



MAH SING GROUP BERHAD

Company No.: 230149-P

(Incorporated in Malaysia)

Interim Financial Statements

30 June 2006

MAH SING GROUP BERHAD

**Company No.: 230149-P
(Incorporated in Malaysia)**

Interim Financial Statements - 30 June 2006

| | Page No. |
|---|-----------------|
| Condensed Consolidated Balance Sheets | 1 |
| Condensed Consolidated Income Statements | 2 |
| Condensed Consolidated Statements Of Changes In Equity | 3 |
| Condensed Consolidated Cash Flow Statements | 4 |
| Notes To The Interim Financial Statements | 5 - 11 |

MAH SING GROUP BERHAD*(Company No.: 230149 P)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED BALANCE SHEETS**

AS AT 30 June 2006

| | (UNAUDITED) AS AT 30/06/2006 (RM'000) | (AUDITED) AS AT 31/12/2005 (RM'000) (restated) |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 54,971 | 57,731 |
| Investment in associated companies | 26 | 26 |
| Investments | 1 | 1 |
| Land held for property development | - | 61,520 |
| Intangible assets | 32 | 36 |
| Deferred tax assets | 252 | - |
| | <u>55,282</u> | <u>119,314</u> |
| Current Assets | | |
| <i>Property development cost</i> | 328,971 | 293,269 |
| <i>Inventories</i> | 15,513 | 17,053 |
| <i>Trade and other receivables</i> | 147,911 | 150,970 |
| <i>Deposits with licensed banks</i> | 22,165 | 8,715 |
| <i>Cash and bank balances</i> | 32,715 | 30,195 |
| | <u>547,275</u> | <u>500,202</u> |
| TOTAL ASSETS | <u><u>602,557</u></u> | <u><u>619,516</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the parent | | |
| <i>Share capital</i> | 150,520 | 145,131 |
| <i>Share premium</i> | 31,104 | 31,104 |
| <i>Other reserves</i> | 6,356 | 6,712 |
| <i>Retained profit</i> | 105,344 | 73,113 |
| | <u>293,324</u> | <u>256,060</u> |
| Minority interest | 4,507 | 4,467 |
| Total equity | <u>297,831</u> | <u>260,527</u> |
| Non-current liabilities | | |
| Long term borrowings | 107,229 | 116,148 |
| Deferred payables | 53,033 | 56,313 |
| Deferred taxation | 3,839 | 3,218 |
| | <u>164,101</u> | <u>175,679</u> |
| Current Liabilities | | |
| <i>Trade and other payables</i> | 109,274 | 125,522 |
| <i>Term loans</i> | 2,489 | 30,644 |
| <i>Short term borrowings</i> | 17,994 | 19,125 |
| <i>Bank overdrafts</i> | 692 | 359 |
| <i>Taxation</i> | 10,176 | 7,660 |
| | <u>140,625</u> | <u>183,310</u> |
| Total liabilities | <u>304,726</u> | <u>358,989</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>602,557</u></u> | <u><u>619,516</u></u> |
| Net assets per share attributable to equity holders of the parent (RM) | | |
| | <u>1.95</u> | <u>1.76</u> |

The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

Mah Sing Group Berhad

(Company No.: 230149 P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the financial period ended 30 June 2006

(The figures have not been audited)

| | 3 months ended | | 6 months ended | |
|--|------------------------|--------------------------------------|------------------------|--------------------------------------|
| | 30/06/2006 (RM'000) | 30/06/2005 (RM'000) (restated) | 30/06/2006 (RM'000) | 30/06/2005 (RM'000) (restated) |
| Revenue | 150,207 | 116,880 | 243,437 | 217,598 |
| Cost of Sales | <u>(112,262)</u> | <u>(92,022)</u> | <u>(178,024)</u> | <u>(168,683)</u> |
| Gross profit | 37,945 | 24,858 | 65,413 | 48,915 |
| Other income | 1,120 | 534 | 2,731 | 1,719 |
| Administrative expenses | (11,108) | (7,637) | (18,817) | (16,332) |
| Selling and marketing expenses | (966) | (1,046) | (2,116) | (1,982) |
| Other expenses | (2) | (2) | (4) | (4) |
| Finance costs | <u>(2,075)</u> | <u>(1,189)</u> | <u>(2,822)</u> | <u>(2,098)</u> |
| Profit before taxation | 24,914 | 15,518 | 44,385 | 30,218 |
| Income tax expense | <u>(8,410)</u> | <u>(4,292)</u> | <u>(12,878)</u> | <u>(9,602)</u> |
| Profit for the period | <u>16,504</u> | <u>11,226</u> | <u>31,507</u> | <u>20,616</u> |
| Attributable to: | | | | |
| Equity holders of the parent | 16,487 | 10,979 | 31,379 | 20,062 |
| Minority interest | <u>17</u> | <u>247</u> | <u>128</u> | <u>554</u> |
| Net profit for the period | <u>16,504</u> | <u>11,226</u> | <u>31,507</u> | <u>20,616</u> |
| Earnings per share attributable to equity holders of the parent: | | | | |
| - Basic (sen) | <u>11.18</u> | <u>7.56</u> | <u>21.44</u> | <u>13.82</u> |
| - Diluted (sen) | <u>10.08</u> | <u>6.90</u> | <u>19.32</u> | <u>12.60</u> |

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

Mah Sing Group Berhad

(Company No.: 230149 P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the financial period ended 30 June 2006

(The figures have not been audited)

| | Attributable to equity holders of the parent | | | | | | Minority Interest | Total Equity | |
|--|--|---------------|------------------------------|-----------------|-----------------------------|------------------|-------------------|--------------|----------|
| | Non-Distributable | | | Distributable | | | | | |
| | Share capital | Share premium | Exchange fluctuation reserve | Capital reserve | Equity Compensation Reserve | Retained profits | | | Total |
| 6 months ended 30 June 2006 | (RM'000) | (RM'000) | (RM'000) | (RM'000) | (RM'000) | (RM'000) | (RM'000) | (RM'000) | |
| Balance at 1/1/2006 | 145,131 | 31,104 | 5,860 | 852 | - | 73,113 | 256,060 | 4,467 | 260,527 |
| Effect of adopting FRS 3 | - | - | - | (852) | - | 852 | - | - | - |
| | 145,131 | 31,104 | 5,860 | - | - | 73,965 | 256,060 | 4,467 | 260,527 |
| Amount recognised directly in equity: | | | | | | | | | |
| Foreign exchange fluctuation | - | - | (261) | - | - | - | (261) | (88) | (349) |
| Employee Share Options Scheme | - | - | - | - | 757 | - | 757 | - | 757 |
| Net profit for the financial period | - | - | - | - | - | 31,379 | 31,379 | 128 | 31,507 |
| Total recognised income and expense for the period | - | - | (261) | - | 757 | 31,379 | 31,875 | 40 | 31,915 |
| Issue of ordinary shares: | | | | | | | | | |
| - pursuant to exercise of warrants | 5,389 | - | - | - | - | - | 5,389 | - | 5,389 |
| Balance at 30/6/2006 | 150,520 | 31,104 | 5,599 | - | 757 | 105,344 | 293,324 | 4,507 | 297,831 |
| | | | | | | | | | |
| | Attributable to equity holders of the parent | | | | | | Minority Interest | Total Equity | |
| | Non-Distributable | | | Distributable | | | | | |
| | Share capital | Share premium | Exchange fluctuation reserve | Capital reserve | Equity Compensation Reserve | Retained profits | | | Total |
| 6 months ended 30 June 2005 | (RM'000) | (RM'000) | (RM'000) | (RM'000) | (RM'000) | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| Balance at 1/1/2005 | 145,127 | 31,104 | 6,003 | 852 | - | 31,038 | 214,124 | 3,125 | 217,249 |
| Net profit for the financial period | - | - | - | - | - | 20,062 | 20,062 | 554 | 20,616 |
| Total recognised income and expense for the period | - | - | - | - | - | 20,062 | 20,062 | 554 | 20,616 |
| Issue of ordinary shares: | | | | | | | | | |
| - pursuant to exercise of warrants | 4 | - | - | - | - | - | 4 | - | 4 |
| Balance at 30/6/2005 | 145,131 | 31,104 | 6,003 | 852 | - | 51,100 | 234,190 | 3,679 | 237,869 |

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

MAH SING GROUP BERHAD

(Company No.: 230149 P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

For the financial period ended 30 June 2006

(The figures have not been audited)

| | 6 months ended 30/06/2006 (RM'000) | 6 months ended 30/06/2005 (RM'000) |
|--|---|---|
| Net cash from operating activities | 50,933 | 7,663 |
| Net cash(used in) / from investing activities | (1,684) | 318 |
| Net cash used in financing activities | (33,612) | (1,329) |
| Net increase in cash and cash equivalents | 15,637 | 6,652 |
| Cash and cash equivalents at beginning of financial period | 38,486 | 35,114 |
| Cash and cash equivalents at end of financial period | 54,123 | 41,766 |

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

| | As at 30/06/2006 (RM'000) | As at 30/06/2005 (RM'000) |
|--|---------------------------------|---------------------------------|
| Cash and bank balances | 54,880 | 42,854 |
| Bank overdraft | (692) | (1,023) |
| | 54,188 | 41,831 |
| Less: Deposits with licensed banks pledged as collateral | (65) | (65) |
| | 54,123 | 41,766 |

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

A Explanatory Notes Pursuant To FRS 134

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with FRS 134 Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2005.

A2 Changes in Accounting Policies

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2005 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2006:

| | |
|---------|--|
| FRS 2 | Share-based Payment |
| FRS 3 | Business Combinations |
| FRS 101 | Presentation of Financial Statements |
| FRS 102 | Inventories |
| FRS 108 | Accounting Policies, Changes in Estimates and Errors |
| FRS 110 | Events after the Balance Sheet Date |
| FRS 116 | Property, Plant and Equipment |
| FRS 121 | The Effects of Changes in Foreign Exchange Rates |
| FRS 127 | Consolidated and Separate Financial Statements |
| FRS 128 | Investments in Associates |
| FRS 132 | Financial Instruments: Disclosure and Presentation |
| FRS 133 | Earnings Per Share |
| FRS 136 | Impairment of Assets |
| FRS 138 | Intangible Assets |

Save for FRS 2, FRS 3 and FRS 101, the adoption of the above FRS does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of FRS 2, FRS 3 and FRS 101 are set out below:

(a) FRS 2: Share-based Payment

This FRS requires an entity to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity.

The Company operates an equity-settled, share-based compensation plan for the employees of the Group, MSGB Group Employees' Share Option Scheme ("ESOS"). With the adoption of FRS 2, the compensation expense relating to share options is recognised within staff costs in profit or loss over the vesting periods of the grants with a corresponding increase in equity.

The total amount to be recognised as compensation expense is determined by reference to the fair value of the share options at the date of the grant and the number of share options to be vested by the vesting date. The fair value of the share options is computed using a Black-Scholes Pricing Model.

At every balance sheet date, the Group revises its estimates of the number of share options that are expected to vest by the vesting date. Any revision of this estimate is included in profit or loss and a corresponding adjustment to equity over the remaining vesting period.

Under the transitional provisions of FRS 2, this FRS must be applied to share options that were granted after 31 December 2004 and had not yet been vested on 1 January 2006. The application is retrospective. As the Company had not granted any ESOS prior to 1 January 2006, restatement of comparative amounts is not applicable.

(b) FRS 3: Business Combinations

Under FRS 3, any excess of the Group's interest in the net fair value of an acquiree's identifiable assets, liabilities and contingent liabilities over its cost of acquisition (previously referred to as "negative goodwill"), after reassessment, is now recognised immediately in the consolidated income statement. Prior to 1 January 2006, the negative goodwill of the Group was capitalised as Capital Reserve and Reserve On Consolidation. In accordance with the transitional provisions of FRS 3, the Group's negative goodwill as at 1 January 2006 of RM851,927 was derecognised with a corresponding increase in retained earnings.

(c) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interest is now presented within total equity. In the consolidated income statement, minority interest is presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

A3 Preceding annual audit report status

The auditors' report on the financial statements for the financial year ended 31 December 2005 was not subject to any qualification.

A4 Seasonality or cyclical factors

The Group's operations during the financial period under review are not materially affected by any seasonal or cyclical factors.

A5 Nature and amount of unusual items

In the opinion of the directors, there was no item of a material and unusual nature which would affect substantially the results of the assets, liabilities, equity, net income or cash flows for the current quarter and financial period ended 30 June 2006.

A6 Changes in estimates

There were no material changes in estimates which have a material effect in the current quarter and financial year-to-date results.

A7 Debts and equity securities

In 2006, up to 30 June, an additional 5,389,360 new ordinary shares of RM1.00 each were issued respectively pursuant to the exercise of Warrants which were listed subsequently and quoted on the Main Board of Bursa Securities.

Save for the above, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial period.

A8 Dividends paid

No dividend was paid for the current quarter and financial period ended 30 June 2006.

On 26 July 2006, the Company paid a first and final dividend of 12 sen per share, less income tax, amounting to RM13,040,945 in respect of the financial year ended 31 December 2005.

A9 Segment reporting

6 months ended 30 June 2006

| | Properties (RM'000) | Plastics (RM'000) | Investment Holding & Others (RM'000) | Elimination (RM'000) | Consolidated (RM'000) |
|-----------------------------|------------------------|----------------------|---|-------------------------|--------------------------|
| REVENUE | | | | | |
| External Sales | | | | | |
| Malaysia | 191,894 | 33,549 | 179 | - | 225,622 |
| Indonesia | - | 17,815 | - | - | 17,815 |
| Inter-segment | - | - | 101 | (101) | - |
| Total revenue | <u>191,894</u> | <u>51,364</u> | <u>280</u> | <u>(101)</u> | <u>243,437</u> |
| RESULTS | | | | | |
| Operating profit | 43,321 | 3,833 | (661) | (226) | 46,267 |
| Interest expense | | | | | (2,706) |
| Interest income | | | | | 824 |
| Income tax | | | | | (12,878) |
| Net profit | | | | | <u>31,507</u> |
| OTHER INFORMATION | | | | | |
| Capital expenditure | 499 | 1,463 | 18 | - | 1,980 |
| Depreciation | 650 | 3,764 | 10 | - | 4,424 |
| Amortisation | - | 4 | - | - | 4 |
| Impairment loss | - | - | 1 | (1) | - |
| Reversal of impairment loss | - | (245) | (131) | 131 | (245) |

6 months ended 30 June 2005

| | Properties (RM'000) | Plastics (RM'000) | Investment Holding & Others (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 | <u>156,869</u> | <u>60,662</u> | <u>132</u> | <u>(65)</u> | <u>217,598</u> |
| RESULTS | | | | | |
| Operating profit | 27,602 | 4,891 | 310 | (871) | 31,932 |
| Interest expense | | | | | (2,098) |
| Interest income | | | | | 384 |
| Income tax | | | | | (9,602) |
| Net profit | | | | | <u>20,616</u> |
| OTHER INFORMATION | | | | | |
| Capital expenditure | 853 | 568 | 10 | - | 1,431 |
| Depreciation | 642 | 6,997 | 9 | - | 7,648 |
| Amortisation | - | 4 | - | - | 4 |
| Impairment loss | - | - | 1 | (1) | - |
| Reversal of impairment loss | - | (201) | (1,078) | 1,078 | (201) |

A10 Valuation of Property, Plant and Equipment

Land and buildings are stated at cost or valuation less accumulated amortisation, depreciation and impairment. Other property, plant and equipment are stated at cost less accumulated depreciation and impairment loss.

Certain leasehold land and buildings were revalued by the Directors based on valuations carried out by independent professional valuers. The Directors have applied the transitional provisions of FRS 116₂₀₀₄ - Property, plant and equipment, which allows those assets to be stated at their 1992 valuations. Accordingly, these valuations have not been updated.

A11 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the current quarter.

A12 Changes in the composition of the Group

On 16 June 2006, the Company acquired 100% interest in Vienna View Development Sdn Bhd ("VVDSB") for RM2. VVDSB is a private limited company incorporated in Malaysia on 29 March 2006 under the Companies Act, 1965. The authorised share capital of VVDSB is RM100,000, comprising 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares have been issued and fully paid-up.

On 16 June 2006, the Company acquired 100% interest in Sierra Peninsular Development Sdn Bhd ("SPD") for RM2. SPD is a private limited company incorporated in Malaysia on 24 April 2006 under the Companies Act, 1965. The authorised share capital of SPD is RM100,000, comprising 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares have been issued and fully paid-up.

Save for the above, there were no changes in the composition of the Group during the current financial quarter, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

A13 Changes in contingent liabilities or contingent assets

| | Contingent Liabilities | |
|---|------------------------|----------------|
| <i>Corporate guarantees</i> | 30/06/2006 | 31/12/2005 |
| | (RM'000) | (RM'000) |
| Corporate guarantees issued to financial institutions in respect of credit facilities granted to: | | |
| - subsidiaries | 99,646 | 126,291 |
| Corporate guarantees issued to third party in respect of the acquisition of: | | |
| - property, plant and equipment | 1,896 | 496 |
| | <u>101,542</u> | <u>126,787</u> |

Save for the above, there were no changes in the contingent liabilities or the contingent assets of the Group since the last annual balance sheet as at 31 December 2005.

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

B1 Review of performance

The Group recorded a 52.8% improvement in the profit after tax of RM31.5 million for the financial period ended 30 June 2006, as compared to RM20.6 million for the financial period ended 30 June 2005. The Group's revenue and profit were mainly derived from its property development activities comprising of Aman Perdana in the Meru-Shah Alam growth corridor, Damansara Legendia in Petaling Jaya, Austin Perdana and Sri Pulai Perdana in Johor Bahru.

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

The Group's profit before tax increased by 28% to RM24.91 million for the current quarter ended 30 June 2006 from RM19.47 million in the preceding quarter ended 31 March 2006. The increase is due mainly to higher profits recognised on properties sold in Aman Perdana in Klang Valley and Austin Perdana in Johor Bahru.

B3 Prospects for the remaining period

The Board of Directors is confident that the Group's performance for the current financial year will be better than previous financial year. This confidence stems from the continued strong sales recorded for the Group's existing projects and also in view of the following positive events:-

- (i) The Group's Aman Perdana project has greatly benefited from the opening of the new NKVE-Meru Link in June 2006 as it substantially shortens travelling distance to Kuala Lumpur, Petaling Jaya and other townships along the NKVE;
- (ii) Positive sentiments in Johor Bahru due to the recent roll-out of the 9MP infrastructure allocations for the South Johor Economic Region (SJER) that will benefit our 3 projects in Johor Bahru, ie Austin Perdana, Sri Pulai Perdana and Sierra Perdana, all located within the SJER. The proposed 11km Coastal Highway will especially benefit our new Sierra Perdana project as it reduces traveling time from the city to the project by 15 minutes;
- (iii) Overwhelming registered interests for the Group's new projects, Perdana Residence in Selayang, One Residence in Cheras and Sierra Perdana in Johor Bahru which are targeted for launch by year end.

B4 Profit forecast

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

B5 Income tax expense

| | 3 months ended | | 6 months ended | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 30/06/2006 (RM'000) | 30/06/2005 (RM'000) | 30/06/2006 (RM'000) | 30/06/2005 (RM'000) |
| Current tax: | | | | |
| Malaysian income tax | 8,354 | 6,972 | 12,498 | 11,226 |
| Foreign tax | (199) | 820 | 21 | 1,904 |
| | <u>8,155</u> | <u>7,792</u> | <u>12,519</u> | <u>13,130</u> |
| Under/(over) provision of Malaysian income tax in prior years | 457 | - | (10) | (251) |
| | <u>8,612</u> | <u>7,792</u> | <u>12,509</u> | <u>12,879</u> |
| Transfer to / (from) deferred taxation | | | | |
| Malaysian deferred tax | (375) | (3,500) | 369 | (3,277) |
| Foreign deferred tax | 173 | - | - | - |
| | <u>8,410</u> | <u>4,292</u> | <u>12,878</u> | <u>9,602</u> |

The effective tax rate of the Group for the current quarter ended 30 June 2006 was higher than the statutory tax rate applicable due to certain expenses which are not deductible for tax purposes.

B6 Sale of unquoted investments & properties

There was no sale of unquoted investments and properties which are not in the ordinary course of the Group's business for the current quarter and current financial period ended 30 June 2006.

B7 Quoted securities

- (a) There was no purchase or sale of quoted securities for the current quarter and current financial period ended 30 June 2006.
- (b) Total investments in quoted securities are as follows:

| | 30/06/2006 (RM'000) | 31/12/2005 (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 proposals

The following corporate proposal announced by the Company has not been completed as at 8 August 2006 being the latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report:-

On 18 July 2006, an announcement was made that the Company's wholly-owned subsidiary, Legend Grand Development Sdn Bhd ("LGD"), had entered into a sale and purchase agreement with Penghantaran Bintang Jaya Sdn Bhd for the proposed acquisition by LGD of a piece of land in Kemuning, Selangor measuring 21.11 acres for RM25,250,000 subject to the terms and conditions as set out in the Agreement. The approval from the Foreign Investment Committee for the Proposed Acquisition was obtained on 7 August 2006.

B9 Group borrowings and debt securities

Total group borrowings as at 30 June 2006 are as follows:

| <i>(Denominated in)</i> | Secured (RM'000) <i>(RM)</i> | Secured (RM'000) <i>(Indonesian Rupiah)</i> | Secured (RM'000) <i>(USD)</i> | Unsecured (RM'000) <i>(RM)</i> | Total (RM'000) |
|-------------------------|------------------------------------|---|-------------------------------------|--------------------------------------|-------------------|
| Term loans payable | | | | | |
| - within 12 months | 1,884 | 462 | 143 | - | 2,489 |
| - after 12 months | 102,460 | 4,769 | - | - | 107,229 |
| | <u>104,344</u> | <u>5,231</u> | <u>143</u> | <u>-</u> | <u>109,718</u> |
| Short term borrowings | 5,120 | 981 | 1,284 | 10,609 | 17,994 |
| Bank overdrafts | 306 | 386 | - | - | 692 |
| | <u>5,426</u> | <u>1,367</u> | <u>1,284</u> | <u>10,609</u> | <u>18,686</u> |
| Hire purchase | | | | | |
| - within 12 months | 2,366 | - | - | - | 2,366 |
| - after 12 months | 3,161 | - | - | - | 3,161 |
| | <u>5,527</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,527</u> |
| Total | <u>115,297</u> | <u>6,598</u> | <u>1,427</u> | <u>10,609</u> | <u>133,931</u> |

B10 Off balance sheet financial instruments

The Group does not have any off balance sheet financial instruments as at 8 August 2006, being the latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report.

B11 Material litigation

The Group is not engaged in any material litigation since 31 December 2005, being the latest annual balance sheet date until 8 August 2006, being the latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report.

B12 Dividend proposed

No dividend has been proposed for the current quarter ended 30 June 2006.

B13 Earnings per share ("EPS")

(a) Basic EPS

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

| | 3 months ended | | 6 months ended | |
|--|----------------|-------------|----------------|--------------|
| | 30/06/2006 | 30/06/2005 | 30/06/2006 | 30/06/2005 |
| Net Profit for the period (RM'000) | 16,487 | 10,979 | 31,379 | 20,062 |
| Weighted average number of ordinary shares in issue ('000) | 147,490 | 145,130 | 146,327 | 145,130 |
| Basic EPS (sen) | <u>11.18</u> | <u>7.56</u> | <u>21.44</u> | <u>13.82</u> |

(b) Diluted EPS

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

| | | | | |
|--|----------------|----------------|----------------|----------------|
| Net Profit for the period (RM'000) | <u>16,487</u> | <u>10,979</u> | <u>31,379</u> | <u>20,062</u> |
| Weighted average number of ordinary shares in issue ('000) | 147,490 | 145,130 | 146,327 | 145,130 |
| Effect of dilution ('000) | <u>16,064</u> | <u>14,066</u> | <u>16,064</u> | <u>14,066</u> |
| Diluted weighted average number of ordinary shares ('000) | <u>163,554</u> | <u>159,196</u> | <u>162,391</u> | <u>159,196</u> |
| Diluted EPS (sen) | <u>10.08</u> | <u>6.90</u> | <u>19.32</u> | <u>12.60</u> |

BY ORDER OF THE BOARD

YANG BAO LING
 KUAN HUI FANG

Secretaries

Kuala Lumpur
 15 August 2006