 9 separate sale and purchase agreements ("SPA") with several parties for the acquisition of 9 parcels of contiguous prime freehold land measuring approximately 205.72 acres, all in Mukim Tanjung Kupang, Daerah Johor Bahru, Johor Darul Ta'zim for a total cash consideration of RM54,704,571.20.

The special terms and conditions for the relevant SPAs have been fulfilled.

- 4) On 2 August 2011, the Company's wholly-owned subsidiary, Grand Pavilion Development Sdn Bhd ("Grand Pavilion") entered into a Joint Venture Agreement ("JVA") with Asie Sdn Bhd ("Asie") and Usaha Nusantara Sdn Bhd ("Usaha Nusantara"), a wholly-owned subsidiary of Asie, for the proposed joint development of a parcel of prime leasehold land situated along Jalan Tun Razak measuring approximately 4.08 acres held under Lot P.T. 76, Seksyen 47, Jalan Tun Razak, Kuala Lumpur ("JV Land") ("Proposed Joint Development"). Under the terms of the JVA, Usaha Nusantara shall grant Grand Pavilion the sole and absolute right to undertake the development of the JV Land for an entitlement of RM106.60 million to be settled 60% in cash (RM63.96 million) and 40% by way of issuance of shares in the share capital of Grand Pavilion.

The JVA has yet to become unconditional pending fulfilment of conditions precedent.

- 5) The status of utilisation of proceeds raised from issuance of RM325 million nominal value of 7-year Redeemable Convertible Secured Bonds, amounting to RM289,477,500 as at 12 August 2011 is as follows:

<b>Purpose</b>	<b>Approved utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Balance unutilised RM'000</b>	<b>Intended timeframe for utilisation</b>
Development cost for the Southgate Property	50,000	(50,000)	-	
Land acquisitions	100,000	(100,000)	-	
Working capital / Repayment of borrowing	139,478	(58,308)	81,170	
<b>Total</b>	<b>289,478</b>	<b>(208,308)</b>	<b>81,170</b>	<b>Within 12 months</b>

**B9 Group borrowings and debt securities**

Total group borrowings as at 30 June 2011 are as follows:

	Unsecured RM'000	Secured RM'000	Secured RM'000	Secured RM'000	Total RM'000
<i>(Denominated in)</i>	<i>(RM)</i>	<i>(RM)</i>	<i>(Indonesian Rupiah)</i>	<i>(USD)</i>	
Redeemable convertible bonds					
- after 12 months	-	265,999	-	-	265,999
Term loans payable					
- within 12 months	-	91,008	811	-	91,819
- after 12 months	-	588,070	1,996	-	590,066
	-	679,078	2,807	-	681,885
Short term borrowings	50,000	12,150	-	604	62,754
Finance lease and hire purchase					
- within 12 months	-	1,411	-	-	1,411
- after 12 months	-	2,623	-	-	2,623
	-	4,034	-	-	4,034
<b>Total</b>	<b>50,000</b>	<b>961,261</b>	<b>2,807</b>	<b>604</b>	<b>1,014,672</b>

**B10 Derivative financial instruments**

The Group does not have any outstanding derivative financial instruments as at 30 June 2011.

**B11 Material litigation**

The Group is not engaged in any material litigation as at 12 August 2011, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report.

**B12 Realised and unrealised earnings or losses disclosure**

The retained earnings as at 30 June 2011 and 31 December 2010 is analysed as follows:

	<b>30/6/2011</b>	31/12/2010
	<b>RM'000</b>	RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	<b>433,763</b>	390,476
- Unrealised	<b>(7,085)</b>	3,764
	<b>426,678</b>	394,240
Less: Consolidation adjustments	<b>(14,227)</b>	(18,690)
Total group retained earnings as per consolidated accounts	<b>412,451</b>	375,550

**B13 Dividend proposed**

No dividend has been proposed for the second quarter ended 30 June 2011.

In respect of the previous financial year ended 31 December 2010:

- i) At the Annual General Meeting held on 30 June 2011, the shareholders of the Company approved the first and final dividend of 7.6 sen per ordinary share of RM0.50 each, less income tax of 25% (2009: 6.5 sen per ordinary share of RM0.50 each, less income tax of 25%) in respect of the financial year ended 31 December 2010.
- ii) The dividend will be paid on 28 September 2011.
- iii) A Depositor shall qualify for entitlement to the dividend only in respect of:
  - (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 15 September 2011 in respect of transfers; and
  - (b) Shares bought on the Bursa Malaysia Securities Berhad up to 5.00 p.m. on 12 September 2011 i.e. on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

**B14 Earnings per share ("EPS")**

**(a) Basic EPS**

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

	<b>3 months ended</b>		<b>Period ended</b>	
	<b>30/6/2011</b>	30/6/2010	<b>30/6/2011</b>	30/6/2010
Net profit for the period (RM'000)	<b>43,132</b>	29,159	<b>84,300</b>	57,043
Weighted average number of shares in issue ('000)**	<b>831,569</b>	831,569	<b>831,569</b>	831,569
Basic EPS (sen)	<b>5.19</b>	3.51	<b>10.14</b>	6.86



**(b) Diluted EPS**

The diluted earnings per share has been calculated by dividing the Group's net profit attributable to ordinary equity holders for the period by the weighted average number of ordinary shares that would have been in issue assuming full exercise of the remaining options under the ESOS and conversion of bonds, adjusted for the number of such ordinary shares that would have been issued at fair value.

	<b>3 months ended</b>		<b>Period ended</b>	
	<b>30/6/2011</b>	30/6/2010	<b>30/6/2011</b>	30/6/2010
Net profit for the period (RM'000)	<b>43,132</b>	29,159	<b>84,300</b>	57,043
Weighted average number of shares in issue ('000)**	<b>831,569</b>	831,569	<b>831,569</b>	831,569
Weighted average number of shares deemed issued at no consideration ('000)**				
ESOS	<b>17,556</b>	37	<b>17,723</b>	52
Bonds conversion	<b>6,260</b>	-	<b>3,130</b>	-
Adjusted weighted average number of ordinary shares ('000)**	<b>855,385</b>	831,606	<b>852,422</b>	831,621
Diluted EPS (sen)	<b>5.04</b>	3.51	<b>9.89</b>	6.86

\*\* Comparative figures for the weighted average number of ordinary shares for both basic and fully diluted earnings per ordinary share computation have been restated to reflect the adjustment arising from the bonus issue completed during the previous financial year.

**B15 Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 31 December 2010 was not subject to any qualification.

BY ORDER OF THE BOARD

YANG BAO LING  
 KUAN HUI FANG

Secretaries

Kuala Lumpur  
 17 August 2011