



MAH SING GROUP BERHAD

Company No.: 230149-P

(Incorporated in Malaysia)

Interim Financial Report

30 September 2011

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2011

(The figures have not been audited)

	AS AT 30/9/2011 RM'000	(AUDITED) AS AT 31/12/2010 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	77,359	66,070
Prepaid lease payments	2,970	3,149
Investment property	30,609	30,609
Land held for property development	62,889	62,889
Intangible assets	70	70
Deferred tax assets	23,082	6,864
	<u>196,979</u>	<u>169,651</u>
Current Assets		
Property development costs	1,514,494	1,194,326
Inventories	29,181	33,183
Trade and other receivables	309,974	426,083
Current tax assets	2,679	5,853
Deposits, cash and bank balances	597,789	308,647
	<u>2,454,117</u>	<u>1,968,092</u>
TOTAL ASSETS	<u>2,651,096</u>	<u>2,137,743</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	415,873	415,784
Share premium	130,956	130,752
Other reserves	28,099	(3,220)
Retained earnings	456,004	375,550
	<u>1,030,932</u>	<u>918,866</u>
Non-controlling interests	<u>15,817</u>	<u>17,590</u>
Total Equity	<u>1,046,749</u>	<u>936,456</u>
Non-current Liabilities		
Redeemable convertible bonds	269,043	-
Term loans	690,449	368,531
Long term and deferred payables	4,943	4,191
Deferred tax liabilities	7,621	1,838
	<u>972,056</u>	<u>374,560</u>
Current Liabilities		
Trade and other payables	546,876	670,908
Term loans	32,746	73,019
Short term borrowings	2,260	61,670
Bank overdrafts	-	74
Current tax liabilities	50,409	21,056
	<u>632,291</u>	<u>826,727</u>
Total Liabilities	<u>1,604,347</u>	<u>1,201,287</u>
TOTAL EQUITY AND LIABILITIES	<u>2,651,096</u>	<u>2,137,743</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>1.24</u>	<u>1.10</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.

CONDENSED CONSOLIDATED INCOME STATEMENT
For the financial period ended 30 September 2011

(The figures have not been audited)

	3 months ended		Period ended	
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
Revenue	420,696	283,462	1,148,570	810,824
Cost of sales	(307,788)	(200,394)	(829,734)	(578,425)
Gross profit	112,908	83,068	318,836	232,399
Other income	298	267	1,157	1,040
Selling and marketing expenses	(22,992)	(8,084)	(53,194)	(23,451)
Administrative expenses	(23,795)	(18,798)	(68,432)	(48,946)
Other operating expenses	(7,137)	(7,007)	(18,922)	(21,130)
Interest income	2,602	300	3,478	530
Finance costs	(658)	(771)	(1,523)	(1,789)
Profit before taxation	61,226	48,975	181,400	138,653
Income tax expense	(17,738)	(17,098)	(53,339)	(42,560)
Profit for the period	43,488	31,877	128,061	96,093
Profit attributable to:				
Equity holders of the Company	43,224	29,678	127,524	86,721
Non-controlling interests	264	2,199	537	9,372
	43,488	31,877	128,061	96,093
Earnings per share attributable to equity holders of the Company:				
- Basic (sen) Note B14	5.20	3.57	15.34	10.43
- Diluted (sen) Note B14	4.99	3.57	14.91	10.43

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.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial period ended 30 September 2011*(The figures have not been audited)*

	3 months ended		Period ended	
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	43,488	31,877	128,061	96,093
Foreign currency translation difference for foreign operations	9,376	(4,161)	7,630	(10,233)
Total comprehensive income for the period	<u>52,864</u>	<u>27,716</u>	<u>135,691</u>	<u>85,860</u>
Total comprehensive income attributable to:				
Equity holders of the Company	52,316	25,852	134,764	77,173
Non-controlling interests	548	1,864	927	8,687
	<u>52,864</u>	<u>27,716</u>	<u>135,691</u>	<u>85,860</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.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial period ended 30 September 2011

(The figures have not been audited)

	Attributable to equity holders of the Company								Total Equity
	Non-Distributable				Distributable				
	Share capital	Share premium	Equity-settled employees benefit reserve	Exchange fluctuation reserve	Other reserve	Retained earnings	Total	Non- controlling Interests	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
9 months ended 30 September 2011									
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:									
Profit for the financial period	-	-	-	-	-	127,524	127,524	537	128,061
Foreign exchange fluctuation	-	-	-	7,240	-	-	7,240	390	7,630
Total comprehensive income for the period	-	-	-	7,240	-	127,524	134,764	927	135,691
Options granted under ESOS	-	-	7,149	-	-	-	7,149	-	7,149
Equity component of convertible bonds	-	-	-	-	17,259	-	17,259	-	17,259
Issuance of ordinary shares pursuant to ESOS exercised	89	204	(29)	-	-	29	293	-	293
ESOS lapsed	-	-	(300)	-	-	300	-	-	-
Dividends for the financial year ended 31 December 2010	-	-	-	-	-	(47,399)	(47,399)	(2,700)	(50,099)
Balance at 30/9/2011	415,873	130,956	7,822	3,018	17,259	456,004	1,030,932	15,817	1,046,749

	Attributable to equity holders of the Company								Total Equity
	Non-Distributable				Distributable				
	Share capital	Share premium	Equity-settled employees benefit reserve	Exchange fluctuation reserve	Other reserve	Retained earnings	Total	Non- controlling Interests	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
9 months ended 30 September 2010									
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:									
Profit for the financial period	-	-	-	-	-	86,721	86,721	9,372	96,093
Foreign exchange fluctuation	-	-	-	(9,548)	-	-	(9,548)	(685)	(10,233)
Total comprehensive income for the period	-	-	-	(9,548)	-	86,721	77,173	8,687	85,860
Issuance of ordinary shares pursuant to bonus issue	69,297	(69,297)	-	-	-	-	-	-	-
Expenses set off against share premium	-	(305)	-	-	-	-	(305)	-	(305)
Dividends for the financial year ended 31 December 2009	-	-	-	-	-	(40,539)	(40,539)	-	(40,539)
Balance at 30/9/2010	415,784	130,767	22	(4,786)	-	342,048	883,835	16,760	900,595

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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the financial period ended 30 September 2011

(The figures have not been audited)

	9 months ended 30/09/2011 RM'000	9 months ended 30/09/2010 RM'000
Operating Activities		
Profit before taxation	181,400	138,653
Adjustments for:		
Non-operating items	(1,955)	1,259
Non-cash items	15,751	7,710
Operating profit before working capital	195,196	147,622
Net change in current assets*	(194,417)	(587,625)
Net change in current liabilities	(129,120)	154,621
Cash used in operations	(128,341)	(285,382)
Interest received	3,478	530
Interest paid	(1,523)	(1,789)
Tax paid	(37,012)	(23,219)
Net cash used in operating activities	(163,398)	(309,860)
Investing Activities		
Payment for acquisition of property, plant and equipment	(14,298)	(13,462)
Proceeds from disposal of property, plant and equipment	103	254
Net cash used in investing activities	(14,195)	(13,208)
Financing Activities		
Dividends paid to shareholders of the Company	(47,399)	(40,539)
Dividends paid to non-controlling interests	(2,700)	-
Proceeds from issuance of redeemable convertible bonds	289,477	-
Proceeds from ESOS exercised	293	-
Payment for corporate exercise	(2,685)	(305)
Net placement of deposits with licensed bank as collateral/Escrow Account	(146,426)	(488)
Net proceeds from borrowings	222,625	219,343
Net cash generated from financing activities	313,185	178,011
Net changes in cash and cash equivalents	135,592	(145,057)
Effect of exchange rate changes	7,198	(9,848)
Cash and cash equivalents at beginning of financial period	246,479	356,564
Cash and cash equivalents at end of financial period	389,269	201,659

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

Deposits with licensed banks	471,689	24,886
Cash and bank balances	126,100	207,030
	597,789	231,916
Less: Deposit pledged as collateral	(205,517)	-
Less: Deposits in Escrow Account	(3,003)	(30,257)
	389,269	201,659

* Including acquisition of development lands

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	Distribution 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 following:

- 1) Issuance of RM325 million nominal value of 7-year Redeemable Convertible Secured Bonds.
- 2) Increase in its issued and paid up ordinary share capital from RM415,784,420 to RM415,873,220 by way of issuance of 177,600 new ordinary shares of RM0.50 each pursuant to exercise of employees share options.

A6 Dividends paid

On 28 September 2011, the Company paid a first and final dividend of 7.6 sen per ordinary share of RM0.50 each, less income tax of 25%, amounting to RM47,399,423.54 in respect of the financial year ended 31 December 2010.

A7 Segment reporting

Period ended 30 September 2011

	Properties RM'000	Plastics RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
REVENUE					
External revenue	993,578	150,975	4,017	-	1,148,570
Inter-segment	-	-	99,937	(99,937)	-
Total revenue	993,578	150,975	103,954	(99,937)	1,148,570
RESULTS					
Operating profit	185,518	14,049	83,468	(103,590)	179,445
Interest income					3,478
Finance costs					(1,523)
Income tax					(53,339)
Profit for the period					128,061
OTHER INFORMATION					
Capital expenditure	3,098	15,500	94	-	18,692
Depreciation and amortisation	1,711	6,146	72	-	7,929

Period ended 30 September 2010

	Properties RM'000	Plastics RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
REVENUE					
External revenue	675,925	133,134	1,765	-	810,824
Inter-segment	-	-	9	(9)	-
Total revenue	675,925	133,134	1,774	(9)	810,824
RESULTS					
Operating profit	137,518	12,829	(20,621)	10,186	139,912
Interest income					530
Finance costs					(1,789)
Income tax					(42,560)
Profit for the period					96,093
OTHER INFORMATION					
Capital expenditure	1,702	5,678	39	-	7,419
Depreciation and amortisation	2,419	4,890	70	-	7,379

A8 Material subsequent events

Save as disclosed in B8, there were no material events subsequent to the end of reporting period until 16 November 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.

- 4) On 23 August 2011, the Company acquired the entire issued and paid-up share capital of Major Land 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.

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 RM2,690,007.

A11 Capital Commitments

	30/9/2011
	RM'000
Contractual commitment for:	
Development land	100,204
Acquisition of property, plant and equipment	7,127
	<u>107,331</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:

	RM'000
Future minimum lease payments	62,177
Less: rental receivable	(18,818)
Net	<u>43,359</u>
Not later than 1 year	30,437
Later than 1 year and not later than 3 years	12,922
	<u>43,359</u>

The operating lease commitments are in respect of leaseback of commercial buildings ie **The Icon, Jalan Tun Razak** and the Corporate Building Block of **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. Lease back for the Corporate Building Block of **Southgate Commercial Centre** has commenced since September 2011 and shall expire by August

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 prospective tenants and will continue to sign up quality tenants given the commercial buildings' strategic location and award winning concept.

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 RM1.1 billion and RM127.5 million for the current year to-date. This represents 42% improvement for revenue and 47% improvement for net profit over the corresponding period in the previous year. The current quarter revenue and net profit of RM420.7 million and RM43.2 million represents 48% and 46% improvement respectively over same quarter last year.

Revenue and profit for the financial period 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, **Icon Residence** in Mont' Kiara, **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 Pulau Perdana 2** and **Austin Perdana** also contributed to revenue and profit. The Plastics division continued to contribute positively to the Group's performance.

The remarkable sales achieved and timely execution provided steady cashflows and liquidity. The Group's balance sheets remain healthy with net gearing ratio at 0.38 as at 30 September 2011.

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

There were no material changes to the Group's profit before taxation for the quarter as compared to the preceding quarter ended 30 June 2011.

B3 Prospects for the current financial year

The Group scaled new heights, with year to-date sales exceeding the RM2 billion mark as at 15 November 2011. Riding on strong branding and the flexibility afforded by its comprehensive portfolio of properties, the Group is able to early deliver its full year sales target of RM2 billion.

The Group has laid strong foundation for longer term momentum and sustainable growth, achieved via its aggressive landbanking exercises in recent years. The proposed acquisition of 225.7 acres of **M Residence @ Rawang** freehold land in October 2011 is the latest addition that will boost the Group's landbank by a further RM948 million in estimated gross development value (GDV). With 36 projects in its portfolio, the Group's unbilled locked in sales and remaining GDV is estimated at more than RM15 billion.

With prime sites secured, the Group continuously seek to value-add on its projects through innovative marketing strategies, award winning concepts, and timely execution. The recently announced MOU with Central Pattana, Thailand's largest retail developer for potential joint development and management of a shopping mall within **Icon City**, Petaling Jaya is one example of the Group's ability to enhance the development appeal of its projects, for greater returns to the Group and buyers of its properties.

The Board is confident of strong performance for the current financial year and beyond and is of the view the underlying fundamentals and foundation laid will ensure the Group's continued growth momentum throughout the economic cycle.

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	
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	29,099	16,822	67,983	44,896
Foreign tax	468	276	1,885	1,397
	<u>29,567</u>	<u>17,098</u>	<u>69,868</u>	<u>46,293</u>
Over provision of Malaysian income tax in prior year	(329)	-	(329)	(3,733)
	<u>29,238</u>	<u>17,098</u>	<u>69,539</u>	<u>42,560</u>
Deferred taxation				
Malaysian deferred tax	(11,500)	-	(16,200)	-
	<u>17,738</u>	<u>17,098</u>	<u>53,339</u>	<u>42,560</u>

The Group's effective tax rate for the current financial period 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 September 2011.

B8 Status of corporate proposals

The following corporate proposals announced by the Company have not been completed as at 16 November 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 ("LOI") 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 ("Mah Sing Changzhou") 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.

As announced on 28 October 2011, in view of certain obligations set out in the LOI have not been fulfilled, the parties involved had ceased negotiations and the LOI was deemed lapsed. In an effort to reduce its operational costs and to channel the funds for other business opportunities and/or working capital of the Group, Mah Sing Changzhou had on 28 October 2011 commenced liquidation proceedings voluntarily in accordance with the laws and regulations of China.

- 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 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.

As announced on 2 November 2011, the parties to the JVA have mutually agreed to extend the period for fulfillment of conditions precedent for a further period of one (1) month.

- 4) The net proceeds from issuance of RM325 million nominal value of 7-year Redeemable Convertible Secured Bonds on 10 June 2011, amounting to RM289,477,500 has been fully utilised as follows:

	Approved utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000
Development cost for the Southgate Property	50,000	(50,000)	-
Land acquisitions	100,000	(100,000)	-
Working capital / Repayment of borrowing	139,478	(139,478)	-
Total	289,478	(289,478)	-

- 5) On 5 October 2011, the Company entered into a shares sale agreement with Ng Lam Shen, Tham Yik Seng and Dr. Chin Nyok Kien @ Ching Nyok Kien (collectively referred to as "Vendors") to acquire 1,800,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital in Semai Meranti Sdn Bhd ("Semai Meranti") for a cash consideration of RM57,000,000 ("Proposed Acquisition"). Semai Meranti is the registered and beneficial owner of parcels of prime freehold land in Rawang measuring approximately 225.7 acres.

The Proposed Acquisition has yet to complete pending due diligence outcome and fulfilment of Vendors' obligations.

- 6) On 2 November 2011, the Company's wholly-owned subsidiary, Sierra Peninsular Development Sdn Bhd ("Sierra Peninsular"), entered into a memorandum of understanding ("MOU") with Central Pattana Public Company Limited ("Central Pattana"). Both parties have preliminarily agreed in principle to exchange general information for the purpose of jointly studying the potential investment of developing and managing a shopping mall located within Icon City through a joint venture and/or partnership.

The MOU takes effect on 2 November 2011 and is valid until formal agreement(s) are entered into between Sierra Peninsular and Central Pattana within six (6) months from the date of the MOU with an automatic extension of three (3) months or such further extension as may be mutually agreed upon.

B9 Group borrowings

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

	Secured RM'000	Secured RM'000	Secured RM'000	Total RM'000
(Denominated in)	(RM)	(Indonesian Rupiah)	(USD)	
Redeemable convertible bonds				
- after 12 months	269,043	-	-	269,043
Term loans payable				
- within 12 months	31,369	1,377	-	32,746
- after 12 months	689,315	1,134	-	690,449
	720,684	2,511	-	723,195
Short term borrowings	290	-	1,970	2,260
Finance lease and hire purchase				
- within 12 months	1,314	-	-	1,314
- after 12 months	2,364	-	-	2,364
	3,678	-	-	3,678
Total	993,695	2,511	1,970	998,176

B10 Derivative financial instruments

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

B11 Material litigation

The Group is not engaged in any material litigation as at 16 November 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 September 2011 and 31 December 2010 is analysed as follows:

	30/9/2011	31/12/2010
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	474,805	391,386
- Unrealised	278	3,764
	475,083	395,150
Total share of accumulated losses from associates		
- Realised	(910)	(910)
	474,173	394,240
Less: Consolidation adjustments	(18,169)	(18,690)
Total group retained earnings as per consolidated accounts	456,004	375,550

B13 Dividend proposed

No dividend has been proposed for the third quarter ended 30 September 2011.

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.

	3 months ended		Period ended	
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
Net profit for the period (RM'000)	43,224	29,678	127,524	86,721
Weighted average number of shares in issue ('000)**	831,590	831,569	831,576	831,569
Basic EPS (sen)	5.20	3.57	15.34	10.43

(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.

	3 months ended		Period ended	
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
Net profit for the period (RM'000)	43,224	29,678	127,524	86,721
Weighted average number of shares in issue ('000)**	831,590	831,569	831,576	831,569
Weighted average number of shares deemed issued at no consideration ('000)**				
ESOS	15,395	35	15,638	48
Bonds conversion	19,519	-	8,050	-
Adjusted weighted average number of ordinary shares ('000)**	866,504	831,604	855,264	831,617
Diluted EPS (sen)	4.99	3.57	14.91	10.43

** 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.

B16 Comparative Figures

Comparative figures, where applicable, have been modified to conform to the current quarter presentation.

BY ORDER OF THE BOARD

YANG BAO LING
KUAN HUI FANG

Secretaries

Kuala Lumpur
21 November 2011