THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

This Abridged Prospectus, together with the notice of provisional allotment ("**NPA**") and the rights subscription form ("**RSF**") (collectively, the "**Documents**") are only despatched to the shareholders of Mah Sing Group Berhad ("**Mah Sing**") who have provided our Share Registrar with a registered address in Malaysia and whose names appear in our Record of Depositors at 5.00 p.m. on 26 January 2015 ("**Entitled Shareholders**"). Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers as to whether the acceptance or renunciation (as the case may be) of all or any part of their provisional allotment of Rights Shares and Warrants (as defined below) under the Rights Issue with Warrants (as defined below) ("**Provisional Allotments**"), application for Excess Rights Shares and Warrants (as defined in this Abridged Prospectus), or the subscription, offer, sale, resale, pledge or other transfer of the Rights Shares and Warrants would result in the contravention of any laws of such countries or jurisdictions. Neither Mah Sing nor CIMB Investment Bank Berhad ("**CIMB**") shall accept any responsibility or liability in the event that any acceptance or renunciation (as the case may be) of the Provisional Allotments, application for Excess Rights Shares and Warrants, or the subscription, offer, sale, resale, pledge or other transfer of the Rights Shares and Warrants made by any Entitled Shareholder and/or his renouncee(s) and/or transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the said Entitled Shareholder and/or his renouncee(s) and/or transferee(s) (if applicable) is a resident.

The approval from our shareholders for, among others, the Rights Issue with Warrants, was obtained at our Extraordinary General Meeting held on 7 January 2015. The approval from Bursa Malaysia Securities Berhad ("**Bursa Securities**") for, among others, the admission of the Warrants (as defined below) to the Official List of Bursa Securities and the listing of and quotation for all the new securities arising from the Rights Issue with Warrants and the Mah Sing Shares (as defined below) to be issued upon the exercise of the Warrants on the Main Market of Bursa Securities was also obtained via its letter dated 12 December 2014. Admission to the Official List of Bursa Securities and the listing of and quotation for the said new securities on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue with Warrants.

A copy of this Abridged Prospectus has been registered with the Securities Commission Malaysia ("**SC**"). The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Documents has also been lodged with the Registrar of Companies, who takes no responsibility for the contents of the Documents.

The Board of Directors of Mah Sing ("**Board**") has seen and approved all the documentation relating to this Rights Issue with Warrants including the Documents. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make the statements in the Documents false or misleading.

CIMB, being the Principal Adviser, Joint Managing Underwriter and Joint Underwriter for this Rights Issue with Warrants, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

MAH SING GROUP BERHAD

(Company No. 230149-P)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 442,882,936 NEW ORDINARY SHARES OF RM0.50 EACH IN MAH SING ("MAH SING SHARES") ("RIGHTS SHARES") TOGETHER WITH 132,864,880 FREE DETACHABLE WARRANTS ("WARRANTS"), SUBJECT TO THE ISSUED AND PAID-UP SHARE CAPITAL OF MAH SING AS AT 5.00 P.M. ON 26 JANUARY 2015 ("ENTITLEMENT DATE"), ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TEN (10) EXISTING MAH SING SHARES HELD AND THREE (3) WARRANTS FOR EVERY TEN (10) RIGHTS SHARES SUBSCRIBED FOR BY OUR ENTITLED SHAREHOLDERS ON THE ENTITLEMENT DATE AT AN ISSUE PRICE OF RM1.42 PER RIGHTS SHARE.

Joint Managing Underwriter and Joint Underwriter

Maybank Investment Bank

Maybank Investment Bank Berhad (15938-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Principal Adviser, Joint Managing Underwriter and Joint Underwriter

CIMB

CIMB Investment Bank Berhad (18417-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Underwriter

AFFIN HWANG CAPITAL

Affin Hwang Investment Bank Berhad
(formerly known as HwangDBS Investment Bank Berhad)
(14389-U)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES:

Entitlement Date	:	Monday, 26 January 2015 at 5:00 p.m.
Last date and time for the sale of Provisional Allotments	:	Wednesday, 4 February 2015 at 5:00 p.m.
Last date and time for the transfer of Provisional Allotments	:	Monday, 9 February 2015 at 4:00 p.m.
Last date and time for acceptance and payment	:	Thursday, 12 February 2015 at 5:00 p.m.*
Last date and time for application and payment for Excess Rights Shares and Warrants	:	Thursday, 12 February 2015 at 5:00 p.m.*

* or such later date and time as our Board, Principal Adviser, Joint Managing Underwriters and Joint Underwriters may decide and announce not less than two (2) Market Days (as defined in this Abridged Prospectus) before the stipulated date and time.

This Abridged Prospectus is dated 26 January 2015

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE RIGHTS ISSUE WITH WARRANTS AND ANY INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

THE VALUATION UTILISED FOR THE PURPOSE OF THE CORPORATE EXERCISE SHOULD NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SECURITIES COMMISSION MALAYSIA ON THE VALUE OF THE SUBJECT ASSETS.

INVESTORS ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THE ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS & SERVICES ACT 2007.

SECURITIES LISTED ON BURSA MALAYSIA SECURITIES BERHAD ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CAPITAL MARKETS & SERVICES ACT 2007 (SUCH AS OUR DIRECTORS AND ADVISERS) ARE RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF MAH SING SHARES AND WARRANTS BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY MAH SING SHARES AND WARRANTS IN ANY JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

ALL TERMS USED ARE AS DEFINED IN THE "DEFINITIONS" PAGE OF THIS ABRIDGED PROSPECTUS.

DEFINITIONS

Except where the context otherwise requires, the following definitions and abbreviations shall apply throughout this Abridged Prospectus:

Abridged Prospectus	:	The abridged prospectus dated 26 January 2015 issued by our company in relation to the Rights Issue with Warrants.
Act	:	Companies Act, 1965, and any amendments made thereto from time to time
Affin Hwang	:	Affin Hwang Investment Bank Berhad *(formerly known as HwangDBS Investment Bank Berhad)*
Amendment	:	Amendment to Mah Sing's memorandum and articles of association as a consequence of the Increase in the Authorised Share Capital
Board or Directors	:	Board of Directors of Mah Sing
Bonus Issue	:	Bonus issue of new Bonus Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every four (4) Mah Sing Shares held after the Rights Issue with Warrants
Bonus Share(s)	:	New Mah Sing Share(s) to be issued under the Bonus Issue
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
CDS	:	Central Depository System
CDS Account	:	A securities account established by Bursa Depository for a depositor for the recording of deposits and dealings in such securities by the depositor
CIMB	:	CIMB Investment Bank Berhad
Convertible Bonds	:	7-year RM325 million nominal value of 3.25% redeemable convertible secured bonds, constituted by the Trust Deed which are convertible into Mah Sing Shares. The Convertible Bonds are not listed on any stock exchange
Corporate Exercise	:	Collectively, the Rights Issue with Warrants, the Bonus Issue, the Increase in the Authorised Share Capital and the Amendment
Deed Poll	:	The document executed by our Company on 15 January 2015 constituting the Warrants
Deloitte	:	Messrs. Deloitte
Documents	:	Collectively, this Abridged Prospectus and the accompanying NPA and RSF
EGM	:	Extraordinary general meeting
Entitled Shareholder(s)	:	Our shareholder(s) whose name(s) appear in our Company's Record of Depositors on the Entitlement Date in order to be entitled to the Rights Issue with Warrants
Entitlement Date	:	5.00 p.m. on 26 January 2015, being the time and date on which the names of our shareholders must be registered in our Company's Record of Depositors in order to be entitled to the Rights Issue with Warrants
EPF	:	Employees Provident Fund Board
EPS	:	Earnings per share
ESOS Options	:	Options under our Company's employees' share option scheme, (which has expired on 10 July 2014) which are exercisable into Mah Sing Shares.

DEFINITIONS *(cont'd)*

Excess Rights Shares and Warrants	:	Rights Shares and Warrants not taken up or not validly taken up by our Entitled Shareholders and/or their renouncee(s) and/or transferee(s) prior to excess application
Exercise Price	:	RM2.63, being the price at which one (1) Warrant is exercisable into one (1) Mah Sing Share, subject to such adjustments as may be allowed under the Deed Poll
FELDA	:	Koperasi Permodalan FELDA Malaysia Berhad
Foreign Entitled Shareholders	:	Our shareholders whose names appear in our Company's Record of Depositors on the Entitlement Date and having an address outside Malaysia as set out in Bursa Depository's records, which are entitled under the Rights Issue with Warrants
FPE	:	Financial period ended
FYE	:	Financial year ended
Increase in the Authorised Share Capital	:	The increase in the authorised share capital of Mah Sing from RM1,000,000,000 comprising 2,000,000,000 Mah Sing Shares to RM2,500,000,000 comprising 5,000,000,000 Mah Sing Shares
GDV	:	Gross development value
Governing Documents	:	The Trust Deed and the Warrant B 2013/2018 Deed Poll, collectively
Grand Prestige	:	Grand Prestige Development Sdn Bhd, a wholly-owned subsidiary of Mah Sing
GST	:	Goods and services tax
Issue Price	:	RM1.42, being the issue price of one (1) Rights Share
Joint Managing Underwriters	:	Collectively, CIMB and Maybank
Joint Underwriters	:	Collectively, CIMB, Maybank and Affin Hwang
Khong & Jaafar	:	Khong & Jaafar Sdn Bhd
KWAP	:	Kumpulan Wang Persaraan (Diperbadankan)
LPD	:	8 January 2015, being the latest practicable date before the issuance of this Abridged Prospectus
Mah Sing or Company	:	Mah Sing Group Berhad
Mah Sing Group	:	Mah Sing and its subsidiaries, collectively
Mah Sing Share(s)	:	Ordinary share(s) of RM0.50 each in our Company
Market Day	:	Any day between Monday and Friday (both days inclusive) on which Bursa Securities is open for trading in securities
Mayang Teratai	:	Mayang Teratai Sdn Bhd, a major shareholder of our Company
Maybank	:	Maybank Investment Bank Berhad
MS Lakecity	:	MS Lakecity Sdn Bhd *(formerly known as Mah Sing Group Ventures Sdn Bhd and prior to that, Grand Pavilion Development Sdn Bhd)*, a wholly-owned subsidiary of Mah Sing
NA	:	Net assets
NPA	:	Notice of provisional allotment
PATAMI	:	Profit after tax and minority interests

Price-Fixing Date	:	9 January 2015, being the date on which the Issue Price was fixed and accordingly the entitlement basis for the Rights Shares and Warrants under the Rights Issue with Warrants determined
Principal Adviser	:	CIMB
Provisional Allotments	:	Rights Shares and Warrants provisionally allotted to our Entitled Shareholders
Puchong Land	:	Leasehold land held under title PN95951, Lot 827, Pekan Desa Puchong, Daerah Petaling, Negeri Selangor
Record of Depositors	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
Rights Issue Proceeds	:	Gross proceeds intended to be raised by our Company under the Rights Issue with Warrants of RM628,893,769.12 (which excludes any additional proceeds received from the Rights Shares and Warrants which may be issued pursuant to the exercise of the remaining outstanding Warrant B 2013/2018 between the Price-Fixing Date and the Entitlement Date)
Rights Issue with Warrants	:	Renounceable rights issue of 442,882,936 Rights Shares together with 132,864,880 Warrants (which excludes any additional Rights Shares and Warrants which may be issued pursuant to the exercise of the remaining outstanding Warrant B 2013/2018 between the Price-Fixing Date and the Entitlement Date) on the basis of three (3) Rights Shares for every ten (10) existing Mah Sing Shares held and three (3) Warrants for every ten (10) Rights Shares subscribed for by our Entitled Shareholders at the Issue Price
Rights Share(s)	:	New Mah Sing Share(s) to be issued under the Rights Issue with Warrants
RSF	:	Rights subscription form
Rules of Bursa Depository	:	Rules of the Central Depository as defined in the SICDA
SC	:	Securities Commission Malaysia
Seremban Land	:	Freehold land held under title GRN 53585, Lot 3306, Mukim Rantau, Daerah Seremban, Negeri Sembilan
SICDA	:	Securities Industry (Central Depositories) Act, 1991, and any amendments made thereto from time to time
State Authority	:	As defined in the Land Acquisition Act, 1960
Tan Sri Leong	:	Tan Sri Dato' Sri Leong Hoy Kum
TERP	:	Theoretical ex-rights price
Trust Deed	:	The document dated 8 June 2011 constituting the Convertible Bonds
Undertaking	:	An irrevocable written undertaking by Mayang Teratai dated 9 January 2015 to subscribe in full for its entitlement under the Rights Issue with Warrants
Underwriting Agreement	:	Underwriting agreement dated 12 January 2015 relating to the Rights Issue with Warrants between our Company, the Joint Managing Underwriters and the Joint Underwriters
VWAMP	:	Volume-weighted average market price
Warrant B 2013/2018	:	2013/2018 Warrant(s) of Mah Sing, constituted by the Warrant B 2013/2018 Deed Poll and expiring on 18 March 2018

Warrant B 2013/2018 Deed Poll	:	The document dated 18 February 2013 constituting the Warrant B 2013/2018
Warrants	:	New free detachable warrants to be issued together with the Rights Shares pursuant to the Rights Issue with Warrants

CURRENCIES

HKD	:	Hong Kong Dollar
IDR	:	Indonesian Rupiah
RM and sen	:	Ringgit Malaysia and sen, respectively
SGD	:	Singapore Dollar
USD	:	United States Dollar

All references to "**our Company**" or "**Mah Sing**" in this Abridged Prospectus are to Mah Sing Group Berhad, and references to "**our Group**" or "**Mah Sing Group**" are to our Company and our subsidiaries. References to "**we**", "**us**", "**our**" and "**ourselves**" are to our Company and, where the context requires otherwise, our subsidiaries.

All references to "**you**" in this Abridged Prospectus are to our Entitled Shareholders and/or where the context otherwise requires, their renouncee(s) and/or transferee(s).

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. Reference to persons shall include corporations.

Any reference in this Abridged Prospectus to any statute is a reference to that statute as for the time being amended or re-enacted. Any reference to a time of day or date in this Abridged Prospectus is a reference to Malaysian time and date respectively, unless otherwise specified.

Any discrepancies in the tables included in this Abridged Prospectus between the amounts listed, actual figures and the totals thereof are due to rounding.

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Company No. 230149-P

MAH SING GROUP BERHAD

(Company No. 230149-P)
(Incorporated in Malaysia under the Companies Act, 1965)

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Address	Nationality	Occupation
Jen. Tan Sri Yaacob Bin Mat Zain (R) *(Chairman/Independent Non-Executive Director)*	7 Jalan Maktab 5 54000 Kuala Lumpur	Malaysian	Company Director
Tan Sri Dato' Sri Leong Hoy Kum *(Group Managing Director/Group Chief Executive)*	Lot 510 Jalan Senyum Matahari Country Heights 43000 Kajang Selangor Darul Ehsan	Malaysian	Company Director
Ng Chai Yong *(Chief Executive Officer)*	6 Jalan USJ 6/2G 47610 Subang Jaya Selangor Darul Ehsan	Malaysian	Company Director
Dato' Steven Ng Poh Seng *(Executive Director)*	16 Jalan BU 11/5 Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Dato' Lim Kiu Hock *(Executive Director)*	1 Jalan TR 4/1 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Leong Yuet Mei *(Non-Independent Non-Executive Director)*	1 Legenda Puteri 1 Jalan PJU 1A/57B Damansara Legenda 47410 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Captain Izaham Bin Abd. Rani (R) *(Independent Non-Executive Director)*	Lot 1511 Taman Suria 71050 Sirusa Port Dickson Negeri Sembilan	Malaysian	Company Director
Loh Kok Leong *(Independent Non-Executive Director)*	A-11-3 Tiara Faber Condominium Taman Desa 58100 Kuala Lumpur	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Jen. Tan Sri Yaacob Bin Mat Zain (R)	Chairman	Chairman/Independent Non-Executive Director
Captain Izaham Bin Abd. Rani (R)	Member	Independent Non-Executive Director
Loh Kok Leong	Member	Independent Non-Executive Director

CORPORATE DIRECTORY *(cont'd)*

COMPANY SECRETARIES	:	Yang Bao Ling (MAICSA 7041240) B-8-2 Bukit Pandan 2 10 Jalan 1/91B Off Jalan Perdana 3/1 Pandan Perdana 55300 Kuala Lumpur Tel. no.: +603 9221 8888 Kuan Hui Fang (MIA 16876) 23 Jalan BU3/2 Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel. no.: +603 2264 3883
REGISTERED OFFICE/ CORPORATE OFFICE	:	Penthouse Suite 1 Wisma Mah Sing 163 Jalan Sungai Besi 57100 Kuala Lumpur Tel. no.: +603 9221 8888 Fax no.: +603 9222 2833 E-mail: ir@mahsing.com.my Website: www.mahsing.com.my
AUDITORS AND REPORTING ACCOUNTANTS	:	Deloitte (AF 0080) Chartered Accountants Level 16 Menara LGB 1 Jalan Wan Kadir Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel. no.: +603 7610 8888 Fax no.: +603 7726 8986
SHARE REGISTRAR	:	Tricor Investor Services Sdn Bhd Level 17 The Gardens North Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel. no.: +603 2264 3883 Fax no.: +603 2282 1886

CORPORATE DIRECTORY *(cont'd)*

PRINCIPAL BANKERS	:	Affin Bank Berhad 17th Floor Menara Affin 80 Jalan Raja Chulan 50200 Kuala Lumpur Malaysia Tel. no.: +603 2055 9000 Al Rajhi Banking & Investment Corporation (Malaysia) Berhad Ground Floor East Block Wisma Selangor Dredging 142-B Jalan Ampang 50450 Kuala Lumpur Malaysia Tel. no.: +603 2301 7000 CIMB Bank Berhad 17th Floor Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia Tel. no.: +603 2261 8888 CIMB Islamic Bank Berhad 17th Floor Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia Tel. no.: +603 2261 8888 Hong Leong Bank Berhad Level 5 Wisma Hong Leong 18 Jalan Tun Perak 50450 Kuala Lumpur Malaysia Tel. no.: +603 2180 8888 Hong Leong Islamic Bank Berhad Level 5 Wisma Hong Leong 18 Jalan Tun Perak 50450 Kuala Lumpur Malaysia Tel. no.: +603 2164 3939

CORPORATE DIRECTORY *(cont'd)*

HSBC Amanah Malaysia Berhad
3rd Floor North Tower
2 Leboh Ampang
50100 Kuala Lumpur
Malaysia

Tel. no.: +603 2075 3000

Malayan Banking Berhad
37th Floor Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur
Malaysia

Tel. no.: +603 2070 8833

Maybank Islamic Berhad
37th Floor Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur
Malaysia

Tel. no.: +603 2070 8833

OCBC Bank (Malaysia) Berhad
Level 18 Menara OCBC
18 Jalan Tun Perak
50050 Kuala Lumpur
Malaysia

Tel. no.:+603 2034 5034

Public Bank Berhad
27th Floor Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur
Malaysia

Tel. no.: +603 2163 8888

Public Islamic Bank Berhad
27th Floor Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur
Malaysia

Tel. no.: +603 2163 8888

RHB Bank Berhad
Level 7 Tower 3
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

Tel. no.: +603 9287 8888

CORPORATE DIRECTORY *(cont'd)*

		RHB Islamic Bank Berhad Level 11, Menara Yayasan Tun Razak 200 Jalan Bukit Bintang 55100 Kuala Lumpur Malaysia Tel. no.: +603 2171 5000
		P.T. Bank Ekonomi Raharja Tbk Kantor Pusat Graha Ekonomi Jl. Setiabudi Selatan Kav. 7-8 Jakarta 12920 Indonesia Tel. no.: +6221 2554 5800
SOLICITORS FOR THE RIGHTS ISSUE WITH WARRANTS	:	Messrs Adnan Sundra & Low Advocates & Solicitors Level 11 Menara Olympia 8 Jalan Raja Chulan 50200 Kuala Lumpur Tel. no.: +603 2070 0466
PRINCIPAL ADVISER	:	CIMB Investment Bank Berhad 17th Floor Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia Tel. no.: +603 2261 8888
JOINT MANAGING UNDERWRITERS	:	CIMB Investment Bank Berhad 17th Floor Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia Tel. no.: +603 2261 8888
		Maybank Investment Bank Berhad Level 8 Tower C Dataran Maybank Jalan Maarof 59000 Kuala Lumpur Malaysia Tel. no.: +603 2297 8888

CORPORATE DIRECTORY *(cont'd)*

JOINT UNDERWRITERS	:	CIMB Investment Bank Berhad 17th Floor Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia Tel. no.: +603 2261 8888 Maybank Investment Bank Berhad Level 8 Tower C Dataran Maybank No. 1 Jalan Maarof 59000 Kuala Lumpur Malaysia Tel. no.: +603 2297 8888 Affin Hwang Investment Bank Berhad *(formerly known as HwangDBS Investment Bank Berhad)* 27th Floor Menara Boustead 69 Jalan Raja Chulan 50200 Kuala Lumpur Malaysia Tel. no.: +603 2142 3700
VALUER FOR THE PUCHONG LAND	:	Khong & Jaafar Sdn Bhd 57-1 Jalan Telawi 3 Bangsar Baru 59100 Kuala Lumpur Malaysia Tel. no.: +603 2282 9699
STOCK EXCHANGE LISTED AND LISTING SOUGHT	:	Main Market of Bursa Securities

MAH SING GROUP BERHAD
(Company No. 230149-P)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

Penthouse Suite 1
Wisma Mah Sing
No. 163, Jalan Sungai Besi
57100 Kuala Lumpur

26 January 2015

Board of Directors:

Jen. Tan Sri Yaacob Bin Mat Zain (R)	*(Chairman/Independent Non-Executive Director)*
Tan Sri Dato' Sri Leong Hoy Kum	*(Group Managing Director/Group Chief Executive)*
Ng Chai Yong	*(Chief Executive Officer)*
Dato' Steven Ng Poh Seng	*(Executive Director)*
Dato' Lim Kiu Hock	*(Executive Director)*
Leong Yuet Mei	*(Non-Independent Non-Executive Director)*
Captain Izaham Bin Abd. Rani (R)	*(Independent Non-Executive Director)*
Loh Kok Leong	*(Independent Non-Executive Director)*

To: Our shareholders

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF 442,882,936 RIGHTS SHARES TOGETHER WITH 132,864,880 WARRANTS, SUBJECT TO THE ISSUED AND PAID-UP SHARE CAPITAL OF MAH SING ON THE ENTITLEMENT DATE, ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TEN (10) EXISTING MAH SING SHARES HELD AND THREE (3) WARRANTS FOR EVERY TEN (10) RIGHTS SHARES SUBSCRIBED FOR BY OUR ENTITLED SHAREHOLDERS AT THE ISSUE PRICE.

1. INTRODUCTION

1.1 On 20 November 2014, CIMB announced on behalf of our Board that we proposed to undertake, among others, the Rights Issue with Warrants.

1.2 On 12 December 2014, CIMB announced on behalf of our Board that Bursa Securities had, via its letter dated 12 December 2014, given its approval for, among others, the admission of the Warrants to be issued pursuant to the Rights Issue with Warrants to the Official List of Bursa Securities, the listing of and quotation for the Rights Shares and Warrants to be issued pursuant to the Rights Issue with Warrants and the listing of and quotation for the new Mah Sing Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities.

Our shareholders had, at an EGM held on 7 January 2015 approved, among others, the Rights Issue with Warrants. A certified true extract of the ordinary resolutions pertaining to the Rights Issue with Warrants which were passed at the said EGM, is set out in Appendix I of this Abridged Prospectus.

1.3 On 9 January 2015, CIMB announced on behalf of our Board, among others, the following:

(i) the Issue Price had been fixed at RM1.42 for each Rights Share at an entitlement basis of three (3) Rights Shares for every ten (10) existing Mah Sing Shares held by the Entitled Shareholders;

(ii) the entitlement basis for the Warrants had been fixed as three (3) Warrants for every ten (10) Rights Shares subscribed for by our Entitled Shareholders; and

(iii) the Exercise Price had been fixed at RM2.63 for each Warrant.

1.4 On 12 January 2015, CIMB announced on behalf of our Board that:

(i) our Company had entered into the Underwriting Agreement; and

(ii) the Entitlement Date for the Rights Issue with Warrants had been fixed at 5.00 p.m. on 26 January 2015.

No person is authorised to give any information or make any representation not contained in the Documents in connection with the Rights Issue with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us and/or CIMB.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Details of the Rights Issue with Warrants

The Rights Issue with Warrants entails a provisional allotment of 442,882,936 Rights Shares together with 132,864,880 Warrants to the Entitled Shareholders (excluding any additional Rights Shares and Warrants which may be issued pursuant to the exercise of the remaining outstanding Warrant B 2013/2018 between the Price-Fixing Date and the Entitlement Date) on the basis of three (3) Rights Shares for every ten (10) existing Mah Sing Shares held with three (3) Warrants for every ten (10) Rights Shares subscribed for by our Entitled Shareholders on the Entitlement Date at the Issue Price.

Excluding any additional proceeds received from the Rights Shares and Warrants which may be issued pursuant to the exercise of the remaining outstanding Warrant B 2013/2018 between the Price-Fixing Date and the Entitlement Date, the Rights Issue with Warrants will raise RM628,893,769.12 and, assuming the full exercise of the Warrants, will raise RM349,434,634.40.

To facilitate the price fixing of the Rights Issue with Warrants, Mah Sing has obtained written undertakings from the holders of the Convertible Bonds not to convert the Convertible Bonds held by them from the Price-Fixing Date to the Entitlement Date as well as a written undertaking from Mayang Teratai not to exercise the Warrant B 2013/2018 held by it from the Price-Fixing Date to the Entitlement Date. However, there may be additional Rights Shares issued pursuant to the exercise of the remaining outstanding Warrant B 2013/2018 between the Price-Fixing Date and the Entitlement Date which may increase the issued and paid-up capital as at the Entitlement Date.

As such, the actual number of Rights Shares and Warrants and the corresponding amount of proceeds which may be raised from the issuance of the Rights Shares and Warrants and the exercise of the Warrants are dependent on the issued and paid-up capital of the Company as at the Entitlement Date.

The Warrants shall only be issued to the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) who subscribe for the Rights Shares pursuant to the Rights Issue with Warrants. For avoidance of doubt, the Rights Shares and the Warrants are not separately renounceable. Should the Entitled Shareholders renounce all or any part of their entitlements to the Rights Shares, they will not be entitled to the Warrants attached thereto. The renunciation of the Rights Shares by the Entitled Shareholders will accordingly entail the renunciation of the Warrants to be issued together with the Rights Shares. Nonetheless, the Warrants will be detached from the Rights Shares immediately upon issue and will be traded separately on the Main Market of Bursa Securities.

Any fractional Rights Shares and Warrants arising from the Rights Issue with Warrants shall be disregarded and will be included in the pool of Excess Rights Shares and Warrants to be made available for excess application.

Any Excess Rights Shares and Warrants, if any, will be made available for excess application by our Entitled Shareholders and/or their renouncee(s) and/or transferee(s).

It is the intention of our Board to allocate the Excess Rights Shares and Warrants, if any, in a fair and equitable manner. As such, our Board intends to allocate the Excess Rights Shares and Warrants on a pro-rata basis to our Entitled Shareholders and/or their renouncee(s) and/or transferee(s) who have applied for the Excess Rights Shares and Warrants in the manner set out in Section 10.6 of this Abridged Prospectus.

As you are an Entitled Shareholder and the Mah Sing Shares are prescribed securities, your CDS Account will be duly credited with the number of Provisional Allotments which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed in this Abridged Prospectus, a NPA notifying you of the crediting of such securities into your CDS Account and a RSF to enable you to subscribe for the Rights Shares and Warrants provisionally allotted to you, as well as to apply for Excess Rights Shares and Warrants if you choose to do so.

Any dealing in our securities will be subject to, *inter alia*, the provisions of the SICDA, the Securities Industry (Central Depositories) (Amendment) Act, 1998, the Rules of Bursa Depository and any other relevant legislation. Accordingly, upon subscription, the Rights Shares and Warrants will be credited directly into the respective CDS Accounts of the successful applicants. No physical share or warrant certificate will be issued but notices of allotment will be despatched to the successful applicants.

Within eight (8) Market Days from the last date of acceptance and payment for the Rights Shares and Warrants or such other date as may be prescribed by Bursa Securities, we will:

(i) allot the Rights Shares and Warrants;

(ii) despatch notices of allotment to the allottees; and

(iii) make an application for quotation for the Rights Shares and Warrants on the Main Market of Bursa Securities.

The Rights Shares and Warrants will then be listed and quoted on the Main Market of Bursa Securities two (2) Market Days after the application for quotation is made to Bursa Securities.

2.2 Basis of determining the Issue Price and Exercise Price

The Issue Price of RM1.42 represents a discount of 37.7% to the 5-day VWAMP of Mah Sing Shares up to the LPD, being the last day of trading prior to the announcement of the price-fixing of the Rights Shares on 9 January 2015, of RM2.28 and 31.7% to the TERP of Mah Sing Shares of RM2.08 computed based on the 5-day VWAMP. The discount to TERP is in line with precedent rights issue exercises.

The Exercise Price represents a premium of approximately 26.4% to the TERP of RM2.08, which takes into account among others, the funding requirements of our Company and the expected timing of such requirements over the next five (5) years.

2.3 Ranking of the Rights Shares and new Mah Sing Shares arising from the exercise of the Warrants

The Rights Shares and new Mah Sing Shares arising from the exercise of the Warrants (collectively, "**Rights and Exercised Shares**") shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing Mah Sing Shares, except that the Rights and Exercised Shares will not be entitled to any dividends, rights, allotments and/or other distributions, in respect of which the entitlement date is before the allotment date of the Rights and Exercised Shares.

2.4 Principal terms of the Warrants

Issue size	:	Up to 141,854,016* Warrants
Form	:	The Warrants, which are issued with the Rights Shares will be immediately detached upon issue and separately traded. The Warrants will be issued in registered form and constituted by the Deed Poll
Tenure	:	Five (5) years from and inclusive of the date of issue of the Warrants
Exercise rights	:	Each Warrant entitles the holder to subscribe for one (1) new Mah Sing Share at the Exercise Price satisfied in cash. The number of Warrants may from time to time be adjusted in accordance with the provisions of the Deed Poll
Exercise Price	:	Subject to adjustments in accordance with the Deed Poll, the exercise price of the Warrants had been fixed at RM2.63 for each Warrant
Exercise period	:	The Warrants shall be exercisable into new Mah Sing Shares on any market day within a period from the date of issue of the Warrants up to and including the close of the market day on the date falling five (5) years from the date of issue of the Warrants. Any Warrants not exercised during the aforesaid exercise period will thereafter lapse and become void

Note:

* *Refers to the maximum number of Warrants which may be issued assuming full exercise of the remaining outstanding Warrant B 2013/2018 by the Entitlement Date. Please refer to Section 8(i) of this Abridged Prospectus for further details.*

Distribution rights of the Warrants	: The Warrants are not entitled to any dividends, rights, allotments and/or other distributions to any existing Mah Sing Shares until such Warrants are exercised and new Mah Sing Shares are issued and allotted to such Warrant holders. Warrant holders are not entitled to any voting rights at the general meetings of our Company until and unless such Warrant holders exercise their Warrants into new Mah Sing Shares
Status of new Mah Sing Shares arising from the exercise of the Warrants	: The new Mah Sing Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Mah Sing Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions in respect of which the entitlement date is before the allotment date of the new Mah Sing Shares
Adjustments to the Exercise Price and/or number of Warrants	: The Exercise Price or any additional Warrant which a Warrant Holder may be entitled to be issued with from time to time shall be adjusted, calculated or determined by the Directors of Mah Sing in consultation with the approved investment bank and/or the auditors in accordance with the provisions as contained in the Memorandum to the Deed Poll
Ranking in event of winding-up, compromise and/or arrangements	: If a resolution is passed for a members' voluntary winding-up of the Company or if a court order approving a scheme of compromise or arrangement made pursuant to Section 176 of the Act is granted, then: (i) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrant holders or some person designated by them for such purpose by special resolution shall be a party, the terms of such scheme of arrangement shall be binding on all the Warrant holders; (ii) in any other case every Warrant holder shall, within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company or within six (6) weeks after the granting of the court order approving the compromise or arrangement (but in both cases, not later than the end of the exercise period for the Warrants), by delivery to the Company of a duly completed subscription form together with the relevant Exercise Price in the manner described in the Deed Poll, be entitled to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the rights represented by such Warrants to the extent specified in the subscription form and had on such date been the holder of the Mah Sing Shares to which he would have become entitled pursuant to such exercise, and the liquidator of the Company shall give effect to such election accordingly; and (iii) subject to conditions (i) and (ii) above, if the Company is wound up (other than by way of a members' voluntary winding up), all exercise rights which have not been exercised prior to the date of commencement of the winding up shall lapse and the Warrants will cease to be valid for any purpose.

Modification to terms and conditions of the Warrants	: Mah Sing may make any modification to the Deed Poll if, in the opinion of the approved investment bank, such modification, addition or deletion will not be materially prejudicial to the interests of the Warrant holders, or is to correct a manifest error or to comply with mandatory provisions of the laws of Malaysia or any requirements of the relevant regulatory authority upon consultation with legal advisers.
Listing	: Approval has been obtained from Bursa Securities on 12 December 2014 for the admission of the Warrants to the Official List of Bursa Securities, the listing of and quotation for the Warrants and the new Mah Sing Shares to be issued upon exercise of the Warrants on the Main Market of Bursa Securities
Board lot	: The Warrants shall be tradable upon listing in board lots of 100 Warrants, or such denomination as may be determined by Bursa Securities
Constitution	: The Warrants are constituted by the Deed Poll
Governing law	: Laws and regulations of Malaysia

3. DETAILS OF THE UNDERTAKING AND UNDERWRITING ARRANGEMENT

The Rights Issue with Warrants will be implemented on a level of subscription of 442,882,936 Rights Shares together with 132,864,880 new Warrants, computed based on the issued and paid-up capital of Mah Sing as at the LPD (which excludes any additional Rights Shares and Warrants which may be issued pursuant to the exercise of the remaining outstanding Warrant B 2013/2018 between the Price-Fixing Date and the Entitlement Date).

Mayang Teratai, our Company's major shareholder, had provided an irrevocable undertaking dated 9 January 2015 to subscribe in full for its entitlements under the Rights Issue with Warrants.

The following table sets out Mayang Teratai's intended subscription for the Rights Issue with Warrants pursuant to the Undertaking:

	Shareholdings as at the LPD		Pursuant to the Undertaking	
	No. of Mah Sing Shares	%(1)	No. of Rights Shares and Warrants entitled to be subscribed	% (2)
Rights Shares	509,946,640	34.5	152,983,992	34.5
Warrants	-	-	45,895,197	34.5

Notes:

(1) The computation is based on 1,476,276,454 Mah Sing Shares as at the LPD.

(2) The computation excludes additional Rights Shares and Warrants which may be issued pursuant to the exercise of the remaining outstanding Warrant B 2013/2018 between the Price-Fixing Date and the Entitlement Date

Mayang Teratai has confirmed and CIMB has verified, that Mayang Teratai has sufficient financial resources to fulfill its obligations pursuant to the Undertaking.

We had on 12 January 2015 entered into the Underwriting Agreement to underwrite the remaining portion of the Rights Shares comprising 289,898,944 Rights Shares which was computed based on the outstanding issued and paid-up capital of Mah Sing as at the LPD in the following proportions, for which no undertaking was obtained from Mayang Teratai:

	Number of underwritten Rights Shares	Issue value of the underwritten Rights Shares (RM)	% of total underwritten Rights Shares
CIMB	173,939,444	246,994,010.48	60.0
Maybank	72,474,700	102,914,074.00	25.0
Affin Hwang	43,484,800	61,748,416.00	15.00
	289,898,944	411,656,500.48	**100.0**

The underwriting commission is 1.0% of the value of the underwritten Rights Shares based on the Issue Price, while the managing underwriter's commission is 0.5% of the value of the underwritten Rights Shares based on the Issue Price. The underwriting commission payable to the Joint Underwriters, the managing underwriter commission payable to the Joint Managing Underwriters and all costs in relation to the Underwriting Agreement will be fully borne by our Company.

As the Rights Issue with Warrants will be undertaken based on the aforementioned subscription level basis computed as at the LPD, we have not procured any underwriting arrangement for the additional Rights Shares which may be issued pursuant to the exercise of the remaining outstanding Warrant B 2013/2018 between the Price-Fixing Date and the Entitlement Date. For further details on the additional Rights Shares, please refer to Section 8(i) of this Abridged Prospectus.

4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

The Rights Issue with Warrants would enable our Company to raise funds for land acquisitions, property development activities and for its general working capital requirements which are expected to contribute positively to the future profitability of our Group.

Given our Group's strength for quick turnaround developments, part of the proceeds from the Rights Issue with Warrants has been earmarked for ongoing land acquisitions. With the scarce availability of prime land, our Group must be quick to capitalise on any opportunity to expand its landbank. This will ensure that our Group is able to replenish our existing land bank for continuous long-term growth. For example, the Rights Issue with Warrants will enable Mah Sing to raise funds (without incurring interest costs) to part finance the acquisition of both the Seremban Land and Puchong Land. These identified land acquisitions are expected to provide greater sustainability to future earnings. The funds raised from the Rights Issue with Warrants will also enable Mah Sing to provide the necessary working capital for Mah Sing Group. In addition, equity financing will result in interest savings whilst achieving a more robust capital structure. The Rights Issue with Warrants will also increase Mah Sing Group's shareholders' funds, which would improve Mah Sing Group's gearing level and enables a better reflection of the size of our Group. In this respect, Mah Sing Group's shareholders' funds will increase, strengthening its balance sheet which is expected to better position our Group to obtain debt funding for future business development and expansion activities, should the need arise.

Furthermore, our shareholders are provided an opportunity to participate in an equity offering on a pro-rata basis and acquire new Mah Sing Shares at a discount to prevailing market prices. This serves to reward them for their continuous support and loyalty to our Company and avoid dilution of their interests (assuming all shareholders fully subscribe for their respective entitlements), which is preferable as compared to a private placement of new Mah Sing Shares.

The enlarged share base is also expected to enhance the liquidity and marketability of Mah Sing Shares on the Main Market of Bursa Securities.

The free Warrants to be issued pursuant to the Rights Issue with Warrants allow the Entitled Shareholders to increase their equity participation in our Company at a pre-determined price over the tenure of the Warrants. The Entitled Shareholders may also benefit from any potential capital appreciation of the Warrants. In addition, Mah Sing would be able to raise further proceeds as and when any of the Warrants are exercised.

Based on the above and after taking into consideration the various funding options available, our Board is of the view that at this juncture, fund-raising by way of the Rights Issue with Warrants is in the best interest of our Company.

5. UTILISATION OF PROCEEDS

The Rights Issue Proceeds are proposed to be utilised as set out below:

Details of utilisation	Timeframe	Amount
		RM mil
Land acquisition and property development activities(1)	Within 24 months	530.0
General working capital of our Group(2)	Within 12 months	90.9
Estimated expenses in relation to the Corporate Exercise(3)	Within 6 months	8.0
Total gross proceeds(4)(5)		628.9*

Notes:

(1) Up to RM530.0 million of the Rights Issue Proceeds are proposed to be utilised for Mah Sing's acquisition of landbanks and property development activities.

At this juncture, Mah Sing has earmarked approximately RM370.0 million for the part payment of the following land:

i) the Seremban Land, with the purchase consideration of RM359,557,153.36 and potential GDV of approximately RM7.5 billion; and

ii) the Puchong Land, with the purchase consideration of RM656,896,779.00 and potential GDV of approximately RM9.3 billion.

Part of the RM370.0 million is used to replenish previous payment already made for the Seremban Land and Puchong Land of RM36.0 million and RM65.7 million respectively, as well as to fund payments expected to be made over the next 12 months for the Seremban Land and Puchong Land totaling RM268.3 million, the split of which would depend on the amount of borrowings to be obtained for balance payment of the lands. Should there be a difference in the actual amount to be paid for the part payment of the Seremban Land and/or Puchong Land, the said difference shall be allocated for general working capital purposes.

These acquisitions will allow our Group to secure prime landbanks located at current property development hotspots which is in line with our Group's strategy to continuously scale up development in locations with strong growth potential to replenish gross development value and provide greater sustainability to future earnings. The remaining RM160.0 million will be utilised for property development activities. Expenditure for property development activities shall include, among others, contributions in respect of joint developments of land such as capital or equity investment outlay and payment of landowners' entitlements, pre-development feasibility expenses and costs, payments to contractors, suppliers and consultants and also contribution payments to the relevant authorities in respect of property development activities.

For more information on the acquisition of the Seremban Land and Puchong Land, please refer to Part A of the circular dated 16 December 2014 issued by our Company on the acquisition of Puchong Land and the announcement made on Bursa Securities on the acquisition of the Seremban Land on 11 August 2014.

(2) The general working capital requirements include, among others, administrative expenses such as salaries and wages and other operating expenses such as selling, advertising and promotion expenditure and professional fees.

(3) Comprise of estimated professional fees of RM1.2 million, underwriting commission fee of RM6.2 million, and fees to the authorities, printing costs as well as other estimated incidental and miscellaneous expenses in relation to the Corporate Exercise of RM0.6 million.

(4) Any difference between the actual gross proceeds to be raised and the Rights Issue Proceeds or any deviation of the actual expenses in relation to the Corporate Exercise will be correspondingly adjusted to the amount allocated for the general working capital of our Group.

(5) Excludes additional gross proceeds arising from the additional Rights Shares which may be issued pursuant to the exercise of the remaining outstanding Warrant B 2013/2018 between the Price-Fixing Date and the Entitlement Date. Such proceeds will be allocated for the general working capital of our Group. For further details on the additional Rights Shares, please refer to Section 8(i) of this Abridged Prospectus.

The gross proceeds to be raised from the exercise of the Warrants are dependent on the total number of Warrants exercised during the tenure of the Warrants. The gross proceeds to be raised from the exercise of Warrants will be utilised for working capital as and when required, whenever the Warrants are exercised over the 5-year tenure of the Warrants.

Our shareholders' approval for the acquisition of the Puchong Land by MS Lakecity from Huges Development Sdn Bhd was obtained on 7 January 2015.

Accordingly, further information on the Puchong Land and Seremban Land are as set out below:

(i) Information on the Puchong Land

Registered owner	Huges Development Sdn Bhd
Lot and title no.	PN 95951, Lot 827
Locality	Pekan Desa Puchong, Daerah Petaling, Negeri Selangor
Land area	Approximately 88.7 acres
Tenure	Leasehold expiring 10 August 2093
Category of land use	Industrial ("*Perusahaan*")
Express condition	Industrial ("*Perusahaan*")
Restriction-in-interest	This land cannot be transferred, leased, or charged except with the permission of the State Authority ("*Tanah yang diberi milik ini tidak boleh dipindahmilik, dipajak, atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri*")

Encumbrances	A charge bearing presentation no 48419/1994 in favour of Southern Bank Berhad (now known as CIMB Bank Berhad) A charge bearing presentation no 48420/1994 in favour of Southern Bank Berhad (now known as CIMB Bank Berhad) A charge bearing presentation no 45521/1997 in favour of Southern Bank Berhad (now known as CIMB Bank Berhad) A charge bearing presentation no 50602/1999 in favour of Southern Bank Berhad (now known as CIMB Bank Berhad) A charge bearing presentation no 46663/2000 in favour of Southern Bank Berhad (now known as CIMB Bank Berhad) A charge bearing presentation no 39253/2001 in favour of Southern Bank Berhad (now known as CIMB Bank Berhad) A private caveat bearing presentation no 44539/2010 entered by CIMB Bank Berhad on 1 September 2010 A private caveat bearing presentation no 59760/2014 entered by MS Lakecity on 9 October 2014
Description and existing use	The land is vacant and a majority of the land has been cleared. Broadly, the land is bounded by a lake on its northern and eastern boundaries, the Sungai Klang almost along its western boundary, Jalan Perindustrian Puchong on its south-eastern boundary and a parcel of vacant land on the south-western boundary.
Proposed use / proposed development	Proposed integrated mixed development with a preliminary plan comprising serviced residences, office towers, shop offices, retail lots, a retail mall and a hotel with an estimated potential GDV of approximately RM9.3 billion (subject to the approvals from the relevant authorities for the development components) ("**Project**").
Expected commencement date and completion of development	Subject to the approvals by the relevant authorities of the development plan and the fulfillment of the conditions precedent, the Project is expected to commence in 2015 and be developed over a span of 10 years.
Net book value	Mah Sing is unable to disclose the net book value of the land as it is not privy to such information.
Date of valuation	3 October 2014.
Market value	RM618,000,000.00 (based on a valuation report dated 4 November 2014 by Khong & Jaafar, an independent firm of registered valuers who have independently provided the market value). Kindly refer to Appendix VIII of this Abridged Prospectus for further details on the valuation of the land carried out by Khong & Jaafar.

Purchase consideration	RM656,896,779.00 in cash. According to Khong & Jaafar, as per the sale and purchase agreement, the purchase price will be paid in stages over a period of 4 years together with interest payments. Thus, the total purchase consideration, including interest payments, is RM688,427,824. Taking into consideration the deferred payment terms, the interest to be paid and the market derived rate of 10%, the present value of the total purchase consideration, including interest payments, of RM688,427,824 is RM152.91 per square foot (approximately RM590.8 million). This is below the market value of RM618,000,000 ascribed by Khong & Jaafar. A copy of the opinion letter on the purchase consideration by Khong & Jaafar is annexed as Appendix IX to this Abridged Prospectus.
Stage of acquisition	The acquisition is pending fulfillment of the conditions precedent of the sale and purchase agreement.

(ii) Information on the Seremban Land

Registered owner	Poh Yong Cak (NRIC No. 540425-05-5187), Lim Kim Chong (NRIC No. 520427-05-5203) and Sam Chien Kiong @ Sam Choy Cheong (NRIC No. 490608-06-5123) are the surviving trustees appointed by all the registered and beneficial owners of the land to be their sole and absolute trustees in respect of the land.
Lot and title no.	GRN 53585, Lot 3306
Locality	Mukim Rantau, Daerah Seremban, Negeri Sembilan
Land area	Approximately 1,051.3 acres
Tenure	Freehold
Category of land use	None
Express condition	None
Restriction-in-interest	None
Encumbrances	A right of way for electricity lines bearing presentation no. 5682/2014 pursuant to Section 11 of the Electricity Supply Act, 1990 entered on 23 May 2014 A private caveat bearing presentation no. 7270/2014 entered on 8 August 2014 A private caveat bearing presentation no. 7459/2014 entered on 15 August 2014 A private caveat (undivided share) bearing presentation no. 7832/2014 entered on 26 August 2014 A private caveat (undivided share) bearing presentation number 9880/2014 entered on 27 October 2014 An acquisition of land on an area measuring approximately 16.9882 hectares bearing presentation number 11248/2014 entered on 25 November 2014
Description and existing use	The land comprises part of a piece of freehold land held under the Lot and title number mentioned above. Of the total land size of 1,051.3 acres, 91.3 acres has been acquired by the relevant authorities and will not be acquired as part of the acquisition of the Seremban Land. The terrain of the land is generally flat and majority of the land is planted with oil palm trees.

Proposed use / proposed development	Proposed gated guarded lifestyle township with offerings that appeal to the mass market, comprising terrace homes, superlink homes, semi-detached homes, bungalows, commercial elements and a clubhouse with an estimated potential GDV of approximately RM7.5 billion and is intended to offer landed residences starting from RM350,000 (subject to authorities' approval).
Expected commencement date and completion of development	Subject to the approvals by the relevant authorities of the development plan and the fulfillment of the conditions precedent, the project is expected to commence in 2015 and be developed over a span of 7-8 years.
Net Book Value	Not applicable.
Date of valuation	No valuation was carried out.
Market value	No valuation was carried out.
Purchase consideration	RM359,557,153.36 in cash.
Stage of acquisition	The acquisition is pending fulfillment of the conditions precedent of the sale and purchase agreement.

The Puchong Land and Seremban Land will be acquired free from all encumbrances and with vacant possession subject to all conditions of title whether express or implied contained in the document of titles to the lands.

(iii) Source of funding

Mah Sing intends to fund the proposed acquisition of the Puchong Land and Seremban Land through a combination of the Rights Issue Proceeds, bank borrowings and/or internally generated funds.

The development cost of the Puchong Land and Seremban Land will be funded through the Rights Issue Proceeds, internally generated funds and/or bank borrowings. The exact mix of the Rights Issue Proceeds, internally generated funds and/or bank borrowings will be decided by the management at a later date after taking into consideration the gearing level, interest costs as well as the internal cash requirements for the business operations of our Group.

6. RISK FACTORS

You should carefully consider, in addition to other information contained in this Abridged Prospectus, the following risk factors (which may not be exhaustive) before subscribing for or investing in the Rights Issue with Warrants. There may be additional risk factors, which are not disclosed below, which are not presently known to us or which we currently deem to be less significant, which may materially and adversely affect our business, financial condition, operating results and prospects in the future.

6.1 Business and operational risks

(i) Competition risks

Our existing projects which are currently focused in key locations in the Klang Valley, Seremban, Johor, Penang and Sabah faces competition from various property developers, including on the availability of strategically located and reasonably priced land banks. The property development market is highly competitive and any oversupply of properties due to a mismatch in supply and demand will intensify the level of competition which may, among others, affect pricing. There can be no assurance that buyers will purchase properties from our developments instead of our competitors.

Our Group has strong branding and an established track record and we will continue to take measures to address the competition risk such as conducting market intelligence study to understand buyers' needs, monitoring and adjusting development products and marketing strategies in response to changing economic conditions and market demand.

(ii) Political, economic and regulatory considerations

All of our existing property development projects are located in Malaysia, and the success of our existing projects therefore heavily depends on the continued growth of the property market in Malaysia, particularly in the Klang Valley, Seremban, Johor, Penang and Sabah.

The property industry in general is affected by adverse developments in political, economic and regulatory conditions in Malaysia and there is no assurance that any such developments may not have an adverse effect on the financial prospects of property developers in Malaysia including our Group. Political and economic uncertainties include but are not limited to, changes in credit conditions, changes in labour laws, availability of labour, a switch in political leadership and/or changes in the government's policies on interest rates, methods of taxation and licensing regulations. Furthermore, the introduction of GST which comes in to effect on 1 April 2015 and/or changes in exchange rates resulting in a weakening currency may have an adverse effect on the demand for properties.

In addition, we and third parties upon whom we depend on expect to be or continue to be subject to extensive safety, health and environmental laws and regulations and various immigration, labour and workplace related laws and regulations. The scope and extent of any new safety, health and environmental laws and regulations, including their effect on our operations, cannot be predicted.

The above factors affect all players in the property industry and are generally beyond our control.

However, our Group is confident that our experienced management team and proven ability to respond and adapt to the ever-changing economic and regulatory environment, will put our Group in good stead to alleviate any difficulties arising from the changes in the political, economic and regulatory circumstances should they arise in the future. Notwithstanding the above, there can be no assurance that these changes will not materially affect our Group.

(iii) Dependence on licensing/approval from authorities

Property developers including our Group are subject to various regulatory approvals particularly in respect of approvals for development plans and conversion of land usage. There is no assurance that any delay in obtaining these approvals may not have an adverse impact on the timing of launching our property development projects and thereby affecting our future profitability. To ensure smooth implementation of our development projects, we conduct thorough studies on the nature and background of land to be acquired and ensure that we comply with procedural and documentation requirements in relation to the applications for necessary approvals. In addition, we will monitor the progress of such applications by progressively liaising with the relevant authorities.

(iv) Dependence on main/sub-contractors

Generally, the property development industry is dependent on the performance of the main/sub-contractors to ensure timely completion of the respective building and infrastructure works as per their contractual timeline. There is no assurance that any unanticipated delay due to unforeseen circumstances such as natural disasters, shortage of supplies of construction materials or labour and unsatisfactory performance of the appointed main/sub-contractors may not have an adverse effect on the operations and profitability of our Group.

Our Group implements stringent selection criterion to ensure that only main contractors with proven track record and adequate financial resources are engaged to undertake construction works in our Group's development projects. It is also our Group's current practice to award our contracts to contractors on fixed terms where increases in cost or delays by such contractors will be absorbed and/or compensated by them. Furthermore, we are not dependent on any single main contractor as we engage the services of many contractors for the development of our projects. In addition, our Group will also seek to mitigate such risks by close monitoring of the contractor's work progress in order to ensure the timely completion of the property development projects.

(v) Dependence on key personnel

Our success is significantly dependent on the efforts, abilities and continued performance of our Directors, senior management and key employees, particularly of our Group Managing Director/Group Chief Executive Tan Sri Leong who has been instrumental in our Group's growth and success. Should Tan Sri Leong or any other key employees leave our Company, there is no certainty that a suitable replacement can be found which will have the same skill sets and experience. Accordingly, our continued success will depend to a significant extent upon the abilities and continued efforts of the Directors and senior management of the Mah Sing Group in attracting and retaining skilled personnel who have and will continue to contribute to the growth of the Group.

As part of our Group's effort in attracting and retaining employees with the right skills and expertise, we have in place human resource initiatives which include competitive remuneration packages and a human resource training and development programme for our employees in all key functions of our operations.

In addition to being our Group Managing Director/Group Chief Executive, Tan Sri Leong is also a major shareholder of Mah Sing through his shareholdings in Mayang Teratai.

(vi) Financing risk

In addition to the proceeds raised under the Rights Issue with Warrants, we may be required to seek additional external financing to fund the working capital requirements or land acquisition to support the growth of our business. Our ability to arrange for such external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks, the success and track record of our businesses, provisions of tax and securities laws that may be applicable to our efforts to raise capital, any restrictions imposed by the Government and political, social and economic conditions in Malaysia.

Nevertheless, the proceeds from the Rights Issue with Warrants would strengthen our balance sheet and improve our ability to obtain the necessary financing, if required.

(vii) Compulsory acquisition

Pursuant to the Land Acquisition Act 1960, the Government has the power to compulsorily acquire any land in Malaysia in accordance with the aforesaid act. In the event of any compulsory acquisition of land, the amount of compensation to be awarded shall be computed on the basis prescribed in the First Schedule of the Land Acquisition Act, 1960.

If all or any portion of the lands is compulsorily acquired by the Government at any point in time, the amount of such compensation may be less than the market price of the lands and/or may be less than the purchase considerations.

In the event of any compulsory acquisition, our Group will seek to minimise any potential losses from such transactions by invoking the relevant provisions in the Land Acquisition Act, 1960 in relation to its rights to submit an objection in respect of the compensation, where necessary.

6.2 Risk relating to the Rights Issue with Warrants

(i) Market price for the Mah Sing Shares

A variety of factors could cause the prices of Mah Sing Shares to fluctuate, including large block trades of Mah Sing Shares on the open market, announcements of developments relating to our Group's business, fluctuations in our operating/financial results or revenue levels and changes in regulatory requirements or market conditions.

In addition, external factors such as economic, political and industry conditions and stock market sentiments/liquidity could also adversely affect the prices of Mah Sing Shares.

There can be no assurance that the market price of the Mah Sing Shares (together with the Rights Shares and any new Mah Sing Shares issued from time to time pursuant to the exercise of the Warrants) will be traded above the TERP after the completion of the Rights Issue with Warrants.

(ii) Delay in or abortion of the Rights Issue with Warrants

There is a risk that the Rights Issue with Warrants may be delayed or aborted if there is a material adverse change of events/circumstances which is beyond the control of our Company, CIMB, Maybank or Affin Hwang, arising during the implementation of the Rights Issue with Warrants. These include force majeure events such as fire, flooding, storm and diseases, or change in or introduction of any legislation, regulation, directive, policy or guideline or any change or any development in local, national or international monetary, financial, political, industrial, economic, legal or monetary conditions, taxation or exchange controls, in any relevant jurisdiction in which any member of our Group conducts or carries on business.

There are also certain circumstances where the Joint Managing Underwriters and the Joint Underwriters may terminate the Underwriting Agreement on the occurrence of any of the termination events set out in the Underwriting Agreement. These include, among others, events which may materially prejudice the success of the Rights Issue with Warrants, have a material adverse effect on the financial condition, prospects, results and/or assets of our Company or Group or result in it being commercially impracticable for the Joint Managing Underwriters and/or the Joint Underwriters to proceed on the terms and in the manner contemplated in the Documents and the Underwriting Agreement.

Notwithstanding the risks, our Company will exercise its best endeavours to ensure the successful implementation of the Rights Issue with Warrants. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or abortion of the Rights Issue with Warrants. In the event that the Rights Issue with Warrants is aborted, the Company will repay without interest all monies received from the applicants in accordance with Section 243 of the Capital Markets & Services Act, 2007.

6.3 Forward looking statements/future prospects

Certain statements in this Abridged Prospectus are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on forecasts and assumptions made by our Group and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, *inter alia*, the risk factors as set out in this section. In light of these and other uncertainties, the inclusion of forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS

7.1 Overview and prospects of the Malaysian economy

The economic growth momentum in 2014 is expected to continue in 2015 driven by improving external demand and resilient domestic economic activity. Growth will be private-led in line with the Government's efforts to strengthen the private sector's role in the economy. Sustained growth in domestic demand albeit at a moderate pace, is expected to contribute to the expansion in domestic-related activities.

Private investment is expected to remain strong supported by increasing domestic activity and a favourable external sector. Private consumption is, however, expected to moderate below its long-term average, but will continue to support growth. Household spending is expected to moderate amid higher inflation following the implementation of GST. Nevertheless, the impact of higher inflation on consumption is expected to be temporary and will eventually taper off after a few months of the GST implementation. In addition, higher export earnings are expected to boost business earnings and household income and hence mitigate the impact of higher inflation on domestic demand. Consequently, nominal gross national income per capita is expected to increase 8.1% to RM37,486 (2014: 8.9%; RM34,682). Income per capita in purchasing power parity (PPP) terms is expected to increase 2.4% to USD23,512 (2014: 2.2%: USD22,958).

All sectors of the economy are expected to remain strong, with the services sector spearheading growth. The construction sector is expected to register solid growth, with increased activity in the construction of civil engineering projects in the oil and gas sector and residential and non-residential buildings.

(Source: Ministry of Finance Malaysia, Economic Report 2014/2015)

7.2 Overview of the Malaysian property sector

The construction sector continued to register a double-digit growth of 14.3% during the first half of 2014 (January – June 2013: 12%). The higher construction activity was led by the residential and non-residential subsectors, while growth in the civil engineering subsector moderated following the completion of some major projects, including KLIA2, Second Penang Bridge and Manjung coal-power plant.

Growth in the non-residential subsector turned around sharply by 14% (January – June 2013: -1%) in line with healthy business activity during the first half of 2014. This was reflected by increased construction activities especially for commercial buildings with the incoming supply of shops increasing to 72,117 units (January – June 2013: 66,167 units).

The residential subsector expanded strongly by 22.1% during the first half of 2014 (January – June 2013: 15.7%) supported by higher growth in incoming supply at 9.5% (January – June 2013: 15.3%). Despite the decline in housing starts at 5.3% to 70,346 units (January – June 2013: 21.1%: 74,270 units), residential activity is expected to remain stable. Meanwhile, the value of total property transactions increased to RM82 billion (January - June 2013: RM68.8 billion), with volume expanding 3.3% to 193,405 transactions during the first six months of 2014. Residential property transactions formed the bulk with a share of 63.5%. House prices in Malaysia continue to rise, albeit at a slower pace, amid several measures to curb rising house prices since 2010. The increase in house prices was driven by strong demand following favourable labour market conditions and growing household income. The Malaysian House Price Index, which measures the change in prices paid for an average house, increased moderately by 6.6% in the second quarter of 2014, compared with 11.3 % in the corresponding period in 2013. However, higher-than-average prices were recorded in Selangor (10.1%), Pulau Pinang (9.6%) and Kuala Lumpur (9.1%).

Meanwhile, the residential subsector is expected to remain strong in view of the increased demand for housing, particularly from the middle-income group. Demand for affordable housing will remain favourable amid several Government initiatives such as Skim Perumahan Rakyat 1Malaysia (PR1MA), Rumah Idaman Rakyat (RIR) and Rumah Mesra Rakyat 1Malaysia (RMR). The non-residential subsector is also expected to remains stable supported by encouraging demand for industrial and commercial buildings.

(Source: Ministry of Finance Malaysia, Economic Report 2014/2015)

Under the 2015 Budget, several infrastructure projects will be implemented, namely the construction of the Sungai Besi – Ulu Klang Expressway (SUKE), West Coast Expressway from Taiping to Banting, Damansara – Shah Alam Highway (DASH), Eastern Klang Valley Expressway (EKVE), Second Mass Rapid Transit (MRT) Line from Selayang to Putrajaya and the LRT 3 Project, which will link Bandar Utama to Shah Alam and Klang.

Furthermore, there are incentives for first time home-buyers under the 2015 Budget. Under the 2015 Budget, a "Youth Housing Scheme" will be launched to provide assistance to first-time home buyers who are married youths aged between 25 and 40 with household income not exceeding RM10,000. Under the scheme, the Government will provide monthly financial assistance to borrowers for the first two years to reduce the burden of monthly instalments. The Government will also give a 50% stamp duty exemption on the instrument of transfer and loan agreements as well as provide a 10% loan guarantee to enable borrowers to obtain full financing including cost of insurance.

(Source: The 2015 Budget Speech by YAB Dato' Sri Mohd Najib Tun Haji Abdul Razak, Prime Minister and Minister of Finance)

7.3 Prospects of our Group

Our Group's overall performance up to 9-month FPE 30 September 2014 has been commendable. Our revenue grew at a compounded annual growth rate of 25% per annum from RM0.65 billion in 2008 to RM2.01 billion in 2013 while our PATAMI also grew at a compounded annual growth rate of 25% per annum from RM93 million in 2008 to RM281 million in 2013. Our 9-month FPE 30 September 2014 revenue and PATAMI grew by 43.6% and 21.3% respectively to RM2.06 billion and RM254.7 million as compared with the corresponding period in 2013.

Our Group's performance has been primarily driven by our property development business which has recorded impressive growth with revenue growing at a compounded annual growth rate of 28% per annum from RM0.50 billion in 2008 to RM1.72 billion in 2013 with our 9-month FPE 30 September 2014 revenue growing by 50% to RM1.8 billion as compared with the corresponding period in 2013.

Our Board expects demand for mass market properties to drive the overall demand for properties in Malaysia due to the large number of first time home buyers, upgraders, new household formations as well as Government incentives given to first time home buyers as evident in the Budget 2015. The demand for mass market properties is evident from the reception of our Group's launched projects, namely, among others, Southville City @ KL South in Bangi, Lakeville Residence @ Taman Wahyu in Kepong, M Residence 2 in Rawang and D'Sara Sentral in Sungai Buloh, all in the Klang Valley and MeridinBayVue @ Sierra Perdana in Johor. The demand for properties in general is expected to be focused notably in growth areas such as Kuala Lumpur, the Klang Valley, Seremban, Johor, Penang and Kota Kinabalu, Sabah. The demand for properties is expected to be supported by favourable demographics in Malaysia (i.e. a large young working population), stable employment levels, increasing household income and healthy Gross Domestic Product growth. Our Group endeavours to continuously match its products to market demand based on market studies done and is expected to continually focus on mass market properties in the short-term. This strategy which has seen 87% of our Group's residential properties launched in 2014 priced below RM1.0 million, is expected to continue into 2015.

In line with the demand for mass market properties, our Group has so far acquired landbanks in both Puchong and Seremban in 2014, to target the mass market and upgraders. The developments in Puchong and Seremban are intended to offer mass market products with pricing starting from RM585,000 and RM350,000 respectively. In addition, our Group also acquired part of the Sultan Salahuddin Abdul Aziz Shah Golf course (KGSAAS) in Shah Alam to cater to the high-end market in the medium-long term. These acquisitions have a collective potential gross development value of approximately RM19.3 billion and have increased our project portfolio to a total of 48 to-date (including ongoing and completed projects). As at 30 September 2014, our Group's unbilled sales, combined with the remaining gross development value from our projects and land deals is estimated at approximately RM50 billion.

Prospects in the Klang Valley are expected to be positive, given the upcoming completion of the LRT extension and MRT Line 1, the construction of new infrastructure projects following Budget 2015 (e.g. 4 new expressways, the MRT Line 2 and LRT 3) and the continued Government support to develop the Klang Valley area, with an expected population of 10 million in 2020. Seremban is also expected to benefit from the spill over effects from the development of the Klang Valley as well as the proposed high speed rail from Singapore to Kuala Lumpur, where the city of Seremban has been earmarked as one of the stops. Our recently acquired landbank in Puchong and Seremban are also expected to benefit from these infrastructure developments.

Prospects for landed residential and industrial properties in Johor are good in the short term which bode well for our projects. The prospects of Johor for the medium to long term are also good as it will stand to benefit from the growth of Iskandar Malaysia and the spill over effects from the various Flagship Zones and the Petrochemical Integrated Development in Pengerang. In Kota Kinabalu, our Group expects to benefit from the growth of the retail and tourism industry as supported by the Malaysian Government and the Sabah Economic Development and Investment Authority. In Penang, our Group's prospect is expected to be boosted by growth in the tourism sector and economic expansion arising from recent opening of the second Penang Bridge, the upcoming Information Technology Outsourcing and Business Process Outsourcing Hub and developments in Batu Kawan which includes a premium outlet store, an international theme park, a golf resort and an IKEA outlet.

In the immediate near term, our Group's revenue and earnings will be supported by high unbilled sales already locked in of approximately RM5.1 billion as at 30 September 2014. While future sales is expected to be driven mainly by upcoming projects such as M Residence 3 in Rawang, future phases of Southville City @ KL South in Bangi, Lakeville Residence @ Taman Wahyu in Kepong, M Residence 2 in Rawang and D'Sara Sentral in Sungai Buloh and the maiden launches of our new Puchong and Seremban land as well as M Residence 3 in Rawang, all of which largely comprise of products catered for the mass market. Hence, we are currently focused on accelerated development of the said projects to meet the growing demand in such locations.

Nonetheless, our Group will continue to evaluate potential acquisitions and joint development of strategic land parcels in line with our landbanking strategy to further expand and grow our business to create sustainable return on investment for our shareholders.

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

The following section sets out the financial effects of the Rights Issue with Warrants and is illustrated on the assumptions that:

(i) the number of Rights Shares and Warrants was computed based on the issued and paid-up share capital of Mah Sing as at the LPD, and had not taken into account additional Rights Shares and Warrants which may be issued pursuant to the exercise of the remaining outstanding Warrant B 2013/2018 between the Price-Fixing Date and the Entitlement Date.

To facilitate the price-fixing, Mah Sing has obtained written undertakings from the holders of the Convertible Bonds to not convert the Convertible Bonds held by them from the Price-Fixing Date to the Entitlement Date as well as a written undertaking from Mayang Teratai not to exercise the Warrant B 2013/2018 held by it from the Price-Fixing Date to the Entitlement Date. For illustration purposes, assuming full exercise of the remaining outstanding Warrant B 2013/2018 by the Entitlement Date, there will be an additional 29,963,787 Rights Shares and 8,989,137 Warrants to be issued pursuant to the Rights Issue with Warrants exercise; and

(ii) our Company's outstanding Warrant B 2013/2018 and Convertible Bonds as at the LPD are exercised and converted after the Bonus Issue.

8.1 Issued and paid-up share capital

	No. of Mah Sing Shares	Amount
	million	RM million
Issued and paid-up share capital as at the LPD	1,476.3	738.2
To be issued pursuant to the Rights Issue with Warrants	442.9	221.4
	1,919.2	959.6
To be issued pursuant to the Bonus Issue	479.8	239.9
	2,399.0	1,199.5
To be issued pursuant to the conversion of the Convertible Bonds[1]	285.1	142.5
To be issued pursuant to exercise of Warrant B 2013/2018[1]	187.6	93.8
	2,871.7	1,435.8
To be issued pursuant to the exercise of Warrants[1]	166.1	83.1
Enlarged issued and paid-up share capital	3,037.8	1,518.9

Notes:

(1) *Adjusted pursuant to the Rights Issue with Warrants and the Bonus Issue in accordance with the terms of the Governing Documents.*

The adjustments to be made to the exercise/conversion prices and the corresponding number of outstanding convertible securities or resultant Mah Sing Shares (as the case may be) have been reviewed and agreed by Deloitte (Mah Sing's Reporting Accountants for the Rights Issue with Warrants and the Bonus Issue) to be in accordance to the terms of the Governing Documents, and they are as follows:

		Exercise / conversion price (RM)		***No. of securities (million)***	
Outstanding convertible securities	***Adjustment factor***	***Prior to adjustment***	***After adjustment***	***Prior to adjustment***	***After adjustment***
Warrant B 2013/2018	*0.7304**	*1.98*	*1.44*	*137.0*	*187.6*
Convertible Bonds	*0.7304**	*1.57*	*1.14*	*207.0*	*285.1*
Warrants	*0.8000 or 4/5*	*2.63*	*2.10*	*132.9*	*166.1*

Notes:

* *The adjustment factor of 0.7304 for the Warrant B 2013/2018 and Convertible Bonds is a combined adjustment factor comprising the adjustment factor of 0.9130 arising from the Rights Issue with Warrants and 0.8000 or 4/5 arising from the Bonus Issue.*

8.2 NA per share and gearing

Based on our latest audited consolidated statement of financial position as at 31 December 2013 and the assumption that the Rights Issue with Warrants and the Bonus Issue had been completed and all Warrants are fully exercised as at 31 December 2013, the proforma effects of the Rights Issue with Warrants and the Bonus Issue on our consolidated NA per share and gearing are set out below:

		I	II	III	IV	V	VI	VII
	Audited as at 31 December 2013	Exercise of Warrant B 2013/2018 and the expiry of ESOS[1] (up to the LPD)	After I and the cash payment of material land commitments[2]	After II and the Rights Issue with Warrants	After III and the Bonus Issue	After IV and the payment of material land commitments[3]	After V and the conversion of Convertible Bonds and exercise of Warrant B 2013/2018	After VI and assuming the full exercise of Warrants[4]
	RM mil	RM mil	RM mil	RM mil	RM mil	RM mil	RM mil	RM mil
Share capital	706.8	738.2	738.2	959.6[7]	1,199.5	1,199.5	1,435.8[7]	1,518.9
Share premium[5]	331.7	394.8	394.8	781.0[7]	541.1	541.1	943.3[7]	1,230.3
Warrant reserve[6]	46.6	43.4	43.4	64.7[7]	64.7	64.7	21.3[7]	-
Other reserves	33.2	21.8	21.8	21.8[7]	21.8	21.8	4.7[7]	4.7
Retained earnings	834.0	845.4	845.4	845.4[7]	845.4	845.4	822.6[7]	822.6
Equity attributable to equity holders of Mah Sing / Net assets	1,952.3	2,043.6	2,043.6	2.672.5	2.672.5	2.672.5	3,227.7	3,576.5
Non-controlling interests	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Total equity	1,963.3	2,054.6	2,054.6	2,683.5	2,683.5	2,683.5	3,238.7	3,587.5
Number of Mah Sing Shares in issue (million)	1,413.6	1,476.3	1,476.3	1,919.2	2,399.0	2,399.0	2,871.7	3,037.8
Total deposits, cash and bank balances (RM million)	822.3	913.6	779.2[2]	1,408.1	1,408.1	1,073.6	1,343.7[7]	1,692.5[4]
Total borrowings (RM million)	1,129.8	1,129.8	1,129.8[2]	1,129.8	1,129.8	2,004.8	1,721.1[7]	1,721.1
Net debt/(cash) (RM million)	307.5	216.2	350.6	(278.3)	(278.3)	931.2	377.4	28.6
NA per share (RM)	1.38	1.38	1.38	1.39	1.11	1.11	1.12	1.18
Gross gearing (times)[8]	0.58	0.55	0.55	0.42	0.42	0.75	0.53	0.48
Net gearing (times)[9]	0.16	0.11	0.17	N/A[10]	N/A[10]	0.35	0.12	0.01

Notes:

(1) *Adjusted for 10.1 million Warrant B 2013/2018 exercised between 1 January 2014 and the LPD at exercise price of RM1.98 and 52.6 million options under Mah Sing's employee share option scheme (**"ESOS"**) exercised between 1 January 2014 and the LPD. However, the ESOS has expired on 10 July 2014 and accordingly such remaining unexercised options had also expired.*

(2) *Assuming cash payment for material land commitments as at the LPD of RM134.4 million, consisting of initial deposit payments in relation to the acquisition of three (3) parcels of land located at Sultan Salahuddin Abdul Aziz Golf Course (**"Sultan SAAGC Land"**), Seremban Land and Puchong Land during the year. Save for the cash payment for material land commitments, the illustrative proforma does not assume any other inflow or outflow movement.*

(3) *Assuming remaining payment for the said three (3) parcels of land located at Sultan SAAGC Land, the Seremban Land and Puchong Land, whereby RM334.5 million will be paid via the Rights Issue Proceeds and internally generated funds and the remaining RM875.0 million will be funded via borrowings.*

(4) *Assuming that the 132.9 million Warrants are to be adjusted to 166.1 million Warrants at an illustrative exercise price of RM2.10 per Mah Sing Share as a result of the Bonus Issue.*

(5) *The proforma effects above have not taken into consideration any expenses in relation to the Rights Issue with Warrants and the Bonus Issue, which may be deducted against the share premium account arising from the issuance of the Rights Shares.*

(6) *For illustration purposes, the Warrants are assumed to have a fair value of RM0.16 each. The Warrant reserve will be reclassified to share premium upon exercise of the Warrants.*

(7) *The adjustments arising from the conversion of the Convertible Bonds and exercise of Warrant B 2013/2018 are as follows:*

(i) *the charge of unaccrued interest expense on the Convertible Bonds of RM22.8 million;*

(ii) *the reclassification from other reserves to share premium of RM17.1 million, being the equity component of the Convertible Bonds;*

(iii) *the reduction of deferred tax liabilities of the Convertible Bonds of RM1.4 million;*

(iv) *the reduction of RM283.7 million, being the liability component of the Convertible Bonds, from borrowings and the increase in share capital and share premium of RM142.5 million and RM182.5 million respectively; and*

(v) *the reversal of warrant reserve of RM43.4 million to share premium and the consequential increase in share capital and share premium of RM93.8 million and RM219.7 million respectively from the exercise of Warrant B 2013/2018.*

(8) *Calculated based on total borrowings divided by total equity.*

(9) *Calculated based on total borrowings net of cash divided by total equity.*

(10) *Not applicable as it is a net cash position.*

8.3 Earnings and EPS

For the FYE 31 December 2015, the Rights Issue with Warrants and the Bonus Issue will dilute our consolidated EPS as a result of the increase in the number of Mah Sing Shares in issue upon completion of the Rights Issue with Warrants and the Bonus Issue and as and when the Warrants are exercised into new Mah Sing Shares. Nevertheless, the share price adjustment resulting from the Rights Issue with Warrants and Bonus Issue to the theoretical ex-all price will partially mitigate the impact on the intrinsic market valuation based on the price-earnings multiple ascribed to Mah Sing Shares resulting from the EPS dilution.

Moreover, the actual impact on Mah Sing's future earnings and consolidated EPS will also depend on, among others, the actual number of Rights Shares and Warrants to be issued, the exercise rate of the Warrants as well as the level of returns generated from the utilisation of proceeds raised from the Rights Issue with Warrants and the exercise of Warrants.

The development of the Seremban Land and Puchong Land are expected to commence in the financial year 2015 and the Group expects revenue contribution to commence from the financial year 2016 onwards. The effects of dilution to earnings will be partly mitigated once profits are recognised from these developments.

Moving forward, the Rights Issue with Warrants is expected to contribute positively to the consolidated earnings of Mah Sing for the ensuing financial years, when the benefits of the proposed utilisation of proceeds are realised.

8.4 Convertible securities

Save for the Convertible Bonds and Warrant B 2013/2018, Mah Sing does not have any other convertible securities as at the LPD. Pursuant to the Rights Issue with Warrants, Mah Sing's convertible securities will include the Warrants.

Any necessary adjustments to the terms and conditions of the Warrant B 2013/2018 and the Convertible Bonds arising from the Rights Issue with Warrants and the Bonus Issue will be governed by the terms of the Governing Documents. Deloitte has been appointed as Mah Sing's Reporting Accountants for the Rights Issue with Warrants and the Bonus Issue. The computation of the adjustment factors has been reviewed and agreed by Deloitte to be in accordance to the terms of the Governing Documents and will be notified to the holders of the convertible securities.

In accordance with the terms of the Deed Poll and the Warrant B 2013/2018 Deed Poll, such adjustments shall be effective on the next market day following the Entitlement Date (i.e. 26 January 2015) for the Rights Issue with Warrants and the market day immediately before the date of issuance of the new Mah Sing Shares pursuant to the Bonus Issue. In accordance with the terms of the Trust Deed, such adjustments shall be effective on the date of issuance of the new Mah Sing Shares pursuant to the Rights Issue with Warrants and the date of issuance of the new Mah Sing Shares pursuant to the Bonus Issue. Any adjustments will be notified to the holders of the convertible securities in accordance to the Governing Documents.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that after taking into consideration the financial position of our operations, banking facilities available and the proceeds from the Rights Issue with Warrants, our Group will have sufficient working capital to meet our current core business requirements due within a period of 12 months from the date of issuance of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group had total outstanding borrowings of approximately RM1,461 million, all of which are interest-bearing, details of which are as follows:

	Currency	Amount in foreign currency[(1)]	Amount in RM[(2)]
Short term borrowings			
Term loan	RM		66,779,170
Term loan	IDR	12,828,571,428	3,609,960
Foreign Revolving Credit	USD	800,000	2,853,200
Foreign Revolving Credit	IDR	1,000,000,000	281,400
Banker Acceptance	RM		2,488,000
Bank Overdraft	RM		301,962
Bank Overdraft	IDR	1,565,342,023	440,487
Hire Purchase	RM		1,630,431
Hire Purchase	IDR	2,880,337,500	810,527
Sub total			79,195,137
Long term borrowings			
Term loan	RM		1,080,303,019
Term loan	IDR	10,664,285,719	3,000,930
Convertible bonds	RM		292,637,328
Hire purchase	RM		2,799,728
Hire purchase	IDR	9,329,110,969	2,625,212
Sub total			1,381,366,217
Total borrowings			1,460,561,354

Notes:

(1) The foreign currency borrowings are in respect of our business segment involved in the manufacture, assembly and sale of a range of plastic moulded products. This business segment had contributed only 3% of our Group's operating profits for the unaudited 9-month FPE 30 September 2014.

(2) The amount of borrowings in RM is computed based on Bloomberg Finance L.P.'s middle exchange rate on the LPD of USD:RM of 3.56650 and 100 IDR:RM of 0.02814.

There has not been any default on payments of either interest and/or principal sums by our Group in respect of any borrowings throughout the past 1 financial year and for the subsequent financial period up to the LPD.

9.3 Material commitments and contingent liabilities

9.3.1 Material commitments

As at the LPD, after having made all reasonable enquiries and to the best knowledge of our Board, save as disclosed below, our Board is not aware of any material commitments incurred or known to be incurred by our Group:

	RM 000
Contractual commitment for acquisition of property, plant and equipment:	
- Approved and contracted for	3,912.2
Commitment for construction of investment properties	
- Approved and contracted for	15,227.3
Contractual commitment in relation to:	
- Development agreement for proposed development of land in Kota Kinabalu	158,740.0
- Acquisition of the Puchong Land and the Seremban Land	914,808.5
- Proposed acquisition of other development lands	294,729.4
	1,387,417.4

9.3.2 Contingent liabilities

As at the LPD, after having made all reasonable enquiries and to the best knowledge of our Board, save as disclosed below, our Board is not aware of any material contingent liabilities, which may, upon being enforceable, have a material adverse effect on our Group's financial position or business:

Contingent liabilities in respect of:	RM 000
- Bank guarantees issued in favour of third parties	32,014.5(1)
- Corporate guarantees issued in favour of third parties	8,093.2(2)
- Others	1,228.3
	41,336.0

Notes:

(1) *Refers to bank guarantees issued to, amongst others, the local authorities and utility companies in respect of our Group's property development activities.*

(2) *Refers to corporate guarantees issued on behalf of a subsidiary in favour of external suppliers.*

10. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS, EXCESS APPLICATION FOR THE RIGHTS ISSUE WITH WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF.

YOU ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

10.1 General

The Provisional Allotments are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in such Provisional Allotments will be by book entries through CDS Accounts and will be governed by the SICDA, the Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renouncee(s) and/or transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making applications to subscribe for the Rights Shares and Warrants.

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisionally allotted Rights Shares and Warrants, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants.

If you are an Entitled Shareholder, you will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for such Rights Shares and Warrants provisionally allotted to you, as well as to apply for Excess Rights Shares and Warrants if you choose to do so.

10.2 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Allotments (whether in full or in part) is **12 February 2015** at **5.00 p.m.**, or such extended date and time as may be decided and announced by our Board, Principal Adviser, Joint Managing Underwriters and Joint Underwriters at their absolute discretion not less than two (2) Market Days before the stipulated date and time.

10.3 Procedures for acceptance and payment

ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS TO YOU AS AN ENTITLED SHAREHOLDER MUST BE MADE ON THE RSF ENCLOSED WITH THIS ABRIDGED PROSPECTUS AND MUST BE COMPLETED IN ACCORDANCE WITH THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. ACCEPTANCES WHICH DO NOT CONFORM TO THE TERMS OF THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN OR WHICH ARE ILLEGIBLE MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

If you wish to accept the Provisional Allotments, either in full or in part, please complete Parts I(a) and II of the RSF in accordance with the notes and instructions provided therein, and despatch **BY ORDINARY POST, COURIER** or **DELIVERED BY HAND** (at your own risk) each completed RSF together with the relevant payment using the envelope provided (at your own risk) to our Share Registrar at the following address:

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

Tel. no.: +603 2264 3883
Fax no.: +603 2282 1886

so as to arrive **not later than 5.00 p.m. on** 12 February 2015, being the last time and date for acceptance and payment, or such later time and date as may be decided and announced by our Board, Principal Adviser, Joint Managing Underwriters and Joint Underwriters at their absolute discretion not less than 2 Market Days before the stipulated time and date.

One (1) RSF can only be used for acceptance of Provisional Allotments standing to the credit of one (1) CDS Account. Separate RSFs must be used for separate CDS Account(s). The Rights Shares and Warrants subscribed by you in accordance with the procedures set out in the RSF will be credited into the respective CDS Accounts where the Provisional Allotments are standing to the credit.

A reply envelope is enclosed in this Abridged Prospectus. In order to facilitate the processing of the RSF by our Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

You should take note that a trading board lot for the Rights Shares and Warrants will comprise of 100 Rights Shares and 100 Warrants each respectively. Successful applicants of the Rights Shares will be given Warrants on the basis of three (3) Warrants for every ten (10) Rights Shares successfully subscribed for. The minimum number of Rights Shares that can be accepted is one (1) Rights Share. However, three (3) Warrants will be issued for every ten (10) Rights Shares subscribed.

Fractions of Warrants arising from the Rights Shares and Warrants will be disregarded and will be included in the pool of Excess Rights Shares and Warrants to be made available for excess application.

Each completed RSF must be accompanied by remittance in RM for the full and exact amount payable for the Rights Shares and Warrants accepted, in the form of banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia crossed "**A/C Payee Only**" and made payable to "**MAH SING RIGHTS SHARES ACCOUNT**" and endorsed on the reverse side with the name and CDS Account of the applicant in block letters to be received by our Share Registrar.

If acceptance and payment for the Provisional Allotments (whether in full or in part) is not received by our Share Registrar by 5.00 p.m. on 12 February 2015, being the last time and date for acceptance and payment, or such later time and date as may be decided and announced by our Board, Principal Adviser, Joint Managing Underwriters and Joint Underwriters at their absolute discretion not less than 2 Market Days before the stipulated time and date, you will be deemed to have declined the Provisional Allotments made to you and it will be cancelled. Such Rights Shares and Warrants not taken up will be allotted to the applicants applying for Excess Rights Shares and Warrants, and subsequently, to the Joint Managing Underwriters and Joint Underwriters, if the Rights Shares and Warrants are not fully taken up by such applicants in the manner as set out in Section 10.6 of this Abridged Prospectus.

If you lose, misplace or for any other reasons require another copy of the Abridged Prospectus and/or the RSF, you may obtain additional copies from your stockbrokers, Bursa Securities' website at http://www.bursamalaysia.com, our Share Registrar at the address stated above or our Registered Office.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES AND WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND FORWARDED BY ORDINARY POST TO THEM AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE WITH WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

YOU SHOULD NOTE THAT THE RSFS SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY THE SHARE REGISTRAR. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT OR TO ACCEPT IN PART ONLY ANY APPLICATION WITHOUT PROVIDING ANY REASONS.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

Notification on the outcome of your application for the Provisional Allotments will be despatched to you by ordinary post to the address as shown in Bursa Depository's record at your own risk within the timelines as follows:

(i) successful application – a notice of allotment will be despatched within 8 Market Days from the last day for application and payment for the Provisional Allotments; or

(ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day for application and payment for the Provisional Allotments.

10.4 Procedures for sale or transfer of Provisional Allotments

As the Provisional Allotments are prescribed securities which will be traded on Bursa Securities commencing from 27 January 2015 to 5.00 p.m. on 4 February 2015, you may sell all or part of your entitlement to the Rights Shares and Warrants during such period. You may transfer all or part of your entitlement to the Rights Shares and Warrants from 27 January 2015 to 4.00 p.m. on 9 February 2015.

Should you wish to sell or transfer all or part of your entitlement to one (1) or more person(s), you may do so through your stockbrokers without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account. You may sell such entitlement on Bursa Securities or transfer to such persons as may be allowed pursuant to the Rules of Bursa Depository, both for the period up to the last date and time for the sale or transfer of the Provisional Allotments.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL ALLOTMENTS, YOU NEED NOT DELIVER ANY DOCUMENT INCLUDING THE RSF, TO ANY STOCKBROKER. HOWEVER, YOU MUST ENSURE THAT THERE ARE SUFFICIENT PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNTS THAT ARE AVAILABLE FOR SETTLEMENT OF THE SALE OR TRANSFER.

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I(a) and II of the RSF. Please refer to Section 10.3 of this Abridged Prospectus for the procedures for acceptance and payment.

10.5 Procedures for acceptance by renouncee(s) and/or transferee(s)

Renouncees or transferees who wish to accept the Provisional Allotments must obtain a copy of the RSF from their stockbrokers, Bursa Securities' website at http://www.bursamalaysia.com, our Share Registrar or our Registered Office.

Please complete the RSF in accordance with the notes and instructions printed therein and submit the same together with the remittance to our Share Registrar at the above-stated address.

As a renouncee or transferee, the procedures for acceptance, payment, selling and transferring of the Provisional Allotments are the same as that applicable to the Entitled Shareholders as set out in Sections 10.3 and 10.4 of this Abridged Prospectus.

RENOUNCEE(S)AND/OR TRANSFEREE(S) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND RSF CAREFULLY.

10.6 Procedures for application for Excess Rights Shares and Warrants

If you are an Entitled Shareholder, you and/or your renouncee(s) and/or transferee(s)(if applicable) may apply for Excess Rights Shares and Warrants in addition to your Provisional Allotments. If you wish to do so, please complete Part I(b) of the RSF (in addition to Parts I(a) and II) and forward it (together with a **separate remittance** for the full amount payable in respect of the Excess Rights Shares and Warrants applied for) using the envelope provided (at your own risk) to our Share Registrar at the address set out above, so as to arrive **not later than 5.00 p.m. on 12 February 2015**, being the last time and date for acceptance and payment, or such extended time and date as may be decided and announced by our Board,. Principal Adviser, Joint Managing Underwriters and Joint Underwriters at their absolute discretion not less than two (2) Market Days before the stipulated time and date.

Payment for the Excess Rights Shares and Warrants applied for should be made in the same manner as described in Section 10.3 above, except that the banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia should be made payable to "**MAH SING EXCESS RIGHTS SHARES ACCOUNT**" crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with the name and CDS Account of the applicant in block letters to be received by our Share Registrar.

Our Board reserves the right to allocate the Excess Rights Shares and Warrants applied for under Part I(b) of the RSF, in a fair and equitable basis and in such manner as it deems fit and expedient in the best interest of our Company and that the intention of our Board as set out in (i) to (iv) below is achieved. As such, our Board intends to allocate the Excess Rights Shares and Warrants in the following priority:

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, for allocation to Entitled Shareholders who applied for Excess Rights Shares and Warrants on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement Date;

(iii) thirdly, for allocation to renouncee(s) and/or transferee(s) who applied for Excess Rights Shares and Warrants on a pro-rata basis and in board lot, calculated based on the quantum of Excess Rights Shares and Warrants applied for; and

(iv) in the event that there are still unsubscribed Rights Shares and Warrants after allocating all the excess Rights Shares and Warrants applied for, the remaining unsubscribed Rights Shares and Warrants will be subscribed by the Joint Managing Underwriters and Joint Underwriters in accordance with the terms and conditions set out in the Underwriting Agreement.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY THE SHARE REGISTRAR. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT OR TO ACCEPT IN PART ONLY ANY APPLICATION WITHOUT PROVIDING ANY REASONS.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

Notification on the outcome of your application for the Excess Rights Shares and Warrants will be despatched to you by ordinary post to the address as shown in Bursa Depository's records at your own risk within the timelines as follows:

(i) successful application – a notice of allotment will be despatched within 8 Market Days from the last day for application and payment for the Excess Rights Shares and Warrants; or

(ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day for application and payment for the Excess Rights Shares and Warrants.

10.7 Form of issuance

Bursa Securities has already prescribed the Mah Sing Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Bursa Securities has also approved the admission and listing of the Warrants on the Main Market of Bursa Securities. Accordingly, the Rights Shares and Warrants are prescribed securities and as such, the SICDA, Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository shall apply in respect of the dealings in the said securities.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected.

No physical share or warrant certificate shall be issued to you under the Rights Issue with Warrants. Instead, the Rights Shares and Warrants will be credited directly into your CDS Accounts.

Any person who intends to subscribe for the Rights Shares and Warrants as a renouncee(s) and/or transferee(s) by purchasing the provisional allotment of Rights Shares and Warrants from an Entitled Shareholder will have his Rights Shares and Warrants credited directly as prescribed securities into his CDS Account.

The excess Rights Shares and Warrants, if allotted to the successful applicant who applies for excess Rights Shares and Warrants, will be credited directly as prescribed securities into his CDS Account.

10.8 Laws of foreign jurisdictions

The Documents have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any jurisdiction other than Malaysia. The Rights Issue with Warrants to which the Documents relate is only available to Entitled Shareholders receiving the Documents electronically or otherwise within Malaysia.

The Documents are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue with Warrants will not be made or offered or deemed to be made or offered for purchase or subscription, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. The Rights Issue with Warrants to which the Documents relate is only available to the persons receiving the Documents within Malaysia.

Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue with Warrants only to the extent that it would be lawful to do so.

CIMB, our Company and our Directors and officers (collectively, the "**Parties**") would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are or may be subject. Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject. The Parties shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

Accordingly, the Documents will not be sent to the Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s)(if applicable) who do not have a registered address in Malaysia as stated in the Record of Depositors as at 5.00 p.m. on 26 January 2015 or who have not provided the Share Registrar with an address in Malaysia for despatch of the Documents by 5.00 p.m. on 26 January 2015. Persons receiving the Documents (including without limitation, custodians, nominees and trustees), must not, in connection with the Rights Issue with Warrants distribute or send the Documents outside of Malaysia. However, such Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) may collect the Documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid documents.

The Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against the Parties in respect of their rights and entitlements under the Rights Issue with Warrants. Such Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue with Warrants.

By signing any of the forms in the Documents, the Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) the Parties that:

(i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which those Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are or may be subject to;

(ii) Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation;

(iii) Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subject to;

(iv) Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) are aware that the Provisional Allotments can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

(v) Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) have obtained a copy of this Abridged Prospectus and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the Parties and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares and Warrants; and

(vi) Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares and Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and Warrants.

Persons receiving the Documents (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations.

No person in any territory outside of Malaysia receiving this Abridged Prospectus and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for or acquire any Rights Shares and Warrants unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in such territory.

We reserve the right, in our absolute discretion, to treat any acceptance as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional Allotments relating to any acceptance which is treated as invalid will be included in the pool of Excess Rights Shares and Warrants available for excess application by the other Entitled Shareholders. You and/or your renouncee(s) and/or transferee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of your, and/or your renouncee(s)'s and/or transferee(s)'s entitlement under the Rights Issue with Warrants or to any net proceeds thereof.

11. TERMS AND CONDITIONS

The issuance of the Rights Shares and Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions as set out in the Documents.

12. FURTHER INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of
MAH SING GROUP BERHAD

Jen. Tan Sri Yaacob Bin Mat Zain (R)
Chairman/Independent Non-Executive Director

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTIONS PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT OUR EGM HELD ON 7 JANUARY 2015

MAH SING GROUP BERHAD
(Company No. 230149-P)
(Incorporated in Malaysia)

Certified Extract of the Minutes of the Extraordinary General Meeting of the Members of Mah Sing Group Berhad ("Company" or "Mah Sing") held at Penthouse Suite 1, Wisma Mah Sing, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur on Wednesday, 7 January, 2015 at 10.00 a.m.

ORDINARY RESOLUTION 2

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW ORDINARY SHARES OF RM0.50 EACH IN MAH SING ("MAH SING SHARES") ("RIGHTS SHARES") TOGETHER WITH FREE DETACHABLE WARRANTS ("WARRANTS") TO RAISE GROSS PROCEEDS OF UP TO RM630.0 MILLION ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

It was RESOLVED:-

"**THAT** subject to the requisite consents/approvals of the relevant authorities/parties being obtained, authority be and is hereby given to the Directors to allot (provisionally or otherwise) by way of a renounceable rights issue, such number of Rights Shares and Warrants pursuant to the Proposed Rights Issue with Warrants to raise gross proceeds of up to RM630.0 million (which excludes any additional proceeds received from the Rights Shares issued pursuant to the exercise of the existing Warrant B 2013/2018, constituted by a deed poll dated 18 February 2013 and expiring on 18 March 2018 and/or conversion of the existing 7-year RM325 million nominal value of 3.25% redeemable convertible secured bonds, constituted by a trust deed dated 8 June 2011 which are convertible into Mah Sing Shares between the price-fixing date of the Proposed Rights Issue with Warrants and the entitlement date to the shareholders of the Company whose names appear in the Record of Depositors of the Company at the close of business on an entitlement date to be determined) upon the indicative terms and conditions set out in the circular to shareholders of Mah Sing dated 16 December 2014 ("**Circular**"), and announced later by the Directors or their renouncee(s) to be credited as fully paid-up upon full payment, on an entitlement basis and at an issue price to be determined and announced by the Directors. (For the avoidance of doubt, such Rights Shares and Warrants are to be issued even if the total gross proceeds exceed RM630.0 million).

THAT any Rights Shares and Warrants which are not taken up or validly taken up shall be made available for excess applications on a pro-rata basis to the entitled shareholders and/or their renouncee(s) who have applied for the excess Rights Shares and Warrants, based on their respective shareholdings in the Company on the entitlement date to be determined and announced later.

THAT the Directors be and are hereby empowered and authorised to disregard and deal with any fractional entitlements and fractions of the Mah Sing Shares and Warrants that may arise from the Proposed Rights Issue with Warrants in such a manner as they shall at their absolute discretion deem fit and in the best interest of the Company.

THAT the Rights Shares shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing Mah Sing Shares, except that the Rights Shares will not be entitled to any dividends, rights, allotments and/or other distributions, in respect of which the entitlement date is before the allotment date of the Rights Shares.

THAT the Directors be and are hereby authorised to issue and allot such appropriate number of new Mah Sing Shares to be credited as fully paid-up upon full payment arising from any exercise by the holders of the Warrants of their rights in accordance with the provisions of the deed poll constituting the Warrants to be executed by the Company ("**Deed Poll**") and/or any adjustments as set out in the Deed Poll and such new Mah Sing Shares shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing Mah Sing Shares, except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, in respect of which the entitlement date is before the allotment date of such new Mah Sing Shares.

THAT the Directors be and are hereby authorised to execute, sign and enter into the Deed Poll with full power to assent to any conditions, modifications or amendments as they deem fit, necessary or expedient or as may be imposed by any relevant authorities, and full power to implement and give effect to the terms and conditions of the Deed Poll and in the best interest of the Company.

THAT the Directors be and are hereby authorised, from time to time hereafter, to approve and give effect to any adjustments, variations, modifications or amendments to the Deed Poll in accordance with and subject to the terms therein (including but not limited to the exercise price and the number of Warrants), to issue and allot such additional number of Warrants pursuant to the adjustments under the Deed Poll, and to issue and allot such additional number of Mah Sing Shares to be credited as fully paid-up upon full payment arising from the exercise of such additional Warrants, and all such new Mah Sing Shares shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing Mah Sing Shares, except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, in respect of which the entitlement date is before the allotment date of such new Mah Sing Shares.

THAT approval be and is hereby given for the Company to utilise the proceeds of the Proposed Rights Issue with Warrants for the purposes set out in the Circular, and the Directors be and are hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Directors shall in their absolute discretion deem fit, necessary, expedient and/or appropriate and in the best interest of the Company.

AND THAT the Directors be and are hereby authorised to execute or enter into agreements, deeds or arrangements as the Directors may deem necessary or expedient, including but not limited to an underwriting agreement for the underwriting of the Proposed Rights Issue with Warrants, and to take all such necessary steps to give effect to the Proposed Rights Issue with Warrants with full power to consent to and to adopt such conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Rights Issue with Warrants and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue with Warrants in the best interest of the Company."

ORDINARY RESOLUTION 4

PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF MAH SING FROM RM1,000,000,000 COMPRISING 2,000,000,000 MAH SING SHARES TO RM2,500,000,000 COMPRISING 5,000,000,000 MAH SING SHARES ("PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL")

It was RESOLVED:-

"**THAT** the authorised share capital of the company be increased from RM1,000,000,000 divided into 2,000,000,000 ordinary shares of RM0.50 each to RM2,500,000,000 divided into 5,000,000,000 ordinary shares of RM0.50 each by the creation of 3,000,000,000 new ordinary shares of RM0.50 each.

AND THAT the Directors be and are hereby authorised to take all such necessary steps to give effect to the Proposed Increase in the Authorised Share Capital with full power to consent to and to adopt such conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Increase in the Authorised Share Capital and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Increase in the Authorised Share Capital."

SPECIAL RESOLUTION 1

PROPOSED AMENDMENT TO MAH SING'S MEMORANDUM OF ASSOCIATION

It was RESOLVED:-

"**THAT** subject to the passing of Ordinary Resolution 4 above, the first sentence of the existing Clause 5 of the Memorandum of Association of the Company be deleted in its entirety by substitution of the new first sentence as follows:

Existing Clause 5 of the Memorandum of Association	**Proposed Clause 5 of the Memorandum of Association**
The capital of the Company is RM1,000,000,000 divided into 2,000,000,000 ordinary shares of RM0.50 each.	The capital of the Company is RM2,500,000,000 divided into 5,000,000,000 ordinary shares of RM0.50 each.

Mah Sing Group Berhad
Extract of Minutes of the Extraordinary General Meeting held on 7 January 2015

SPECIAL RESOLUTION 2

PROPOSED AMENDMENT TO MAH SING'S ARTICLES OF ASSOCIATION

It was RESOLVED:-

"**THAT** subject to the passing of Ordinary Resolution 4 above, the existing Article 3 of the Articles of Association of the Company be deleted in its entirety by substitution of the new Article 3 as follows:

Existing Article 3 of Articles of Association	**Proposed Article 3 of Articles of Association**
The authorised share capital of the Company is RM1,000,000,000 divided into 2,000,000,000 ordinary shares of RM0.50 each.	The authorised share capital of the Company is RM2,500,000,000 divided into 5,000,000,000 ordinary shares of RM0.50 each.

CERTIFIED TRUE COPY

JEN TAN SRI YAACOB BIN MAT ZAIN (R)
CHAIRMAN

Dated: 7 January 2015

INFORMATION ON OUR COMPANY

1. HISTORY AND BUSINESS

Our Company was incorporated on 3 December 1991 in Malaysia under the Act as a public company limited by shares under its existing name. Our Company was listed on the Second Board of Bursa Securities on 28 October 1992 and subsequently on 7 July 2004, our Company's entire issued and paid-up share capital was transferred to the Main Board of Bursa Securities (now known as the Main Market of Bursa Securities).

The principal activities of our Company are investment holding and provision of management services to subsidiary companies in our Group.

The principal activities of our subsidiaries and associated company are set out in Section 5 herein.

2. SHARE CAPITAL

2.1 Authorised, issued and paid-up share capital

The authorised and issued and paid-up share capital of our Company as at the LPD is as follows:

	No. of Mah Sing Shares	Par value (RM)	Total (RM)
Authorised			
Mah Sing Shares	5,000,000,000	0.50	2,500,000,000
Issued and fully paid-up			
Mah Sing Shares	1,476,276,454	0.50	738,138,227

2.2 Changes in authorised, issued and paid-up share capital

The authorised share capital of our Company was increased from RM1,000,000,000 comprising 2,000,000,000 Mah Sing Shares to RM2,500,000,000 comprising 5,000,000,000 Mah Sing Shares by way of the creation of additional 3,000,000,000 Mah Sing Shares on 7 January 2015

Save as disclosed above, there had been no change in the authorised share capital of our Company for the past 3 years preceding the LPD.

The changes in our Company's issued and paid-up share capital for the past 3 years preceding the LPD are as follows:

Date of allotment	No. of Mah Sing Shares allotted	Par value	Consideration / Type of issue	Total (cumulative) issued and paid-up share capital
		RM		RM
02.02.2012 to 12.03.2013	8,560,007	0.50	Exercise of ESOS Options	420,216,073.00
19.03.2013	280,099,803	0.50	Rights issue of 1 for 3	560,265,974.50
26.03.2013 to 15.05.2013	2,940,182	0.50	Exercise of ESOS Options	561,736,065.50
20.05.2013	240	0.50	Exercise of Warrant B 2013/2018	561,736,185.50
30.05.2013	3,042,883	0.50	Exercise of ESOS Options	563,257,627.00
06.06.2013 to 11.06.2013	25,239	0.50	Exercise of Warrant B 2013/2018	563,270,246.50
18.06.2013 to 26.06.2013	4,030,468	0.50	Exercise of ESOS Options	565,285,480.50
27.06.2013 to 02.07.2013	440,233	0.50	Exercise of Warrant B 2013/2018	565,505,597.00
8.07.2013	226,201,774	0.50	Bonus issue of 1 for 5	678,606,484.00
17.07.2013	321,618	0.50	Exercise of ESOS Options	678,767,293.00
25.07.2013	118	0.50	Exercise of Warrant B 2013/2018	678,767,352.00
30.07.2013	531,506	0.50	Exercise of ESOS Options	679,033,105.00
14.08.2013	4,408	0.50	Exercise of Warrant B 2013/2018	679,035,309.00
14.08.2013	776,219	0.50	Exercise of ESOS Options	679,423,418.50
26.08.2013	763	0.50	Exercise of Warrant B 2013/2018	679,423,800.00
27.08.2013	83,861	0.50	Exercise of ESOS Options	679,465,730.50
03.09.2013	28,736,502	0.50	Exercise of Warrant B 2013/2018	693,833,981.50
18.09.2013 to 18.12.2013	695,290	0.50	Exercise of ESOS Options	694,181,626.50
30.12.2013	25,250,000	0.50	Exercise of Warrant B 2013/2018	706,806,626.50
02.01.2014	5,228	0.50	Exercise of ESOS Options	706,809,240.50
10.01.2014	1,008	0.50	Exercise of Warrant B 2013/2018	706,809,744.50
15.01.2014 to 30.04.2014	13,828,324	0.50	Exercise of ESOS Options	713,723,906.50
06.05.2014	720	0.50	Exercise of Warrant B 2013/2018	713,724,266.50
07.05.2014	169,111	0.50	Exercise of ESOS Options	713,808,822.00
12.05.2014	2,028	0.50	Exercise of Warrant B 2013/2018	713,809,836.00
14.05.2014 to 16.07.2014	38,583,955	0.50	Exercise of ESOS Options	733,101,813.50
13.08.2014 to 06.01.2015	10,072,827	0.50	Exercise of Warrant B 2013/2018	738,138,227.00

3. SUBSTANTIAL SHAREHOLDERS

In the event that our substantial shareholders subscribe for their full entitlements under the Rights Issue with Warrants and excluding any additional Rights Shares and Warrants which may be issued pursuant to the exercise of remaining outstanding Warrant B 2013/2018 between the Price-Fixing Date and the Entitlement Date in the computation, there will be no effect on the shareholdings of our substantial shareholders save for the proportionate increase in the total number of Mah Sing Shares held by each of our substantial shareholders following the Rights Issue with Warrants and the Bonus Issue.

Nonetheless, the effects of the Rights Issue with Warrants and the Bonus Issue on the shareholdings of our substantial shareholders in our Company as at the LPD as a result of the adjustments to our convertible securities are as follows:

	As at the LPD				I After the Rights Issue with Warrants[2]				II After I and the Bonus Issue				III After II and conversion of Convertible Bonds and exercise of Warrant B 2013/2018				IV After III and Exercise of Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Mah Sing Shares		No. of Mah Sing Shares		No. of Mah Sing Shares		No. of Mah Sing Shares		No. of Mah Sing Shares		No. of Mah Sing Shares		No. of Mah Sing Shares		No. of Mah Sing Shares		No. of Mah Sing Shares		No. of Mah Sing Shares	
	mil	%	mil	%	mil	%	mil	%	mil	%	mil	%	mil	%	mil	%	mil	%	mil	%
Mayang Teratai	509.9	34.5	-	-	662.9	34.5	-	-	828.7	34.5	-	-	879.5[2]	30.6	-	-	936.9	30.8	-	-
EPF	116.6	7.9	-	-	151.6	7.9	-	-	189.5	7.9	-	-	189.6	6.6	-	-	202.7	6.7	-	-
FELDA	92.8	6.3			120.6	6.3	-	-	150.7	6.3	-	-	150.7	5.2	-	-	161.2	5.3	-	-
Tan Sri Leong	6.4	0.4	509.9[1]	34.5	8.3	0.4	662.9[1]	34.5	10.3	0.4	828.7[1]	34.5	10.3	0.4	879.5	30.6	11.0	0.4	936.9[1]	30.8

Notes:

(1) *Deemed interested by virtue of shareholdings of Mayang Teratai under Section 6A of the Act.*

(2) *As at the LPD, Mayang Teratai holds directly, subject to adjustments, 37.2 million Warrant B 2013/2018. The adjusted number of Warrant B 2013/2018 as a result of the Rights Issue with Warrants and the Proposed Bonus Issue is 50.9 million Warrant B 2013/2018.*

* *Based on the Record of Depositors of Mah Sing as at LPD, EPF, FELDA and Tan Sri Leong do not hold any Warrant B 2013/2018. As at LPD, the substantial shareholders of Mah Sing do not hold any Convertible Bonds.*

4. BOARD OF DIRECTORS OF OUR COMPANY AS AT THE LPD

4.1 Particulars of Directors

Based on our Company's Register of Directors' Shareholdings as at the LPD, our Directors, all of whom are Malaysian, and their respective shareholdings in our Company are as follows:

				Direct		Indirect	
Name	**Address / Contact no.**	**Occupation**	**Age**	**No. of Mah SingShares held[(1)]**	**%**	**No. of Mah Sing Shares held**	**%**
Jen. Tan Sri Yaacob Bin Mat Zain (R) *(Chairman/ Independent Non-Executive Director)*	7 Jalan Maktab 5 54000 Kuala Lumpur Tel. no.: 03-9221 8888	Company Director	79	-	-	40,556[(2)]	*
Tan Sri Leong *(Group Managing Director/Group Chief Executive)*	Lot 510 Jalan Senyum Matahari Country Heights 43000 Kajang SelangorDarul Ehsan Tel. no.: 03-9221 8888	Company Director	57	6,350,159	0.43	515,374,263[(3)]	34.91
Ng Chai Yong (Chief Executive Officer)	6 Jalan USJ 6/2G 47610 Subang Jaya Selangor Darul Ehsan Tel. no.: 03-9221 8888	Company Director	53	-	-	-	-
Dato' Steven Ng Poh Seng *(Executive Director)*	16 Jalan BU 11/5 Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel. no.: 03-9221 8888	Company Director	49	1,484,425	0.10	-	-
Dato' Lim Kiu Hock *(Executive Director)*	1 Jalan TR 4/1 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan Tel. no.: 03-9221 8888	Company Director	59	1,292,300	0.09	-	-
Leong Yuet Mei *(Non-Independent Non-Executive Director)*	1 Legenda Puteri 1 Jalan PJU 1A/57B Damansara Legenda 47410 Petaling Jaya Selangor Darul Ehsan Tel. no.: 03-9221 8888	Company Director	60	-	-	429,756[(2)]	0.03
Captain Izaham Bin Abd. Rani (R) *(Independent Non-Executive Director)*	Lot 1511, Taman Suria 71050 Sirusa Port Dickson Negeri Sembilan Tel. no.: 03-9221 8888	Company Director	52	-	-	-	-
Loh Kok Leong *(Independent Non-Executive Director)*	A-11-3 Tiara Faber Condominium Taman Desa 58100 Kuala Lumpur Tel. no.: 03-9221 8888	Company Director	50	-	-	-	-

Notes:

*	*Negligible*
(1)	*Based on Mah Sing's issued and paid-up share capital as at the LPD comprising 1,476,276,454 Mah Sing Shares.*
(2)	*Deemed interest by virtue of Mah Sing Shares held by family member(s) pursuant to Section 134(12)(c) of the Act.*
(3)	*Deemed interest by virtue of Mah Sing Shares held by Mayang Teratai pursuant to Section 6A of the Act and shareholdings of family member(s)pursuant to Section 134(12)(c) of the Act.*

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4.2 Directors' shareholdings

Based on our Company's Register of Directors as at the LPD, the effects of the Rights Issue with Warrants and the Bonus Issue on the shareholdings of our Directors are as follows:

					I				II				III				IV			
	As at the LPD				After the Rights Issue with Warrants[1]				After I and the Bonus Issue				After II and conversion of Convertible Bonds[2] and exercise of Warrant B 2013/2018				After III and Exercise of Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Mah Sing Shares		No. of Mah Sing Shares		No. of Mah Sing Shares		No. of Mah Sing Shares		No. of Mah Sing Shares		No. of Mah Sing Shares		No. of Mah Sing Shares		No. of Mah Sing Shares		No. of Mah Sing Shares		No. of Mah Sing Shares	
	mil	%	mil	%	mil	%	mil	%	mil	%	mil	%	mil	%	mil	%	mil	%	mil	%
Jen. Tan Sri Yaacob Bin Mat Zain (R)	-	-	*[3]	*	-	-	*	*	-	-	*	*	-	-	*	*	-	-	*	*
Tan Sri Leong	6.4	0.4	515.4[4]	34.9	8.3	0.4	670.0	34.9	10.3	0.4	837.5	34.9	10.3	0.4	888.7	30.9	11.0	0.4	946.7	31.2
Dato' Steven Ng Poh Seng	1.5	0.1	-	-	1.9	0.1	-	-	2.4	0.1	-	-	2.4	*	-	-	2.6	*	-	-
Dato' Lim Kiu Hock	1.3	0.1	-	-	1.7	*	-	-	2.1	*	-	-	2.3	*	-	-	2.4	*	-	-
Leong Yuet Mei	-	-	0.4[3]	*	-	-	0.6	*	-	-	0.7	*	-	-	0.7	*	-	-	0.8	*
Captain Izaham Bin Abd. Rani (R)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loh Kok Leong	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

* *Less than 0.1 million or 0.1%, as the case may be.*

(1) *Assuming that all Directors subscribe for their full entitlements under the Rights Issue with Warrants and any outstanding Warrant B 2013/2018 held as at the LPD is exercised after the Rights Issue with Warrants and the Bonus Issue. As at the LPD, the outstanding Warrant B 2013/2018 held by the Directors are as follows:*

	Direct	Indirect
Jen. Tan Sri Yaacob Bin Mat Zain (R)	-	6,082[3]
Tan Sri Leong	-	37,401,503[4]
Dato' Lim Kiu Hock	135,360	-
Leong Yuet Mei	-	37,674[3]

(2) *Our Directors do not hold any Convertible Bonds as at the LPD.*

(3) *Deemed interested by virtue of shareholdings of family member(s) pursuant to Section 134(12)(c) of the Act.*

(4) *Deemed interested by virtue of shareholdings in Mayang Teratai pursuant to Section 6A of the Act and shareholdings of family member(s) pursuant to Section 134(12)(c) of the Act.*

5. SUBSIDIARIES AND ASSOCIATED COMPANY

The subsidiaries and associated company of our Company as at the LPD are as follows:

Company	Date / Place of incorporation	Issued and paid-up share capital RM (unless stated otherwise)	Effective equity interest	Principal activities
			%	
Subsidiary Companies				
Capitol Avenue Development Sdn Bhd	25.02.2011 / Malaysia	2,500,002.00	100	Property development
Convention City Development Sdn Bhd	04.09.2012 / Malaysia	3,200,000.00	51	Property development
Dsara Sentral Sdn Bhd *(formerly known as Intramewah Development Sdn Bhd)*	09.03.2004 / Malaysia	5,000,000.00	100	Property development
Elite Park Development Sdn Bhd	25.11.2010 / Malaysia	2,500,002.00	100	Property development
Enchanting Heights Sdn Bhd	03.04.2013 / Malaysia	2,500,002.00	100	Property development
Enchanting View Development Sdn Bhd	05.12.2013 / Malaysia	2,500,002.00	100	Property development
Enrich Property Development Sdn Bhd	08.02.2007 / Malaysia	2,500,002.00	100	Property development
Garden Vista Development Sdn Bhd	06.12.2013 / Malaysia	2.00	100	Dormant
Gentali Motor Corpn. Sdn Bhd	07.05.1991 / Malaysia	3,000,000.00	60.5	Inactive
Golden Venice Development (MM2H) Sdn Bhd	10.03.2006 / Malaysia	50,000.00	100	Promote and market Malaysia My Second Home Programme and provide related services
Grand Prestige Development Sdn Bhd	18.01.2010 / Malaysia	2,500,002.00	100	Property development
Icon City Development Sdn Bhd *(formerly known as Sierra Peninsular Development Sdn Bhd)*	24.04.2006 / Malaysia	2,500,002.00	100	Property development and property investment
Idealvista Development Sdn Bhd	27.11.2014 / Malaysia	2.00	100	Dormant
Jastamax Sdn Bhd	22.03.1996 / Malaysia	3,000,000.00	100	Property development
Klassik Tropika Development Sdn Bhd	19.08.2009 / Malaysia	2,500,002.00	100	Property development
Konsortium Lingkaran Lembah Kinta Sdn Bhd	10.05.1996 / Malaysia	100.00	51	Dormant
Legend Grand Development Sdn Bhd	07.12.2004 / Malaysia	2,500,002.00	100	Property development
Liberty Property Management Sdn Bhd	03.03.2011 / Malaysia	2.00	100	Property management
Loyal Sierra Development Sdn Bhd	13.12.2005 / Malaysia	2,500,002.00	100	Property development
Mah Sing Development Sdn Bhd	06.10.2011 / Malaysia	2.00	100	Property development
Mah Sing Enterprise Sdn Bhd	19.02.1980 / Malaysia	200,000.00	100	Trading of plastics and other related products
Mah Sing Trading Sdn Bhd	03.05.1994 / Malaysia	2,500,001.00	100	Trading of building materials
Mah Sing International (HK) Limited	02.12.2009 / Hong Kong	HKD 1.00	100	Investment holding
Mah Sing International Ltd	10.08.2007 / British Virgin Islands	USD 1.00	100	Investment holding

Company	Date / Place of incorporation	Issued and paid-up share capital RM (unless stated otherwise)	Effective equity interest	Principal activities
			%	
Mah Sing Investment Singapore Pte Ltd	08.06.2007 / Singapore	SGD 1.00	100	Promotion, marketing and provision of services related to property development.
Mah Sing Plastics Industries Sendirian Berhad	15.10.1979 / Malaysia	20,000,000.00	100	Manufacture of plastic moulded products and property development
Mah Sing Properties Sdn Bhd	24.05.1993 / Malaysia	10,000,000.00	100	Property development and investment holding
Mah Sing Utilities Sdn Bhd *(formerly known as Octland Property Management Sdn Bhd)*	23.10.2014 / Malaysia	600,000.00	100	Provision of utilities and management services
Major Land Development Sdn Bhd	29.06.2011 / Malaysia	2,500,002.00	100	Property development
Marvellous Vantage Sdn Bhd	17.03.2011 / Malaysia	2.00	100	Property investment
Maxim Heights Sdn Bhd	14.09.2006 / Malaysia	2,500,002.00	100	Property development
Mediterranean View Development Sdn Bhd	22.03.2013 / Malaysia	2,500,002.00	100	Property development
Meridin Hospitality Sdn Bhd	02.08.2013 / Malaysia	2.00	100	Dormant
MS Lakecity Sdn Bhd *(formerly known as Mah Sing Group Ventures Sdn Bhd and prior to that, Grand Pavilion Development Sdn Bhd)*	14.08.2009 / Malaysia	2,500,002.00	100	Property development
Multi Synergy Group Sdn Bhd	08.02.1994 / Malaysia	2,500,002.00	100	Property development
Myvilla Development Sdn Bhd	12.01.2009 / Malaysia	2,500,002.00	100	Property development
Nature Legend Development Sdn Bhd	10.07.2013 / Malaysia	2.00	100	Property development
Nova Century Development Sdn Bhd	04.04.2005 / Malaysia	2,500,002.00	100	Property development
Nova Indah Development Sdn Bhd	10.04.2012 / Malaysia	2.00	100	Property development
Nova Legend Development Sdn Bhd	11.04.2005 / Malaysia	2,500,002.00	100	Property development
Oasis Garden Development Sdn Bhd	17.09.2007 / Malaysia	5,000,000.00	100	Property development
Peninsular Connection Sdn Bhd	13.10.1995 / Malaysia	2.00	100	Inactive
Pleasant Network Sdn Bhd	06.02.1996 / Malaysia	2.00	100	Inactive
Sanjung Tropika Development Sdn Bhd	18.07.2013 / Malaysia	5,000,000.00	100	Property development
Semai Meranti Sdn Bhd	28.01.1994 / Malaysia	2,500,002.00	100	Property development
Southville City Sdn Bhd *(formerly known as Tristar Acres Sdn Bhd)*	12.09.2007 / Malaysia	2,500,002.00	100	Property development
Star Residence Sdn Bhd	09.03.2006 / Malaysia	2,600,000.00	100	Property development
Superior Focus Sdn Bhd	24.06.1996 / Malaysia	2,000,000.00	80	Inactive
Supreme Springs Sdn Bhd	09.08.2007 / Malaysia	2,500,002.00	100	Property development
Suria Lagenda Development Sdn Bhd	20.10.2006 / Malaysia	2.00	100	Dormant

Company	Date / Place of incorporation	Issued and paid-up share capital RM (unless stated otherwise)	Effective equity interest	Principal activities
			%	
Tanda Klasik Development Sdn Bhd	01.04.2013 / Malaysia	2.00	100	Dormant
Tropika Istimewa Development Sdn Bhd	30.03.2012 / Malaysia	250,002.00	100	Property development
Uptrend Housing Development Sdn Bhd	13.10.2010 / Malaysia	2,500,002.00	100	Property development
Venice View Development Sdn Bhd	30.09.2005 / Malaysia	2,500,002.00	100	Property development
Vienna Home Sdn Bhd	17.04.2007 / Malaysia	2,500,002.00	100	Property development
Vienna View Development Sdn Bhd	29.03.2006 / Malaysia	2,500,002.00	100	Property development
Vital Roles Sdn Bhd	05.12.1996 / Malaysia	2,800,000.00	90	Inactive
Vital Routes Sdn Bhd	13.12.1994 / Malaysia	2.00	100	Investment holding
Subsidiary companies of Mah Sing Properties Sdn Bhd				
Acacia Springs Management Sdn Bhd	06.07.1995 / Malaysia	2.00	100	Property management
Mestika Bistari Sdn Bhd	28.02.1994 / Malaysia	2,500,002.00	100	Property development
Mestika Kenangan Sdn Bhd	18.03.1997 / Malaysia	2.00	100	Property management
MS Icon Property Services Sdn Bhd	29.09.2005 / Malaysia	2.00	100	Property management
Prima Peninsular Development Sdn Bhd	20.04.2004 / Malaysia	2.00	100	Property management
Quantum Noble Development Sdn Bhd	15.03.2005 / Malaysia	2.00	100	Property management
Subsidiary company of Pleasant Network Sdn Bhd				
Vican Technology Sdn Bhd*	23.01.1996 / Malaysia	2,443,750.00	68	Inactive
Subsidiary company of Vican Technology Sdn Bhd				
Vican Electronics Sdn Bhd	25.07.1994 / Malaysia	600,000.00	68	Inactive
Subsidiary company of Vital Routes Sdn Bhd				
P.T. Mah Sing Indonesia	21.12.1995 / Indonesia	USD 5,000,000.00	65	Manufacture of plastic moulded products
Subsidiary companies of Mah Sing International Ltd				
Mah Sing Vietnam Ltd^	10.08.2007 / British Virgin Islands	USD 1.00	100	Dormant
Mah Sing Vina Ltd^	13.12.2007 / British Virgin Islands	USD 1.00	100	Dormant
Subsidiary company of Mah Sing Plastics Industries Sendirian Berhad				
Kenwira Sdn Bhd	11.09.1995 / Malaysia	100.00	100	Assembly of helmets

Company	Date / Place of incorporation	Issued and paid-up share capital RM (unless stated otherwise)	Effective equity interest	Principal activities
			%	
<u>Associated Company</u>				
Prestige Greenery Sdn Bhd	13.12.1994 / Malaysia	98,750.00	39.5	Dormant

Notes:

* *This subsidiary company is under court winding-up and was deconsolidated from the Group's results since financial year 2000. The cost of investment in this subsidiary company had been fully provided for.*

^ *Has not been consolidated as its immediate holding company was deconsolidated from the Group.*

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6. PROFIT AND DIVIDEND RECORD

Our profit and dividend records based on our audited consolidated financial statements for the last 3 financial years from the FYE 31 December 2011 to 31 December 2013 and the unaudited consolidated interim financial statements for the 9-month FPE 30 September 2014 are set out below. Although our Group is also involved in the manufacture, assembly and sale of a range of plastic moulded products, this business segment had contributed only 3.1% of our Group's operating profits for the unaudited 9-month FPE 30 September 2014.

	Audited FYE 31 December			Unaudited FPE 30 September
	2011	2012	2013	2014
	RM 000	RM 000	RM 000	RM 000
Revenue	1,570,696	1,775,260	2,005,596	2,060,772
Cost of sales	(1,138,700)	(1,252,001)	(1,396,936)	(1,500,970)
Gross profit	431,996	523,259	608,660	559,802
Other income	12,601#	35,975	24,387	7,905
Selling and marketing expenses	(68,568)	(96,125)	(122,771)	(110,446)
Administrative expenses	(97,478)	(117,598)	(136,424)	(117,733)
Other operating expenses	(45,401)	(32,217)	(5,104)	-
Results from operating activities	233,150	313,294	368,748	339,528
Interest income	8,517#	4,431	6,013	4,157
Finance costs	(3,039)	(2,202)	(3,257)	(2,809)
Profit before taxation	238,628	315,523	371,504	340,876
Income tax expense	(69,991)	(83,755)	(92,243)	(86,655)
Profit after taxation	**168,637**	**231,768**	**279,261**	**254,221**
Earnings before interest, taxation, depreciation and amortisation	244,899	327,226	385,169	352,262
Attributable to:				
Equity holders of the Company (Profit after taxation and minority interest or "PATAMI")	168,556	230,617	280,616	254,701
Non-controlling interests	81	1,151	(1,355)	(480)
Weighted average number of Mah Sing Shares in issue (000):				
- basic	1,103,479*	1,107,571	1,303,917	1,436,388
- diluted	1,125,619*	1,122,179	1,413,648	1,518,126
EPS (sen):				
- basic	15.27*	20.82	21.52	17.73
- diluted	14.97*	20.55	19.85	16.78
Dividend per share (net) (sen):				
- first and final dividend	8.25	7.5	8.0	-
Profit margin:				
Gross profit margin (%)	27.5	29.5	30.3	27.2
Net profit margin (PATAMI) (%)	10.7	13.0	14.0	12.4

Notes:

\# *The figures have been reclassified to conform with 2013 and 2012 presentation.*

* *The figures have been restated to reflect the adjustment arising from a previous rights and bonus issue exercise, which were completed in 2013.*

Commentary on Financial Performance

Unaudited 9-month FPE 30 September 2014 ("**FPE 30 September 2014**")

For the FPE 30 September 2014, our Group recorded revenue and PATAMI of RM2,060.8 million and RM254.7 million respectively as compared to the revenue and PATAMI of RM1,435.4 million and RM209.9 million respectively for the unaudited 9-months FPE 30 September 2013 ("**FPE 30 September 2013**").

The increase in revenue and PATAMI of 43.6% and 21.3% respectively compared to the previous corresponding period was mainly attributed to the higher work progress and recognition of profit from our Group's ongoing development projects. Our Group's property segment recorded an increase in property development revenue of 50.0% from RM1,222.6 million for the FPE 30 September 2013 to RM 1,834.0 million for the FPE 30 September 2014 mainly due to higher contribution from the Icon City project in Petaling Jaya and M Residence project in Rawang.

The revenue of our Group's plastics segment had increased marginally by 2.6 % from RM178.1 million for the FPE 30 September 2013 to RM182.8 million for the FPE 30 September 2014 as a result of higher pallet sales.

FYE 31 December 2013

For the FYE 31 December 2013, our Group recorded revenue and PATAMI of RM2,005.6 million and RM280.6 million respectively as compared to the revenue and PATAMI of RM1,775.3 million and RM230.6 million respectively for the FYE 31 December 2012.

The increase in revenue and PATAMI of 13.0% and 21.7% respectively was mainly contributed by the increased contribution from our mixed developments, which mainly consist of residential and commercial components, in our Group's property segment. Our Group's property segment recorded an increase in property development revenue of 10.8% from RM1,554.5 million for the FYE 31 December 2012 to RM1,722.0 million for the FYE 31 December 2013.

The revenue of our Group's plastics segment had increased by 12.7 % from RM208.8 million for the FYE 31 December 2012 to RM235.4 million for the FYE 31 December 2013 as a result of higher pallet sales.

FYE 31 December 2012

For the FYE 31 December 2012, our Group recorded revenue and PATAMI of RM1,775.3 million and RM230.6 million respectively as compared to the revenue and PATAMI of RM1,570.7 million and RM168.6 million respectively for the FYE 31 December 2011.

The increase in revenue and PATAMI of 13.0% and 36.8% respectively was mainly contributed by our Group's property segment, which recorded an increase in property development revenue of 14.0% from RM1,363.7 million for the FYE 31 December 2011 to RM1,554.5 million for the FYE 31 December 2012 mainly due to increased contribution from residential developments. The property development margin had improved during the FYE 31 December 2012 as compared to the previous year due mainly due to changes in the property mix with higher contribution from residential developments.

The revenue of our Group's plastics segment had increased marginally by 3.1% from RM202.6 million for the FYE 31 December 2011 to RM208.8 million for the FYE 31 December 2012 as a result of higher pallet sales.

FYE 31 December 2011

For the FYE 31 December 2011, our Group recorded revenue and PATAMI of RM1,570.7 million and RM168.6 million respectively as compared to the revenue and PATAMI of RM1,110.1 million and RM118.1 million respectively for the FYE 31 December 2010.

The increase in revenue and PATAMI of 41.5% and 42.8% respectively was mainly contributed by increased contribution from residential and industrial developments in our Group's property segment, which recorded an increase in property development revenue of 47.5% from RM924.4 million for the FYE 31 December 2010 to RM1,363.7 million for the FYE 31 December 2011. The PATAMI for the FYE 31 December 2011 reflected the mix of properties delivered and had incorporated a provision of RM11.8 million for future operating lease commitments on a commercial building successfully sold en-bloc in 2009, as well as higher expenses incurred on share options granted to employees pursuant to the ESOS scheme.

The revenue of our Group's plastics segment has increased by 10.3% from RM183.6 million for the FYE 31 December 2010 to RM202.6 million for the FYE 31 December 2011 due to the increase in sales volume of all product segments from proprietary plastics pallets, original equipment manufacturer (OEM) parts for electrical and electronic products and automotive components.

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7. HISTORICAL SHARE PRICES

The monthly high and low prices of Mah Sing Shares traded on the Main Market of Bursa Securities from January 2014 up to December 2014 are as follows:

	High	Low
	RM	RM
2014		
January	2.25	1.93
February	2.04	1.94
March	2.13	2.01
April	2.25	2.09
May	2.24	2.16
June	2.23	2.16
July	2.34	2.19
August	2.42	2.27
September	2.52	2.34
October	2.45	2.28
November	2.41	2.27
December	2.37	2.02

Last transacted market price of Mah Sing Shares on 20 November 2014, being the last trading day prior to the date of announcement of among others, the Rights Issue with Warrants	2.31
Last transacted market price of Mah Sing Shares as at the LPD	2.28
Last transacted market price of Mah Sing Shares on 21 January 2015, being the last trading day prior to the ex-date for the Rights Issue with Warrants	2.25

(Source: Bloomberg Finance L.P.)

PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER

Deloitte.

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**INDEPENDENT ASSURANCE REPORT
ON THE COMPILATON OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION TO THE BOARD OF DIRECTORS OF MAH SING GROUP BERHAD ("MAH SING" OR "THE COMPANY")**

Report on the Compilation of Pro Forma Consolidated Statements of Financial Position

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position as at 31 December 2013 of Mah Sing and its subsidiary companies (collectively defined as "the Group") prepared by the Board of Directors of Mah Sing. The pro forma consolidated statements of financial position as at 31 December 2013, together with the accompanying notes, is set out in Appendix I, for which we have stamped for the purposes of identification. The pro forma consolidated statements of financial position have been prepared for the purpose of inclusion in the Abridged Prospectus to be dated 26 January 2015 in connection with the renounceable rights issue of 442,882,936 new ordinary shares of RM0.50 each in Mah Sing ("Mah Sing Shares") ("Rights Shares") together with 132,864,880 free detachable warrants ("Warrants"), subject to the issued and paid-up share capital of Mah Sing as at 5.00 p.m. on 26 January 2015 ("Entitlement Date"), on the basis of 3 Rights Shares for every 10 existing Mah Sing Shares held and 3 Warrants for every 10 Rights Shares subscribed for by the entitled shareholders on the Entitlement Date at an issue price of RM1.42 per Rights Share ("Rights Issue with Warrants).

The applicable criteria on the basis of which the Board of Directors of Mah Sing has compiled the pro forma consolidated statements of financial position are as described in Note 1 of Appendix 1.

The pro forma consolidated statements of financial position have been compiled by the Board of Directors to illustrate the financial impact of events as set out in Notes 2 and 3 of the pro forma consolidated statements of financial position as if the events had taken place at 31 December 2013.

As part of this process, information about the Group's financial position has been extracted by the Board of Directors from the Group's financial statements for the year ended 31 December 2013, on which an audit report has been published.

The Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Directors of Mah Sing are responsible for compiling the pro forma consolidated statements of financial position on the basis set out in the notes, using financial statements prepared in accordance with Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the consolidated financial statements and accounting policies of the Group for the financial year ended 31 December 2013.

Our Responsibilities

Our responsibility is to express an opinion about whether the pro forma consolidated statements of financial position have been compiled, in all material respects, by the Board of Directors on the basis set out in the notes.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors of Mah Sing has compiled, in all material respects, the pro forma consolidated statements of financial position on the basis set out in the notes thereon.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial position used in compiling the pro forma consolidated statements of financial position.

The purpose of pro forma consolidated statements of financial position is solely to illustrate the impact of significant events or transactions on unadjusted financial position of the entity as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma consolidated statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The pro forma consolidated statements of financial position reflect the proper application of those adjustments to the unadjusted financial position.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma consolidated statements of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma consolidated statements of financial position have been compiled, in all material respects, on the basis set out in the notes, using financial statements prepared in accordance with Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the consolidated financial statements and accounting policies of the Group.

Other Matter

This report is issued solely for the purpose of inclusion in the Abridged Prospectus in connection with the abovementioned Rights Issue with Warrants and should not be used or relied upon for any other purpose. We accept no duty of responsibility and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any transaction other than the abovementioned Rights Issue with Warrants.

DELOITTE
AF 0080
Chartered Accountants

TEO SWEE CHUA
Partner – 2846/01/16(J)
Chartered Accountant

15 January 2015

APPENDIX I

MAH SING GROUP BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		Proforma I	Proforma II	Proforma III	Proforma IV	Proforma V	Proforma VI	Proforma VII
	As at 31 December 2013 RM Million	Exercise of Warrant B 2013/2018 and expiry of ESOS RM Million	After I and the cash payment for material land commitments RM Million	After II and the Rights Issue with Warrants RM Million	After III and the Bonus Issue RM Million	After IV and the payment of material land commitments RM Million	After V and the conversion of Convertible Bonds and exercise of Warrant B 2013/2018 RM Million	After VI and assuming the full exercise of Warrants RM Million
ASSETS								
NON-CURRENT ASSETS								
Property, plant & equipment	114.1	114.1	114.1	114.1	114.1	114.1	114.1	114.1
Prepaid lease payments	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
Investment properties	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0
Land held for property development	543.8	543.8	543.8	543.8	543.8	543.8	543.8	543.8
Intangible assets	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5
Deferred tax assets	75.5	75.5	75.5	75.5	75.5	75.5	75.5	75.5
Total Non-Current Assets	838.1	838.1	838.1	838.1	838.1	838.1	838.1	838.1
CURRENT ASSETS								
Property development costs	2,258.6	2,258.6	2,258.6	2,258.6	2,258.6	3,602.5	3,602.5	3,602.5
Inventories	76.3	76.3	76.3	76.3	76.3	76.3	76.3	76.3
Trade and other receivables	581.7	581.7	716.1	716.1	716.1	581.7	581.7	581.7
Current tax assets	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Deposits, cash and bank balances	822.3	913.6	779.2	1,408.1	1,408.1	1,073.6	1,343.7	1,692.5
Total Current Assets	3,745.4	3,836.7	3,836.7	4,465.6	4,465.6	5,340.6	5,610.7	5,959.5
TOTAL ASSETS	4,583.5	4,674.8	4,674.8	5,303.7	5,303.7	6,178.7	6,448.8	6,797.6
EQUITY AND LIABILITIES								
CAPITAL AND RESERVES								
Share capital	706.6	738.2	738.2	959.6	1,199.5	1,199.5	1,435.8	1,518.9
Share premium	331.7	394.8	394.8	781.0	541.1	541.1	943.3	1,230.3
Warrant reserve	46.8	43.4	43.4	64.7	64.7	64.7	21.3	-
Other reserves	33.2	21.8	21.8	21.8	21.8	21.8	4.7	4.7
Retained earnings	834.0	845.4	845.4	845.4	845.4	845.4	822.6	822.6
Equity attributable to equity holders of the Company	1,952.3	2,043.6	2,043.6	2,672.5	2,672.5	2,672.5	3,227.7	3,576.6
Non-controlling interests	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
TOTAL EQUITY	1,963.3	2,054.6	2,054.6	2,683.5	2,683.5	2,683.5	3,238.7	3,587.5
NON-CURRENT LIABILITIES								
Redeemable convertible secured bonds	283.7	283.7	283.7	283.7	283.7	283.7	-	-
Term loans	756.4	756.4	756.4	756.4	756.4	1,631.4	1,631.4	1,631.4
Long-term and deferred payables	84.7	84.7	84.7	84.7	84.7	84.7	84.7	84.7
Deferred tax liabilities	19.2	19.2	19.2	19.2	19.2	19.2	17.8	17.8
Total Non-Current Liabilities	1,144.0	1,144.0	1,144.0	1,144.0	1,144.0	2,019.0	1,733.9	1,733.9
CURRENT LIABILITIES								
Trade and other payables	1,370.2	1,370.2	1,370.2	1,370.2	1,370.2	1,370.2	1,370.2	1,370.2
Term loans	74.9	74.9	74.9	74.9	74.9	74.9	74.9	74.9
Short-term borrowings	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Bank overdrafts	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Current tax liabilities	21.8	21.8	21.8	21.8	21.8	21.8	21.8	21.8
Total Current Liabilities	1,476.2	1,476.2	1,476.2	1,476.2	1,476.2	1,476.2	1,476.2	1,476.2
TOTAL LIABILITIES	2,620.2	2,620.2	2,620.2	2,620.2	2,620.2	3,495.2	3,210.1	3,210.1
TOTAL EQUITY AND LIABILITIES	4,583.5	4,674.8	4,674.8	5,303.7	5,303.7	6,178.7	6,448.8	6,797.6
Number of Mah Sing Shares in issue (million)	1,413.6	1,476.3	1,476.3	1,919.2	2,399.0	2,399.0	2,871.7	3,037.8
Total deposits, cash and bank balances (RM million)	822.3	913.6	779.2	1,408.1	1,408.1	1,073.6	1,343.7	1,692.5
Total borrowings (RM million)	1,129.6	1,129.6	1,129.6	1,129.6	1,129.6	2,004.6	1,721.1	1,721.1
Net debt/(cash) (RM million)	307.5	216.2	350.6	(278.3)	(278.3)	931.2	377.4	28.6
NA per share (RM)	1.38	1.38	1.38	1.39	1.11	1.11	1.12	1.18
Gross gearing (times)	0.58	0.55	0.55	0.42	0.42	0.75	0.53	0.48
Net gearing (times)	0.16	0.11	0.17	N/A	N/A	0.35	0.12	0.01

APPENDIX I

MAH SING GROUP BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1. BASIS OF PREPARATION

The pro forma consolidated statements of financial position have been prepared based on the audited financial statements of Mah Sing Group Berhad ("Mah Sing" or "the Company") and its subsidiary companies ("the Group") for the financial year ended 31 December 2013 in accordance with Financial Reporting Standards in Malaysia, and in a manner consistent with both the format of the financial statements and the accounting policies of the Group.

The pro forma consolidated statements of financial position of the Group have been prepared for illustrative purpose only, to show the effects on the audited consolidated statement of financial position of the Group as at 31 December 2013, had the adjustments described in Note 2 and the Corporate Exercise described in Note 3 have been effected on that date, and should be read in conjunction with the notes thereto.

2. ADJUSTMENTS RELATING TO MATERIAL EVENTS SUBSEQUENT TO THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The audited consolidated statement of financial position as at 31 December 2013 of the Group has been adjusted for the following material events subsequent to the financial year ended 31 December 2013 and up to 8 January 2015, which is the latest practicable date ("LPD"):

(a) the actual exercise of 52.6 million options under Mah Sing's Employees Share Option Scheme ("ESOS"), the lapsing of 2.3 million ESOS and the actual exercise of 10.1 million Warrant B 2013/2018; and

(b) the cash payment of material land commitments of RM134.4 million as at 8 January 2015 which were financed through existing cash balances.

3. THE CORPORATE EXERCISE

The pro forma consolidated statements of financial position have been prepared to show the effects of Mah Sing's renounceable rights issue of 442,882,936 new ordinary shares of RM0.50 each in Mah Sing ("Mah Sing Shares") ("Rights Shares") together with 132,864,880 free detachable warrants ("Warrants"), subject to the issued and paid-up share capital of Mah Sing as at 5.00 p.m. on 26 January 2015 ("Entitlement Date"), on the basis of 3 Rights Shares for every 10 existing Mah Sing Shares held and 3 Warrants for every 10 Rights Shares subscribed for by the entitled shareholders on the Entitlement Date at an issue price of RM1.42 per Rights Share ("Rights Issue with Warrants").

The pro forma consolidated statements of financial position have also incorporated the following effects:

(a) the bonus issue of new Mah Sing Shares to be credited as fully paid-up on the basis of 1 bonus share for every 4 Mah Sing Shares held after the Rights Issue with Warrants ("Bonus Issue");

(b) the payment of material land commitments through proceeds raised under the Rights Issue with Warrants, internally generated funds and borrowings;

(c) full exercise and conversion of the remaiming Warrants B 2013/2018 and 7-year RM325 million nominal value convertible secured bonds ("Convertible Bonds"); and

(d) full exercise of the Warrants.

4. PROPOSED UTILISATION OF PROCEEDS ARISING FROM THE RIGHTS ISSUE WITH WARRANTS ("RIGHTS ISSUE PROCEEDS")

The Rights Issue Proceeds is proposed to be utilised as set out below:

Details of utilisation	Timeframe	RM Million
Land acquisition and property development activities[1]	Within 24 months	530.0
General working capital of Mah Sing Group	Within 12 months	90.9
Estimated expenses in relation to the Rights Issue with Warrants	Within 6 months	8.0
Total gross proceeds[2][3]		628.9

Notes:

(1) Up to RM530.0 million of the Rights Issue Proceeds is proposed to be utilised for Mah Sing's acquisition of landbanks and property development activities.

Expenditure for property development activities shall include, among others, contributions in respect of joint developments of land such as capital or equity investment outlay and payment of landowners' entitlements, pre-development feasibility expenses and costs, payments to contractors, suppliers and consultants and also contribution payments to the relevant authorities in respect of property development activities.

At this juncture, Mah Sing has earmarked approximately RM370.0 million for the part payment of the following land:

i) a freehold land held under title GRN 53585, Lot 3306 Mukim Rantau, Daerah Seremban, Negeri Sembilan ("Seremban Land") with the purchase consideration of RM359,557,153.36 and potential gross development value ("GDV") of approximately RM7.5 billion; and

ii) a leasehold land held under title PN95951, Lot 827, Pekan Desa Puchong, Daerah Petaling, Negeri Selangor ("Puchong Land") with the purchase consideration of RM656,896,779.00 and potential GDV of approximately RM9.3 billion.

Part of the RM370.0 million is used to replenish previous payment already made for the Seremban Land and Puchong Land of RM36.0 million and RM65.7 million respectively, as well as to fund payments expected to be made over the next 12 months for the Seremban Land and Puchong Land totaling RM268.3 million, the split of which would depend on the amount of borrowings to be obtained for balance payment of the land. Should there be a difference in the actual amount to be paid for the part payment of the Seremban Land and/or Puchong Land, the said difference shall be allocated for general working capital purposes.

These acquisitions will allow Mah Sing to secure prime landbanks located at current property development hotspots which is in line with Mah Sing's strategy to continuously scale up development in locations with strong growth potential to replenish gross development value and provide greater sustainability to future earnings.The remaining RM160.0 million will be utilised for property development activities.

(2) *Any difference between the actual gross proceeds to be raised and the Rights Issue Proceeds or any deviation of the actual expenses in relation to the Corporate Exercise will be correspondingly adjusted to the amount allocated for the general working capital of Mah Sing.*

(3) *Excludes additional gross proceeds arising from the additional Rights Shares which may be issued pursuant to the exercise of outstanding Warrant B 2013/2018 as at the LPD, between the Price-Fixing Date and the Entitlement Date. Such proceeds will be allocated for the general working capital of Mah Sing.*

The gross proceeds to be raised from the exercise of the Warrants are dependent on the total number of Warrants exercised during the tenure of the Warrants. The gross proceeds to be raised from the exercise of Warrants will be utilised for working capital as and when required, whenever the Warrants are exercised over the 5-year tenure of the Warrants.

5. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

PRO FORMA I

Pro forma I incorporates the followings:

(i) actual exercise of 52.6 million ESOS from 1 January 2014 to the expiry of ESOS on 10 July 2014 at the following exercise prices:

Exercise price (RM)	0.50	1.24	1.44	2.03	2.00
Number of shares issued ('000)	24	34,768	13,371	3,506	918

Pro forma I also incorporates the lapsing of 2.3 million ESOS upon expiry of the ESOS on 10 July 2014.

(ii) actual exercise of 10.1 million Warrant B 2013/2018 from 1 January 2014 to 8 January 2015 at an exercise price of RM1.98.

The actual exercise of ESOS and Warrant B 2013/2018 from 1 January 2014 to 8 January 2015 have the following impacts on the pro forma consolidated statements of financial position:

	Increase/(Decrease)	
	Effect on Total Assets RM Million	Effects on Total Equity and Liabilities RM Million
Deposits, cash and bank balances	91.3	-
Share capital	-	31.4
Share premium	-	63.1
Warrant reserve	-	(3.2)
Reserves	-	(11.4)
Retained earnings	-	11.4

The reclassification from reserves to retained earnings of RM11.4 million, being the equity-settled employees benefit reserve arising from exercise of 52.6 million ESOS (RM14.5 million) and the lapsing of 2.3 million ESOS (RM0.6 million), net of recognition of share-based payment amounting to RM3.7 million from 1 January 2014 to 8 January 2015.

APPENDIX I

PRO FORMA II

Pro forma II incorporates Pro forma I and the cash payment of material land commitments of RM134.4 million as at 8 January 2015 representing 10% deposits in relation to the acquisition of three parcels of land located at Sultan Salahuddin Abdul Aziz Golf Course, Seremban and Puchong. The said payments were financed through existing cash balances.

The cash payment of material land commitments has the following impact on the pro forma consolidated statements of financial position:

	Increase/(Decrease)	
	Effect on Total Assets RM Million	Effects on Total Equity and Liabilities RM Million
Trade and other receivables	134.4	-
Deposits, cash and bank balances	(134.4)	-

PRO FORMA III

Pro forma III incorporates Pro forma II and the effects of the Rights Issue with Warrants. A total of 442.9 million Rights Shares and 132.9 million Warrants will be issued on the basis of three (3) Rights Shares for every ten (10) existing Mah Sing Shares by the entitled shareholders at an issue price of RM1.42 per Rights Share and three Warrants for every ten (10) Rights Shares subscribed. For illustrative purpose, the Warrants are assumed to have a fair value of RM0.16 each based on the Black-Scholes option pricing Model.

The Rights Issue with Warrants will have the following impact on the pro forma consolidated statements of financial position:

	Increase/(Decrease)	
	Effect on Total Assets RM Million	Effects on Total Equity and Liabilities RM Million
Deposits, cash and bank balances	628.9	-
Share capital	-	221.4
Share premium	-	386.2
Warrant reserve	-	21.3

The pro forma has not taken into consideration any expenses in relation to the Rights Issue with Warrants and the Bonus Issue, which may be deducted against the share premium arising from the issuance of the Rights Shares.

APPENDIX I

PRO FORMA IV

Pro forma IV incorporates Pro forma III and the effects of Bonus Issue. A total of 479.8 million Mah Sing Shares will be issued through the capitalisation of share premium of RM239.9 million.

The Bonus Issue will have the following impact on the pro forma consolidated statements of financial position:

	Increase/(Decrease)	
	Effect on Total Assets RM Million	Effects on Total Equity and Liabilities RM Million
Share capital	-	239.9
Share premium	-	(239.9)

PRO FORMA V

Pro forma V incorporates Pro forma IV and assuming the payment of material land commitments of RM334.5 million representing the part payments for the acquisition of land located in Sultan Salahuddin Abdul Aziz Golf Course, Seremban and Puchong respectively. The said material land commitments are assumed to be financed through the proceeds raised under the Rights Issue with Warrants and internally generated funds.

The payment of material land commitments will have the following impact on the pro forma consolidated statements of financial position:

	Increase/(Decrease)	
	Effect on Total Assets RM Million	Effects on Total Equity and Liabilities RM Million
Property development costs	1,343.9	-
Trade and other receivables	(134.4)	-
Deposits, cash and bank balances	(334.5)	-
Term loans	-	875.0

The above adjustments represent acquisition of 3 parcels of land located at Sultan Salahuddin Abdul Aziz Golf Course, Seremban and Puchong for a total consideration of RM1,343.9 million. After taking into consideration of payment of material land commitments in Pro forma II and pro forma V amounting to RM134.4 million and RM334.5 million respectively, the remaining amount of RM875.0 million will be financed through borrowings.

APPENDIX I

PRO FORMA VI

Pro forma VI incorporates Pro forma V and assuming the full exercise of the remaining Warrant B 2013/2018 and conversion of Convertible Bonds. In accordance with the terms of Deed Poll for Warrant B 2013/2018 and trust deed for the Convertible Bonds ("Governing Documents"), the exercise price of Warrant B 2013/2018 and the corresponding number of Convertible Bonds and the resultant Mah Sing Shares will be adjusted consequent to the Rights Issue with Warrants and the Bonus Issue and the combined adjustment factor of 0.7304 is adopted for such effects. The assumed transactions are as follows:

(i) full exercise of remaining 187.6 million Warrant B 2013/2018 into 187.6 million Mah Sing Shares at an adjusted exercise price of RM1.44. The Warrant B 2013/2018 are adjusted from 137.0 million to 187.6 million while the exercise price is adjusted from RM1.98 to RM1.44; and

(ii) conversion of Convertible Bonds into Mah Sing Shares at an adjusted conversion price of RM1.14. The conversion price is adjusted from RM1.57 to RM1.14 resulting in the number of Mah Sing Shares to be issued from the Convertible Bonds increases from 207.0 million to 285.1 million.

The full exercise of remaining Warrant B 2013/2018 and conversion of Convertible Bonds will have the following impacts on the pro forma consolidated statements of financial position:

	Increase/(Decrease)	
	Effect on Total Assets RM Million	Effects on Total Equity and Liabilities RM Million
Deposits, cash and bank balances	270.1	-
Share capital	-	236.3
Share premium	-	402.2
Warrant reserve	-	(43.4)
Other reserves	-	(17.1)
Retained earnings	-	(22.8)
Redeemable convertible secured bonds	-	(283.7)
Deferred tax liabilities	-	(1.4)

PRO FORMA VII

Pro forma VII incorporates Pro forma VI and assuming the full exercise of 166.1 million Warrants into 166.1 million Mah Sing Shares at an exercise price of RM2.10 per Warrant. In accordance with the Deed Poll for the Warrants, the number of Warrants and exercise price may be adjusted consequent to a bonus issue. For illustrative purpose, an adjustment factor of 4/5 or 0.8 is adopted to illustrate the effect of the Bonus Issue and the number of Warrants are adjusted from 132.9 million to 166.1 million while the exercise price is adjusted from RM2.63 to RM2.10 per Warrant.

APPENDIX I

The full exercise of Warrants will have the following impact on the pro forma consolidated statements of financial position:

	Increase/(Deerease)	
	Effeet on Total Assets RM Million	Effects on Total Equity and Liabilities RM Million
Cash and bank balances	348.8	-
Share capital	-	83.1
Share premium	-	287.0
Warrant reserve	-	(21.3)

6. DEPOSITS, CASH AND BANK BALANCES

The movement in the deposits, cash and bank balances of the Group are as follows:

	RM Million
As at 31 December 2013	822.3
Arising from exercise of Warrant B 2013/2018 and expiry of ESOS	91.3
As per Pro Forma I	913.6
Cash payment of material land commitments through existing cash balances	(134.4)
As per Pro Forma II	779.2
Arising from Rights Issue with Warrants	628.9
As per Pro Forma III	1,408.1
Arising from Bonus Issue	-
As per Pro Forma IV	1,408.1
Payment of material land commitments through proceeds raised under the Rights Issue with Warrants, internally generated funds and borrowings	(334.5)
As per Pro Forma V	1,073.6
Arising from conversion of Convertible Bonds and exercise of Warrant B 2013/2018	270.1
As per Pro Forma VI	1,343.7
Arising from full exercise of Warrants	348.8
As per Pro Forma VII	1,692.5

Company No. 230149-P

APPENDIX I

7. SHARE CAPITAL AND RESERVES

The movement in the share capital and reserves of the Group are as follows:

	Share capital Unit Million	Share capital RM Million	Share premium RM Million	Warrant reserve RM Million	Other reserves RM Million	Retained earnings RM Million	Total RM Million
As at 31 December 2013	1,413.6	706.8	331.7	46.6	33.2	834.0	1,952.3
Arising from exercise of Warrant B 2013/2018 and expiry of ESOS	62.7	31.4	63.1	(3.2)	(11.4)	11.4	91.3
As per Pro Forma I	1,476.3	738.2	394.8	43.4	21.8	845.4	2,043.6
Cash payment of material land commitments through existing cash balances	-	-	-	-	-	-	-
As per Pro Forma II	1,476.3	738.2	394.8	43.4	21.8	845.4	2,043.6
Arising from Rights Issue with Warrants	442.9	221.4	386.2	21.3	-	-	628.9
As per Pro Forma III	1,919.2	959.6	781.0	64.7	21.8	845.4	2,672.5
Arising from Bonus Issue	479.8	239.9	(239.9)	-	-	-	-
As per Pro Forma IV	2,399.0	1,199.5	541.1	64.7	21.8	845.4	2,672.5
Payment of material land commitments through proceeds raised under the Rights Issue with Warrants, internally generated funds and borrowings	-	-	-	-	-	-	-
As per Pro Forma V	2,399.0	1,199.5	541.1	64.7	21.8	845.4	2,672.5
Arising from conversion of Convertible Bonds and exercise of Warrant B 2013/2018	472.7	236.3	402.2	(43.4)	(17.1)	(22.8)	555.2
As per Pro Forma VI	2,871.7	1,435.8	943.3	21.3	4.7	822.6	3,227.7
Arising from full exercise of Warrants	166.1	83.1	287.0	(21.3)	-	-	348.8
As per Pro Forma VII	3,037.8	1,518.9	1,230.3	-	4.7	822.6	3,576.5

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT

CERTIFIED TRUE COPY

16 JAN 2015

YANG BAO YING
Company Secretary
MAICSA 7041240

MAH SING GROUP BERHAD

(Incorporated in Malaysia)

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Company No. 230149-P

MAH SING GROUP BERHAD
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

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MAH SING GROUP BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors are pleased to submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to subsidiary companies in the Group. The principal activities of the subsidiary companies are set out in Note 18 to the Financial Statements. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

RESULTS

The results of the Group and of the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Profit attributable to:		
Equity holders of the Company	280,616	147,639
Non-controlling interests	(1,355)	-
	279,261	147,639

In the opinion of the Directors, the results of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

On 20 September 2013, the Company paid a first and final dividend of 7.6 sen per ordinary share of RM0.50 each, comprising 0.4 sen per share, less income tax of 25%, and single-tier dividend of 7.2 sen per share, totalling RM104,075,091 in respect of the financial year ended 31 December 2012 as approved by the shareholders at the last Annual General Meeting.

The Directors have proposed a first and final single-tier dividend of 8.0 sen per ordinary share of RM0.50 each in respect of the current financial year. The proposed first and final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements for the current financial year. Such dividend, when approved by shareholders, will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2014.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM419,933,655 to RM706,806,627 by way of:

(a) issuance of 12,986,863 new ordinary shares of RM0.50 each pursuant to the exercise of employees' share options at the following exercise prices;

Exercise price	(RM)	0.50	1.24	1.44	1.49	1.65	1.74
No of shares issued	('000)	6	2,174	229	9,039	432	1,107

(b) issuance of 280,099,803 new ordinary shares of RM0.50 each together with up to 168,059,241 free detachable warrants on the basis of 1 Rights Share for every 3 existing ordinary shares of RM0.50 each held and 3 warrants for every 5 Rights Shares subscribed at an issue price of RM1.42 per Rights Share;

(c) issuance of 53,991,791 and 465,712 new ordinary shares of RM0.50 each at an exercise price of RM1.98 and RM2.38 per ordinary share respectively pursuant to the exercise of Warrants; and

(d) issuance of 226,201,774 new ordinary shares of RM0.50 each pursuant to the Bonus Issue on the basis of 1 new ordinary share for every 5 existing ordinary shares of RM0.50 each held, by way of capitalisation of RM113,100,887 from the share premium account of the Company.

ISSUE OF SHARES AND DEBENTURES (continued)

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The Company did not issue any debentures during the financial year.

EMPLOYEES' SHARE OPTION SCHEME

At the Extraordinary General Meeting held on 8 March 2004, the Company's shareholders approved the establishment of an Employees' Share Option Scheme ("ESOS" or "Scheme") which is governed by the ESOS By-Laws ("By-Laws").

The salient features of the ESOS are as follows:

(a) The ESOS was implemented on 12 July 2004 and was in force for a period of 5 years ("Initial Period"). On 10 July 2009, the ESOS was extended for another 5 years up to 10 July 2014 in accordance with the terms of the ESOS By-Laws;

(b) The total number of new shares to be offered pursuant to the exercise of options granted under the ESOS ("Option") shall be subject to a maximum of 10% of the Company's issued and paid-up share capital at the time of the offer;

(c) Employees (including Executive Directors) of the Company or its subsidiary companies (other than dormant subsidiary companies) shall be eligible to participate in the ESOS, if as at the date of offer, the employee:

    (i) has attained the age of eighteen (18) years;
    (ii) is employed full-time by and on the payroll of the Company or its subsidiary companies; and
    (iii) is a confirmed employee of the Company or its subsidiary companies.

    The allocation criteria of new ordinary shares comprised in the options to eligible employees shall be determined at the discretion of the Option Committee. The participation of an Executive Director of the Company in the ESOS shall be approved by the shareholders of the Company in a general meeting;

(d) The price payable upon exercise of an Option shall be based on the weighted average market price of the Company's shares as shown in the Daily Official List of the Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of offer with an allowance of a discount of not more than 10%, or at the par value of the Company's share, whichever is higher;

EMPLOYEES' SHARE OPTION SCHEME (continued)

(e) Subject to any adjustments which may be made pursuant to the By-Laws, the maximum number of new shares that may be offered to an eligible employee shall be determined at the discretion of the Option Committee after taking into consideration the performance, seniority and length of service of the eligible employees, subject to the following:

  (i) not more than fifty per cent (50%) of the new shares available under the Scheme should be allocated, in aggregate, to the Executive Directors and senior management of the Group; and

  (ii) not more than ten per cent (10%) of the new shares available under the Scheme should be allocated to any eligible employee, who either singly or collectively through his or her associates, holds twenty per cent (20%) or more in the issued and paid-up capital of the Company.

(f) The new ordinary shares to be issued upon exercise of the Options shall, upon allotment and issue, rank pari passu with the then existing ordinary shares, except that they will not be entitled to any dividends, rights, allotments and/or other distributions declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the Options; and

(g) The exercise price and the number of new ordinary shares comprised in the Options are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the By-Laws. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company.

During the financial year ended 31 December 2013, the exercise price and number of options over ordinary shares have been adjusted in accordance with the provisions of the By-Laws (as mentioned in item (g) above) as a result of the Rights and Bonus Issues.

The adjustments to the exercise price of ESOS are as follows:

	Exercise price per Option		
Offer Date	**Before adjustments RM**	**After Rights Issue RM**	**After Bonus Issue RM**
9 Jun 2006	0.64	0.58	0.50
25 Nov 2010	1.65	1.49	1.24
6 Dec 2010	1.65	1.49	1.24
30 July 2012	1.92	1.74	1.44

EMPLOYEES' SHARE OPTION SCHEME (continued)

The movements in the Company's Options are as follows:

	Number of options over ordinary shares of RM0.50 each (Unit' 000)						
Offer Date	At 1.1.2013	Adjusted for Rights Issue	Adjusted for Bonus Issue	Granted	Exercised	Lapsed	At 31.12.2013
9 Jun 2006	43	4	9	-	(6)	(1)	49
25 Nov 2010	37,584	3,796	6,304	-	(11,612)	(463)	35,609
6 Dec 2010	465	48	96	-	(33)	-	576
30 July 2012	12,725	1,294	2,399	-	(1,336)	(1,295)	13,787
3 Oct 2013	-	-	-	5,358	-	(1)	5,357
	50,817	5,142	8,808	5,358	(12,987)	(1,760)	55,378

WARRANTS

During the financial year, the Company issued 168,059,241 free detachable warrants pursuant to the Rights Issue with warrants. The Warrants are constituted by a Deed Poll dated 18 February 2013 ("Deed Poll").

The salient features of the Warrants are as follows:

(a) The issue date of the Warrants is 19 March 2013 and the expiry date is 18 March 2018. Any Warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;

(b) Each Warrant entitles the registered holder to subscribe for one (1) new ordinary share of RM0.50 in the Company at an exercise price of RM2.38 (adjusted to RM1.98) per ordinary share;

(c) The exercise price and the number of Warrants are subject to adjustments in the event of alteration to the share capital of the Company in accordance with the provisions of the Deed Poll. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company;

(d) The Warrant holders are not entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new warrants pursuant to adjustment as mentioned in item (c) above), until and unless such holders exercise the rights under the Warrants to subscribe for new ordinary shares; and

WARRANTS (continued)

(e) The new ordinary shares to be issued upon exercise of the Warrants shall, upon allotment and issue, rank pari passu with the then existing ordinary shares, including the entitlement to dividends, rights, allotments or other distributions, except that they will not be entitled to the rights, allotments or other distributions declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the Warrants.

During the financial year ended 31 December 2013, the exercise price and the number of Warrants have been adjusted in accordance with the provisions of the Deed Poll (as mentioned in item (c) above) as a result of the Bonus Issue. The exercise price was adjusted from RM2.38 to RM1.98.

The movements in the Company's Warrants are as follows:

	Number of warrants (Unit' 000)				
	At 1.1.2013	Granted	Adjusted for Bonus Issue	Exercised	At 31.12.2013
Number of unexercised Warrants	-	168,059,241	33,518,111	(54,457,503)	147,119,849

OTHER STATUTORY INFORMATION

Before the statements of profit or loss, statements of profit or loss and other comprehensive income and the statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

OTHER STATUTORY INFORMATION (continued)

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen and render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year and secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year.

DIRECTORS

The Directors who have held office since the date of the last report are as follows:

Jen. Tan Sri Yaacob Bin Mat Zain (R)
Tan Sri Dato' Sri Leong Hoy Kum
Dato' Ng Poh Seng
Dato' Lim Kiu Hock
Leong Yuet Mei
Captain Izaham Bin Abd. Rani (R)
Loh Kok Leong

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of the Directors who held office at the end of the financial year in the ordinary shares, warrants and options over ordinary shares of the Company are as follows:

(a) **Shares in the Company**

	Number of ordinary shares of RM0.50 each (Unit' 000)					
	At 1.1.2013	**Addition**	**Rights Issue**	**Bonus Issue**	**Disposal**	**At 31.12.2013**
Direct interest						
Dato' Ng Poh Seng	20	827	7	-	(854)	-
Dato' Lim Kiu Hock	750	910	188	174	(1,722)	300
Indirect interest						
Jen. Tan Sri Yaacob Bin Mat Zain (R)*	25	-	9	7	-	41
Tan Sri Dato' Sri Leong Hoy Kum**	293,106	29,250	100,210	79,464	-	502,030
Leong Yuet Mei*	157	39	52	50	-	298

* Deemed interest by virtue of shareholding of family member(s).

** Deemed interest by virtue of shareholding of Mayang Teratai Sdn Bhd and his family member(s).

By virtue of Tan Sri Dato' Sri Leong Hoy Kum having an indirect interest of more than 15% of the shares in the Company, he is deemed to have interests in the shares of all the Company's subsidiary companies to the extent the Company has an interest.

DIRECTORS' INTERESTS (continued)

(b) Options Pursuant to ESOS in the Company

	Number of options over ordinary shares of RM0.50 each (Unit'000)						
	Exercise Price**	At 1.1.2013	Granted	Adjusted for Right Issue	Adjusted for Bonus Issue	Exercised	At 31.12.2013
Direct interest							
Tan Sri Dato' Sri Leong Hoy Kum	1.24	4,800	-	492	1,058	-	6,350
Dato' Ng Poh Seng	1.24	2,250	-	230	331	(827)	1,984
Dato' Lim Kiu Hock	1.24	2,250	-	230	414	(910)	1,984
Indirect interest							
Tan Sri Dato' Sri	1.24	2,375	-	243	524	-	3,142
Leong Hoy Kum*	1.44	200	-	21	44	-	265
	2.03	-	350	-	-	-	350
Leong Yuet Mei*	1.24	90	-	9	13	(33)	79
	1.44	45	-	4	9	(6)	52

* Deemed interest by virtue of options held by family member(s).
** Adjusted exercise price pursuant to the Rights and Bonus Issues.

(c) Warrants in the Company

	Number of warrants (Unit' 000)					
	At 1.1.2013	Granted ***	Adjusted for Bonus Issue	Exercised	Disposal	At 31.12.2013
Direct interest						
Dato' Ng Poh Seng	-	4	-	-	(4)	-
Dato' Lim Kiu Hock	-	113	22	-	-	135
Indirect interest						
Jen. Tan Sri Yaacob Bin Mat Zain (R)*	-	5	1	-	-	6
Tan Sri Dato' Sri Leong Hoy Kum**	-	60,127	12,025	(25,250)	-	46,902
Leong Yuet Mei*	-	32	6	-	-	38

DIRECTORS' INTERESTS (continued)

(c) Warrants in the Company (continued)

* Deemed interest by virtue of warrant holdings of family member(s).
** Deemed interest by virtue of warrant holdings of Mayang Teratai Sdn Bhd and his family member(s).
*** On 22 March 2013, the Rights Issue with warrants was completed following the listing and quotation for the 280,099,803 Rights Shares together with 168,059,241 warrants on the Main Market of Bursa Malaysia Securities Berhad.

None of the other Directors in office at the end of the financial year held any interest in the shares, warrants and options over ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Director of the Company has received or become entitled to receive any benefit (other than the fees, other emoluments and benefits-in-kind as disclosed in Note 42 to the Financial Statements) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest except for those benefits which may be deemed to have arisen by virtue of those transactions entered into in the ordinary course of business by the Company and its subsidiary companies with the Directors or the companies in which the Directors are deemed to have substantial financial interests as disclosed in Note 42 to the Financial Statements.

Neither during nor at the end of the financial year was the Company or any of its related corporations a party to any arrangement whose object was to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate other than the aforementioned ESOS entitlements to subscribe for new ordinary shares.

AUDITORS

The auditors, Messrs. Deloitte (formerly known as Deloitte KassimChan), have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

JEN. TAN SRI YAACOB BIN MAT ZAIN (R)
Chairman

TAN SRI DATO' SRI LEONG HOY KUM
Managing Director

Kuala Lumpur
28 February 2014

Deloitte.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAH SING GROUP BERHAD
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **MAH SING GROUP BERHAD**, which comprise the statements of financial position of the Group and of the Company as at 31 December 2013 and the statements of profit or loss, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 15 to 148.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

(Forward)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2013 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that:

(a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and the subsidiary companies of which we have acted as auditors, have been properly kept in accordance with the provisions of the Act;

(b) we have considered the accounts and auditors' reports of the subsidiary companies, of which we have not acted as auditors, as disclosed in Note 18 to the Financial Statements, being accounts that have been included in the financial statements of the Group;

(c) we are satisfied that the accounts of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and

(d) the auditors' reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any adverse comment made under Section 174(3) of the Act.

(Forward)

Other Reporting Responsibilities

The supplementary information set out in Note 45 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

DELOITTE
AF 0080
Chartered Accountants

TEO SWEE CHUA
Partner – 2846/01/16 (J)
Chartered Accountant

28 February 2014

MAH SING GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

		The Group		The Company	
		2013	2012	**2013**	2012
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Revenue	5	**2,005,596**	1,775,260	**185,815**	158,593
Cost of sales	6	**(1,396,936)**	(1,252,001)	**-**	-
Gross profit		**608,660**	523,259	**185,815**	158,593
Other income		**24,387**	35,975	**1,256**	-
Selling and marketing expenses		**(122,771)**	(96,125)	**-**	-
Administrative expenses		**(136,424)**	(117,598)	**(7,521)**	(15,147)
Other operating expenses		**(5,104)**	(32,217)	**-**	-
Results from operating activities		**368,748**	313,294	**179,550**	143,446
Interest income	9	**6,013**	4,431	**-**	-
Finance costs	10	**(3,257)**	(2,202)	**(28,094)**	(35,335)
Net finance income/(costs)		**2,756**	2,229	**(28,094)**	(35,335)
Profit before tax	7	**371,504**	315,523	**151,456**	108,111
Income tax expense	11	**(92,243)**	(83,755)	**(3,817)**	(4,276)
Profit for the year		**279,261**	231,768	**147,639**	103,835
Attributable to:					
Equity holders of the Company		**280,616**	230,617		
Non-controlling interest		**(1,355)**	1,151		
		279,261	231,768		
Earnings per ordinary share (sen):					
- Basic	12(a)	**21.52**	20.82		
- Diluted	12(b)	**19.85**	20.55		
Gross dividend per ordinary share (proposed)					
- sen	13	**8.0**	7.6	**8.0**	7.6

The accompanying Notes form an integral part of the Financial Statements.

MAH SING GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Profit for the year	**279,261**	231,768	**147,639**	103,835
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences on foreign operations	**2,126**	(995)	**-**	-
Other comprehensive income/(loss) for the year	**2,126**	(995)	**-**	-
Total comprehensive income for the year	**281,387**	230,773	**147,639**	103,835
Attributable to:				
Equity holders of the Company	**282,072**	229,995	**147,639**	103,835
Non-controlling interests	**(685)**	778	**-**	-
	281,387	230,773	**147,639**	103,835

The accompanying Notes form an integral part of the Financial Statements.

MAH SING GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

		The Group		The Company	
		2013	2012	**2013**	2012
	Note	**RM'000**	RM'000	**RM'000**	RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	14	**114,146**	101,483	**811**	885
Prepaid lease payments	15	**7,173**	7,249	**-**	-
Investment properties	16	**86,194**	71,126	**-**	-
Land held for property development	20(a)	**543,794**	419,280	**-**	-
Intangible assets	17	**11,499**	12,541	**-**	-
Investment in subsidiary companies	18	**-**	-	**196,738**	189,096
Investment in associated company	19	**-**	-	**-**	-
Deferred tax assets	31	**75,496**	64,456	**-**	-
Total Non-Current Assets		**838,302**	676,135	**197,549**	189,981
Current Assets					
Property development costs	20(b)	**2,258,641**	1,885,233	**-**	-
Inventories	21	**76,225**	39,722	**-**	-
Trade and other receivables	22	**581,748**	398,031	**1,254,112**	835,079
Current tax assets		**6,545**	6,505	**-**	1,750
Deposits, cash and bank balances	23	**822,290**	589,460	**433,502**	239,758
Total Current Assets		**3,745,449**	2,918,951	**1,687,614**	1,076,587
TOTAL ASSETS		**4,583,751**	3,595,086	**1,885,163**	1,266,568

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013 (continued)

	Note	The Group 2013 RM'000	The Group 2012 RM'000	The Company 2013 RM'000	The Company 2012 RM'000
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	24	**706,807**	419,934	**706,807**	419,934
Reserves	25	**411,459**	171,176	**406,857**	168,030
Retained earnings	26	**834,026**	653,787	**185,208**	137,946
Equity attributable to equity holders of the Company		**1,952,292**	1,244,897	**1,298,872**	725,910
Non-controlling interests		**10,987**	10,104	**-**	-
Total Equity		**1,963,279**	1,255,001	**1,298,872**	725,910
Non-Current Liabilities					
Redeemable convertible secured bonds	27	**283,720**	275,785	**283,720**	275,785
Term loans	28	**756,470**	590,400	**4,932**	-
Long-term and deferred payables	29	**84,729**	57,974	**-**	-
Deferred tax liabilities	31	**19,160**	21,973	**1,596**	3,612
Total Non-Current Liabilities		**1,144,079**	946,132	**290,248**	279,397
Current Liabilities					
Trade and other payables	32	**1,370,262**	1,314,428	**295,937**	261,261
Term loans	28	**74,922**	28,675	**-**	-
Short-term borrowings	33	**8,988**	11,305	**-**	-
Bank overdrafts	34	**340**	519	**-**	-
Current tax liabilities		**21,881**	39,026	**106**	-
Total Current Liabilities		**1,476,393**	1,393,953	**296,043**	261,261
Total Liabilities		**2,620,472**	2,340,085	**586,291**	540,658
TOTAL EQUITY AND LIABILITIES		**4,583,751**	3,595,086	**1,885,163**	1,266,568

The accompanying Notes form an integral part of the Financial Statements.

MAH SING GROUP BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

			Non-distributable reserves					Distributable reserve			
	Note	Share capital RM'000	Share premium RM'000	Equity-settled employees benefit reserve RM'000	Warrant reserve RM'000	Exchange fluctuation reserve RM'000	Equity component of convertible bonds RM'000	Retained earnings RM'000	Attributable to equity holders of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2013		419,934	140,287	10,614	-	3,146	17,129	653,787	1,244,897	10,104	1,255,001
Profit/(Loss) for the year		-	-	-	-	-	-	280,616	280,616	(1,355)	279,261
Other comprehensive income for the year		-	-	-	-	1,456	-	-	1,456	670	2,126
Total comprehensive income for the year		-	-	-	-	1,456	-	280,616	282,072	(685)	281,387
Dividends	13	-	-	-	-	-	-	(104,075)	(104,075)	-	(104,075)
Recognition of share-based payment		-	-	4,507	-	-	-	-	4,507	-	4,507
Issuance of ordinary shares pursuant to:											
- Rights Issue with warrants		140,050	193,829	-	63,863	-	-	-	397,742	-	397,742
- Bonus Issue		113,101	(113,101)	-	-	-	-	-	-	-	-
- ESOS exercised		6,493	12,643	(3,312)	-	-	-	3,312	19,136	-	19,136
- Warrants exercised		27,229	98,058	-	(17,274)	-	-	-	108,013	-	108,013
ESOS lapsed during the year		-	-	(386)	-	-	-	386	-	-	-
Ordinary shares issued to non-controlling interests by a subsidiary company		-	-	-	-	-	-	-	-	1,568	1,568
At 31 December 2013		706,807	331,716	11,423	46,589	4,602	17,129	834,026	1,952,292	10,987	1,963,279

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (continued)

			Non-distributable reserves			Distributable reserve			
	Note	Share capital RM'000	Share premium RM'000	Equity-settled employees benefit reserve RM'000	Exchange fluctuation reserve RM'000	Equity component of convertible bonds RM'000	Retained earnings RM'000	Attributable to equity holders of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2012		415,936	131,101	8,451	3,768	17,129	496,766	1,073,151	15,338	1,088,489
Profit for the year		-	-	-	-	-	230,617	230,617	1,151	231,768
Other comprehensive income for the year		-	-	-	(622)	-	-	(622)	(373)	(995)
Total comprehensive income for the year		-	-	-	(622)	-	230,617	229,995	778	230,773
Dividends	13	-	-	-	-	-	(69,163)	(69,163)	-	(69,163)
Dividends paid to non-controlling interests of a subsidiary company		-	-	-	-	-	-	-	(7,200)	(7,200)
Recognition of share-based payment		-	-	5,218	-	-	-	5,218	-	5,218
Acquisition of the remaining interests from the non-controlling shareholders		-	-	-	-	-	(7,488)	(7,488)	1,188	(6,300)
Issuance of ordinary shares pursuant to ESOS exercised		3,998	9,186	(2,336)	-	-	2,336	13,184	-	13,184
ESOS lapsed during the year		-	-	(719)	-	-	719	-	-	-
At 31 December 2012		419,934	140,287	10,614	3,146	17,129	653,787	1,244,897	10,104	1,255,001

The accompanying Notes form an integral part of the Financial Statements.

MAH SING GROUP BERHAD
(Incorporated in Malaysia)

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

		Non-distributable reserves					Distributable reserve	
	Note	Share capital RM'000	Share premium RM'000	Equity-settled employees benefit reserve RM'000	Warrant reserve RM'000	Equity component of convertible bonds RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2013		419,934	140,287	10,614	-	17,129	137,946	725,910
Profit for the year		-	-	-	-	-	147,639	147,639
Other comprehensive income for the year		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	147,639	147,639
Dividends	13	-	-	-	-	-	(104,075)	(104,075)
Recognition of share-based payment		-	-	4,507	-	-	-	4,507
Issuance of ordinary shares pursuant to:								
- Rights Issue with warrants		140,050	193,829	-	63,863	-	-	397,742
- Bonus Issue		113,101	(113,101)	-	-	-	-	-
- ESOS exercised		6,493	12,643	(3,312)	-	-	3,312	19,136
- Warrants exercised		27,229	98,058	-	(17,274)	-	-	108,013
ESOS lapsed during the year		-	-	(386)	-	-	386	-
At 31 December 2013		706,807	331,716	11,423	46,589	17,129	185,208	1,298,872

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (continued)

			Non-distributable reserves			Distributable reserve	
	Note	Share capital RM'000	Share premium RM'000	Equity-settled employees benefit reserve RM'000	Equity component of convertible bonds RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2012		415,936	131,101	8,451	17,129	100,219	672,836
Profit for the year		-	-	-	-	103,835	103,835
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	103,835	103,835
Dividends	13	-	-	-	-	(69,163)	(69,163)
Recognition of share-based payment		-	-	5,218	-	-	5,218
Issuance of ordinary shares pursuant to ESOS exercised		3,998	9,186	(2,336)	-	2,336	13,184
ESOS lapsed during the year		-	-	(719)	-	719	-
At 31 December 2012		419,934	140,287	10,614	17,129	137,946	725,910

The accompanying Notes form an integral part of the Financial Statements.

MAH SING GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Operating activities				
Profit before tax	**371,504**	315,523	**151,456**	108,111
Adjustments for:				
Allowance for doubtful debts:				
- trade and other receivables	**407**	4	**1**	-
- subsidiary companies	-	-	**7**	85
Allowance for slow-moving inventories	**518**	1,043	-	-
Amortisation of intangible assets	**1,042**	427	-	-
Amortisation of prepaid lease payments	**516**	410	-	-
Amortised cost adjustments	**(1,278)**	1,049	-	-
Amount due from subsidiary companies written off	-	-	-	92
Bad debts recovered	**(19)**	-	-	-
Bad debts written off	-	761	-	-
Depreciation of property, plant and equipment	**15,905**	13,522	**190**	137
Dividend income	-	-	**(132,600)**	(107,733)
Finance costs	**30,430**	18,965	**28,094**	35,335
Gain on disposal of property, plant and equipment	**(1,264)**	(779)	-	-
Gain on fair value changes of foreign exchange forward contract	**(30)**	-	-	-
Gain on changes in fair value of investment properties	**(530)**	(2,094)	-	-
Impairment loss on investment in a subsidiary company	-	-	**1,490**	-
Interest income	**(17,451)**	(13,845)	**(53,215)**	(50,860)
Property, plant and equipment written off	**164**	17	-	-
Provision for future operating lease commitment	-	1,636	-	-
Provision for liquidated damages	**4,601**	-	-	-
Provision for post-employment benefits	**881**	919	-	-
Reversal of allowance for inventories	**(64)**	(419)	-	-
Reversal of allowance of doubtful debts	**(319)**	(136)	-	-
Reversal of impairment loss on property, plant and equipment	**(6)**	(6)	-	-

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (continued)

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Share-based payment	**4,507**	5,218	**59**	510
Unrealised gain on foreign exchange	**(2,905)**	(922)	**-**	-
Operating cash flows before changes in working capital	**406,609**	341,293	**(4,518)**	(14,323)
Changes in working capital				
Change in property development costs	**(198,355)**	(194,035)	**-**	-
Change in inventories	**(36,239)**	3,184	**-**	-
Change in receivables	**(184,070)**	(45,416)	**43,236**	41,336
Change in payables	**198,571**	242,971	**(7,807)**	(27,335)
Total changes in working capital	**(220,093)**	6,704	**35,429**	14,001
Cash generated from/(used in) operations	**186,516**	347,997	**30,911**	(322)
Interest received	**17,451**	13,815	**11,438**	9,414
Interest paid	**(42,210)**	(30,486)	**(440)**	(228)
Income tax paid	**(123,126)**	(115,087)	**(3,877)**	(4,514)
Net cash generated from operating activities	**38,631**	216,239	**38,032**	4,350
Investing activities				
Acquisition of investment in a subsidiary company (Note 18)	**-**	(56,758)	**-**	-
Additions to investment properties	**(13,592)**	(12,956)	**-**	-
Dividends received	**-**	-	**132,500**	107,562
Net advances to subsidiary companies	**-**	-	**(378,294)**	(152,072)
Payments for acquisition of property, plant and equipment	**(23,757)**	(34,765)	**(116)**	(93)
Payments for land held for property development	**(384,437)**	(33,874)	**-**	-
Payments of balance of equity in subsidiary companies (Note 18)	**-**	(6,828)	**-**	(6,828)
Proceeds from disposal of property, plant and equipment	**1,344**	1,744	**-**	-
Subscription of shares in subsidiary companies	**-**	-	**(9,132)**	(19,450)
Net cash used in investing activities	**(420,442)**	(143,437)	**(255,042)**	(70,881)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (continued)

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Financing activities				
Dividends paid	**(104,075)**	(69,163)	**(104,075)**	(69,163)
Dividends paid to non-controlling interests	**-**	(7,200)	**-**	-
Payments for corporate exercise expenses	**(4,431)**	-	**(4,431)**	-
Payments of bonds coupon	**(10,563)**	(10,534)	**(10,563)**	(10,534)
Proceeds from ESOS exercised	**19,136**	13,184	**19,136**	13,184
Proceeds from issuance of shares by a subsidiary company to non-controlling interests	**1,568**	-	**-**	-
Proceeds from Rights Issue	**397,742**	-	**397,742**	-
Repayment of finance lease and hire purchase liabilities	**(1,435)**	(1,692)	**-**	-
Proceeds from short-term borrowings	**37,031**	52,629	**-**	-
Proceeds from term loans	**588,461**	267,771	**20,000**	-
Proceeds from Warrants exercised	**108,013**	-	**108,013**	-
Repayment of short-term borrowings	**(39,721)**	(45,230)	**-**	-
Repayment of term loans	**(376,922)**	(349,096)	**(15,068)**	(8,211)
Withdrawal/(Placement) of deposits pledged with licensed bank as collateral	**26,126**	(9,267)	**-**	-
Withdrawal/(Placement) of deposits with licensed bank for Escrow Accounts	**5,412**	(4,548)	**-**	-
Net cash generated from/(used in) financing activities	**646,342**	(163,146)	**410,754**	(74,724)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (continued)

		The Group		The Company	
		2013	2012	**2013**	2012
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Net increase/(decrease) in cash and cash equivalents		**264,531**	(90,344)	**193,744**	(141,255)
Currency translation differences		**16**	(97)	**-**	-
Cash and cash equivalents at beginning of the financial year		**543,774**	634,215	**239,758**	381,013
Cash and cash equivalents at end of the financial year	35	**808,321**	543,774	**433,502**	239,758

Note: During the financial year, the Group and the Company acquired property, plant and equipment by the following means:

	The Group		The Company	
	2013	2012	**2013**	2012
	RM'000	RM'000	**RM'000**	RM'000
Cash purchase	**23,757**	34,765	**116**	93
Hire purchase financing	**3,191**	1,633	**-**	-
	26,948	36,398	**116**	93

The accompanying Notes form an integral part of the Financial Statements.

MAH SING GROUP BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are investment holding and provision of management services to subsidiary companies in the Group. The principal activities of the subsidiary companies are set out in Note 18. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

The registered office and principal place of business of the Company is located at Penthouse Suite 1, Wisma Mah Sing, 163, Jalan Sungai Besi, 57100 Kuala Lumpur.

The financial statements of the Group and of the Company were authorised for issuance by the Board of Directors in accordance with a resolution of Directors on 28 February 2014.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards ("FRSs"), the applicable approved accounting standards in Malaysia issued by the Malaysian Accounting Standards Board ("MASB").

The financial statements are presented in Ringgit Malaysia ("RM") which represents the functional currency of the Company and all financial information presented in RM are rounded to the nearest thousand ("RM'000"), unless otherwise stated.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

Malaysian Financial Reporting Standard

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework"), a fully-IFRS compliant framework. Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities.

Transitioning Entities, being entities within the scope of MFRS 141 *Agriculture* and/or IC Interpretation 15: *Agreements for the Construction of Real Estate,* including its parents, significant investors and venturers were given a transitional period of two years, which allowed these entities an option to continue with the FRS Framework. Following the announcement by the MASB on 7 August 2013, the transitional period for Transitioning Entities has been extended for an additional year.

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 its first set of MFRS financial statements when the MFRS Framework is mandated by MASB.

The Group is currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. At the date of authorisation for issue of these financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group's first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

Adoption of New and Revised Financial Reporting Standards

In the current financial year, the Group and the Company adopted all the new and revised FRSs and Issues Committee Interpretations ("IC Interpretations") and amendments to FRSs and IC Interpretations issued by MASB that are relevant to their operations and effective for annual financial periods beginning on or after 1 January 2013.

FRS 7	Financial Instruments: Disclosures (Amendment relating to Disclosures – Offsetting Financial Assets and Liabilities)
FRS 10	Consolidated Financial Statements
FRS 10	Consolidated Financial Statements (Amendments relating to Transition Guidance)
FRS 12	Disclosures of Interests in Other Entities
FRS 12	Disclosures of Interests in Other Entities (Amendments relating to Transition Guidance)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

Adoption of New and Revised Financial Reporting Standards (continued)

FRS 13	Fair Value Measurement
FRS 101	Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income)
FRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)
FRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
FRS 128	Investment in Associates and Joint Ventures (IAS 28 as amended by IAS in May 2011)

Annual Improvements to FRSs 2009 – 2011 cycle (issued in July 2012)

The adoption of these new and revised FRSs and IC Interpretations did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company except as disclosed below.

Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

The Group and the Company have applied the amendments to FRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities* for the first time in the current year and have been applied retrospectively. The amendments to FRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

As the Group and the Company do not have any offsetting arrangements in place, the application of the amendments has no material impact on the disclosures or on the amounts recognised in these financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In November 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued comprising FRS 10 *Consolidated Financial Statements,* FRS 11 *Joint Arrangements,* FRS 12 *Disclosure of Interests in Other Entities,* FRS 127 (IAS 27 as revised by IASB in May 2011) *Separate Financial Statements* and FRS 128 (IAS 28 as revised by IASB in May 2011) *Investment in Associates and Joint Ventures.* Subsequent to the issue of these standards, amendments to FRS 10, FRS 11 and FRS 12 were issued to clarify certain transitional guidance on the first-time application of the standards.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

New and revised Standards on consolidation, joint arrangements, associates and disclosures (continued)

In the current year, the Group and the Company applied for the first time FRS 10, FRS 11 and FRS 12, FRS 127 (IAS 27 as revised by IASB in May 2011) and FRS 128 (IAS 28 as revised by IASB in May 2011) together with the amendments to FRS 10, FRS 11 and FRS 12 regarding the transitional guidance.

The impact of the application of these standards is set out below.

Impact of the application of FRS 10

FRS 10 replaces the parts of FRS 127 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements. IC Interpretation 112 *Consolidation – Special Purpose Entities*. FRS 10 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) it has the ability to use its power to affect its return. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in FRS 10 to explain when an investor has control over an investee. Some guidance included in FRS 10 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee to the Group.

The Directors of the Company reviewed and assesed the classification of the Group's investment in subsidiary companies in accordance with the requirements of FRS 10 and concluded that the adoption of FRS 10 has not affected the amounts reported on the financial statements of the Group and of the Company.

Impact of the application of FRS 12

FRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiary companies, joint arrangements, associated companies and/or unconsolidated structure entities. In general, the application of FRS 12 has resulted in more extensive disclosures in the financial statements.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

FRS 13 Fair Value Measurement

The Group and the Company have applied FRS 13 for the first time in the current year. FRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of FRS 13 is broad; the fair value measuremnts of FRS 13 apply to both financial instrument items and non-financial instrument items for which other FRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of FRS 2 *Share-based Payment*, leasing transactions that are within the scope of FRS 117 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

FRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under FRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, FRS 13 includes extensive disclosure requirements.

FRS 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

The Group and the Company have applied the amendments to FRS 101 *Presentation of Items of Other Comprehensive Income* for the first time in the current year. The amendments introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. Under the amendments to FRS 101, the "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income" and the "income statement" is renamed as the "statement of profit or loss". The amendments to FRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to FRS 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to FRS 101 has not resulted in any impact on profit or loss, other comprehensive income and total comprehensive income.

FRS 119 Employee Benefits (IAS 19 as amended by IASB in June 2011)

In the current year, the Group and the Company have applied FRS 119 *Employee Benefits* (IAS 19 as amended by IASB in June 2011) and the related consequential amendments for the first time.

FRS 119 (IAS 19 as amended by IASB in June 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and in the fair value of plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of FRS 119 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus. Further, the interest cost and expected return on plan assets used in the previous version of FRS 119 are replaced with a "net-interest" amount under FRS 119 (IAS 19 as amended by IASB in June 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset. These changes have had an impact on the amounts recognised in profit or loss and other comprehensive income in prior years. In addition, FRS 119 (IAS 19 as amended by IASB in June 2011) introduces certain changes in the presentation of the defined benefit cost including more extensive disclosures.

2. **BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)**

FRS 119 Employee Benefits (IAS 19 as amended by IASB in June 2011) (continued)

Specific transitional provisions are applicable to first-time application of FRS 119 (IAS 19 as amended by IASB in June 2011). The Group and the Company have applied the relevant transitional provisions and restated the comparative amounts on a retrospective basis.

Standards and IC Interpretations in Issue But Not Yet Effective

At the date of authorisation for issue of these financial statements, the new and revised Standards and IC Interpretations which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below.

FRS 7	Financial Instruments : Disclosures (Amendments relating to Mandatory Effective Date of FRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) and Transition Disclosures)[1]
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)[1]
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)[1]
FRS 9	Financial Instruments (Hedge Accounting and amendments relating to FRS 9, FRS 7 and FRS 139)[1]
FRS 10	Consolidated Financial Statements (Amendments relating to Investment Entities)[2]
FRS 12	Disclosure of Interests in Other Entities (Amendments relating to Investment Entities)[2]
FRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions)[3]
FRS 127	Separate Financial Statements (Amendments relating to Investment Entities)[2]
FRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)[2]
FRS 136	Impairment of Assets (Amendments relating to Recoverable Amounts Disclosures for Non-Financial Assets)[2]
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)[2]
IC Interpretation 21	Levies[2]

Annual Improvements to FRSs 2010 – 2012 cycle (issued in December 2013)[3]
Annual Improvements to FRSs 2011 – 2013 cycle (issued in December 2013)[3]

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

Standards and IC Interpretations in Issue But Not Yet Effective (continued)

[1] The mandatory effective date of FRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) which was for annual period beginning on or after 1 January 2015 has been removed with the issuance of FRS 9 Financial Instruments: Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139. The effective date of FRS 9 will be decided when IASB's IFRS 9 project is closer to completion. However, each version of the FRS 9 is available for early adoption

[2] Effective for annual periods beginning on or after 1 January 2014

[3] Effective for annual periods beginning on or after 1 July 2014

The Directors anticipate that abovementioned Standards and IC Interpretations will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Standards and IC Interpretations will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period as explained in the significant accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 2, leasing transaction that are within the scope of FRS 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 102 *Inventories* or value in use in FRS 136 *Impairment of Assets*.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirely, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Economic Entities in The Group

(a) Subsidiary companies and basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiary companies. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Economic Entities in The Group (continued)

(a) Subsidiary companies and basis of consolidation (continued)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary company begins when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. Specifically, income and expenses of a subsidiary company acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary companies is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies into line with those used by other members of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Economic Entities in The Group (continued)

(a) Subsidiary companies and basis of consolidation (continued)

All intra-group assets and liabilities, equity, income and expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiary companies that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted at the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary company, a gain or loss is recognised and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to the subsidiary company are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary company at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

3. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

Economic Entities in The Group (continued)

(b) **Business combinations**

Acquisitions of subsidiary companies and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair value of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 112 *Income Taxes* and FRS 119 *Employee Benefits* respectively;

- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with FRS 2 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

Economic Entities in The Group (continued)

(b) **Business combinations (continued)**

The subsequent accounting for changes in the fair value contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with FRS 139 or FRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items of which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

(c) **Associated companies**

An associated company is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

3. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

Economic Entities in The Group (continued)

(c) **Associated companies (continued)**

The results and assets and liabilities of associated companies are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with FRS 5. Under the equity method, an investment in an associated company is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associated company. When the Group's share of losses of an associated company exceeds the Group's interest in that associated company (which includes any long-term interests that, in substance, form part of the Group's net investment in the associated company), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associated company.

An investment in an associated company is accounted for using the equity method from the date on which the investee becomes an associated company. On acquisition of the investment in an associated company, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of FRS 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associated company. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 136 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 136 to the extent that the recoverable amount of the investment subsequently increases.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Economic Entities in The Group (continued)

(c) Associated companies (continued)

The Group discontinues the use of the equity method from the date when investment ceases to be an associated company, or when the investment is classified as held for sale. When the Group retains an interest in the former associated company and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FRS 139. The difference between the carrying amount of the associated company at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associated company is included in the determination of the gain or loss on disposal of the associated company. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associated company or joint venture on the same basis as would be required if that associated company had directly disposed of the related assets and liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associated company would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the Group reduces its ownership interest in an associated company but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associated company of the Group, profits or losses resulting from the transactions with the associated company are recognised in the Group's consolidated financial statements only to the extent of the Group's interest in the associated company that are not related to the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign Currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entities operate (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional currency and the presentation currency of the financial statements.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(c) Group companies

Assets and liabilities of foreign subsidiary companies are translated to Ringgit Malaysia at rates of exchange ruling at the reporting date and the results of foreign subsidiary companies are translated at the average rate of exchange for the financial year. Exchange differences arising from the translation are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recognised in other comprehensive income and accumulated in equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on sale.

Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sales of goods or services in the ordinary course of business.

Revenue from property development projects is accounted for using the percentage of completion method where the outcome of the development can be reliably estimated and is in respect of sales where agreements have been finalised by the end of the financial year. The percentage/stage of completion is measured by reference to the property development costs incurred to date compared to the estimated total costs of the development.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Revenue from sale of completed properties is recognised upon the finalisation of sale and purchase agreements by the end of the financial year and when the risks and rewards of ownership have been passed to the customers.

Sales of goods are recognised upon delivery of products and where the risks and rewards of ownership have been passed to the customers, or performance of services, net of sales taxes and discounts.

Other revenue earned by the Group is recognised on the following bases:

Dividend income	- when the right to receive payment is established
Interest income	- recognised on a time proportion basis that reflects the effective yield on asset
Rental income	- accrued on a time basis, by reference to the agreements entered into
Management fee	- upon performance of services

Employee Benefits

(a) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and the Company. Short-term accumulating compensated absences for paid annual leave when services are rendered by employees that increase their entitlement to future compensated absences are recognised based on the experience that absences will occur.

(b) Defined contribution plan

The Group and the Company are required by law to make monthly contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees' salaries. The Group's and the Company's contributions to EPF are disclosed separately. The employees' contributions to EPF are included in salaries and wages.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee Benefits (continued)

(c) **Defined benefit plan**

A foreign subsidiary company operates an unfunded defined Retirement Benefit Scheme ("RBS") for its eligible employees. The foreign subsidiary company's obligations under RBS are determined based on external actuarial valuation in accordance with the labour law requirements in that country where the amount of benefits that employees have earned in return for their service in the current and prior years is estimated. For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be classified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost and past service cost);
- net interest expense or income; and
- remeasurement.

The amount recognised at the end of the reporting period represents the present value of the defined benefit obligations adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and reduced by the fair value of plan assets. Plan assets resulting from this calculation are to be used only to settle the employee benefit obligations and only can be returned to the Group if the remaining assets of the fund are sufficient to meet the plan's obligation to pay the related employee benefits directly.

3. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

Employee Benefits (continued)

(d) **Employees' share option scheme ("ESOS")**

The Group operates an ESOS plan for the employees of the Group as set out in Note 24. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in profit or loss over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At the end of each reporting period, the Group revises its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get them ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The amount of borrowing costs eligible for capitalisation is determined based on actual interest incurred on borrowings made specifically for the purpose of obtaining a qualifying asset and less any investment income on the temporary investment of that borrowing.

All other borrowing costs are recognised as finance costs in profit or loss in the financial year in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax

Income tax expense comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is measured at tax rates that are expected to apply in the period when the asset realised or the liability settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current assets and liabilities on a net basis.

Unutilised reinvestment allowance, being tax incentive that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

3. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

Financial Instruments

(a) **Initial recognition and measurement**

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

Where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, such financial assets are recognised and derecognised on trade date.

Financial instruments are initially measured at fair value, plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

(b) **Financial instrument categories and subsequent measurement**

Financial assets

Financial assets are classified into the following specified categories: financial assets at "fair value through profit or loss" (FVTPL), "held-to-maturity" investments, "available-for-sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

(i) ***Financial assets at FVTPL***

Financial assets at FVTPL are non-derivative financial assets that are specifically designated into this category upon initial recognition. Financial assets at FVTPL are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

(b) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(ii) ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market (including fixed deposits with financial institutions). Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income from financial assets is recognised on an effective interest method for debt instruments other than those financial assets classified as FVTPL.

Financial liabilities

A financial liability is any liability with contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities are classified as either financial liabilities "at FVTPL" or "other financial liabilities". The Group's and the Company's significant financial liabilities include trade and other payables, redeemable convertible secured bonds, terms loans, long-term and deferred payables and short-term borrowings which are initially measured at fair value and subsequently measured at amortised cost.

3. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

Financial Instruments (continued)

(b) **Financial instrument categories and subsequent measurement (continued)**

Financial liabilities (continued)

(i) ***Financial liabilities at FVTPL***

Financial liabilities at FVTPL comprise derivatives.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

(ii) ***Other financial liabilities***

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(c) **Derecognition**

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity, is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

(d) Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. No derivative was designated as hedging instrument during the current financial year.

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

During the year, the Group enters into a derivative financial instruments to manage its exposure to foreign exchange rate via foreign exchange forward contracts and recorded a gain of RM29,700 (2012: RM238,000). There is no outstanding derivative financial instrument reported by the Group at the end of the current and previous financial years.

Property, Plant and Equipment

(a) Recognition and measurement

Buildings are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The costs of property, plant and equipment comprise their purchase costs and any expenditure that is directly attributable to the acquisition of the assets.

(b) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, Plant and Equipment (continued)

(b) Subsequent costs (continued)

Certain leasehold buildings were revalued by the Directors based on valuations carried out by independent professional valuers. The Directors applied the transitional provisions when MASB first adopted IAS 16 *Property, Plant and Equipment*. By virtue of this transitional provision, upon implementation in 1998 of MASB Approved Accounting Standard IAS 16 for the first time, an enterprise was allowed to continue carrying those assets at their previous valuations subject to continuity in depreciation policy to write an asset down to its recoverable amount. Accordingly, these valuations have not been updated.

Surpluses arising on revaluation are credited to the revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to profit or loss.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recognised in profit or loss. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

(c) Depreciation and impairment

Depreciation of property, plant and equipment is calculated so as to write off the costs or valuations of the assets to their estimated residual values on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates are as follows:

Buildings	2% - 10%
Renovations	3.33% - 10%
Plant, machinery and factory equipment	10% - 25%
Motor vehicles	12.5% - 20%
Furniture, fittings, office and IT related equipment	8% - 33.33%

Certain moulds of a foreign subsidiary company for specific projects are depreciated over the respective project life time with expected years ranging from 2 to 10 years.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, Plant and Equipment (continued)

(c) Depreciation and impairment (continued)

In the previous financial year ended 31 December 2012, the Group revised the depreciation rates for buildings, motor vehicles, office and IT related equipment from 3.33% - 10%, 12.5% - 15% and 8% - 25% to 2% - 10%, 12.5% - 20% and 8% - 33.33% respectively. The effect of this accounting change was an increase in the depreciation charge and correspondingly a decrease in the profit before tax by RM1,148,516 in the previous financial year ended 31 December 2012.

Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The residual value and the useful life of an asset are reviewed at the end of each reporting period and, if expectations differ from previous estimates, the changes will be accounted for as a change in an accounting estimate.

At the end of each reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(a) Operating leases – the Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

Leases (continued)

(b) **Finance leases – the Group as lessee**

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Property, plant and equipment under finance leases are capitalised and the capital element of the lease commitments is reflected as lease payables. The capital element of the lease installments is applied to reduce the outstanding obligations whereas the interest element is charged against profit or loss so as to give a constant periodic rate of charge on the remaining balance outstanding at the end of each reporting period.

Property, plant and equipment acquired under finance lease are capitalised and depreciated over the same useful economic lives as similar equivalent owned property, plant and equipment.

(c) **Operating leases – the Group as lessee**

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss over the lease period.

(d) **Prepaid lease payments**

Leasehold land that has an indefinite economic life and title that is not expected to be passed to the Group by the end of the lease period is classified as operating lease. The upfront payments for right to use the leasehold land over a predetermined period are accounted for as prepaid lease payments and are stated at cost less accumulated amortisation.

Certain leasehold land of a subsidiary company was last revalued in 1992. As allowed by the transitional provision of FRS 117, the prepaid lease payments at valuation are stated on the basis of its 1992 valuation and the said valuation has not been updated.

Leasehold land recognised as prepaid lease payments are amortised in equal instalments over the respective lease periods.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment Properties

Investment properties are properties which are owned or held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

A property under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in profit or loss for the period in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied, the deemed cost for subsequent accounting is the fair value at the date of change in use.

Intangible Assets

(a) **License fee**

All costs incurred in the acquisition of license for assembly of certain plastic products are capitalised and amortised on a straight line basis over a period of 10 years and they will be written off when, in the opinion of the Directors, the future economic benefits are uncertain.

Where an indication of impairment exists, the carrying amount of the intangible assets are assessed and written down immediately to its recoverable amount.

(b) **Goodwill on consolidation**

Goodwill is identified as any excess of the consideration paid over the Group's share of fair value of the identifiable assets, liabilities and contingent liabilities acquired as at the date of acquisition. Goodwill is initially measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.