



MAH SING GROUP BERHAD

Company No.: 230149-P

(Incorporated in Malaysia)

Interim Financial Statements

30 September 2005

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(Incorporated in Malaysia)**

Interim Financial Statements - 30 September 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 September 2005

	(UNAUDITED) AS AT 30/09/2005 (RM'000)	(AUDITED) AS AT 31/12/2004 (RM'000)
Property, plant and equipment	56,152	65,274
Investment in associated companies	26	26
Long term investments	1	1
Intangible assets	39	45
Current Assets		
<i>Property development cost</i>	287,469	319,015
<i>Inventories</i>	11,175	12,496
<i>Trade and other receivables</i>	168,067	119,351
<i>Deposits with licensed banks</i>	18,015	2,762
<i>Project accounts</i>	16,968	11,335
<i>Cash and bank balances</i>	12,604	21,932
	514,298	486,891
Current Liabilities		
<i>Trade and other payables</i>	117,694	124,909
<i>Term loans</i>	21,875	23,574
<i>Short term borrowings</i>	32,969	31,262
<i>Bank overdrafts</i>	2,118	850
<i>Taxation</i>	10,726	8,693
	185,382	189,288
Net Current Assets	328,916	297,603
	385,134	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>	58,900	31,038
	241,990	214,124
Minority interest	4,429	3,125
Long term borrowings	132,443	138,719
Deferred payables	4,959	5,979
Deferred taxation	1,313	1,002
	385,134	362,949
Net tangible assets per share (RM)	1.67	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 September 2005

(The figures have not been audited)

	THIRD QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2005 (RM'000)	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2004 (RM'000)	CURRENT YEAR TO DATE 30/09/2005 (RM'000)	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2004 (RM'000)
Revenue	134,425	109,663	352,023	251,502
Operating expenses	(114,548)	(98,544)	(301,549)	(223,155)
Other operating income	1,325	761	2,660	1,458
Profit from operations	<u>21,202</u>	<u>11,880</u>	<u>53,134</u>	<u>29,805</u>
Finance costs	(902)	(2,196)	(3,000)	(4,631)
Interest income	149	128	533	701
Profit before taxation	<u>20,449</u>	<u>9,812</u>	<u>50,667</u>	<u>25,875</u>
Taxation				
- Group	(5,628)	(2,565)	(15,230)	(6,981)
Profit after taxation	<u>14,821</u>	<u>7,247</u>	<u>35,437</u>	<u>18,894</u>
Minority interest	<u>(751)</u>	<u>(299)</u>	<u>(1,305)</u>	<u>(632)</u>
Net profit for the period	<u><u>14,070</u></u>	<u><u>6,948</u></u>	<u><u>34,132</u></u>	<u><u>18,262</u></u>
Earnings per share:				
- Basic (sen)	<u>9.69</u>	<u>5.56</u>	<u>23.52</u>	<u>14.61</u>
- Diluted (sen)	<u>8.80</u>	<u>5.16</u>	<u>21.34</u>	<u>13.56</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 September 2005

(The figures have not been audited)

9 months ended 30 September 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	-	-	-	34,132	34,132
Dividends for the year ended 31 Dec 2004	-	-	-	(6,270)	(6,270)
Balance at 30/09/2005	145,131	37,959	-	58,900	241,990
9 months ended 30 Sept 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	-	(1,484)	-	-	(1,484)
Net profit for the financial period	-	-	-	18,262	18,262
Dividends for the year ended 31 Dec 2003	-	-	-	(1,393)	(1,393)
Balance at 30/09/2004	145,127	38,116	-	24,238	207,481

(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 September 2005

(The figures have not been audited)

	9 months ended 30/09/2005 (RM'000)	9 months ended 30/09/2004 (RM'000)
Operating activities		
Profit before taxation	50,667	25,875
Adjustment for investing and financing activities and items not involving movement of cash and cash equivalents:-		
Non-cash items	12,181	10,799
Non-operating items	6,607	7,232
Operating profit before changes in working capital	69,455	43,906
Changes in working capital		
Net change in current assets	(8,591)	(129,994)
Net change in current liabilities	(13,033)	(44,747)
Cash from operations	47,831	(130,835)
Interest paid	(11,100)	(7,035)
Interest received	33	454
Tax paid	(12,887)	(7,497)
Net cash flows from operating activities	23,877	(144,913)
Investing activities		
Property, plant and equipment		
- purchases	(923)	(11,795)
- proceeds from disposals	1,198	-
Interest received from deposit with licensed bank	501	247
Financing activities		
Dividend paid	(6,270)	(1,393)
Net proceeds from new shares issued	4	85,212
Bank borrowings :		
- new drawdown	50,061	158,207
- repayment	(58,159)	(51,164)
Net change in cash & cash equivalents	10,289	34,401
Cash & cash equivalents at beginning of the year	35,114	4,686
Cash & cash equivalents at end of the financial period	45,403	39,087

(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 September 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 September 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

The first and final gross dividend of 6 sen per share, less income tax, on 145,131,000 ordinary share, amounting to RM6,269,659 in respect of the financial year ended 31 December 2004 was paid on 26 July 2005.

A8 Segment reporting

9 months ended 30 September 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	260,812	48,767	121	-	-	309,700
Indonesia	-	42,323	-	-	-	42,323
Inter-segment	-	-	105	-	(105)	-
Total revenue	260,812	91,090	226	-	(105)	352,023
RESULTS						
Operating profit	45,466	8,616	1,266	(17)	(2,214)	53,117
Interest expense						(2,983)
Interest income						533
Income tax						(15,230)
Profit after tax						35,437
Share of results in associates						-
Minority interest						(1,305)
Net profit						34,132

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the financial period ended 30 September 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	969	9,801	14	-	-	10,784
Amortisation	-	6	-	-	-	6
Impairment loss	-	-	8	-	(8)	-
Reversal of impairment loss	-	(201)	(2,475)	-	2,475	(201)
9 months ended 30.09.2004						
	Properties RM'000	Plastics RM'000	Investment Holding RM'000	Other Operations RM'000	Elimination RM'000	Consolidated RM'000
REVENUE						
External Sales						
Malaysia	179,594	43,808	257	-	-	223,659
Indonesia	-	27,843	-	-	-	27,843
Inter-segment	-	-	47	-	(47)	-
Total revenue	179,594	71,651	304	-	(47)	251,502
RESULTS						
Operating profit	24,742	6,039	(759)	(120)	(97)	29,805
Interest expense						(4,631)
Interest income						701
Income tax						(6,981)
Profit after tax						18,894
Share of results in associates						-
Minority interest						(632)
Net profit						18,262
OTHER INFORMATION						
Depreciation	818	9,975	13	-	-	10,806
Amortisation	-	6	-	-	-	6
Reversal of impairment loss	-	(130)	(83)	-	83	(130)

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

On 21 October 2005 the Company acquired a shelf company, Venice View 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.

On 21 October 2005 a wholly-owned subsidiary company, Mah Sing Properties Sdn Bhd, acquired a shelf company, Vienna Grand 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.

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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the financial period ended 30 September 2005

(The figures have not been audited)

A12 Changes in contingent liabilities and contingent assets

	Contingent Liabilities	
	30/09/2005	30/09/2004
A12.1 Corporate guarantees		
Corporate guarantees issued to financial institutions in respect of credit facilities granted to:		
- subsidiaries	35,087	28,532
- associated companies	-	-
	<u>35,087</u>	<u>28,532</u>

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>-</u>	<u>-</u>

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

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

Compared to the previous year corresponding quarter, Group revenue was up 23% to RM134.4 million due largely to higher property sales. Net profit jumped 103% from RM6.9 million to RM14.1 million as a result of maiden profit contribution from Aman Perdana project in Klang Valley and also due to the higher property sales and better margins from Damansara Legenda project in Petaling Jaya, Sri Pulai Perdana and Austin Perdana projects in Johor.

For the 9 months ended 30 September 2005 Group revenue and net profit registered increases of 40% to RM352.0 million and 87% to RM34.1 million respectively. The improvement was due largely to 1st time contribution from Aman Perdana in Klang Valley which was launched in March this year and higher contribution from Damansara Legenda in Petaling Jaya and from Austin Perdana in Johor Bahru. Apart from property development, the Group's plastics division profit before tax also recorded a 74% year-on-year improvement.

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

Both Group revenue and net profit posted increases of 15% to RM134.4m and 28% to RM14.1 million respectively due largely to higher property sales, first time contribution from Aman Perdana in Klang Valley, higher contribution from Damansara Legenda in Klang Valley and Austin Perdana in Johor Bahru.

B3 Prospects for the current financial year

The Board of Directors is confident that the Group's performance for this financial year will improve driven by the good response to better product offerings and competitively-priced housing products in Aman Perdana in Klang Valley, Damansara Legenda in Petaling Jaya and Austin Perdana in Johor Bahru.

B4 Variance of profit forecast

Not applicable as no profit forecast was published.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the financial period ended 30 September 2005

(The figures have not been audited)

B5 Tax expense

	CURRENT YEAR QUARTER 30/09/2005 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2004 RM'000	CURRENT YEAR TO DATE 30/09/2005 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2004 RM'000
Malaysian income tax	5,540	2,517	15,170	6,933
Under/(Over) provision in respect of prior periods	-	(26)	(251)	(26)
Transfer to / (from) deferred taxation	88	74	311	74
	<u>5,628</u>	<u>2,565</u>	<u>15,230</u>	<u>6,981</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.

B6 Unquoted investment

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

B7 Quoted securities

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

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

	30/09/2005 RM'000	30/09/2004 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>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the financial period ended 30 September 2005

(The figures have not been audited)

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 14/11/2005 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 14/11/2005	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 (RM)	Secured RM'000 (Indonesian Rupiah)	Secured RM'000 (USD)	Unsecured RM'000 (RM)	Unsecured RM'000 (Indonesian Rupiah)	Total RM'000
Term loans payable						
- within 12 months	20,666	973	63	-	173	21,875
- after 12 months	130,089	1,849	274	-	231	132,443
	<u>150,755</u>	<u>2,822</u>	<u>337</u>	<u>-</u>	<u>404</u>	<u>154,318</u>
Short term borrowings	10,709	1,096	874	20,290	-	32,969
Bank overdrafts	-	482	-	1,636	-	2,118
	<u>10,709</u>	<u>1,578</u>	<u>874</u>	<u>21,926</u>	<u>-</u>	<u>35,087</u>
Hire purchase						
- within 12 months	2,325	-	73	-	-	2,398
- after 12 months	4,496	-	56	-	-	4,552
	<u>6,821</u>	<u>-</u>	<u>129</u>	<u>-</u>	<u>-</u>	<u>6,950</u>
Total	<u>168,285</u>	<u>4,400</u>	<u>1,340</u>	<u>21,926</u>	<u>404</u>	<u>196,355</u>

B10 Off balance sheet financial instruments

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the financial period ended 30 September 2005

(The figures have not been audited)

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 30/09/2005	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2004	CURRENT YEAR TO DATE 30/09/2005	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2004
Earnings per share (sen)	<u>9.69</u>	<u>5.56</u>	<u>23.52</u>	<u>14.61</u>
Diluted earnings per share (sen)	<u>8.80</u>	<u>5.16</u>	<u>21.34</u>	<u>13.56</u>
(i) Net profit (RM'000)	<u>14,070</u>	<u>6,948</u>	<u>34,132</u>	<u>18,262</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>124,996</u>	<u>145,130</u>	<u>124,996</u>
(iv) Diluted weighted average number of shares ('000)	<u>159,911</u>	<u>134,671</u>	<u>159,911</u>	<u>134,671</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 September 2005

(The figures have not been audited)

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

		Basic share ('000)	30/09/2005 Weighted average number of shares ('000)	30/09/2004 Weighted average number of shares ('000)
As at 1 January 2004	Balance b/f	43,978		51,226
On 20/02/2004	Private placement	4,398		3,502
		<u>48,376</u>		
On 07/06/2004	Rights issue	80,626		
		<u>129,002</u>		54,143
On 07/06/2004	Bonus issue	16,125		16,125
As at 1 January 2005		<u>145,127</u>	145,127	
On 12/01/2005	Warrants exercise	4	3	
Weighted average number of shares		<u>145,131</u>	<u>145,130</u>	<u>124,996</u>
Warrants		48,372	14,780	9,675
ESOS (not granted as at 30/09/2005)		-	-	-
Diluted weighted average number of shares		<u>193,503</u>	<u>159,911</u>	<u>134,671</u>

BY ORDER OF THE BOARD

PHAN GAIK CHER
 KUAN HUI FANG

Secretaries

Kuala Lumpur
 14 November 2005