

MAH SING GROUP BERHAD

(Company No.: 230149 P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEETS

AS AT 31 MARCH 2008

(The figures have not been audited)

	(UNAUDITED) AS AT 31/03/2008 (RM'000)	(AUDITED) AS AT 31/12/2007 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	56,032	53,907
Investment in associated companies	-	26
Other Investment	1	1
Intangible assets	18	20
Prepaid lease payments	5,368	5,542
	<u>61,419</u>	<u>59,496</u>
Current Assets		
Property development cost	570,549	569,325
Inventories	33,983	43,018
Trade and other receivables	275,002	234,558
Deposits with licensed banks	99,532	153,907
Cash and bank balances	31,177	49,820
	<u>1,010,243</u>	<u>1,050,628</u>
TOTAL ASSETS	<u><u>1,071,662</u></u>	<u><u>1,110,124</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	310,910	310,671
Share premium	133,963	133,908
Other reserves	4,163	4,515
Retained profit	203,567	181,223
	<u>652,603</u>	<u>630,317</u>
Minority interest	5,293	5,455
Total equity	<u>657,896</u>	<u>635,772</u>
Non-current liabilities		
Long term borrowings	132,254	142,984
Deferred payables	52,276	52,576
Deferred taxation	7	7
	<u>184,537</u>	<u>195,567</u>
Current Liabilities		
Trade and other payables	203,165	258,850
Term loans	7,578	6,125
Short term borrowings	8,758	7,832
Bank overdrafts	538	385
Taxation	9,190	5,593
	<u>229,229</u>	<u>278,785</u>
Total liabilities	413,766	474,352
TOTAL EQUITY AND LIABILITIES	<u><u>1,071,662</u></u>	<u><u>1,110,124</u></u>
Net assets per share attributable to equity holders of the parent (RM)		
	<u>1.05</u>	<u>1.01</u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2008

(The figures have not been audited)

	3 months ended		Period ended		
	31/03/2008 (RM'000)	31/03/2007 (RM'000)	31/03/2008 (RM'000)	31/03/2007 (RM'000)	
Revenue	140,665	141,561	140,665	141,561	
Cost of Sales	(96,649)	(102,870)	(96,649)	(102,870)	
Gross profit	44,016	38,691	44,016	38,691	
Other income	1,126	577	1,126	577	
Administrative expenses	(10,387)	(9,680)	(10,387)	(9,680)	
Selling and marketing expenses	(2,526)	(3,324)	(2,526)	(3,324)	
Interest income	(72)	86	(72)	86	
Finance costs	(1,242)	(1,354)	(1,242)	(1,354)	
Profit before taxation	30,915	24,996	30,915	24,996	
Income tax expense	(8,598)	(6,835)	(8,598)	(6,835)	
Profit for the period	22,317	18,161	22,317	18,161	
Attributable to:					
Equity holders of the parent	22,309	17,914	22,309	17,914	
Minority interest	8	247	8	247	
	22,317	18,161	22,317	18,161	
Earnings per share attributable to equity holders of the parent:					
- Basic (sen)	Note B13	3.59	4.12	3.59	4.12
- Diluted (sen)	Note B13	3.55	3.54	3.55	3.54

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2008

(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	Equity-settled Employees Benefit Reserve	Retained earnings			Total
(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
3 months ended 31 March 2008								
Balance at 1/1/2008	310,671	133,908	4,256	259	181,223	630,317	5,455	635,772
Amount recognised directly in equity:								
Foreign exchange fluctuation	-	-	(317)	-	-	(317)	(170)	(487)
Net profit for the period	-	-	-	-	22,309	22,309	8	22,317
Total recognised income and expense for the period	-	-	(317)	-	22,309	21,992	(162)	21,830
Issuance of ordinary shares pursuant to:								
- Exercise of warrants	138	-	-	-	-	138	-	138
- Exercise of employees share options	101	55	-	(35)	35	156	-	156
Balance at 31/03/2008	310,910	133,963	3,939	224	203,567	652,603	5,293	657,896

	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)	
3 months ended 31 March 2007								
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 period	-	-	-	-	17,914	17,914	247	18,161
Total recognised income and expense for the period	-	-	(259)	-	17,914	17,655	162	17,817
Issuance of ordinary shares pursuant to:								
- Exercise of warrants	11,988	-	-	-	-	11,988	-	11,988
- Private Placement	15,200	37,424	-	-	-	52,624	-	52,624
Expenses for issuance of equity securities	-	(339)	-	-	-	(339)	-	(339)
Balance at 31/03/2007	179,232	68,189	4,833	1,243	144,209	397,706	4,684	402,390

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2008

(The figures have not been audited)

	3 months ended 31/03/2008 (RM'000)	3 months ended 31/03/2007 (RM'000)
Net cash used in operating activities	(67,024)	(100,819)
Net cash from/(used in) investing activities	2,374	(1,080)
Net cash (used in)/from financing activities	(9,155)	144,522
Net (decrease)/increase in cash and cash equivalents	(73,805)	42,623
Effects of exchange rate changes	(6)	(4)
Cash and cash equivalents at beginning of financial period	203,277	42,305
Cash and cash equivalents at end of financial period	129,466	84,924

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

	As at 31/03/2008 (RM'000)	As at 31/03/2007 (RM'000)
Deposits with licensed banks	99,532	47,862
Cash and bank balances	31,177	41,758
Bank overdraft	(538)	(4,631)
	130,171	84,989
Less: Deposits with licensed banks pledged as collateral	(705)	(65)
	129,466	84,924

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2007. 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 2007.

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 2007, except for the adoption of the new/revised Financial Reporting Standards ("FRS") and interpretations that are relevant to the Group and effective for the Group's financial period beginning on or after 1 January 2008 as follows:-

FRS 107	Cash Flow Statement
FRS 112	Income Taxes
FRS 118	Revenue
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Scope of FRS 2

Deferred FRS 139 - Financial Instruments : Recognition and Measurement. The effective date of this standard has yet to be determined by the Malaysian Accounting Standards Board ("MASB").

The adoption of these new/revised FRSs does not have significant financial impact on the Group.

A3 Preceding annual audit report status

The auditors' report on the financial statements for the financial year ended 31 December 2007 was not subject to any qualification.

A4 Seasonal or cyclical factors

The operations of the Group were not significantly affected by any major seasonal or cyclical factors during the current quarter under review and financial period-to-date.

A5 Nature and amount of unusual items

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 under review and financial period-to-date.

A6 Changes in estimates

There were no material changes in estimates in the current quarter under review and financial period-to-date.

A7 Debts and equity securities

During the financial period ended 31 March, 2008, the Company increased its issued and paid up ordinary share capital from RM310,670,715 to RM310,910,173 by way of:

- a) issuance of 202,585 new ordinary shares of RM0.50 each pursuant to exercise of employees share options; and
- b) issuance of 276,332 new ordinary shares of RM0.50 each pursuant to 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 current quarter under review and financial period-to-date.

A8 Dividends paid

There were no dividend paid during the current quarter under review and financial period-to-date.

A9 Segment reporting

Period ended 31 March 2008

	Properties	Plastics	Investment Holding & Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External Sales	103,535	36,116	1,014	-	140,665
Inter-segment	-	-	28	(28)	-
Total revenue	103,535	36,116	1,042	(28)	140,665
RESULTS					
Operating profit	32,168	1,640	(2,167)	588	32,229
Finance expense					(1,242)
Interest income					(72)
Income tax					(8,598)
Net profit					22,317
OTHER INFORMATION					
Capital expenditure	665	4,072	12	-	4,749
Depreciation and amortisation	420	1,622	7	-	2,049
Reversal of impairment loss	-	(18)	-	-	(18)

Period ended 31 March 2007

	Properties	Plastics	Investment Holding & Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External Sales	111,713	29,653	195	-	141,561
Inter-segment	-	-	51	(51)	-
Total revenue	111,713	29,653	246	(51)	141,561
RESULTS					
Operating profit	25,410	2,015	(901)	(260)	26,264
Finance expense					(1,354)
Interest income					86
Income tax					(6,835)
Net profit					18,161
OTHER INFORMATION					
Capital expenditure	1,054	787	2	-	1,843
Depreciation and amortisation	368	1,723	6	-	2,097
Reversal of impairment loss	-	(36)	-	-	(36)

A10 Valuation of Property, Plant and Equipment

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 2007.

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 22 May 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 33,200 new ordinary shares of RM0.50 each pursuant to the exercise of warrants.

A12 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter under review and financial period-to-date.

A13 Changes in contingent liabilities or contingent assets

<u>Company</u>	Contingent Liabilities	
Corporate guarantees	31/03/2008	31/12/2007
	RM'000	RM'000
Corporate guarantees issued to financial institutions in respect of credit facilities granted to certain subsidiaries	106,734	113,677

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 2007.

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 RM22.31 million for the first quarter ended 31 March 2008; a 24.5% improvement compared to RM17.91 million for the previous corresponding quarter ended 31 March 2007. The improvement in profit after tax was attributable to contribution from more projects, from 7 projects in the first quarter of 2007 to 9 projects in the first quarter of 2008.

The main contributors to profit after tax during the quarter under review were Hijauan Residence, Aman Perdana, Kemuning Residence and The Icon Jalan Tun Razak (West Wing) in the Klang Valley and Austin Perdana and Sierra Perdana in Johor Bahru.

As at today, the Group has 14 projects, all located in prime locations - 9 in the Klang Valley, 4 in Johor Bahru in Iskandar Malaysia and 1 in Penang.

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

The Group recorded a profit before tax of RM30.91 million in the current quarter representing an increase of 4.9% compared to RM29.46 million in the immediate preceding quarter. The improvement was mainly due to better performance of the Group's property division.

B3 Prospect for the current financial year

The Group is selectively bullish for the property sector in 2008, seeing growth in medium to high-end residential and commercial projects in good locations. Malaysia's strong economic growth of 7.1% in the first quarter of 2008 was driven by strong domestic demand especially in consumer and government spending. In this environment, the Malaysian economy is expected to continue to remain resilient.

To-date, construction of The Icon Jalan Tun Razak is at level 14 with completion expected in the first half of 2009. Upon completion next year, this office shall be one of only 2 new Grade A offices to cater to the increasing demand for quality office space in the vicinity of Kuala Lumpur City Center. The Group is also confident of Southgate Commercial Centre based on the strong take-up of RM53 million to-date from our private preview. Block Vivo is currently 80% sold. The residential property division should also see strong sales as Mah Sing's forte is strong product differentiation to target niche market, backed by a strong track record and a strong management team.

The Group expects another year of good sales, supported by stable interest rates and strong liquidity in the banking system. Net disposable income is on the uptrend as a result of increasing wages in both the private and public sector. This is augmented by increased purchasing power afforded by EPF withdrawals to service housing loans. All these will support the growth of the property sector.

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	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Current tax:				
Malaysian income tax	8,417	6,943	8,417	6,943
Foreign tax	181	-	181	-
	8,598	6,943	8,598	6,943
Over provision of Malaysian income tax in prior years	-	(256)	-	(256)
	8,598	6,687	8,598	6,687
Deferred taxation				
Malaysian deferred tax	-	148	-	148
	8,598	6,835	8,598	6,835

The effective tax rate of the Group for the current quarter was higher than the applicable statutory tax rate mainly due to certain non-tax deductible expenses.

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 under review and financial period-to-date.

B7 Quoted securities

(a) There was no purchase or sale of quoted securities for the current financial period-to-date.

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

	31/03/2008	31/12/2007
	(RM'000)	(RM'000)
(i) At cost	4	4
(ii) At carrying value/book value	1	1
(iii) At market value	1	1

B8 Status of corporate proposals

The following corporate proposals announced by the Company have not been completed as at 22 May 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 13 June 2007, the Company's subsidiaries, namely Vienna View Development Sdn Bhd, Enrich Property Development Sdn Bhd and Vienna Home Sdn Bhd ("Purchasers"), have entered into respective sale and purchase agreements ("SPAs") with Kembang Biru Sdn Bhd ("Vendor") for the proposed acquisition of prime freehold lands measuring approximately 86.78 acres in Penang for a total cash consideration of RM115,750,000 ("Proposed Acquisition").

The Proposed Acquisition has been approved by the shareholders of Mah Sing Group Berhad and Foreign Investment Committee.

On 6 May 2008, the Company announced that the Purchasers have entered into the respective supplemental agreements with the Vendor for variations, amendments, modifications and alterations of certain terms and conditions of the SPAs. The SPAs became unconditional on the same day.

- b) On 27 November 2007, the Company's wholly owned subsidiary company, Star Residence Sdn Bhd ("SRSB") has entered into the following agreements with Prompt Symphony Sdn Bhd ("PSSB"):

- i) Sale and Purchase Agreement for the proposed en bloc sale of net lettable area of 263,435 square feet in the East Wing of The Icon @ Jalan Tun Razak, for a total cash consideration of RM237,091,500 ("Proposed JTR En Bloc Sale"), and;
- ii) A Put and Call Option Agreement, at option consideration of RM1, 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.

As of 31 March 2008, the Company announced that all the conditions precedent have been fulfilled pursuant to the Proposed JTR En Bloc Sale except for the procurement of an irrevocable bank guarantee, as security for the balance 82% of the sale consideration, by PSSB in favour of SRSB.

- c) On 27 November 2007, the Company's wholly owned subsidiary company, Maxim Heights Sdn Bhd has entered into the following tripartite agreements with Majlis Agama Islam Wilayah Persekutuan and Prompt Symphony Sdn Bhd:

- i) Sale and Purchase Agreement for the proposed en bloc sale of net lettable area of 380,510 square feet in The Icon @ Mont Kiara, for a total cash consideration of RM285,382,500 ("Proposed MTK En Bloc Sale"), and;
- ii) A Put and Call Option Agreement, at option consideration of RM1, for the sale of not less than 637 car park bays in The Icon @ Mont Kiara for a total cash consideration of RM19,900,000.

The proposed MTK En Bloc Sale has yet to become unconditional pending fulfillment of certain conditions precedent.

- d) 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	Utilised as at 22/05/2008	Balance yet to be utilised
	RM'000	RM'000	RM'000
Working Capital for property development projects	219,216	(215,924)	3,292
Expenses incidental to the Corporate Exercise	2,590	(2,065)	525
	<u>221,806</u>	<u>(217,989)</u>	<u>3,817</u>

B9 Group borrowings and debt securities

Total group borrowings as at 31 March 2008 are as follows:

	Secured (RM'000)	Secured (RM'000)	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
(Denominated in)	(RM)	(Indonesian Rupiah)	(USD)	(RM)	
Term loans payable					
- within 12 months	5,286	2,142	150	-	7,578
- after 12 months	129,904	1,817	533	-	132,254
	135,190	3,959	683	-	139,832
Short term borrowings	-	1,568	1,120	6,070	8,758
Bank overdrafts	-	538	-	-	538
	-	2,106	1,120	6,070	9,296
Finance lease and hire purchase					
- within 12 months	2,140	-	-	-	2,140
- after 12 months	2,052	-	-	-	2,052
	4,192	-	-	-	4,192
Total	139,382	6,065	1,803	6,070	153,320

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.

As at 31 March 2008, 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 rate	
			Forex rates	Interest rates
Borrowing: Rp1,800,000,000	US Dollar	626,087	1 USD = Rp9,200	13.25%
Borrowing: Rp3,562,496,460	US Dollar	1,256,891	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 2007, being the latest annual balance sheet date until 22 May 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

No dividend has been proposed in respect of the financial period ended 31 March 2008.

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 by the weighted average number of ordinary shares in issue.

	3 months ended		Period ended	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007
Net Profit for the period (RM'000)	<u>22,309</u>	17,914	<u>22,309</u>	17,914
Weighted average number of ordinary shares in issue ('000)	621,563	434,779	621,563	434,779
Basic EPS (sen)	<u>3.59</u>	4.12	<u>3.59</u>	4.12

(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	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007
Net Profit for the period (RM'000)	<u>22,309</u>	17,914	<u>22,309</u>	17,914
Weighted average number of ordinary shares in issue ('000)	621,563	434,779	621,563	434,779
Weighted average number of ordinary shares deemed issued at no consideration ('000):				
ESOS	681	3,546	681	3,546
Warrants	5,518	68,014	5,518	68,014
Fully diluted weighted average number of shares ('000)	<u>627,762</u>	<u>506,339</u>	<u>627,762</u>	<u>506,339</u>
Diluted EPS (sen)	<u>3.55</u>	3.54	<u>3.55</u>	3.54

BY ORDER OF THE BOARD

YANG BAO LING
 KUAN HUI FANG

Secretaries

Kuala Lumpur
 29 May 2008



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Company No.: 230149-P

(Incorporated in Malaysia)

Interim Financial Statements

31 March 2008

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

Interim Financial Statements - 31 March 2008

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