MAH SING GROUP BERHAD

Company No.: 230149-P

(Incorporated in Malaysia)

Interim Financial Report

30 September 2012

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Page No.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2012

(The figures have not been audited)

	AS AT 30/9/2012 RM'000	(AUDITED) AS AT 31/12/2011 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	**87,248**	85,325
Prepaid lease payments	**7,375**	2,890
Investment properties	**59,450**	56,076
Land held for property development	**71,869**	71,869
Intangible assets	**12,829**	70
Deferred tax assets	**51,965**	27,457
	290,736	243,687
Current Assets		
Property development costs	**1,754,519**	1,536,097
Inventories	**38,315**	43,781
Trade and other receivables	**478,113**	355,570
Current tax assets	**5,598**	5,529
Deposits, cash and bank balances	**545,302**	665,717
	2,821,847	2,606,694
TOTAL ASSETS	**3,112,583**	2,850,381
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	**419,486**	415,936
Share premium	**139,259**	131,101
Other reserves	**30,592**	29,348
Retained earnings	**597,386**	496,766
	1,186,723	1,073,151
Non-controlling interests	**10,150**	15,338
Total Equity	**1,196,873**	1,088,489
Non-current Liabilities		
Redeemable convertible bonds	**276,474**	268,298
Term loans	**598,689**	666,508
Long term and deferred payables	**8,030**	12,364
Deferred tax liabilities	**22,372**	6,888
	905,565	954,058
Current Liabilities		
Trade and other payables	**921,584**	736,237
Term loans	**16,745**	34,981
Short term borrowings	**8,100**	4,022
Bank overdrafts	**-**	150
Current tax liabilities	**63,716**	32,444
	1,010,145	807,834
Total Liabilities	**1,915,710**	1,761,892
TOTAL EQUITY AND LIABILITIES	**3,112,583**	2,850,381
Net assets per share attributable to equity holders of the Company (RM)	**1.41**	1.29

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED INCOME STATEMENT
For the financial period ended 30 September 2012

(The figures have not been audited)

	3 months ended		Period ended	
	30/9/2012	30/9/2011	**30/9/2012**	30/9/2011
	RM'000	RM'000	**RM'000**	RM'000
Revenue	**420,843**	420,696	**1,333,818**	1,148,570
Cost of sales	**(297,486)**	(307,788)	**(948,070)**	(829,734)
Gross profit	**123,357**	112,908	**385,748**	318,836
Other income	**7,755**	2,260	**20,524**	5,670
Selling and marketing expenses	**(18,460)**	(22,992)	**(54,623)**	(53,194)
Administrative expenses	**(28,323)**	(23,795)	**(85,517)**	(68,432)
Other operating expenses	**(9,043)**	(9,099)	**(27,259)**	(23,435)
Interest income	**1,282**	2,602	**5,836**	3,478
Finance costs	**(451)**	(658)	**(1,470)**	(1,523)
Profit before taxation	**76,117**	61,226	**243,239**	181,400
Income tax expense	**(19,833)**	(17,738)	**(66,825)**	(53,339)
Profit for the period	**56,284**	43,488	**176,414**	128,061
Profit attributable to:				
Equity holders of the Company	**55,232**	43,224	**175,218**	127,524
Non-controlling interests	**1,052**	264	**1,196**	537
	56,284	43,488	**176,414**	128,061
Earnings per share attributable to equity holders of the Company:				
- Basic (sen) Note B13	**6.61**	5.20	**21.01**	15.34
- Diluted (sen) Note B13	**6.50**	4.99	**20.69**	14.91

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial period ended 30 September 2012

(The figures have not been audited)

	3 months ended		Period ended	
	30/9/2012	30/9/2011	**30/9/2012**	30/9/2011
	RM'000	RM'000	**RM'000**	RM'000
Profit for the period	**56,284**	43,488	**176,414**	128,061
Foreign currency translation difference for foreign operations	**(1,180)**	9,376	**(991)**	7,630
Total comprehensive income for the period	**55,104**	52,864	**175,423**	135,691
Total comprehensive income attributable to:				
Equity holders of the Company	**54,439**	52,316	**174,599**	134,764
Non-controlling interests	**665**	548	**824**	927
	55,104	52,864	**175,423**	135,691

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 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 2012
(The figures have not been audited)

	Attributable to equity holders of the Company								
		Non-Distributable				Distributable			
9 months ended 30 September 2012	**Share capital**	**Share premium**	**Equity-settled employees benefit reserve**	**Exchange fluctuation reserve**	**Other reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total Equity**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Balance at 1/1/2012	**415,936**	**131,101**	**8,451**	**3,768**	**17,129**	**496,766**	**1,073,151**	**15,338**	**1,088,489**
Amount recognised directly in equity:									
Profit for the financial period	**-**	**-**	**-**	**-**	**-**	**175,218**	**175,218**	**1,196**	**176,414**
Other comprehensive income	**-**	**-**	**-**	**(619)**	**-**	**-**	**(619)**	**(372)**	**(991)**
Total comprehensive income for the period	**-**	**-**	**-**	**(619)**	**-**	**175,218**	**174,599**	**824**	**175,423**
Recognition of share-based payment	**-**	**-**	**3,916**	**-**	**-**	**-**	**3,916**	**-**	**3,916**
Issuance of ordinary shares pursuant to ESOS exercised and ESOS lapsed	**3,550**	**8,158**	**(2,053)**	**-**	**-**	**2,053**	**11,708**	**-**	**11,708**
Dividends for the financial year ended 31 December 2011	**-**	**-**	**-**	**-**	**-**	**(69,163)**	**(69,163)**	**-**	**(69,163)**
Dividend paid to non-controlling interest	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(7,200)**	**(7,200)**
Acquisition of the remaining interest from the non-controlling shareholders	**-**	**-**	**-**	**-**	**-**	**(7,488)**	**(7,488)**	**1,188**	**(6,300)**
Balance at 30/9/2012	**419,486**	**139,259**	**10,314**	**3,149**	**17,129**	**597,386**	**1,186,723**	**10,150**	**1,196,873**

	Attributable to equity holders of the Company								
		Non-Distributable				Distributable			
9 months ended 30 September 2011	Share capital	Share premium	Equity-settled employees benefit reserve	Exchange fluctuation reserve	Other reserve	Retained earnings	Total	Non-controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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
Other comprehensive income	-	-	-	7,240	-	-	7,240	390	7,630
Total comprehensive income for the period	-	-	-	7,240	-	127,524	134,764	927	135,691
Recognition of share-based payment	-	-	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 and ESOS lapsed	89	204	(329)	-	-	329	293	-	293
Dividends for the financial year ended 31 December 2010	-	-	-	-	-	(47,399)	(47,399)		(47,399)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(2,700)	(2,700)
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

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 2011 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the financial period ended 30 September 2012

(The figures have not been audited)

	9 months ended 30/9/2012 RM'000	9 months ended 30/9/2011 RM'000
Operating Activities		
Profit before taxation	**243,239**	181,400
Adjustments for:		
Non-cash items	**17,414**	15,751
Non-operating items	**663**	(4,806)
Operating profit before changes in working capital	**261,316**	192,345
Net change in inventories	**4,722**	3,876
Net change in payables	**149,802**	(121,700)
Net change in property development costs	**(171,760)**	(301,505)
Net change in receivables	**(57,038)**	121,876
Cash generated from/(used in) operations	**187,042**	(105,108)
Interest paid	**(24,788)**	(20,187)
Interest received	**12,985**	6,329
Tax paid	**(59,645)**	(37,012)
Net cash generated from/(used in) operating activities	**115,594**	(155,978)
Investing Activities		
Acquisition of investment in a subsidiary	**(56,758)**	-
Additions to investment properties	**(3,374)**	-
Payment for acquisition of property, plant and equipment	**(18,309)**	(14,298)
Payment for acquisition of balance of equity in subsidiaries	**(5,568)**	(7,420)
Proceeds from disposal of property, plant and equipment	**662**	103
Net cash used in investing activities	**(83,347)**	(21,615)
Financing Activities		
Dividends paid to non-controlling interests	**(7,200)**	(2,700)
Dividends paid to shareholders of the Company	**(69,163)**	(47,399)
Net (repayment of)/ proceeds from borrowings	**(82,479)**	222,625
Net withdrawal of deposits with licensed banks as collateral/ Escrow Account	**(14,675)**	(146,426)
Payment of bonds coupon	**(5,267)**	-
Payment of corporate exercise expenses	**-**	(2,685)
Proceeds from ESOS exercised	**11,708**	293
Proceeds from issuance of redeemable convertible bonds	**-**	289,477
Net cash (used in)/generated from financing activities	**(167,076)**	313,185
Net changes in cash and cash equivalents	**(134,829)**	135,592
Effect of exchange rate changes	**(111)**	7,198
Cash and cash equivalents at beginning of financial period	**634,215**	246,479
Cash and cash equivalents at end of financial period	**499,275**	389,269

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the financial period ended 30 September 2012 (cont'd)

(The figures have not been audited)

	9 months ended 30/9/2012 RM'000	9 months ended 30/9/2011 RM'000
Cash and cash equivalents at the end of the financial period comprise the following:		
Deposits with licensed banks	**319,788**	471,689
Cash and bank balances	**225,514**	126,100
	545,302	597,789
Less: Deposits pledged as collateral	**(34,955)**	(205,517)
Less: Deposits in Escrow Account	**(11,072)**	(3,003)
	499,275	389,269

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 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 2011. The explanatory notes attached to the interim financial report 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 2011.

The significant accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2011 save for the adoption of the following:

FRS 124 (revised)	Related Party Disclosures
Amendment to FRS 7	Financial Instruments: Disclosures - Transfers of Financial Assets
Amendment to FRS 112	Income Taxes - Deferred Tax : Recovery of Underlying Assets
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendment to IC Interpretation 14	Prepayments of a Minimum Funding Requirement

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.

On 30 June 2012, MASB announced that the Transitioning Entities are allowed to extend their deferment on the adoption of MFRS Framework for another year. As such, the MFRS Framework will be mandotory for all companies for annual period beginning on or after 1 January 2014.

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 2014. 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 is currently reviewing its accounting policies to assess financial effects of the differences between the current FRSs and accounting standards under the MFRS Framework.

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, shares held as treasury shares and resale of treasury shares other than an increase in issued and paid up ordinary share capital from RM415,936,070 to RM419,486,155 by way of issuance of 7,100,170 new ordinary shares of RM0.50 each pursuant to exercise of employees share options.

A6 Dividends paid

On 26 September 2012, the Company paid a first and final dividend of 11.0 sen per ordinary share of RM 0.50 each, less income tax of 25% amounting to RM69,163,392 in respect of the financial year ended 31 December 2011.

A7 Segment reporting

Period ended 30 September 2012

	Properties RM'000	Plastics RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
REVENUE					
External revenue	**1,172,640**	**153,494**	**7,684**	**-**	**1,333,818**
Inter-segment	**-**	**-**	**84,588**	**(84,588)**	**-**
Total revenue	**1,172,640**	**153,494**	**92,272**	**(84,588)**	**1,333,818**
RESULTS					
Operating profit	**232,436**	**10,762**	**79,813**	**(84,138)**	**238,873**
Interest income					**5,836**
Finance costs					**(1,470)**
Income tax					**(66,825)**
Profit for the period					**176,414**
OTHER INFORMATION					
Capital expenditure	**3,012**	**15,900**	**446**	**-**	**19,358**
Depreciation and amortisation	**4,608**	**7,072**	**114**	**-**	**11,794**

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

A8 Material subsequent events

Save as disclosed in B6, there were no material events subsequent to the balance sheet date up to 12 November 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:

		01/1/2012 to 30/9/2012 RM'000
(i)	Rental paid to a Company in which a Director has interest	917
(ii)	Maintenance services rendered from a Company in which the Directors are family members of a Director of the Company	52
(iii)	Sales of development properties to a Director of subsidiary companies	1,035
(iv)	Sales of development properties to director of subsidiary company and/or family members	3,094

A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the financial period except for the following:

1) On 13 January 2012, the Company acquired the entire issued and paid-up share capital of Reputable Housing 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 15 February 2012, the Company completed the acquisition of the entire issued and paid-up share capital of Semai Meranti Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each, of which 1,800,000 ordinary shares of RM1.00 each have been issued and fully paid-up, for a cash consideration of RM57,000,000.

3) On 25 April 2012, the Company acquired the entire issued and paid-up share capital of Tropika Istimewa 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.

4) On 15 May 2012, the Company acquired the entire issued and paid-up share capital of Nova Indah 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.

5) On 18 May 2012, the Company acquired the entire issued and paid-up share capital of Tristar Acres 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.

6) On 10 August 2012, the Company acquired the remaining 30% equity interest in both Vienna Home Sdn Bhd ("Vienna Home") and Enrich Property Development Sdn Bhd ("Enrich") for a total consideration of RM6,000,000 and RM300,000 respectively, resulting in both Vienna Home and Enrich becoming wholly-owned subsidiaries of the Company.

A11 Changes in contingent liabilities or contingent assets

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

	30/9/2012 RM'000	31/12/2011 RM'000
Bank guarantees issued in favour of third parties	**10,118**	6,200
Corporate guarantee issued in favour of a third party	**2,000**	-
	12,118	6,200

A12 Capital Commitments

	30/9/2012
	RM'000
Contractual commitment in relation to:	
- Proposed acquisition of lands in Bandar Baru Bangi	299,719
- Joint Venture Agreement for proposed joint development of land along Jalan Tun Razak	100,204*
- Joint Development Agreement for proposed joint development of land in Kota Kinabalu	20,000^
Commitment for acquisition of property, plant and equipment	
- Approved and contracted	15,742
	435,665

* Cash portion is RM57.56 million and the remainder is to be satisfied by way of issuance of shares in a subsidiary.

^ Cash portion is RM6.0 million and the remainder is to be satisfied by way of properties contra.

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**	
	30/9/2012	31/12/2011	**30/9/2012**	31/12/2011	**30/9/2012**	31/12/2011
	RM'000	RM'000	**RM'000**	RM'000	**RM'000**	RM'000
Less than one year	**18,226**	41,909	**(10,358)**	(14,404)	**7,868**	27,505
One to two years	**-**	10,624	**-**	(3,676)	**-**	6,948
	18,226	52,533	**(10,358)**	(18,080)	**7,868**	34,453
			Provision		**(6,306)**	(11,800)
					1,562	22,653

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 West Wing of ***The Icon, Jalan Tun Razak*** has expired in October 2012, and the East Wing 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 period, the Group has recognised in the income statement leaseback rental amounting to RM27.3 million (2011: RM23.4 million) and rental income from sublease amounting to RM15.9 million (2011: RM4.5 million).

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
	30/9/2012
	RM'000
Less than one year	337
One to two years	181
	518

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 RM1.3 billion and RM175.2 million for the nine months ended 30 September 2012. This represents improvement in revenue and net profit of 16% and 37% respectively over the corresponding period in the previous year. The current quarter net profit soared to RM55.2 million which represents a 28% quarter-on-quarter improvement on the back of RM420.8 million in revenue.

Basic earnings per share were up 37% to 21.0 sen for the nine months ended 30 September 2012.

Balance sheets remained strong, with high cash pile at RM545.3 million and net gearing at 0.30 as at 30 September 2012.

<u>Property development</u>
Revenue from property development improved by 18% to RM1.2 billion against the corresponding period in the previous year.

Projects that contributed to revenue and profit include ***Kinrara Residence*** in Puchong, ***Garden Residence***, ***Clover @ Garden Residence*** and ***Garden Plaza*** in Cyberjaya, ***M-Suites*** and ***M-City*** in Jalan Ampang, ***Icon City*** in Petaling Jaya, ***Aman Perdana*** in Meru - Shah Alam, ***Perdana Residence 2*** in Selayang, ***Icon Residence*** in Mont' Kiara, ***M Residence*** *in Rawang* and ***One Legend, Hijauan Residence*** in Cheras. Commercial projects are ***Star Avenue @ D'sara***, ***StarParc Point*** in Setapak, ***Southgate Commercial Centre*** in Sungai Besi and industrial projects ***i-Parc 1, i-Parc 3*** in Bukit Jelutong and ***i-Parc 2*** in Shah Alam. Projects in Johor Bahru, ***Sierra Perdana, Sri Pulai Perdana 2*** and ***Austin Perdana*** also contributed to the Group's performance. Other than ***Residence @ Southbay*** and ***Legenda @ Southbay,*** contribution from Penang Island projects is expected to gain further momentum in the coming quarters following the successful launch of Southbay Plaza at ***Southbay City*** *and the preview of the* ***Ferringhi Residence***.

Property development margin improved compared to the previous year due mainly to changes in property mix.

The four land deals secured year-to-date further strengthened the Group's land bank by approximately RM5.88 billion in potential Gross Development Value (GDV). ***The Meridin @ Medini*** in Iskandar Malaysia has GDV of approximately RM1.1 billion. ***M Residence 2 @ Rawang*** acquired to tap spillover demand from ***M Residence @ Rawang*** has potential GDV of approximately RM650 million. GDV of ***SouthVille City*** has been enhanced to approximately RM3.63 billion and ***Sutera Avenue*** to approximately RM502 million as a result of improved product planning.

<u>Plastics</u>
Plastics segment continued to contribute positively to group revenue and profit. Whilst revenue grew marginally by 2% to RM153.5 million, profit margin was affected by foreign exchange difference and higher staff costs as a result of minimum wage ruling in Indonesia.

<u>Investment holding & Others</u>
Revenue and profit for the segment comprise mainly of interest income from funds placement.

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

The lower current quarter profit before taxation compared to the immediate preceding quarter was due mainly to fluctuation in percentage of completion of development activities for certain property projects.

B3 Prospects for the current financial year

In September, the Group paid RM69.2 million cash dividends to shareholders, marking the 6th consecutive year the Group delivered on its commitment of above 40% dividend payout. The Group was able to reward shareholders during these years in parallel with uninterrupted profit growth as well as continuous re-investing for landbank expansion.

Locked-in but unbilled sales position continued to advance to approximately RM2.95 billion as at 30 September 2012. The strong unbilled sales position provides certainty to cash flows and liquidity and visibility over near term performance. The well-diversified product portfolio at different high growth locations exposes the group to wide segments of market and allows flexibility to react quickly to demand shifts. The Group's unbilled sales combined with remaining GDV from its projects and land deals (including ***M Sentral*** and the latest ***Meridin @ Medini***) is estimated at more than RM20 billion.

With approximately RM2.2 billion sales secured as at 15 November 2012, the Group is well on-track to achieve its 2012 full year sales target of RM2.5 billion. The strength of its project portfolio and the overwhelming registration of interests for its new projects provided the Group with confidence that it is well positioned to set a new record sales target of at least RM3 billion for year 2013.

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**	
	30/9/2012	30/9/2011	**30/9/2012**	30/9/2011
	RM'000	RM'000	**RM'000**	RM'000
Current tax:				
Malaysian income tax	**38,386**	29,099	**90,295**	67,983
Foreign tax	**46**	139	**574**	1,556
	38,432	29,238	**90,869**	69,539
Deferred taxation:				
Malaysian deferred tax	**(18,599)**	(11,500)	**(24,044)**	(16,200)
	19,833	17,738	**66,825**	53,339

The Group's effective tax rate for the current financial period is higher than the statutory tax rate of 25% mainly due to higher 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 12 November 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 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 ("Kinrara 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 Kinrara Land and in return for an entitlement sum of RM35,403,863.85.

2) 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 ("JV Land"). 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.

3) On 26 March 2012, the Company's wholly-owned subsidiary, Capitol Avenue Development Sdn Bhd ("Capitol Avenue") entered into a Joint Development Agreement ("Agreement") with Paduan Hebat Sdn Bhd ("Paduan Hebat") for the proposed joint development of a parcel of prime leasehold commercial land measuring approximately 4.26 acres ("Land") in Kota Kinabalu, Negeri Sabah. Under the terms of the Agreement, Paduan Hebat agrees with Capitol Avenue to jointly develop the Land for an entitlement of RM39 million or approximately RM210 per square foot.

   Capitol Avenue is also granted an exclusive option to jointly develop with Paduan Hebat in respect of further two parcels of adjacent commercial land measuring approximately 4.408 acres ("Option Land") at an entitlement price of RM216 per square foot or approximately RM41.5 million. The option is exercisable by Capitol Avenue within six months from the date of the Agreement.

   On 12 October 2012, Capitol Avenue and Paduan Hebat had mutually agreed to extend the option period for the Option Land for a period of two (2) months from 26 September 2012.

4) On 21 May 2012, the Company's wholly-owned subsidiary, Tristar Acres Sdn Bhd ("Tristar") entered into a sale and purchase agreement ("SPA") with Boon Siew Development Sdn Bhd ("Boon Siew") for the proposed acquisition of 8 parcels of adjacent freehold land with a total net area measuring approximately 408.243 acres ("Lands"), all located in Bandar Baru Bangi for a total cash consideration of RM330,765,010.49 or RM18.60 per square foot.

   Tristar and Boon Siew had via the exchange of their respective solicitors' letters dated 19 June 2012 and 22 June 2012 agreed to adjust the total land area in relation to the Lands from 408.243 acres to 407.997 acres and the total cash consideration of the proposed acquisition of Lands from RM330,765,010.49 to RM330,565,697.35 in accordance with Section 3.04 of the Lands SPA.

   Further, on 21 May 2012, Tristar also entered into another sale and purchase agreement with Wong Hong Foi @ Ho Hea Sia for the purchase of a piece of leasehold land measuring approximately 4.122 acres ("Small Parcel Land"), for a total cash consideration of RM2,477,679.95 or RM13.80 per square foot. The Small Parcel Land is contiguous with the Lands.

   On 1 October 2012, the proposed acquisition of Small Parcel Land has been completed.

5) On 18 October 2012, the Company's wholly-owned subsidiary, Tropika Istimewa Development Sdn Bhd entered into a Lease Purchase Agreement ("Agreement") with Medini Land Sdn Bhd to acquire the lease over two (2) parcels of contingious prime land in Medini, Iskandar Malaysia, all in Mukim Pulai, Daerah Johor Bahru, State of Johor with agreed gross floor area of 2,140,538.40 square feet for a total lease consideration of RM74,717,596.80 or approximately RM34.906 per square foot gross floor area.

   The conditions precedent of the Agreement has been fulfilled on 18 October 2012.

B7 Group borrowings

Total group borrowings as at 30 September 2012 were 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	276,474	-	-	276,474
Term loans payable				
- within 12 months	16,267	478	-	16,745
- after 12 months	584,687	14,002	-	598,689
	600,954	14,480	-	615,434
Short term borrowings	5,500	-	2,600	8,100
Finance lease and hire purchase				
- within 12 months	1,180	-	-	1,180
- after 12 months	2,614	-	-	2,614
	3,794	-	-	3,794
Total	886,722	14,480	2,600	903,802

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 High Court had on 16 November 2012 dismissed Grand Pavilion's claim with costs to be decided. Grand Pavilion has one month from the date of the decision to appeal to the Court of Appeal against the High Court's decision. Grand Pavilion will deliberate on the next course of action to be taken.

B9 Derivatives Financial Instrument

Foreign currency forward contracts were entered into by a subsidiary within the Group to manage its exposure against adverse fluctuations in foreign currency risks as a results of transactions denominated in currencies other than the functional currency of the subsidiary.

These derivatives are stated at fair value, using the prevailing market rates and any changes in fair value of these derivatives during the period are taken directly to the income statement. Accordingly, a gain of RM238,000 was recognised in the income statement for the period ended 30 September 2012.

As at 30 Septermber 2012, there were no outstanding foreign currency forward contracts.

B10 Realised and unrealised earnings or losses disclosure

The retained earnings as at 30 September 2012 and 31 December 2011 were analysed as follows:

	30/9/2012	31/12/2011
	RM'000	RM'000
Total retained earnings of the Group		
- Realised	**554,237**	498,520
- Unrealised	**47,529**	15,952
	601,766	514,472
Total share of accumulated losses from associated company		
- Realised	**(73)**	(73)
	601,693	514,399
Less: Consolidation adjustments	**(4,307)**	(17,633)
Total group retained earnings as per consolidated accounts	**597,386**	496,766

B11 Additional disclosures pursuant to para 16, Part A, Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements

	Period ended
	30/9/2012
	RM'000
Depreciation and amortisation	(11,794)
Allowance for doubtful debts - trade receivables	(4)
Allowance for slow moving inventories	(493)
Amortisation and impairment of intangible assets	(139)
Reversal of allowance for doubtful debts - trade receivables	135
Reversal of impairment of property, plant and equipment	4
Gain on foreign forward exchange contracts	238
Net foreign exchange loss	(4,225)

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 and exceptional items affecting the results for the current financial period ended 30 September 2012.

B12 Dividend proposed

No dividend has been proposed for the third quarter ended 30 September 2012.

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**	
	30/9/2012	30/9/2011	**30/9/2012**	30/9/2011
Net profit for the period (RM'000)	**55,232**	43,224	**175,218**	127,524
Weighted average number of ordinary shares in issue ('000)	**835,859**	831,590	**833,873**	831,576
Basic EPS (sen)	**6.61**	5.20	**21.01**	15.34

(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**	
	30/9/2012	30/9/2011	**30/9/2012**	30/9/2011
Net profit for the period (RM'000)	**55,232**	43,224	**175,218**	127,524
Weighted average number of ordinary shares in issue ('000)	**835,859**	831,590	**833,873**	831,576
Weighted average number of ordinary shares shares deemed issued at no consideration ('000)				
ESOS	**10,907**	15,395	**10,474**	15,638
Bonds conversion	**2,361**	19,519	**2,361**	8,050
Adjusted weighted average number of ordinary shares ('000)	**849,127**	866,504	**846,708**	855,264
Diluted EPS (sen)	**6.50**	4.99	**20.69**	14.91

B14 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2011 was not subject to any qualification.

B15 Comparative figures

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

BY ORDER OF THE BOARD

YANG BAO LING
KUAN HUI FANG

Kuala Lumpur
19 November 2012