



# **MAH SING GROUP BERHAD**

Company No.: 230149-P

(Incorporated in Malaysia)

**Interim Financial Statements**

**31 March 2007**

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(Incorporated in Malaysia)**

## **Interim Financial Statements - 31 March 2007**

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

AS AT 31 March 2007

	(UNAUDITED) AS AT 31/03/2007 (RM'000)	(AUDITED) AS AT 31/12/2006 (RM'000) (restated)
<b>ASSETS</b>		
<b>Non-current assets</b>		
<i>Property, plant and equipment</i>	51,650	52,159
<i>Investment in associated companies</i>	26	26
<i>Investments</i>	1	1
<i>Land held for property development</i>	-	-
<i>Intangible assets</i>	26	28
<i>Prepaid lease rental</i>	5,569	5,714
	<u>57,272</u>	<u>57,928</u>
<b>Current Assets</b>		
<i>Property development cost</i>	482,702	490,168
<i>Inventories</i>	16,529	16,254
<i>Trade and other receivables</i>	176,257	139,026
<i>Prepaid lease rental</i>	349	353
<i>Deposits with licensed banks</i>	47,862	7,616
<i>Cash and bank balances</i>	41,758	35,397
	<u>765,457</u>	<u>688,814</u>
<b>TOTAL ASSETS</b>	<u><u>822,729</u></u>	<u><u>746,742</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
<i>Share capital</i>	179,232	152,044
<i>Share premium</i>	68,189	31,104
<i>Other reserves</i>	6,076	6,335
<i>Retained profit</i>	144,209	126,295
	<u>397,706</u>	<u>315,778</u>
<b>Minority interest</b>	4,684	4,522
<b>Total equity</b>	<u>402,390</u>	<u>320,300</u>
<b>Non-current liabilities</b>		
<i>Long term borrowings</i>	170,275	73,396
<i>Deferred payables</i>	58,398	59,318
<i>Deferred taxation</i>	1,691	1,543
	<u>230,364</u>	<u>134,257</u>
<b>Current Liabilities</b>		
<i>Trade and other payables</i>	140,377	232,998
<i>Term loans</i>	2,812	24,890
<i>Short term borrowings</i>	28,359	22,540
<i>Bank overdrafts</i>	4,631	643
<i>Taxation</i>	13,796	11,114
	<u>189,975</u>	<u>292,185</u>
<b>Total liabilities</b>	420,339	426,442
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>822,729</u></u>	<u><u>746,742</u></u>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>		
	<u><u>2.22</u></u>	<u><u>2.08</u></u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2006 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 31 March 2007

(The figures have not been audited)

	3 months ended		Period ended	
	31/03/2007 (RM'000)	31/03/2006 (RM'000) (restated)	31/03/2007 (RM'000)	31/03/2006 (RM'000) (restated)
Revenue	141,561	93,230	141,561	93,230
Cost of Sales	<u>(102,870)</u>	<u>(65,762)</u>	<u>(102,870)</u>	<u>(65,762)</u>
Gross profit	38,691	27,468	38,691	27,468
Other income	577	1,128	577	1,128
Administrative expenses	(9,680)	(6,087)	(9,680)	(6,087)
Selling and marketing expenses	(3,324)	(2,774)	(3,324)	(2,774)
Interest income	86	483	86	483
Finance costs	(1,354)	(747)	(1,354)	(747)
Profit before taxation	<u>24,996</u>	<u>19,471</u>	<u>24,996</u>	<u>19,471</u>
Income tax expense	(6,835)	(4,468)	(6,835)	(4,468)
Profit for the period	<u><u>18,161</u></u>	<u><u>15,003</u></u>	<u><u>18,161</u></u>	<u><u>15,003</u></u>
Attributable to:				
Equity holders of the parent	17,914	14,892	17,914	14,892
Minority interest	<u>247</u>	<u>111</u>	<u>247</u>	<u>111</u>
Net profit for the period	<u><u>18,161</u></u>	<u><u>15,003</u></u>	<u><u>18,161</u></u>	<u><u>15,003</u></u>
Earnings per share attributable to equity holders of the parent				
- Basic (sen)	<u><u>10.61</u></u>	<u><u>10.26</u></u>	<u><u>10.61</u></u>	<u><u>10.26</u></u>
- Diluted (sen)	<u><u>9.11</u></u>	<u><u>9.26</u></u>	<u><u>9.11</u></u>	<u><u>9.26</u></u>

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 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 31 March 2007

(The figures have not been audited)

	Attributable to equity holders of the parent					Total	Minority Interest	Total Equity
	Non-Distributable		Distributable					
	Share capital	Share premium	Exchange fluctuation reserve	Equity-settled Employees Benefit Reserve	Retained earnings			
3 months ended 31 March 2007	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Balance at 1/1/2007	152,044	31,104	5,092	1,243	126,295	315,778	4,522	320,300
Amount recognised directly in equity:								
Foreign exchange fluctuation	-	-	(259)	-	-	(259)	(85)	(344)
Net profit for the financial period	-	-	-	-	17,914	17,914	247	18,161
Total recognised income and expense for the period	-	-	(259)	-	17,914	17,655	162	17,817
Issue of ordinary shares:								
- pursuant to exercise of warrants	11,988	-	-	-	-	11,988	-	11,988
- pursuant to Private Placement	15,200	37,424	-	-	-	52,624	-	52,624
Private Placement expenses	-	(339)	-	-	-	(339)	-	(339)
Balance at 31/3/2007	179,232	68,189	4,833	1,243	144,209	397,706	4,684	402,390

	Attributable to equity holders of the parent					Total	Minority Interest	Total Equity
	Non-Distributable		Distributable					
	Share capital	Share premium	Exchange fluctuation reserve	Equity-settled Employees Benefit Reserve	Retained earnings			
3 months ended 31 March 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	-	73,965	256,060	4,467	260,527
Amount recognised directly in equity:								
Foreign exchange fluctuation	-	-	(311)	-	-	(311)	(104)	(415)
Net profit for the financial period	-	-	-	-	14,892	14,892	111	15,003
Total recognised income and expense for the period	-	-	(311)	-	14,892	14,581	7	14,588
Issue of ordinary shares:								
- pursuant to exercise of warrants	147	-	-	-	-	147	-	147
Balance at 31/3/2006	145,278	31,104	5,549	-	88,857	270,788	4,474	275,262

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 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 31 March 2007

(The figures have not been audited)

	3 months ended 31/03/2007 (RM'000)	3 months ended 31/03/2006 (RM'000)
Net cash (used in)/from operating activities	(100,819)	25,195
Net cash used in investing activities	(1,080)	(1,902)
Net cash from/(used in) financing activities	144,522	(23,401)
Net increase/(decrease) in cash and cash equivalents	42,623	(108)
Effects of exchange rate changes	(4)	-
Cash and cash equivalents at beginning of financial period	42,305	38,486
Cash and cash equivalents at end of financial period	84,924	38,378

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

	As at 31/03/2007 (RM'000)	As at 31/03/2006 (RM'000)
Cash and bank balances	89,620	38,872
Bank overdraft	(4,631)	(429)
	84,989	38,443
Less: Deposits with licensed banks pledged as collateral	(65)	(65)
	84,924	38,378

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 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 2006. 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 2006.

**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 2006 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial year beginning 1 January 2007:

FRS 117	Leases
FRS 124	Related Party Disclosure

The adoption of the above FRSs does not have significant financial impact on the Group. The principal effect of the changes in accounting policies resulting from the adoption of FRS 117 is set out below:

(a) FRS 117: Leases

Prior to 1 January 2006, the leasehold land was classified as Property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses.

The adoption of the revised FRS 117 has affected the classification of the leasehold land which is now required to be presented as prepaid lease payments, as a separate line item under non current and current assets and is amortised on a straight-line basis over the lease terms. The unamortised revalued amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions of FRS 117. This took effect retrospectively and accordingly, certain comparatives have been restated.

With the adoption of FRS 117, the leasehold land of RM6,634,457 has been reclassified to non-current and current prepaid lease payments on 1 January 2006.

**A3 Preceding annual audit report status**

The auditors' report on the financial statements for the financial year ended 31 December 2006 was not subject to any qualification.

**A4 Seasonality or cyclicity factors**

The Group's operations during the financial period under review were 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 assets, liabilities, equity, net income or cash flows of the Group for the current quarter ended 31 March 2007.

**A6 Changes in estimates**

There were no material changes in estimates which have a material effect in the current quarter period results.

**A7 Debts and equity securities**

During the period ended 31 March, 2007, the Company increased its issued and paid up ordinary share capital from RM152,044,349 to RM179,232,149 by way of:

- a) issuance of 15,200,000 new ordinary shares of RM1.00 each pursuant to the Private Placement representing approximately 10% of the issued and paid up share capital, and
- b) issuance of 11,987,800 new ordinary shares of RM1.00 each pursuant to the exercise of Warrants.

Save for the above, there were no issuance and repayment of debts and equity securities, share buybacks, share cancellations, share held as treasury shares and resale of treasury shares during the financial period under review.

**A8 Dividends paid**

No dividend was paid for the financial period ended 31 March 2007.

**A9 Segment reporting**

Period ended 31 March 2007

	Properties (RM'000)	Plastics (RM'000)	Investment Holding & Others (RM'000)	Elimination (RM'000)	Consolidated (RM'000)
<b>REVENUE</b>					
External Sales					
Malaysia	111,713	18,014	195	-	129,922
Indonesia	-	11,639	-	-	11,639
Inter-segment	-	-	51	(51)	-
<b>Total revenue</b>	<b>111,713</b>	<b>29,653</b>	<b>246</b>	<b>(51)</b>	<b>141,561</b>
<b>RESULTS</b>					
Operating profit	25,410	2,015	(901)	(260)	26,264
Finance expense					(1,354)
Interest income					86
Income tax					(6,835)
<b>Net profit</b>					<b>18,161</b>
<b>OTHER INFORMATION</b>					
Capital expenditure	1,054	787	2	-	1,843
Depreciation	364	1,637	6	-	2,007
Amortisation	4	86	-	-	90
Reversal of impairment loss	-	(36)	-	-	(36)

Period ended 31 March 2006

	Properties (RM'000)	Plastics (RM'000)	Investment Holding & Others (RM'000)	Elimination (RM'000)	Consolidated (RM'000)
<b>REVENUE</b>					
External Sales					
Malaysia	67,337	16,139	68	-	83,544
Indonesia	-	9,686	-	-	9,686
Inter-segment	-	-	48	(48)	-
<b>Total revenue</b>	<b>67,337</b>	<b>25,825</b>	<b>116</b>	<b>(48)</b>	<b>93,230</b>
<b>RESULTS</b>					
Operating profit	17,669	2,001	(323)	388	19,735
Finance expense					(747)
Interest income					483
Income tax					(4,468)
<b>Net profit</b>					<b>15,003</b>



	Properties RM'000	Plastics RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000
OTHER INFORMATION					
Capital expenditure	96	1,905	6		2,007
Depreciation	319	1,807	5	-	2,131
Amortisation	4	86	-	-	90
Impairment loss		-	318	(318)	-
Reversal of impairment loss		(91)	-	-	(91)

#### A10 Valuation of Property, Plant and Equipment

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

The valuation of Property, Plant and Equipment have been brought forward without amendment from annual financial statements for the year ended 31 December 2006.

#### A11 Material events subsequent to the end of the interim period

Save for the following items and information disclosed in Note B8, there were no other material events and transactions subsequent to the end of the current quarter till 23 May 2007 (being the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial statements).

- a) On 10 May 2007, the Company acquired the entire paid up share capital of a shelf company, Vienna Home Sdn Bhd, a company incorporated in Malaysia under the Companies Act, 1965 with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each and a paid up capital of RM2.00 comprising 2 ordinary shares of RM1.00 each for cash consideration of RM2.00. This subsidiary is currently dormant.
- b) The issuance of 25,836,640 ordinary shares of RM1.00 each pursuant to the exercise of Warrants.

#### A12 Changes in the composition of the Group

On 15 February 2007, the Company acquired the entire issued and paid up share capital of the following companies for a cash consideration of RM2.00 each respectively:

- i) Suria Lagenda Development Sdn Bhd, a private limited company incorporated in Malaysia under the Companies Act, 1965 with an authorised share capital of RM100,000, comprising 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up.
- ii) Ideal Sierra Development Sdn Bhd, a private limited company incorporated in Malaysia under the Companies Act, 1965 with an authorised share capital of RM100,000, comprising 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up.
- iii) Enrich Property Development Sdn Bhd, a private limited company incorporated in Malaysia under the Companies Act, 1965 with an authorised share capital of RM100,000, comprising 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up.

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 of operations.

**A13 Changes in contingent liabilities or contingent assets**

<u>Company</u>	Contingent Liabilities	
	31/03/2007 (RM'000)	31/12/2006 (RM'000)
<i>Corporate guarantees</i>		
Corporate guarantees issued to financial institutions in respect of credit facilities granted to subsidiaries	157,754	74,791
Corporate guarantees issued to a third party in respect of the acquisition of development land	18,473	70,131
	157,754	74,791

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 2006.

**B Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B1 Review of performance**

The Group recorded profit after tax after minority interest of RM17.9 million for the financial period ended 31 March 2007, a 20% improvement compared to RM14.9 million for the previous corresponding financial period ended 31 March 2006. The improvement in profit after tax was attributed to contribution from more projects, especially when the Company has grown from 4 launched projects in the 1st quarter of 2006 to 8 launched projects in the 1st quarter of 2007. In the Klang Valley, all the Group's properties are located within an 18km radius of Petaling Jaya which is the Klang Valley's growth corridor, whereas all the projects in Johor Bahru are located in the southern tip of the Iskandar Development Region. The good response received by all the projects bears strong testament to the market's confidence in the promise that the Mah Sing brand name holds.

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

There were no material changes in the profit before taxation in the current quarter ended 31 March 2007 as compared to the immediate preceding quarter ended 31 December 2006.

**B3 Prospects for the remaining period**

The Board of Directors is confident that the Group's focus in the lifestyle medium to high end residential market and commercial segment would result in continued good performance in 2007. This is in view that the property market is expected to enjoy a positive run especially in the medium to high-end segment, with improved sentiments due to several factors, including the spillover from the Ninth Malaysia Plan, a stronger ringgit, flattening interest rates, sustained economic growth momentum, growing income per capita and wealth creation from the stock market. The Group's strong track record, premium branding and innovative offerings will continue to attract good take up with the new projects coming on board in 2007, namely Kemuning Residence in Shah Alam, One Residence and Hijauan Residence in Cheras, Duta Perdana in Puchong, The Icon@Jalan Tun Razak, The Icon@Mont' Kiara and Sierra Perdana in Tebrau-Plentong, Johor Bahru.

**B4 Profit forecast**

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

**B5 Income tax expense**

	3 months ended		Period ended	
	31/03/2007 (RM'000)	31/03/2006 (RM'000)	31/03/2007 (RM'000)	31/03/2006 (RM'000)
Current tax:				
Malaysian income tax	6,943	4,144	6,943	4,144
Foreign tax	-	220	-	220
	<u>6,943</u>	<u>4,364</u>	<u>6,943</u>	<u>4,364</u>
Over provision of Malaysian income tax in prior years	(256)	(467)	(256)	(467)
	<u>6,687</u>	<u>3,897</u>	<u>6,687</u>	<u>3,897</u>
Transfer to / (from) deferred taxation				
Malaysian deferred tax	148	744	148	744
Foreign deferred tax	-	(173)	-	(173)
	<u>6,835</u>	<u>4,468</u>	<u>6,835</u>	<u>4,468</u>

The effective tax rate of the Group for the current quarter was higher than the applicable statutory tax rate due to certain expenses not deductible for tax purposes and no deferred tax assets recognised on the unutilised tax losses of the loss making investment holding companies.

For preceding year's corresponding quarter, the effective tax rate was lower than the applicable statutory tax rate due to recognition of deferred tax assets on the unutilised capital allowances and unutilised tax losses accumulated from prior years for certain companies.

**B6 Sale of unquoted investments & properties**

There were no sales of unquoted investments and properties which are not in the ordinary course of the Group's business during the current quarter.

**B7 Quoted securities**

(a) There was no purchase or sale of quoted securities for the current quarter ended 31 March 2007.

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

	31/03/2007 (RM'000)	31/12/2006 (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 proposals announced by the Company has not been completed as at 23 May 2007 being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Statements:-

- a) Through an announcement to Bursa Malaysia on 16 November 2006 and subsequent announcements, the Company proposed to undertake the following proposals ("Proposals"):
- (i) Proposed renounceable rights issue of up to 53,038,825 new ordinary shares of RM1.00 each ("Rights shares"), at an issue price to be determined later on the basis of one (1) Rights Share for every four (4) existing ordinary shares of RM1.00 each held by the shareholders of the Company on a date to be determined later ("Proposed Rights Issue");
  - (ii) Proposed share split involving the subdivision of every one (1) existing ordinary share of RM1.00 each, including the Rights Shares held by the shareholders of the Company on a date to be determined later into two (2) ordinary shares of RM0.50 each ("Proposed share split"); and
  - (iii) Proposed bonus issue of up to 106,077,650 new ordinary shares of RM0.50 each ("Bonus share") on the basis of one (1) Bonus share for every five (5) existing ordinary share of RM0.50 each held by shareholders on a date to be determined later ("Proposed Bonus Issue")

The Proposals have been approved by the shareholders at an EGM held on 29 March 2007 and are still pending completion.

The Private Placement of 15,200,000 new ordinary shares of RM1.00 each ("Private Placement") which was approved by Securities Commission and Ministry of International Trade and Industry on 14 December 2006 and 8 January 2007 respectively was completed on 28 February 2007.

The total gross proceeds raised by the Company from the Private Placement amounted to RM52,624,000. The status of the utilisation of proceeds is as follow:

	Approved for utilisation by Securities Commission RM'000	Utilised as at 23/05/2007 RM'000	Balance yet to be utilised RM'000
Working Capital for property development projects	51,684	(39,040)	12,644
Expenses incidental to the Private Placement	940	(805)	135
	<u>52,624</u>	<u>(39,845)</u>	<u>12,779</u>

- b) On 29 January 2007, the Company's wholly-owned subsidiary, Sierra Peninsular Development Sdn Bhd ("SPD"), entered into a Development Agreement with Firasat Bijak Sdn Bhd ("FBSB") to develop a piece of prime land measuring approximately 64 acres in Puchong ("land"). SPD has been granted the exclusive rights to develop the land in return for a cash consideration of RM21,000,000 payable to FBSB over a period of more than 5 years.
- c) On 28 February 2007, the Company's wholly-owned subsidiary, Maxim Heights Sdn Bhd ("MHSB"), entered into a joint development Agreement with Global Flame Properties Sdn Bhd ("GFP") to develop a piece of commercial land measuring approximately 2.57 acres in Mont Kiara ("land"). MHSB has been granted the exclusive rights to develop the land in return for a cash consideration of RM11,000,000 payable to FBSB progressively over a period of 2 years. The proposed joint venture development is subjected to the procurement of the acknowledgement by Majlis Islam Wilayah Persekutuan which was obtained on 21 March 2007.

**B9 Group borrowings and debt securities**

Total group borrowings as at 31 March 2007 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	780	1,201	831	-	2,812
- after 12 months	165,935	2,621	1,719	-	170,275
	166,715	3,822	2,550	-	173,087
Short term borrowings					
Bank overdrafts	12,692	1,695	1,553	12,419	28,359
	818	517	-	3,296	4,631
	13,510	2,212	1,553	15,715	32,990
Finance lease and hire purchase					
- within 12 months	2,431	-	-	-	2,431
- after 12 months	2,758	-	-	-	2,758
	5,189	-	-	-	5,189
<b>Total</b>	<b>185,414</b>	<b>6,034</b>	<b>4,103</b>	<b>15,715</b>	<b>211,266</b>

**B10 Off balance sheet financial instruments**

A foreign subsidiary has entered into a cross currency swap transaction contract with a foreign bank with termination date in November 2008.

At 31 March 2007, the foreign currency amounts to be paid and contractual exchange rates of the Group's outstanding loan were as follows:

<u>Hedged item</u>	<u>Currency to be paid</u>	<u>RM equivalent</u>	<u>Contractual rate</u>
Borrowing: Rp4,411,956,569	US Dollar	1,687,498	1USD = Rp9,020

The cross currency swap contract of the foreign subsidiary entitles it to pay interest at fixed rates on notional principal amounts. The foreign subsidiary agreed to receive interest rate equal to SIBOR plus certain margin on the USD amount and pay interest rate of 13.25% on Rupiah amount.

**B11 Material litigation**

The Group is not engaged in any material litigation since 31 December 2006, being the latest annual balance sheet date until 23 May 2007, 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 31 March 2007.

**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		Period ended	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006
Net Profit for the period (RM'000)	<u>17,914</u>	<u>14,892</u>	<u>17,914</u>	<u>14,892</u>
Weighted average number of ordinary shares in issue ('000)	<u>168,839</u>	145,278	<u>168,839</u>	145,278
Basic EPS (sen)	<u>10.61</u>	<u>10.26</u>	<u>10.61</u>	<u>10.26</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 period by the weighted average number of ordinary shares that would have been issued 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.

	3 months ended		Period ended	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006
Net Profit for the period (RM'000)	<u>17,914</u>	<u>14,892</u>	<u>17,914</u>	<u>14,892</u>
Weighted average number of ordinary shares in issue ('000)	<u>168,839</u>	145,278	<u>168,839</u>	145,278
Weighted average number of ordinary shares deemed issued at no consideration ('000):				
ESOS	1,377	-	1,377	-
Warrants	<u>26,412</u>	<u>15,515</u>	<u>26,412</u>	<u>15,515</u>
Fully diluted weighted average number of shares	<u>196,628</u>	<u>160,793</u>	<u>196,628</u>	<u>160,793</u>
Diluted EPS (sen)	<u>9.11</u>	<u>9.26</u>	<u>9.11</u>	<u>9.26</u>

The reduction in diluted earnings per share is mainly due to:

- The increase in weighted average number of ordinary shares deemed issued at no consideration based on assumed exercise of outstanding warrants resulted from increase in average market price of ordinary shares, and
- The increase in weighted average number of ordinary shares in issue arising from the private placement whereby proceeds raised were not deployed immediately to generate income in the current quarter.

BY ORDER OF THE BOARD

YANG BAO LING  
 KUAN HUI FANG

Secretaries

Kuala Lumpur  
 30 May 2007