MAH SING GROUP BERHAD

Company No.: 230149-P

(Incorporated in Malaysia)

Interim Financial Report

31 December 2011

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2011

(The figures have been audited)

	AS AT 31/12/2011 RM'000	(RESTATED) AS AT 31/12/2010 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	**85,325**	66,070
Prepaid lease payments	**2,890**	3,149
Investment properties	**56,076**	30,609
Land held for property development	**71,869**	62,889
Intangible assets	**70**	70
Deferred tax assets	**27,457**	6,864
	243,687	169,651
Current Assets		
Property development costs	**1,536,097**	1,251,829
Inventories	**43,781**	33,183
Trade and other receivables	**355,570**	426,083
Current tax assets	**5,529**	5,853
Deposits, cash and bank balances	**665,717**	308,647
	2,606,694	2,025,595
TOTAL ASSETS	**2,850,381**	2,195,246
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	**415,936**	415,784
Share premium	**131,101**	130,752
Other reserves	**29,348**	(3,220)
Retained earnings	**496,766**	375,550
	1,073,151	918,866
Non-controlling interests	**15,338**	17,590
Total Equity	**1,088,489**	936,456
Non-current Liabilities		
Redeemable convertible bonds	**268,298**	-
Term loans	**666,508**	368,531
Long term and deferred payables	**12,364**	4,191
Deferred tax liabilities	**6,888**	1,838
	954,058	374,560
Current Liabilities		
Trade and other payables	**736,237**	728,411
Term loans	**34,981**	73,019
Short term borrowings	**4,022**	61,670
Bank overdrafts	**150**	74
Current tax liabilities	**32,444**	21,056
	807,834	884,230
Total Liabilities	**1,761,892**	1,258,790
TOTAL EQUITY AND LIABILITIES	**2,850,381**	2,195,246
Net assets per share attributable to equity holders of the Company (RM)	**1.29**	1.10

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 (230149-P)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT
For the financial year ended 31 December 2011
(The figures have been audited)

	3 months ended		Year ended	
	31/12/2011	31/12/2010	**31/12/2011**	31/12/2010
	RM'000	RM'000	**RM'000**	RM'000
Revenue	**422,126**	299,284	**1,570,696**	1,110,108
Cost of sales	**(308,966)**	(213,338)	**(1,138,700)**	(791,763)
Gross profit	**113,160**	85,946	**431,996**	318,345
Other income	**5,281**	795	**10,952**	2,209
Selling and marketing expenses	**(15,374)**	(19,361)	**(68,568)**	(42,812)
Administrative expenses	**(29,046)**	(27,920)	**(97,478)**	(72,678)
Other operating expenses	**(21,965)**	(2,979)	**(45,401)**	(28,671)
Interest income	**6,688**	3,573	**10,166**	4,103
Finance costs	**(1,516)**	(842)	**(3,039)**	(2,631)
Profit before taxation	**57,228**	39,212	**238,628**	177,865
Income tax expense	**(16,652)**	(6,902)	**(69,991)**	(49,462)
Profit for the year	**40,576**	32,310	**168,637**	128,403
Profit attributable to:				
Equity holders of the Company	**41,032**	31,350	**168,556**	118,071
Non-controlling interests	**(456)**	960	**81**	10,332
	40,576	32,310	**168,637**	128,403
Earnings per share attributable to equity holders of the Company:				
- Basic (sen) Note B12	**4.93**	3.77	**20.27**	14.20
- Diluted (sen) Note B12	**4.77**	3.76	**19.74**	14.19

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 year ended 31 December 2011

(The figures have been audited)

	3 months ended		Year ended	
	31/12/2011	31/12/2010	**31/12/2011**	31/12/2010
	RM'000	RM'000	**RM'000**	RM'000
Profit for the year	**40,576**	32,310	**168,637**	128,403
Foreign currency translation difference for foreign operations	**727**	538	**8,357**	(9,695)
Total comprehensive income for the year	**41,303**	32,848	**176,994**	118,708
Total comprehensive income attributable to:				
Equity holders of the Company	**41,782**	31,914	**176,546**	109,087
Non-controlling interests	**(479)**	934	**448**	9,621
	41,303	32,848	**176,994**	118,708

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 year ended 31 December 2011
(The figures have been audited)

12 months ended 31 December 2011	Share capital	Share premium	Equity-settled employees benefit reserve	Exchange fluctuation reserve	Other reserve	Retained earnings	Total	Non-controlling Interests	Total Equity
	Attributable to equity holders of the Company								
		Non-Distributable				Distributable			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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 year	-	-	-	-	-	168,556	168,556	81	168,637
Other comprehensive income	-	-	-	7,990	-	-	7,990	367	8,357
Total comprehensive income for the year	-	-	-	7,990	-	168,556	176,546	448	176,994
Options granted under ESOS	-	-	7,508	-	-	-	7,508	-	7,508
Equity component of convertible bonds	-	-	-	-	17,129	-	17,129	-	17,129
Issuance of ordinary shares pursuant to ESOS exercised	152	349	(59)	-	-	59	501	-	501
Dividends for the financial year ended 31 December 2010	-	-	-	-	-	(47,399)	(47,399)	(2,700)	(50,099)
Balance at 31/12/2011	**415,936**	**131,101**	**8,451**	**3,768**	**17,129**	**496,766**	**1,073,151**	**15,338**	**1,088,489**

12 months ended 31 December 2010	Share capital	Share premium	Equity-settled employees benefit reserve	Exchange fluctuation reserve	Other reserve	Retained earnings	Total	Non-controlling Interests	Total Equity
	Attributable to equity holders of the Company								
		Non-Distributable				Distributable			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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	-	-	-	-	-	1,916	1,916	195	2,111
Balance at 1/1/2010 (restated)	346,487	200,369	22	4,762	-	295,970	847,610	7,969	855,579
Amount recognised directly in equity:									
Profit for the financial year	-	-	-	-	-	118,071	118,071	10,332	128,403
Other comprehensive income	-	-	-	(8,984)	-	-	(8,984)	(711)	(9,695)
Total comprehensive income for the year	-	-	-	(8,984)	-	118,071	109,087	9,621	118,708
Bonus issue	69,297	(69,297)	-	-	-	-	-	-	-
Expenses set off against share premium	-	(320)	-	-	-	-	(320)	-	(320)
Options granted under ESOS	-	-	980	-	-	-	980	-	980
Pre-acquisition profits from additional interest in a subsidiary company	-	-	-	-	-	2,048	2,048	-	2,048
Dividends for the financial year ended 31 December 2009	-	-	-	-	-	(40,539)	(40,539)	-	(40,539)
Balance at 31/12/2010	415,784	130,752	1,002	(4,222)	-	375,550	918,866	17,590	936,456

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 year ended 31 December 2011

(The figures have been audited)

	12 months ended 31/12/2011 RM'000	(RESTATED) 12 months ended 31/12/2010 RM'000
Operating Activities		
Profit before taxation	**238,628**	177,865
Adjustments for:		
Non-operating items	**(1,690)**	3,601
Non-cash items	**37,664**	16,417
Operating profit before changes in working capital	**274,602**	197,883
Net change in property development costs	**(453,508)**	(460,067)
Net change in inventories	**(10,543)**	(3,699)
Net change in receivables	**42,098**	(210,618)
Net change in payables	**203,826**	242,523
Cash generated from/(used in) operations	**56,475**	(233,978)
Interest received	**14,208**	3,296
Interest paid	**(28,460)**	(18,741)
Tax paid	**(79,588)**	(53,039)
Net cash used in operating activities	**(37,365)**	(302,462)
Investing Activities		
Payment for acquisition of property, plant and equipment	**(28,484)**	(18,051)
Proceeds from disposal of property, plant and equipment	**780**	88
Purchase of balance of equity in a subsidiary	**(7,420)**	(1,380)
Additions to investment properties	**(4,024)**	-
Additions to land held for property development	**(8,980)**	-
Net cash used in investing activities	**(48,128)**	(19,343)
Financing Activities		
Dividends paid to shareholders of the Company	**(47,399)**	(40,539)
Dividends paid to non-controlling interests	**(2,700)**	-
Repayment of non-controlling interests' advances	**-**	(1,614)
Proceeds from issuance of redeemable convertible bonds	**289,478**	-
Payment of bonds coupon	**(5,354)**	-
Proceeds from ESOS exercised	**500**	-
Payment of corporate exercise expenses	**(2,745)**	(320)
Net withdrawal/(placement) of deposits with licensed banks as collateral/Escrow Account	**30,742**	(22,737)
Net proceeds from borrowings	**202,662**	287,718
Net cash generated from financing activities	**465,184**	222,508
Net changes in cash and cash equivalents	**379,691**	(99,297)
Effect of exchange rate changes	**8,045**	(10,788)
Cash and cash equivalents at beginning of financial year	**246,479**	356,564
Cash and cash equivalents at end of financial year	**634,215**	246,479

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the financial year ended 31 December 2011 (cont'd)
(The figures have been audited)

	12 months ended 31/12/2011 RM'000	(RESTATED) 12 months ended 31/12/2010 RM'000
Cash and cash equivalents at the end of the financial year comprise the following:		
Deposits with licensed banks	**508,486**	213,613
Cash and bank balances	**157,231**	95,034
Bank overdrafts	**(150)**	(74)
	665,567	308,573
Less: Deposits pledged as collateral	**(28,507)**	(50,000)
Less: Deposits in Escrow Account	**(2,845)**	(12,094)
	634,215	246,479

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 has been prepared in accordance with Financial Reporting Standard ("FRS") No. 134 : Interim Financial Reporting and applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 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.

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called "Transitioning Entities"). Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the new MFRS Framework by Transitioning Entities will be mandatory for annual period beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits. The Group will be reviewing its accounting policies to assess financial effects of the differences between the current FRSs and accounting standards under the MFRS Framework.

On 24 November 2011, the Malaysian Institute of Accountants (MIA) issued Financial Reporting Standards Implementation Committee ("FRISC") Consensus 17 on Development of Affordable Housing. It recommends that the estimate amount of shortfall relating to affordable housing obligation be recognised as a provision. The recognition of provision would result in the recognition of a corresponding asset in the form of common costs in the development of premium housing and included in Property Development Costs. Following the adoption of FRSIC 17, the comparative figures have been restated. The restatement has no effect on the net results for the current and previous financial year. There is also no effect on retained earnings.

A2 Seasonal or cyclical factors

The operations of the Group were not significantly affected by any seasonal or cyclical factors during the financial year 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 year under review.

A4 Changes in estimates

There were no material changes in estimates for the financial year under review.

A5 Debt and equity securities

For the financial year 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 RM415,936,070 by way of issuance of 303,300 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

Year ended 31 December 2011

	Properties RM'000	Plastics RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
REVENUE					
External revenue	**1,363,711**	**202,610**	**4,375**	**-**	**1,570,696**
Inter-segment	**-**	**-**	**133,941**	**(133,941)**	**-**
Total revenue	**1,363,711**	**202,610**	**138,316**	**(133,941)**	**1,570,696**
RESULTS					
Operating profit	**240,283**	**16,331**	**107,177**	**(132,290)**	**231,501**
Interest income					**10,166**
Finance costs					**(3,039)**
Income tax					**(69,991)**
Profit for the year					**168,637**
OTHER INFORMATION					
Capital expenditure	**5,016**	**25,728**	**128**	**-**	**30,872**
Depreciation and amortisation	**2,391**	**9,297**	**104**	**-**	**11,792**

Year ended 31 December 2010

	Properties RM'000	Plastics RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
REVENUE					
External revenue	924,435	183,586	2,087	-	1,110,108
Inter-segment	-	-	34,903	(34,903)	-
Total revenue	924,435	183,586	36,990	(34,903)	1,110,108
RESULTS					
Operating profit	180,844	17,502	4,276	(26,229)	176,393
Interest income					4,103
Finance costs					(2,631)
Income tax					(49,462)
Profit for the year					128,403
OTHER INFORMATION					
Capital expenditure	2,827	15,704	58	-	18,589
Depreciation and amortisation	1,990	9,630	94	-	11,714

A8 Material subsequent events

On 15 February 2012, the Company completed the acquisition of the entire issued and paid-up share capital of Semai Meranti Sdn Bhd ("Semai Meranti") comprising 1,800,000 ordinary shares of RM1.00 each for a cash consideration of RM57,000,000, resulting in Semai Meranti becoming a wholly owned subsidiary of the Company. Semai Meranti is the registered and beneficial owner of parcels of prime freehold land in Rawang measuring approximately 225.7 acres.

Save for the above, there were no material events subsequent to the balance sheet date up to 23 February 2012, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report.

A9 Significant Related Party Transactions

Transactions with directors of the Company and subsidiary companies and companies in which they have interests:

		01/01/2011 to 31/12/2011 RM'000
(i)	Rental paid to a Company in which a Director has interest	1,166
(ii)	Maintenance services rendered from a Company in which the Directors are family members of a Director of the Company	104
(iii)	Sale of development properties to family members of Directors of the Company	3,097
(iv)	Sale of development property to family member of a Director of subsidiary companies	529

A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the financial year 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.

A11 Changes in contingent liabilities or contingent assets

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

	31/12/2011	31/12/2010
	RM'000	RM'000
Bank guarantees issued to third parties	**6,200**	7,893

A12 Capital Commitments

	31/12/2011
	RM'000
Contractual commitment in relation to:	
- Joint Venture Agreement for proposed joint development of land along Jalan Tun Razak, Kuala Lumpur	100,204
- Shares Sale Agreement to acquire entire equity interest in entity with development land in Rawang	86,300
- Acquisition of property, plant and equipment	9,915
	196,419

A13 Operating Lease Commitments

As Lessee - for the lease of commercial buildings

The future operating lease commitments for rental of commercial buildings (net of lease rentals receivable from sublease) contracted for as at balance sheet date but not recognised as liabilities are as follows:

	Lease rentals payable		Lease rentals receivable		Net	
	2011	2010	**2011**	2010	**2011**	2010
	RM'000	RM'000	**RM'000**	RM'000	**RM'000**	RM'000
Less than one year	**41,909**	36,093	**(14,404)**	(6,037)	**27,505**	30,056
One to two years	**10,624**	40,834	**(3,676)**	(7,195)	**6,948**	33,639
More than two years	**-**	7,430	**-**	(1,434)	**-**	5,996
	52,533	84,357	**(18,080)**	(14,666)	**34,453**	69,691
Provision made during the year					**(11,800)**	-
					22,653	69,691

The operating lease commitments are in respect of leaseback of commercial buildings sold en-bloc 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. Leaseback for the Corporate Building Block of ***Southgate Commercial Centre*** has commenced since September 2011 and shall expire by August 2013.

During the financial year, the Group has recognised in the income statement leaseback rental amounting to RM33.6 million (2010: RM28.7 million) and rental income from sublease amounting to RM8.1 million (2010: RM1.1 million). The Group has also made a provision of RM11.8 million (2010: Nil) for future lease commitments based on assessment of expected net outflows.

As Lessor - for the lease of investment properties

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

	Lease rentals receivable
	2011
	RM'000
Less than one year	482
One to two years	398
More than two years	128
	1,008

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

B1 Review of Group performance

The Group delivered a solid performance in 2011 with new record highs for revenue, profit and sales. Revenue at RM1.6 billion and net profit at RM168.6 million represents 41% and 43% y-o-y growth compared to the previous year. Q-o-q, revenue and net profit improved by 41% and 31% over same quarter last year. Property sales were robust in 2011 at RM2.26 billion, more than 46% improvement from the RM1.5 billion achieved in 2010.

Despite expanded operations, balance sheets remain strong, with high cash pile at RM665.7 million and net gearing at a low of 0.29 as at 31 December 2011. Return On Equity (ROE) at 16% and Asset Turnover at 55% are at their highest annual levels since 2007.

Properties

Revenue from property segment improved 48% y-o-y to RM1.4 billion. The Group's property sales exceeded internal target of RM2 billion to end at RM2.26 billion. Well located projects coupled with a reputation for delivering high quality properties that meet contemporary demand helped boost sales.

Projects that contributed to revenue and profit during the year include ***Garden Residence*** in Cyberjaya, ***Kinrara Residence*** in Puchong, ***Perdana Residence 2*** in Selayang, ***M-Suites*** in Jalan Ampang, ***One Legenda***, ***Hijauan Residence*** and ***Bayu Sekamat*** in Cheras, ***Icon Residence*** in Mont' Kiara, ***Kemuning Residence*** in Shah Alam and ***Aman Perdana*** in Meru - Shah Alam. Also contributing were 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. Other new projects launched to the market include ***Star Avenue*** @ D'sara, ***Clover @ Garden Residence*** and ***Garden Plaza*** in Cyberjaya, ***Icon City*** in Petaling Jaya and ***M-City*** in Ampang.

Profit for the year reflects the mix of properties delivered and was arrived at after incorporating a non-recurring provision of RM11.8 million for future operating lease commitments on a commercial building successfully sold en-bloc in 2009. Also impacting profit was higher expense on share options granted to employees pursuant to the ESOS scheme.

Other than ***Mah Sing i-Parc @ Iskandar***, Johor Bahru with estimated Gross Development Value ("GDV") of RM610 million, the Group added ***MResidence @ Rawang*** to its landbank during the year. The project, with GDV estimated at RM948 million features quality housing at affordable entry level and was previewed to overwhelming response within a mere 2 months from land acquisition. The project not only showcases the Group's fast turnaround and execution expertise but its ability to plan its development mix according to market demands.

The Group's remaining undeveloped land at 1,060 acres with approximately RM14.8 billion in total GDV and unbilled sales provides steady earnings visibility for the next 5-7 years.

Plastics

Plastics segment continued to grow steadily and contributed positively to group revenue and profit in 2011. Revenue for the segment grew by 10% to RM202.6 million compared to RM183.6 million in 2010. Improvement was seen in sales volume of all product segments from proprietary plastics pallets, OEM parts for electrical and electronic products and automotive components.

Fluctuation in profit margin was mainly affected by a surge in resin prices and higher ESOS charges during the year.

Investment holding & Others

Increase in dividend and interest income from subsidiaries contributed to improvement in segment revenue that is eliminated at group consolidation level.

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

Profit before tax for the quarter was lower than the preceding quarter due mainly to the non-recurring provision in the current quarter for future operating lease commitments.

B3 Prospects for the next financial year

The Group believes its fundamentals are strong and that the momentum in 2011 will continue into 2012. As such, it expects to deliver a strong performance for 2012.

The Group has set a property sales target of at least RM2.5 billion for 2012. Launches planned for 2012 include new and existing residential projects such as ***Kinrara Residence*** in Puchong, ***Garden Residence 2*** and ***Garden Plaza*** in Cyberjaya, ***M-City*** in Jalan Ampang, ***Icon Residence*** in Georgetown, ***Legenda @ Southbay*** and ***Ferringhi Residence*** in Penang island as well as ***Sierra Perdana*** , ***Sri Pulai Perdana 2*** and ***Austin Perdana*** in Johor Bahru; commercial projects such as ***Icon City*** in Petaling Jaya, ***Southbay City*** in Penang island and industrial project, ***Mah Sing i-Parc @ Iskandar*** in Johor Bahru.

Even though not a significant segment, the Group expects its plastics division to continue to contribute positively to Group revenue and profit in 2012. Other than the proprietary plastics pallets, OEM automotive products are expected to drive sales in 2012.

Profit growth in recent years, locked-in sales, execution track record, well established branding and strategic land bank places the Group in strong position to meet its near term targets. Strong balance sheets with high cash pile of RM665.7 million and net gearing at only 0.29 are key to competitive advantage in securing land acquisition/ joint development opportunities that may arise in the current market conditions. The Group is committed to further build on its fundamentals and landbank to drive longer term performance and shareholders value.

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		Year ended	
	31/12/2011	31/12/2010	**31/12/2011**	31/12/2010
	RM'000	RM'000	**RM'000**	RM'000
Current tax:				
Malaysian income tax	**22,109**	12,613	**90,092**	57,509
Foreign tax	**(74)**	668	**1,811**	2,065
	22,035	13,281	**91,903**	59,574
Under/(Over) provision of Malaysian income tax in prior year	**(274)**	454	**(603)**	(3,279)
	21,761	13,735	**91,300**	56,295
Deferred taxation:				
Malaysian deferred tax	**(5,109)**	(6,833)	**(21,309)**	(6,833)
	16,652	6,902	**69,991**	49,462

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 Status of corporate proposals

The following corporate proposals announced by the Company have not been completed as at 23 February 2012 (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 disclosed in Note B8, Grand Pavilion has instituted legal proceedings against Asie and Usaha Nusantara in the High Court of Malaya at Kuala Lumpur via Civil Suit No. 22NCVC-1228-12/2011.

4) 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 study the potential investment of developing and managing a shopping mall located within Icon City through a joint venture and/or partnership.

   As announced on 2 February 2012, discussions between the parties are currently on-going.

B7 Group borrowings

Total group borrowings as at 31 December 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	268,298	-	-	268,298
Term loans payable				
- within 12 months	33,520	1,461	-	34,981
- after 12 months	661,320	5,188	-	666,508
	694,840	6,649	-	701,489
Short term borrowings	1,480	-	2,542	4,022
Bank overdrafts	-	150	-	150
Finance lease and hire purchase				
- within 12 months	1,137	-	-	1,137
- after 12 months	2,521	-	-	2,521
	3,658	-	-	3,658
Total	968,276	6,799	2,542	977,617

B8 Material litigation

On 19 December 2011, Grand Pavilion Development Sdn Bhd ("Grand Pavilion"), a wholly-owned subsidiary of the Company instituted legal proceedings against Asie Sdn Bhd ("Asie") and Usaha Nusantara Sdn Bhd ("Usaha Nusantara") in the High Court of Malaya at Kuala Lumpur via Civil Suit No. 22NCVC-1228-12/2011 ("the Suit"). The Suit essentially claims for specific performance of a condition precedent stipulated in a Joint Venture Agreement dated 2 August 2011 entered into between Grand Pavilion, Asie and Usaha Nusantara. The Court has fixed a further case management on 4 April 2012 and trial dates on 28 May 2012 and 29 May 2012 respectively.

B9 Realised and unrealised earnings or losses disclosure

The retained earnings as at 31 December 2011 and 31 December 2010 are analysed as follows:

	31/12/2011	31/12/2010
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	**498,520**	390,549
- Unrealised	**15,952**	3,764
	514,472	394,313
Total share of accumulated losses from associated company		
- Realised	**(73)**	(73)
	514,399	394,240
Less: Consolidation adjustments	**(17,633)**	(18,690)
Total group retained earnings as per consolidated accounts	**496,766**	375,550

B10 Additional disclosures pursuant to para 16, Part A, Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements

	3 months ended 31/12/2011 RM'000	**Year ended 31/12/2011 RM'000**
Depreciation and amortisation	(3,819)	(11,792)
Allowance for doubtful debts - trade receivables	(76)	(76)
Reversal of allowance for slow moving inventories	81	81
Allowance for slow moving inventories	(26)	(26)
Reversal of impairment of property, plant and equipment	6	6
Net foreign exchange loss	(1,624)	(4,474)

Other than the items above which have been included in the income statement, there were no gain/(loss) on disposal of quoted or unquoted investments; gain or loss on derivatives and exceptional items affecting results for the current quarter and financial year ended 31 December 2011.

B11 Dividend proposed

i) The Board of Directors has proposed a first and final dividend of 11.0 sen per ordinary share of RM0.50 each, less income tax of 25% (2010: 7.6 sen per ordinary share of RM0.50 each, less income tax of 25%) in respect of the financial year ended 31 December 2011, which is subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting.

ii) The date payable of the dividend will be determined at a later date.

iii) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at a date to be determined later.

B12 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 year by the weighted average number of ordinary shares in issue.

	3 months ended		Year ended	
	31/12/2011	31/12/2010	**31/12/2011**	31/12/2010
Net profit for the year (RM'000)	**41,032**	31,350	**168,556**	118,071
Weighted average number of ordinary shares in issue ('000)**	**831,781**	831,569	**831,627**	831,569
Basic EPS (sen)	**4.93**	3.77	**20.27**	14.20

(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 year 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		Year ended	
	31/12/2011	31/12/2010	**31/12/2011**	31/12/2010
Net profit for the year (RM'000)	**41,032**	31,350	**168,556**	118,071
Weighted average number of ordinary shares in issue ('000)**	**831,781**	831,569	**831,627**	831,569
Weighted average number of ordinary shares deemed issued at no consideration ('000)**				
ESOS	**13,920**	1,834	**14,188**	503
Bonds conversion	**14,198**	-	**7,952**	-
Adjusted weighted average number of ordinary shares ('000)**	**859,899**	833,403	**853,767**	832,072
Diluted EPS (sen)	**4.77**	3.76	**19.74**	14.19

B13 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.

B14 Comparative Figures

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

BY ORDER OF THE BOARD

YANG BAO LING
KUAN HUI FANG

Secretaries

Kuala Lumpur
28 February 2012