



MAH SING GROUP BERHAD

Company No.: 230149-P

(Incorporated in Malaysia)

Interim Financial Statements

30 June 2009

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(Incorporated in Malaysia)

Interim Financial Statements - 30 June 2009

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MAH SING GROUP BERHAD

(Company No.: 230149-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEETS

AS AT 30 JUNE 2009

(The figures have not been audited)

	(UNAUDITED) AS AT 30/06/2009 (RM'000)	(AUDITED) AS AT 31/12/2008 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	57,542	59,458
Other Investment	-	1
Land held for property development	47,099	47,099
Intangible assets	8	12
Prepaid lease payments	5,198	5,330
Deferred tax assets	700	700
	<u>110,547</u>	<u>112,600</u>
Current Assets		
Property development cost	577,930	624,626
Inventories	32,531	31,769
Trade and other receivables	314,914	249,562
Current tax assets	9,038	8,720
Deposits with licensed banks	120,752	131,552
Cash and bank balances	38,359	40,684
	<u>1,093,524</u>	<u>1,086,913</u>
TOTAL ASSETS	<u><u>1,204,071</u></u>	<u><u>1,199,513</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	314,978	313,423
Share premium	134,217	134,167
Other reserves	5,622	5,162
Retained profits	245,439	237,523
	<u>700,256</u>	<u>690,275</u>
Minority interests	<u>6,467</u>	<u>6,335</u>
Total equity	<u><u>706,723</u></u>	<u><u>696,610</u></u>
Non-current liabilities		
Long term borrowings	210,607	181,929
Deferred payables	2,710	2,776
Deferred taxation	818	618
	<u>214,135</u>	<u>185,323</u>
Current Liabilities		
Trade and other payables	186,982	265,188
Term loans	41,135	35,012
Short term borrowings	1,940	2,117
Bank overdrafts	582	29
Current tax liabilities	14,777	15,234
Dividend payable	37,797	-
	<u>283,213</u>	<u>317,580</u>
Total liabilities	<u>497,348</u>	<u>502,903</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,204,071</u></u>	<u><u>1,199,513</u></u>
Net assets per share attributable to equity holders of the Company(RM)	<u><u>1.11</u></u>	<u><u>1.10</u></u>

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

Mah Sing Group Berhad

(Company No.: 230149-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the financial period ended 30 June 2009

(The figures have not been audited)

	3 months ended		Period ended	
	30/06/2009	30/06/2008	30/06/2009	30/06/2008
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	167,233	195,421	317,548	336,086
Cost of Sales	(118,337)	(121,529)	(221,259)	(218,178)
Gross profit	48,896	73,892	96,289	117,908
Other income	1,026	235	1,231	1,361
Administrative expenses	(11,403)	(14,295)	(22,569)	(24,245)
Selling and marketing expenses	(5,529)	(6,044)	(10,019)	(9,007)
Interest income	11	160	(74)	88
Finance costs	(711)	(1,087)	(1,449)	(2,329)
Profit before taxation	32,290	52,861	63,409	83,776
Income tax expense	(8,765)	(15,530)	(17,711)	(24,128)
Profit for the period	23,525	37,331	45,698	59,648
Attributable to:				
Equity holders of the Company	23,038	37,247	45,669	59,556
Minority interests	487	84	29	92
	23,525	37,331	45,698	59,648
Earnings per share attributable to equity holders of the Company:				
- Basic (sen) Note B13	3.67	5.99	7.27	9.58
- Diluted (sen) Note B13	3.66	5.94	7.26	9.49

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

Mah Sing Group Berhad

(Company No.: 230149-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the financial period ended 30 June 2009

(The figures have not been audited)

	Attributable to equity holders of the Company					Minority Interests	Total Equity	
	Non-Distributable			Distributable				
	Share capital	Share premium	Exchange fluctuation reserve	Equity-settled Employees Benefit Reserve	Retained earnings			Total
6 months ended 30 June 2009	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
Balance at 1/1/2009	313,423	134,167	5,092	70	237,523	690,275	6,335	696,610
Amount recognised directly in equity: Foreign exchange fluctuation	-	-	504	-	-	504	103	607
Net profit for the financial period	-	-	-	-	45,669	45,669	29	45,698
Total recognised income and expense for the period	-	-	504	-	45,669	46,173	132	46,305
Issuance of ordinary shares pursuant to:								
- Exercise of warrants	1,463	-	-	-	-	1,463	-	1,463
- Exercise of employees share options	92	50	-	(44)	44	142	-	142
Dividends for the financial year ended 31 December 2008	-	-	-	-	(37,797)	(37,797)	-	(37,797)
Balance at 30/06/2009	314,978	134,217	5,596	26	245,439	700,256	6,467	706,723

	Attributable to equity holders of the Company					Minority Interests	Total Equity	
	Non-Distributable			Distributable				
	Share capital	Share premium	Exchange fluctuation reserve	Equity-settled Employees Benefit Reserve	Retained earnings			Total
6 months ended 30 June 2008	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
Balance at 1/1/2008	310,671	133,908	4,256	259	181,223	630,317	5,455	635,772
Amount recognised directly in equity: Foreign exchange fluctuation	-	-	(101)	-	-	(101)	(54)	(155)
Net profit for the financial period	-	-	-	-	59,556	59,556	92	59,648
Total recognised income and expense for the period	-	-	(101)	-	59,556	59,455	38	59,493
Issue of ordinary shares of subsidiaries to minority interests	-	-	-	-	-	-	810	810
Issuance of ordinary shares pursuant to:								
- Exercise of warrants	240	-	-	-	-	240	-	240
- Exercise of employees share options	151	82	-	(55)	55	233	-	233
Balance at 30/06/2008	311,062	133,990	4,155	204	240,834	690,245	6,303	696,548

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

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

For the financial period ended 30 June 2009

(The figures have not been audited)

	6 months ended 30/06/2009 (RM'000)	6 months ended 30/06/2008 (RM'000)
Net cash used in operating activities	(43,350)	(97,051)
Net cash used in investing activities	(5,133)	(43,839)
Net cash from financing activities	45,291	83,292
Net decrease in cash and cash equivalents	(3,192)	(57,598)
Effects of exchange rate changes	31	(2)
Cash and cash equivalents at beginning of financial period	160,352	200,358
Cash and cash equivalents at end of financial period	157,191	142,758

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

	As at 30/06/2009 (RM'000)	As at 30/06/2008 (RM'000)
Deposits with licensed banks	120,752	106,572
Cash and bank balances	38,359	39,192
Bank overdraft	(582)	(15)
	158,529	145,749
Less: Deposits pledged as collateral	(688)	(712)
Less: Deposits deposited in Escrow Account	(650)	(2,279)
	157,191	142,758

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

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A Explanatory Notes

A1 Basis of Preparation

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

The interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2008. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2008.

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2008.

A2 Seasonal or cyclical factors

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

A4 Changes in estimates

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

A5 Debt and equity securities

During the financial period ended 30 June 2009, the Company increased its issued and paid up ordinary share capital from RM313,422,791 to RM314,977,673 by way of:

- a) issuance of 184,552 new ordinary shares of RM0.50 each pursuant to exercise of employees share options; and
- b) issuance of 2,925,212 new ordinary shares of RM0.50 each pursuant to exercise of warrants.

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

A6 Dividends paid

There were no dividend paid during the current quarter and financial period-to-date under review.

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A7 Segment reporting

Period ended 30 June 2009

	Properties	Plastics	Investment Holding & Others	Elimination	Consolidated
REVENUE	RM'000	RM'000	RM'000	RM'000	RM'000
External Sales	252,199	63,841	1,508	-	317,548
Inter-segment	-	-	14	(14)	-
Total revenue	252,199	63,841	1,522	(14)	317,548
RESULTS					
Operating profit	63,599	4,001	(2,532)	(136)	64,932
Interest income					(74)
Finance costs					(1,449)
Income tax					(17,711)
Profit for the period					45,698
OTHER INFORMATION					
Capital expenditure	1,313	1,188	34	-	2,535
Depreciation and amortisation	884	4,024	37	-	4,945

Period ended 30 June 2008

	Properties	Plastics	Investment Holding & Others	Elimination	Consolidated
REVENUE	RM'000	RM'000	RM'000	RM'000	RM'000
External Sales	260,393	73,866	1,827	-	336,086
Inter-segment	-	-	54	(54)	-
Total revenue	260,393	73,866	1,881	(54)	336,086
RESULTS					
Operating profit	84,759	4,822	(3,614)	50	86,017
Interest income					88
Finance costs					(2,329)
Income tax					(24,128)
Profit for the period					59,648
OTHER INFORMATION					
Capital expenditure	685	7,771	12	-	8,468
Depreciation and amortisation	843	3,389	15	-	4,247
Reversal of impairment loss	-	(33)	-	-	(33)

A8 Valuation of property, plant and equipment

The valuation of property, plant and equipment have been brought forward without any amendment from annual financial statements for the financial year ended 31 December 2008.

A9 Material subsequent events

Saved for the items and information disclosed in Note B8 (b) and (c), there were no material events subsequent to the balance sheet date that have not been reflected in the interim financial statements.

A10 Changes in the composition of the Group

On 28 April 2009, the Company acquired the entire issued and paid-up share capital of Myvilla Development Sdn Bhd ("Myvilla"), a private limited company incorporated in Malaysia with an authorised share capital of RM100,000.00 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.

Save for the above, there were no changes in the composition of the Group during the current quarter and financial period-to-date under review.

A11 Changes in contingent liabilities or contingent assets

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

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

B1 Review of Group performance

For Q2 2009 and the current financial year-to-date, the Group recorded a lower revenue, gross profit, profit before tax and profit after tax after minority interests ("PATMI") as compared to Q2 2008 and the previous year's corresponding financial period mainly due to timing mismatch as The Icon Jalan Tun Razak, East Wing was at an advanced stage of construction in the previous corresponding financial period when the en-bloc sale transaction was completed in 2nd quarter of 2008.

The contributors for the current financial period were the Group's residential projects such as Kemuning Residence, Hijauan Residence and Aman Perdana in the Klang Valley, Sierra Perdana and Austin Perdana in Johor Bahru, Southbay in Penang and its commercial projects, namely The Icon Jalan Tun Razak and Southgate Commercial Centre. Apart from property development, the Group's plastics division also contributed to the earnings achieved. Property development contributed more than 90% to operating profit.

To-date, the Group has 17 property development projects, all located in prime locations – 12 in Kuala Lumpur and Klang Valley, 4 in Johor Bahru in Iskandar Malaysia and 1 in Penang Island. Developments with new launches coming on-stream will be the Group's residential projects such as One Legenda, Kemuning Residence, Hijauan Residence, Garden Residence, Aman Perdana and Bayu Sekamat in the Klang Valley, Sri Pulai Perdana 2 and Sierra Perdana in Johor Bahru, Residence@Southbay and Legenda@Southbay in Penang and its commercial projects, namely StarParc Point in Klang Valley and Southbay City in Penang.

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

For the current quarter under review, the Group recorded higher profit before taxation as compared to the immediate preceding quarter. However, there is no material change in profit before taxation for the current quarter as compared with the immediate preceding quarter.

B3 Prospects for the current financial year

The Group has achieved RM543 million sales in just 7 ½ months, exceeding its full year target of RM453 million by 1.2 times.

The Group's strong sales achievement indicates that the property market in Malaysia is resilient and niche products with good branding coupled with the right concepts and designs in prime locations will continue to do well. Low interest rates, a buoyant stock market and better consumer sentiments have combined to boost demand for properties. Property prices are likely to rise in the liquidity-induced asset price inflation. There is plenty of liquidity in the banking sector as Malaysians have very high savings rates. The Group believes the property market is gaining momentum for a likely up cycle in the second half of 2010. The Group's healthy balance sheet, low gearing of 0.14 times as at 30 June 2009 and strong sales have allowed the Group going on an acquisition trail. A 115 acre piece of prime freehold land in Cyberjaya was recently purchased for the medium to high end residential project, Garden Residence, which will have an estimated gross development value of RM690 million.

The Group has mapped out a strategy for sustainable earnings. Firstly, continue its cash generative, fast turnaround business model for niche, medium to high end landed residential and commercial projects. Secondly, look into sizeable landbank for a potential mass housing project. Thirdly, explore overseas opportunities in high population growth countries like China and Vietnam.

The Group has remaining gross development value and unbilled sales of approximately RM4.4 billion. The Group shall continue to capitalise on its branding, products quality, location, standard of design, concept and track record while stepping up efforts to ensure its offerings meet market demand and to enhance shareholders' value.

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B4 Profit forecast

Not applicable as the Group has not issued profit forecast or profit guarantee in a public document.

B5 Income tax expense

	3 months ended		Period ended	
	30/06/2009 (RM'000)	30/06/2008 (RM'000)	30/06/2009 (RM'000)	30/06/2008 (RM'000)
Current tax:				
Malaysian income tax	8,563	15,191	17,474	23,608
Foreign tax	2	339	2	520
	<u>8,565</u>	<u>15,530</u>	<u>17,476</u>	<u>24,128</u>
Under provision of Malaysian income tax in prior year	-	-	35	-
	<u>8,565</u>	<u>15,530</u>	<u>17,511</u>	<u>24,128</u>
Deferred taxation				
Malaysian deferred tax	200	-	200	-
	<u>8,765</u>	<u>15,530</u>	<u>17,711</u>	<u>24,128</u>

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

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

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

B7 Quoted securities

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

	3 months ended	Period ended
	30/06/2009 (RM'000)	30/06/2009 (RM'000)
Total sale proceeds	<u>-</u>	<u>2</u>
Total gain on disposal	<u>-</u>	<u>1</u>

The Group does not hold any quoted securities as at 30 June 2009.

B8 Status of corporate proposals

The following corporate proposals announced by the Company have not been completed as at 12 August 2009 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Statements):-

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

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

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b) On 12 August 2009, the Company's wholly owned subsidiary company, Myvilla Development Sdn Bhd has entered into a tripartite agreement with Cyberview Sdn Bhd and Setia Haruman Sdn Bhd which comprises:

- i) Proposed acquisition of a piece of prime freehold land in Cyberjaya measuring approximately 115.25 acres for a total cash consideration of RM130,527,540 ("Proposed Acquisition"); and
- ii) An option to purchase an adjacent commercial land measuring approximately 6.32 acres.

The Proposed Acquisition has yet to become unconditional pending fulfillment of conditions precedent.

c) On 12 August 2009, the Company's wholly owned subsidiary company, Jastamax Sdn Bhd ("Jastamax") has entered into the following agreements with Koperasi Permodalan Felda Berhad ("KPFB"):

- i) Sale and Purchase Agreement for the en bloc sale of 8-storey of retail and office space ("Building") with gross area of 257,943 square feet together with 2 basement levels car park, within Southgate, a freehold commercial development project of Jastamax, for a total cash consideration of RM226,000,000 ("Proposed En Bloc Sale"); and
- ii) A Leaseback and Guaranteed Rental Return Agreement with KPFB for the leaseback of the Building by Jastamax from KPFB for a period of 2 years.

The Sale and Purchase Agreement for the Proposed En Bloc Sale does not have conditions precedent.

B9 Group borrowings and debt securities

Total group borrowings as at 30 June 2009 are as follows:

	Secured (RM'000)	Secured (RM'000)	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
<i>(Denominated in)</i>	<i>(RM)</i>	<i>(Indonesian Rupiah)</i>	<i>(USD)</i>	<i>(RM)</i>	
Term loans payable					
- within 12 months	39,201	759	1,175	-	41,135
- after 12 months	207,219	2,248	1,140	-	210,607
	246,420	3,007	2,315	-	251,742
Short term borrowings	-	-	-	1,940	1,940
Bank overdrafts	-	582	-	-	582
	-	582	-	1,940	2,522
Finance lease and hire purchase					
- within 12 months	1,054	38	-	-	1,092
- after 12 months	1,459	96	-	-	1,555
	2,513	134	-	-	2,647
Total	248,933	3,723	2,315	1,940	256,911

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B10 Off balance sheet financial instruments

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

As at 12 August 2009, the loan balance in foreign currency, the contractual foreign exchange rates and the contractual interest rates were as follows:

Hedged item	Currency to be paid	RM equivalent	Contractual rate	
			Forex rates	Interest rates
Borrowing: USD 41,345	Indonesian Rupiah	145,534	1 USD = Rp9,070	10.85%
Borrowing: USD 399,408	Indonesian Rupiah	1,405,916	1 USD = Rp9,295	13.30%

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

- b) Forward foreign exchange purchase contracts entered into as at 12 August 2009 by a foreign subsidiary company amounted to RM2.58 million. The contracts were entered into as a hedge for creditors denominated in foreign currency so as to limit the exposure of the Group to potential changes in foreign exchange rates. The forward contracts mature within twelve months.

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

B11 Material litigation

The Group is not engaged in any material litigation since 31 December 2008, being the latest annual balance sheet date until 12 August 2009, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Statements.

B12 Dividend proposed

No dividend has been proposed in respect of the financial period ended 30 June 2009.

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

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

	3 months ended		Period ended	
	30/06/2009	30/06/2008	30/06/2009	30/06/2008
Net Profit for the period (RM'000)	23,038	37,247	45,669	59,556
Weighted average number of ordinary shares in issue ('000)	628,513	621,896	627,823	621,730
Basic EPS (sen)	3.67	5.99	7.27	9.58

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(b) Diluted EPS

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

	3 months ended		Period ended	
	30/06/2009	30/06/2008	30/06/2009	30/06/2008
Net Profit for the period (RM'000)	23,038	37,247	45,669	59,556
Weighted average number of ordinary shares in issue ('000)	628,513	621,896	627,823	621,730
Weighted average number of ordinary shares deemed issued at no consideration ('000):				
ESOS	73	525	85	606
Warrants	1,002	5,031	1,467	5,296
Adjusted weighted average number of ordinary shares ('000)	629,588	627,452	629,375	627,632
Diluted EPS (sen)	3.66	5.94	7.26	9.49

B14 Auditors' report on preceding annual financial statements

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

BY ORDER OF THE BOARD

YANG BAO LING
KUAN HUI FANG

Secretaries

Kuala Lumpur
19 August 2009