



MAH SING GROUP BERHAD

Company No.: 230149-P

(Incorporated in Malaysia)

Interim Financial Statements

30 June 2005

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(Incorporated in Malaysia)**

Interim Financial Statements - 30 June 2005

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MAH SING GROUP BERHAD

(Company No.: 230149 P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEETS

FOR THE FINANCIAL QUARTER ENDED 30 June 2005

	(UNAUDITED) AS AT 30/06/2005 (RM'000)	(AUDITED) AS AT 31/12/2004 (RM'000) (Restated)
Property, plant and equipment	59,172	65,274
Investment in associated companies	26	26
Long term investments	1	1
Intangible assets	41	45
Current Assets		
<i>Property development cost</i>	307,257	319,015
<i>Inventories</i>	10,758	12,496
<i>Trade and other receivables</i>	147,697	119,351
<i>Deposits with licensed banks</i>	15,605	2,762
<i>Project accounts</i>	12,704	11,335
<i>Cash and bank balances</i>	14,545	21,932
	508,566	486,891
Current Liabilities		
<i>Trade and other payables</i>	116,045	124,909
<i>Term loans</i>	2,718	23,574
<i>Short term borrowings</i>	36,128	31,262
<i>Bank overdrafts</i>	1,023	850
<i>Taxation</i>	12,901	8,693
	168,815	189,288
Net Current Assets	339,751	297,603
	398,991	362,949
Shareholders' Funds		
Share capital	145,131	145,127
Reserves		
<i>Share premium</i>	31,104	31,104
<i>Capital reserve</i>	852	852
<i>Exchange fluctuation reserve</i>	6,003	6,003
<i>Retained profit</i>	51,100	31,038
	234,190	214,124
Minority interest	3,679	3,125
Long term borrowings	154,400	138,719
Deferred payables	5,497	5,979
Deferred taxation	1,225	1,002
	398,991	362,949
Net tangible assets per share (RM)	1.62	1.48

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004)

Mah Sing Group Berhad

(Company No.: 230149 P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the financial period ended 30 June 2005

(The figures have not been audited)

	SECOND QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/06/2005 (RM'000)	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2004 (RM'000)	CURRENT YEAR TO DATE 30/06/2005 (RM'000)	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2004 (RM'000)
Revenue	116,880	74,922	217,598	141,839
Operating expenses	(100,706)	(66,002)	(187,001)	(124,611)
Other operating income	278	253	1,335	697
Profit from operations	<u>16,452</u>	<u>9,173</u>	<u>31,932</u>	<u>17,925</u>
Finance costs	(1,189)	(1,150)	(2,098)	(2,435)
Interest income	255	549	384	573
Profit before taxation	<u>15,518</u>	<u>8,572</u>	<u>30,218</u>	<u>16,063</u>
Taxation				
- Group	(4,292)	(2,480)	(9,602)	(4,416)
Profit after taxation	<u>11,226</u>	<u>6,092</u>	<u>20,616</u>	<u>11,647</u>
Minority interest	<u>(247)</u>	<u>(214)</u>	<u>(554)</u>	<u>(333)</u>
Net profit for the period	<u><u>10,979</u></u>	<u><u>5,878</u></u>	<u><u>20,062</u></u>	<u><u>11,314</u></u>
Earnings per share:				
- Basic (sen)	<u>7.56</u>	<u>5.12</u>	<u>13.82</u>	<u>9.85</u>
- Diluted (sen)	<u>6.90</u>	<u>4.63</u>	<u>12.60</u>	<u>8.92</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004)

Mah Sing Group Berhad

(Company No.: 230149 P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the financial period ended 30 June 2005

(The figures have not been audited)

6 months ended 30 June 2005	Share capital (RM'000)	Reserve attributable to capital (RM'000)	Reserve attributable to revenue (RM'000)	Retained profits (RM'000)	Total (RM'000)
Balance at 1/01/2005	145,127	37,959	-	31,038	214,124
Issue of shares					
- pursuant to exercise of warrants	4	-	-	-	4
Net profit for the financial period	-	-	-	20,062	20,062
Balance at 30/06/05	<u>145,131</u>	<u>37,959</u>	<u>-</u>	<u>51,100</u>	<u>234,190</u>
6 months ended 30 June 2004	Share capital (RM'000)	Reserve attributable to capital (RM'000)	Reserve attributable to revenue (RM'000)	Retained profits (RM'000)	Total (RM'000)
Balance at 1/01/2004	43,978	54,054	-	7,369	105,401
Issue of shares					
- pursuant to private placement	4,398	1,671	-	-	6,069
- pursuant to Rights issue	80,626	-	-	-	80,626
- pursuant to bonus issue	16,125	(16,125)	-	-	-
Funds raising expenses	-	(1,176)	-	-	(1,176)
Net profit for the financial period	-	-	-	11,314	11,314
Balance at 30/06/2004	<u>145,127</u>	<u>38,424</u>	<u>-</u>	<u>18,683</u>	<u>202,234</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004)

MAH SING GROUP BERHAD

(Company No.: 230149 P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

For the financial period ended 30 June 2005

(The figures have not been audited)

	6 months ended 30/06/2005 (RM'000)	6 months ended 30/06/2004 (RM'000)
Operating activities		
Profit before taxation	30,218	16,063
Adjustment for investing and financing activities and items not involving movement of cash and cash equivalents:-		
Non-cash items	9,875	7,139
Non-operating items	4,203	3,888
Operating profit before changes in working capital	44,296	27,090
Changes in working capital		
Net change in current assets	(13,367)	(121,301)
Net change in current liabilities	(10,478)	(17,239)
Cash from operations	20,451	(111,450)
Interest paid	(7,667)	(3,157)
Interest received	49	460
Tax paid	(5,170)	(2,258)
Net cash flows from operating activities	7,663	(116,405)
Investing activities		
Property, plant and equipment		
- purchases	(761)	(10,047)
- proceeds from disposals	744	-
Interest received from deposit with licensed bank	335	112
Financing activities		
Net proceeds from new shares issued	4	85,519
Bank borrowings :		
- new drawdown	38,708	128,033
- repayment	(40,041)	(40,624)
Net change in cash & cash equivalents	6,652	46,588
Cash & cash equivalents at beginning of the year	35,114	4,686
Cash & cash equivalents at end of the financial period	41,766	51,274

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the financial period ended 30 June 2005

(The figures have not been audited)

A FRS 134 (Formerly known as MASB 26) - Paragraph 16

A1 Accounting policies and methods of computation

The interim financial statements is unaudited and has been prepared in accordance with FRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa") and should be read in conjunction with the Group's financial statements for the period ended 31 December 2004.

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted for the annual financial statements for the year ended 31 December 2004.

A2 Preceding annual audit report status

The annual audit report of the annual financial statements for the financial year ended 31 December 2004 was not subject to any qualification.

A3 Seasonality or cyclicity factors

There were major no seasonality or cyclicity effect on the Group's operations.

A4 Nature and amount of unusual items

In the opinion of the directors, no item or event of a material and unusual nature has arisen which would affect substantially the results of the Group for the current quarter and financial period ended 30 June 2005.

A5 Changes in estimates

There were no material changes in estimates from prior quarters which have a material effect in the current quarter.

A6 Debts and equity securities

On 12 January 2005, 3,600 Warrants 2004/2009 have been exercised for conversion to new ordinary shares.

A7 Dividends paid

No dividend was paid for the current quarter and financial period ended 30 June 2005.

A8 Segment reporting

6 months ended 30 June 2005

	Properties RM'000	Plastics RM'000	Investment Holding RM'000	Other Operations RM'000	Elimination RM'000	Consolidated RM'000
REVENUE						
External Sales						
Malaysia	156,869	33,621	67	-	-	190,557
Indonesia	-	27,041	-	-	-	27,041
Inter-segment	-	-	65	-	(65)	-
Total revenue	156,869	60,662	132	-	(65)	217,598
RESULTS						
Operating profit	27,602	4,891	321	(11)	(871)	31,932
Interest expense						(2,098)
Interest income						384
Income tax						(9,602)
Profit after tax						20,616
Share of results in associates						-
Minority interest						(554)
Net profit						20,062

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the financial period ended 30 June 2005

(The figures have not been audited)

	Properties RM'000	Plastics RM'000	Investment Holding RM'000	Other Operations RM'000	Elimination RM'000	Consolidated RM'000
OTHER INFORMATION						
Depreciation	642	6,997	9	-	-	7,648
Amortisation	-	4	-	-	-	4
Impairment loss	-	-	6	-	(6)	-
Reversal of impairment loss	-	(201)	(1,078)	-	1,078	(201)

6 months ended 30 June 2004

	Properties RM'000	Plastics RM'000	Investment Holding RM'000	Other Operations RM'000	Elimination RM'000	Consolidated RM'000
REVENUE						
External Sales						
Malaysia	94,861	29,279	170	-	-	124,310
Indonesia	-	17,529	-	-	-	17,529
Inter-segment	-	-	28	-	(28)	-
Total revenue	94,861	46,808	198	-	(28)	141,839

RESULTS						
Operating profit	14,657	3,747	(454)	(16)	(9)	17,925
Interest expense						(2,435)
Interest income						573
Income tax						(4,416)
Profit after tax						11,647
Share of results in associates						-
Minority interest						(333)
Net profit						11,314

OTHER INFORMATION						
Depreciation	533	6,482	9	-	-	7,024
Amortisation	-	4	-	-	-	4
Impairment loss	-	-	6	-	(6)	-

A9 Valuation of Property, Plant and Equipment

No valuation has been undertaken during the financial period.

A10 Material events subsequent to the balance sheet date

There were no material transactions or events subsequent to the current quarter ended 30 June 2005 up to the date of issue of this quarterly report.

A11 Changes in the composition of the Group

On 26 April 2005 the Company acquired a shelf company, Nova Legend Development Sdn Bhd, incorporated in Malaysia under the Companies Act, 1965 with an authorised share capital of RM100,000 divided into 100,000 ordinary shares of RM1.00 each and a paid up capital of RM2.00. This subsidiary is currently dormant.

A12 Changes in contingent liabilities and contingent assets

	Contingent Liabilities	
	30/06/2005	30/06/2004
A12.1 Corporate guarantees		
Corporate guarantees issued to financial institutions in respect of credit facilities granted to:		
- subsidiaries	37,151	41,268
- associated companies	-	-
	<u>37,151</u>	<u>41,268</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the financial period ended 30 June 2005

(The figures have not been audited)

A12.2 Capital Commitments

Capital commitments not provided for in the financial statements are as follows:

	RM'000	RM'000
Contracted but not provided for in the accounts:		
Property, plant and equipment	-	-
Approved but not contracted for - Land acquisition	<u>4,838</u>	<u>-</u>
	<u>4,838</u>	<u>-</u>

B Bursa Securities listing requirements (Part A of Appendix 9B)

B1 Review of performance-current quarter and financial period ended 30 June 2005

Compared to the previous year corresponding quarter, Group revenue and net profit for the current quarter were up 56% to RM116.9 million and 87% to RM11.0 million respectively. For the half year ended 30 June 2005 Group revenue and net profit registered increases of 53% to RM217.6 million and 77% to RM20.1 million respectively. The Group revenue and net profit were mainly derived from its property development activities. The improvement was due largely to higher contribution from the high-end Damansara Legenda project in Petaling Jaya, 1st time contribution from Aman Perdana in Klang which kicked off only this quarter and the Austin Perdana project in Johor Bahru. Apart from property development, the Group's plastic activities also contributed to the earnings achieved.

B2 Material change in the profit before taxation-current quarter and immediate preceding quarter

Both Group revenue and net profit posted increases of 16% to RM116.9m and 21% to RM11.0 million respectively due largely to higher contributions from Austin Perdana in Johor Bahru and first time contribution from Aman Perdana in Klang.

B3 Prospects for the current financial year

The Board of Directors is confident that the Group's performance for this financial year should be better driven by higher contribution from Damansara Legenda which was launched in mid 2004 and by the contribution from Aman Perdana in Klang Valley which was launched in March 2005. In view of the underlying strong economic fundamentals and good response to the sales launches of the Group's property development projects like Damansara Legenda, Aman Perdana in Klang Valley and Austin Perdana, Sri Pulai Perdana in Johor, the Board of Directors is confident that the Group's well-conceptualised projects in strategic locations with good accessibility will continue to do well.

B4 Variance of profit forecast

Not applicable as no profit forecast was published.

B5 Tax expense

	CURRENT YEAR QUARTER 30/06/2005 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2004 RM'000	CURRENT YEAR TO DATE 30/06/2005 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2004 RM'000
Malaysian income tax	4,320	2,431	9,630	4,367
Under/(Over) provision in respect of prior periods	(251)	(25)	(251)	(25)
Transfer to / (from) deferred taxation	223	74	223	74
	<u>4,292</u>	<u>2,480</u>	<u>9,602</u>	<u>4,416</u>

The current quarter effective tax rate was marginally lower than the statutory rate of tax applicable due to utilisation of unabsorbed tax credit in a profit making subsidiary.

The current period effective tax rate of the Group was higher than the statutory rate of tax applicable due to non-deductible expenses from the Group and its subsidiaries and excess of depreciation over capital allowances in a foreign subsidiary.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the financial period ended 30 June 2005

(The figures have not been audited)

B6 Unquoted investment

There were no purchase or disposal of unquoted investments for the current quarter and current financial period ended 30 June 2005.

B7 Quoted securities

(a) There were no purchase or disposal of quoted securities for the current quarter and current financial period ended 30 June 2005.

(b) Total investments in quoted securities are as follows:

	30/06/2005 RM'000	30/06/2004 RM'000
(i) At cost	<u>4</u>	<u>4</u>
(ii) At carrying value/book value	<u>1</u>	<u>1</u>
(iii) At market value	<u>1</u>	<u>1</u>

B8 Status of corporate fund raising exercise

(a) Mah Sing Group Berhad's rights issue of 80,626,333 new ordinary shares of RM1.00 each at an issue price of RM1.00 per rights share on 18 May 2004 and proceeds from the rights issue have been fully utilised by 13 April 2005 as follows:

	Approved for utilisation by SC RM'000	Utilised as at 18/08/2005 RM'000	Balance yet to be utilised RM'000
Working capital	39,126	39,126	-
Repayment of bank borrowings	40,000	40,000	-
Incidental expenses	1,500	1,500	-
	<u>80,626</u>	<u>80,626</u>	<u>-</u>

(b) The Warrants 2004/2009 were constituted under the Deed Poll dated 2 April 2004.

Status of the exercise of warrants 2004/2009:

	Balance b/f at 01/01/2005	Exercised as at 18/08/2005	Balance yet to be exercised
Warrants	48,375,800	(3,600)	48,372,200

B9 Group borrowings and debt securities

Total group borrowings are as follows:

	Secured RM'000	Secured RM'000	Secured RM'000	Unsecured RM'000	Unsecured RM'000	Total RM'000
(Denominated in)	(RM)	(Indonesian Rupiah)	(USD)	(RM)	(Indonesian Rupiah)	
Term loans payable						
- within 12 months	300	1,945	127	-	346	2,718
- after 12 months	152,046	1,849	274	-	231	154,400
	<u>152,346</u>	<u>3,794</u>	<u>401</u>	<u>-</u>	<u>577</u>	<u>157,118</u>
Short term borrowings	11,000	585	1,862	22,681	-	36,128
Bank overdrafts	426	206	-	391	-	1,023
	<u>11,426</u>	<u>791</u>	<u>1,862</u>	<u>23,072</u>	<u>-</u>	<u>37,151</u>
Hire purchase						
- within 12 months	2,369	-	73	-	-	2,442
- after 12 months	5,063	-	73	-	-	5,136
	<u>7,432</u>	<u>-</u>	<u>146</u>	<u>-</u>	<u>-</u>	<u>7,578</u>
Total	<u>171,204</u>	<u>4,585</u>	<u>2,409</u>	<u>23,072</u>	<u>577</u>	<u>201,847</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the financial period ended 30 June 2005

(The figures have not been audited)

B10 Off balance sheet financial instruments

The Group does not have any financial instruments with off balance sheet risk as at 11 August 2005, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

B11 Material litigation

The Group is not engaged in any material litigation as at 11 August 2005, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

B12 Dividend

(a) (i) A first and final dividend for the financial period ended 31 December 2004 was approved by the shareholders at the 13th Annual General Meeting on 27 June 2005.

(ii) Amount per share : 6 sen less income tax of 28%

(iii) Previous corresponding period : 4 sen less income tax of 28%

(iv) Date paid : 26 July 2005

(v) In respect of the deposited securities, entitlement to dividends was determined on the basis of the record of depositors as at 13 July 2005.

B13 Earnings per share

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

	CURRENT YEAR QUARTER 30/06/2005	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2004	CURRENT YEAR TO DATE 30/06/2005	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2004
Earnings per share (sen)	<u>7.56</u>	<u>5.12</u>	<u>13.82</u>	<u>9.85</u>
Diluted earnings per share (sen)	<u>6.90</u>	<u>4.63</u>	<u>12.60</u>	<u>8.92</u>
(i) Net profit (RM'000)	<u>10,979</u>	<u>5,878</u>	<u>20,062</u>	<u>11,314</u>
(ii) Total ordinary shares issued ('000)	<u>145,131</u>	<u>145,127</u>	<u>145,131</u>	<u>145,127</u>
(iii) Weighted average number of shares ('000)	<u>145,130</u>	<u>114,820</u>	<u>145,130</u>	<u>114,820</u>
(iv) Diluted weighted average number of shares ('000)	<u>159,196</u>	<u>126,822</u>	<u>159,196</u>	<u>126,822</u>

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the financial period ended 30 June 2005

(The figures have not been audited)

The weighted average number of shares in issue is calculated as follows :-

			30/06/2005 Weighted average number of shares (‘000)	30/06/2004 Weighted average number of shares (‘000)
As at 1 January 2004	Balance b/f	43,978		77,121
On 20/02/2004	Private placement	4,398		5,272
		<u>48,376</u>		
On 07/06/2004	Rights issue	80,626		
		<u>129,002</u>		16,302
On 07/06/2004	Bonus issue	16,125		16,125
As at 1 January 2005		145,127	145,127	
On 12/01/2005	Warrants Exercise	4	3	
Weighted average number of shares		<u>145,131</u>	<u>145,130</u>	<u>114,820</u>
Warrants ESOS (not granted as at 30/06/2005)		48,372 -	14,066 -	12,002 -
Diluted weighted average number of shares		<u>193,503</u>	<u>159,196</u>	<u>126,822</u>

BY ORDER OF THE BOARD

PHAN GAIK CHER
 KUAN HUI FANG

Secretaries

Kuala Lumpur
 18 August 2005