

MAH SING GROUP BERHAD

(Company No.: 230149 P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEETS

AS AT 31 DECEMBER 2007

(The figures have been audited)

	(AUDITED) AS AT 31/12/2007 (RM'000)	(AUDITED) AS AT 31/12/2006 (RM'000) (restated)
ASSETS		
Non-current assets		
Property, plant and equipment	53,907	52,159
Investment in associated companies	26	26
Investments	1	1
Intangible assets	20	28
Prepaid lease payments	5,542	6,067
	<u>59,496</u>	<u>58,281</u>
Current Assets		
Property development cost	569,325	490,168
Inventories	43,018	16,254
Trade and other receivables	234,558	139,026
Deposits with licensed banks	153,907	7,616
Cash and bank balances	49,820	35,397
	<u>1,050,628</u>	<u>688,461</u>
TOTAL ASSETS	<u>1,110,124</u>	<u>746,742</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	310,671	152,044
Share premium	133,908	31,104
Other reserves	4,515	6,335
Retained profit	181,223	126,294
	<u>630,317</u>	<u>315,777</u>
Minority interest	<u>5,455</u>	<u>4,522</u>
Total equity	<u>635,772</u>	<u>320,299</u>
Non-current liabilities		
Long term borrowings	142,984	73,396
Deferred payables	52,576	59,318
Deferred taxation	7	1,543
	<u>195,567</u>	<u>134,257</u>
Current Liabilities		
Trade and other payables	258,850	232,999
Term loans	6,125	24,890
Short term borrowings	7,832	22,540
Bank overdrafts	385	643
Taxation	5,593	11,114
	<u>278,785</u>	<u>292,186</u>
Total liabilities	<u>474,352</u>	<u>426,443</u>
TOTAL EQUITY AND LIABILITIES	<u>1,110,124</u>	<u>746,742</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>1.01</u>	<u>0.87</u>

(The net assets per share for both periods have been adjusted for the effect of share split and bonus issue)

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 year ended 31 December 2007

(The figures have been audited)

	3 months ended		Year ended		
	31/12/2007 (RM'000)	31/12/2006 (RM'000) (restated)	31/12/2007 (RM'000)	31/12/2006 (RM'000) (restated)	
Revenue	120,404	134,271	573,365	495,625	
Cost of Sales	(69,619)	(94,220)	(388,053)	(354,643)	
Gross profit	50,785	40,051	185,312	140,982	
Other income	297	787	1,441	2,997	
Administrative expenses	(14,524)	(10,447)	(47,525)	(32,418)	
Selling and marketing expenses	(5,362)	(3,434)	(16,234)	(14,017)	
Interest income	(162)	251	1,306	1,347	
Finance costs	(1,573)	(1,449)	(6,595)	(5,607)	
Profit before taxation	29,461	25,759	117,705	93,284	
Income tax expense	(8,973)	(8,279)	(35,447)	(27,594)	
Profit for the period/year	20,488	17,480	82,258	65,690	
Attributable to:					
Equity holders of the parent	20,367	17,257	81,126	65,370	
Minority interest	121	223	1,132	320	
Profit for the period/year	20,488	17,480	82,258	65,690	
Earnings per share attributable to equity holders of the parent:					
- Basic (sen)	Note B13	3.28	4.41	14.82	17.03
- Diluted (sen)	Note B13	3.24	3.68	14.09	14.42

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 year ended 31 December 2007

(The figures have been audited)

	Attributable to equity holders of the parent					Minority Interest	Total Equity	
	Non-Distributable		Distributable					
	Share capital	Share premium	Exchange fluctuation reserve	Equity-settled Employees Benefit Reserve	Retained earnings			Total
(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
Year ended 31 December 2007								
Balance at 1/1/2007	152,044	31,104	5,092	1,243	126,294	315,777	4,522	320,299
Amount recognised directly in equity:								
Foreign exchange fluctuation	-	-	(836)	-	-	(836)	(289)	(1,125)
Net profit for the year	-	-	-	-	81,126	81,126	1,132	82,258
Total recognised income and expense for the year	-	-	(836)	-	81,126	80,290	843	81,133
Issuance of ordinary shares of subsidiaries to minority interest	-	-	-	-	-	-	90	90
Issuance of ordinary shares pursuant to:								
- Exercise of warrants	38,483	-	-	-	-	38,483	-	38,483
- Rights Issue	51,267	117,915	-	-	-	169,182	-	169,182
- Private Placement	15,200	37,424	-	-	-	52,624	-	52,624
- Bonus Issue	51,327	(51,327)	-	-	-	-	-	-
- Exercise of employees share options	2,350	1,268	-	(984)	984	3,618	-	3,618
Expenses for issuance of equity securities	-	(2,476)	-	-	-	(2,476)	-	(2,476)
Dividends for the year ended 31 Dec 2006	-	-	-	-	(27,181)	(27,181)	-	(27,181)
Balance at 31/12/2007	310,671	133,908	4,256	259	181,223	630,317	5,455	635,772
	Attributable to equity holders of the parent					Minority Interest	Total Equity	
	Non-Distributable		Distributable					
	Share capital	Share premium	Exchange fluctuation reserve	Equity-settled Employees Benefit Reserve	Retained earnings			Total
(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
Year ended 31 December 2006								
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	-	-	(768)	-	-	(768)	(265)	(1,033)
Employees Share Options Scheme	-	-	-	1,243	-	1,243	-	1,243
Net profit for the year	-	-	-	-	65,370	65,370	320	65,690
Total recognised income and expense for the year	-	-	(768)	1,243	65,370	65,845	55	65,900
Issuance of ordinary shares pursuant to:								
- Exercise of warrants	6,913	-	-	-	-	6,913	-	6,913
Dividends for the year ended 31 Dec 2005	-	-	-	-	(13,041)	(13,041)	-	(13,041)
Balance at 31/12/2006	152,044	31,104	5,092	1,243	126,294	315,777	4,522	320,299

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 year ended 31 December 2007

(The figures have been audited)

	12 months ended 31/12/2007 (RM'000)	12 months ended 31/12/2006 (RM'000)
Net cash (used in)/from operating activities	(102,654)	62,203
Net cash used in investing activities	(4,920)	(4,822)
Net cash from/(used in) financing activities	268,533	(53,523)
Net increase in cash and cash equivalents	<u>160,959</u>	<u>3,858</u>
Effects of exchange rate changes	13	(39)
Cash and cash equivalents at beginning of the year	<u>42,305</u>	<u>38,486</u>
Cash and cash equivalents at end of the year	<u><u>203,277</u></u>	<u><u>42,305</u></u>

Cash and cash equivalents at the end of the year comprise the following:

	As at 31/12/2007 (RM'000)	As at 31/12/2006 (RM'000)
Deposits with licensed banks	153,907	7,616
Cash and bank balances	49,820	35,397
Bank overdraft	(385)	(643)
	<u>203,342</u>	<u>42,370</u>
Less: Deposits with licensed banks pledged as collateral	(65)	(65)
	<u><u>203,277</u></u>	<u><u>42,305</u></u>

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 audited 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"):

<u>Effective dates*</u>	<u>Accounting Standards</u>	
1 October 2006	FRS 117	Leases
1 October 2006	FRS 124	Related Party Disclosures
1 January 2007	Amendments to FRS119	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosure

* Effective for financial year beginning on or after the respective date

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 2007, 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 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 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 cyclical factors

The Group's operations during the financial year under review were not materially affected by any seasonality 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 during the current quarter and financial year-to-date.

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

During the financial year-to-date, the Company increased its issued and paid up ordinary share capital from RM152,044,349 to RM310,670,715 by way of:

- a) issuance of 15,200,000 new ordinary shares of RM1.00 each pursuant to private placement,
- b) issuance of 51,267,197 new ordinary shares of RM1.00 each pursuant to rights issue,
- c) issuance of 37,901,140 new ordinary shares of RM1.00 each pursuant to the exercise of Warrants prior to the completion of share split,
- d) issuance of 1,163,010 new ordinary shares of RM0.50 each pursuant to the exercise of Warrants after the completion of share split,
- e) issuance of 102,653,753 new ordinary shares of RM0.50 each pursuant to bonus issue, and
- f) issuance of 4,699,294 new ordinary shares of RM0.50 each pursuant to the exercise of employees share options.

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 year under review.

A8 Dividends paid

No dividend was paid during the current quarter and financial year-to-date except that on 17 August 2007, the Company paid a first and final dividend of 12% per share, less income tax, amounting to RM27,180,889 in respect of the financial year ended 31 December 2006.

A9 Segment reporting

Year ended 31 December 2007

	Properties (RM'000)	Plastics (RM'000)	Investment Holding & Others (RM'000)	Elimination (RM'000)	Consolidated (RM'000)
REVENUE					
External Sales	443,382	126,318	3,665	-	573,365
Inter-segment	-	-	277,275	(277,275)	-
Total revenue	443,382	126,318	280,940	(277,275)	573,365
RESULTS					
Operating profit	117,155	9,140	275,805	(279,106)	122,994
Finance expense					(6,595)
Interest income					1,306
Income tax					(35,447)
Net profit					82,258
OTHER INFORMATION					
Capital expenditure	3,254	7,491	54	-	10,799
Depreciation and amortisation	1,630	6,742	26	-	8,398
Reversal of impairment loss	-	(211)	-	-	(211)

A9 Segment reporting (cont'd)

Year ended 31 December 2006

	Properties (RM'000)	Plastics (RM'000)	Investment Holding & Others (RM'000)	Elimination (RM'000)	Consolidated (RM'000)
REVENUE					
External Sales	387,815	107,558	252	-	495,625
Inter-segment	-	-	42,319	(42,319)	-
Total revenue	387,815	107,558	42,571	(42,319)	495,625
RESULTS					
Operating profit	93,614	5,378	41,024	(42,472)	97,544
Finance expense					(5,607)
Interest income					1,347
Income tax					(27,594)
Net profit					65,690
OTHER INFORMATION					
Capital expenditure	1,327	8,630	51	-	10,008
Depreciation and amortisation	1,332	7,260	22	-	8,614
Reversal of impairment loss	-	(317)	-	-	(317)

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 save for reclassification as disclosed in Note A2.

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 21 February 2008 (being the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial statements).

- a) The issuance of 42,434 new ordinary shares of RM0.50 each pursuant to the exercise of employees share options.
- b) The issuance of 222,732 new ordinary shares of RM0.50 each pursuant to the exercise of warrants.

A12 Changes in the composition of the Group

- a) During the year-to-date under review, 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 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 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 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.
 - iv) Vienna Home Sdn Bhd, a private limited company incorporated in Malaysia 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.
 - v) Supreme Springs Sdn Bhd, a private limited company incorporated in Malaysia 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.
 - vi) Oasis Garden Development Sdn Bhd, a private limited company incorporated in Malaysia 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.
- b) On 13 June 2007, the Company subscribed for further 69,998 new ordinary shares of RM1.00 each in its subsidiaries companies, namely Vienna View Development Sdn Bhd, Enrich Property Development Sdn Bhd and Vienna Home Sdn Bhd, at cash consideration of RM69,998 respectively ("Further Subscription"). Pursuant to the Further Subscription, the issued and paid up share capital of the aforementioned companies have been respectively increased from RM2.00 to RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 70,000 ordinary shares are held by the Company, whilst the remaining 30,000 ordinary shares are held by minority shareholder.
- c) On 8 June 2007, the Company incorporated a wholly owned subsidiary known as Mah Sing Investment Singapore Pte Ltd in Singapore with paid up share capital of SGD1.00.
- d) On 10 August 2007, the Company incorporated a wholly owned subsidiary known as Mah Sing International Ltd with paid up share capital of USD1.00. Mah Sing International Ltd has similarly incorporated a wholly owned subsidiary known as Mah Sing Vietnam Ltd with paid up share capital of USD1.00. Both companies are incorporated in the British Virgin Islands.
- e) On 13 December 2007, the Company's wholly owned subsidiary, Mah Sing International Ltd has incorporated a wholly owned subsidiary known as Mah Sing Vina Ltd in British Virgin Islands with paid up share capital of USD1.00.

Save for the above, there were no changes in the composition of the Group during the current quarter and financial year-to-date, 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	
Corporate guarantees	31/12/2007	31/12/2006
	(RM'000)	(RM'000)
Corporate guarantees issued to financial institutions in respect of credit facilities granted to subsidiaries	113,677	74,791
Corporate guarantees issued to a third party in respect of the acquisition of development land	-	70,131
	<u>113,677</u>	<u>144,922</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 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 ("PATMI") of RM81.13 million for the financial year ended 31 December 2007; a 24.1% improvement compared to RM65.37 million for the preceding financial year ended 31 December 2006.

The improvement in PATMI was attributed to contribution from more projects, especially when the Group has grown from 5 launched projects in the 4th quarter of 2006 to 9 launched projects in the 4th quarter of 2007.

The main contributors to PATMI during the financial year under review were The Icon Jalan Tun Razak (West Wing), Perdana Residence, Hijauan Residence, Kemuning Residence and Aman Perdana in the Klang Valley as well as Sierra Perdana and Austin Perdana in Johor Bahru. Other contributors were the Group's existing projects of Damansara Legenda in the Klang Valley and Sri Pulai Perdana in Johor Bahru.

The Group posted a PATMI of RM20.37 million for the quarter ended 31 December 2007; an 18% increase compared to RM17.26 million for the previous corresponding quarter ended 31 December 2006.

As at today, the Group has 15 projects, all located in prime locations - 10 in the Klang Valley, 4 in Johor Bahru in the Iskandar Development Region ("IDR") and 1 in Penang. New projects coming onstream are Southbay Penang on Penang Island and Southgate Commercial Centre, Duta Perdana and One Residence in the Klang Valley.

B2 Material changes in the profit before taxation for the current quarter as compared to immediate preceding quarter

The Group recorded profit before tax of RM29.46 million in the quarter under review compared to RM34.18 million in the immediate preceding quarter.

B3 Prospect for the next financial year

The Board of Directors is confident that the Group's focus in the lifestyle medium to high end residential market and commercial segments as well as its effective quick turnaround business model will continue giving positive results in 2008.

Malaysia's property market has a conducive environment driven by the country's sustainable employment prospects and an increase in disposable household income through various measures, including EPF withdrawals to service housing loans, steady increments in wages in the private sector and civil servants' pay rise. This is augmented with a supportive financial environment that is characterized by low and stable interest rates. Pump-priming from the 9th Malaysia Plan and various government relaxations and incentives to boost property investment are other factors that would contribute to another good year of sales.

The Group's strong track record, premium branding and innovative offerings should continue to attract good take up for its projects namely Kemuning Residence, Hijauan Residence and Aman Perdana in the Klang Valley, and Sierra Perdana, Austin Perdana and Sri Pulai Perdana in South Johor within the IDR. The Group will also seek enbloc sales opportunities for its remaining commercial projects namely Southgate Commercial Centre (KL) and Southbay City (Penang Island).

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		Year ended	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Current tax:				
Malaysian income tax	10,114	9,128	34,325	28,722
Foreign tax	115	-	595	-
	<u>10,229</u>	<u>9,128</u>	<u>34,920</u>	<u>28,722</u>
Under/(Over) provision of Malaysian income tax in prior years	62	561	2,063	547
	<u>10,291</u>	<u>9,689</u>	<u>36,983</u>	<u>29,269</u>
Deferred taxation				
Malaysian deferred tax	(1,318)	(1,410)	(1,536)	(1,675)
	<u>8,973</u>	<u>8,279</u>	<u>35,447</u>	<u>27,594</u>

The effective tax rate of the Group for the current financial year was higher than the applicable statutory tax rate mainly due to adjustment on under provision of taxation in prior years.

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 and financial year-to-date.

B7 Quoted securities

(a) There was no purchase or sale of quoted securities during the current quarter and financial year-to-date.

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

	31/12/2007	31/12/2006
	(RM'000)	(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 have not been completed as at 21 February 2008 being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Statements:-

a) 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.

b) 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 GFP progressively over a period of 2 years. The proposed joint venture development is subject to the procurement of the acknowledgement by Majlis Islam Wilayah Persekutuan which was obtained on 21 March 2007.

c) On 13 June 2007, the Company's wholly-owned subsidiaries, namely Vienna View Development Sdn Bhd, Enrich Property Development Sdn Bhd and Vienna Home Sdn Bhd, entered into a sale and purchase agreement with Kembang Biru Sdn Bhd for acquisition of prime freehold land measuring approximately 86.78 acres in Penang for a cash consideration of RM115,750,000.

On 12 September 2007 and 21 September 2007, the Company received notification that the transaction had been approved by the Foreign Investment Committee.

Further to the approval from the Foreign Investment Committee, the transaction had been approved by the shareholders of the Company on 25 October 2007.

d) On 27 July 2007, the Company's wholly-owned subsidiary, Jastamax Sdn Bhd, entered into a sale and purchase agreement with Nichii Fashion Sdn Bhd for the acquisition of prime freehold land measuring approximately 4.76 acres in Kuala Lumpur for a cash consideration of RM52,000,000.

On 1 October 2007, the Company received notification that the transaction had been approved by the Foreign Investment Committee.

- e) On 27 November 2007, the Company's wholly owned subsidiary company, Star Residence Sdn Bhd ("SRSB") entered into the following agreements with Prompt Symphony Sdn Bhd ("PSSB"):
- i) Sale and Purchase Agreement for the en bloc sale of net lettable area of 263,435 square feet in the East Wing of a purpose-built grade A office building, known as The Icon Jalan Tun Razak, for a total cash consideration of RM237,091,500, and;
 - ii) A Put and Call Option Agreement, at option consideration of RM1, with PSSB for the sale of not less than 301 car park bays in The Icon Jalan Tun Razak for a total cash consideration of RM18,151,000.
- f) On 27 November 2007, the Company's wholly owned subsidiary company, Maxim Heights Sdn Bhd ("MHSB") entered into the following tripartite agreements with Majlis Agama Islam Wilayah Persekutuan ("MAIWP") and PSSB as follows:
- i) Sale and Purchase Agreement for the en bloc sale of net lettable area of 380,510 square feet in a purpose-built commercial building known as The Icon Mont Kiara, for a total cash consideration of RM285,382,500, and;
 - ii) A tripartite Put and Call Option Agreement, at option consideration of RM1, with MAIWP and PSSB for the sale of not less than 637 car park bays in The Icon Mont Kiara to PSSB for a total cash consideration of RM19,900,000.
- g) The total gross proceeds raised by the Company from Private Placement and Rights Issue ("Corporate Exercise") amounted to RM52,624,000 and RM169,181,750 respectively. The status of the utilisation of proceeds is as follow:

	Approved utilisation RM'000	Utilised as at 21/02/2008 RM'000	Balance yet to be utilised RM'000
Working Capital for property development projects	219,216	(189,356)	29,860
Expenses incidental to the Corporate Exercise	2,590	(2,065)	525
	<u>221,806</u>	<u>(191,421)</u>	<u>30,385</u>

B9 Group borrowings and debt securities

Total group borrowings as at 31 December 2007 are as follows:

(Denominated in)	Secured (RM'000) (RM)	Secured (RM'000) (Indonesian Rupiah)	Secured (RM'000) (USD)	Unsecured (RM'000) (RM)	Total (RM'000)
Term loans payable					
- within 12 months	2,925	2,993	207	-	6,125
- after 12 months	140,583	1,849	552	-	142,984
	<u>143,508</u>	<u>4,842</u>	<u>759</u>	<u>-</u>	<u>149,109</u>
Short term borrowings	-	1,230	662	5,940	7,832
Bank overdrafts	-	385	-	-	385
	<u>-</u>	<u>1,615</u>	<u>662</u>	<u>5,940</u>	<u>8,217</u>
Finance lease and hire purchase					
- within 12 months	2,269	-	-	-	2,269
- after 12 months	2,396	-	-	-	2,396
	<u>4,665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,665</u>
Total	<u>148,173</u>	<u>6,457</u>	<u>1,421</u>	<u>5,940</u>	<u>161,991</u>

B10 Off balance sheet financial instruments

A foreign subsidiary has entered into cross currency swap transaction contracts with a foreign bank with termination date in November 2008 and October 2009 respectively.

At 31 December 2007, the loan balance in foreign currency, the contractual foreign exchange rates and the contractual interest rates were as follows:

Hedged item	Currency to be paid	RM equivalent	Contractual foreign exchange rate	Fixed interest rate on borrowings in Rupiah	
Borrowing:	Rp2,475,000,000	US Dollar	890,462	1 USD = Rp9,200	13.25%
Borrowing:	Rp4,125,000,000	US Dollar	1,505,375	1 USD = Rp9,070	10.85%

The cross currency swap contracts of the foreign subsidiary entitle it to pay interest at fixed rates on notional principal amounts.

B11 Material litigation

The Group is not engaged in any material litigation since 31 December 2006, being the latest annual balance sheet date until 21 February 2008, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Statements.

B12 Dividend proposed

The Directors have proposed a first and final gross dividend of 16% per ordinary share (including 265,166 ordinary shares issued after the financial year end and up to the latest practicable date as mentioned in Note A11), less income tax of 26%, amounting to RM36,799,110 in respect of the current financial year, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

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 period/year by the weighted average number of ordinary shares in issue.

	3 months ended		Year ended	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Net Profit for the period/year (RM'000)	<u>20,367</u>	<u>17,257</u>	<u>81,126</u>	<u>65,370</u>
Weighted average number of ordinary shares in issue ('000)	<u>621,290</u>	<u>391,514</u>	<u>547,387</u>	<u>383,843</u>
Basic EPS (sen)	<u>3.28</u>	<u>4.41</u>	<u>14.82</u>	<u>17.03</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/year 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		Year ended	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Net Profit for the period/year (RM'000)	<u>20,367</u>	<u>17,257</u>	<u>81,126</u>	<u>65,370</u>
Weighted average number of ordinary shares in issue ('000)	<u>621,290</u>	<u>391,514</u>	<u>547,387</u>	<u>383,843</u>
Weighted average number of ordinary shares deemed issued at no consideration ('000):				
ESOS	<u>1,209</u>	<u>2,534</u>	<u>2,448</u>	<u>1,033</u>
Warrants	<u>5,853</u>	<u>74,797</u>	<u>25,997</u>	<u>68,485</u>
Fully diluted weighted average number of shares	<u>628,352</u>	<u>468,845</u>	<u>575,832</u>	<u>453,361</u>
Diluted EPS (sen)	<u>3.24</u>	<u>3.68</u>	<u>14.09</u>	<u>14.42</u>

The weighted average number of ordinary shares have been adjusted for the effect of :

- The Rights Issue and Share Split which were completed on 26 June 2007, and
- The Bonus Issue which was completed on 10 July 2007.

BY ORDER OF THE BOARD

YANG BAO LING
 KUAN HUI FANG

Secretaries

Kuala Lumpur
 28 February 2008



MAH SING GROUP BERHAD

Company No.: 230149-P

(Incorporated in Malaysia)

Interim Financial Statements

31 December 2007

MAH SING GROUP BERHAD

Company No.: 230149-P
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Interim Financial Statements - 31 December 2007

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