MAH SING GROUP BERHAD

Company No.: 230149-P

(Incorporated in Malaysia)

Interim Financial Report

31 December 2012

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(Incorporated in Malaysia)

Interim Financial Report - 31 December 2012

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2012

(The figures have been audited)

	AS AT 31/12/2012 RM'000	AS AT 31/12/2011 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	**101,483**	85,325
Prepaid lease payments	**7,249**	2,890
Investment properties	**71,126**	56,076
Land held for property development	**419,280**	71,869
Intangible assets	**12,541**	70
Deferred tax assets	**64,456**	27,457
	676,135	243,687
Current Assets		
Property development costs	**1,885,233**	1,536,097
Inventories	**39,722**	43,781
Trade and other receivables	**398,031**	355,570
Current tax assets	**6,505**	5,529
Deposits, cash and bank balances	**589,460**	665,717
	2,918,951	2,606,694
TOTAL ASSETS	**3,595,086**	2,850,381
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	**419,934**	415,936
Share premium	**140,287**	131,101
Other reserves	**30,889**	29,348
Retained earnings	**653,787**	496,766
	1,244,897	1,073,151
Non-controlling interests	**10,104**	15,338
Total Equity	**1,255,001**	1,088,489
Non-current Liabilities		
Redeemable convertible bonds	**275,785**	268,298
Term loans	**590,400**	666,508
Long term and deferred payables	**57,974**	12,364
Deferred tax liabilities	**21,973**	6,888
	946,132	954,058
Current Liabilities		
Trade and other payables	**1,314,428**	736,237
Term loans	**28,675**	34,981
Short term borrowings	**11,305**	4,022
Bank overdrafts	**519**	150
Current tax liabilities	**39,026**	32,444
	1,393,953	807,834
Total Liabilities	**2,340,085**	1,761,892
TOTAL EQUITY AND LIABILITIES	**3,595,086**	2,850,381
Net assets per share attributable to equity holders of the Company (RM)	**1.48**	1.29

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED INCOME STATEMENT
For the financial year ended 31 December 2012

(The figures have been audited)

	3 months ended		Year ended	
	31/12/2012	31/12/2011	**31/12/2012**	31/12/2011
	RM'000	RM'000	**RM'000**	RM'000
Revenue	**441,442**	422,126	**1,775,260**	1,570,696
Cost of sales	**(303,931)**	(308,966)	**(1,252,001)**	(1,138,700)
Gross profit	**137,511**	113,160	**523,259**	431,996
Other income	**9,885**	5,281	**30,409**	10,952
Selling and marketing expenses	**(41,502)**	(15,374)	**(96,125)**	(68,568)
Administrative expenses	**(32,081)**	(29,046)	**(117,598)**	(97,478)
Other operating expenses	**(4,958)**	(21,965)	**(32,217)**	(45,401)
Interest income	**4,161**	6,688	**9,997**	10,166
Finance costs	**(732)**	(1,516)	**(2,202)**	(3,039)
Profit before taxation	**72,284**	57,228	**315,523**	238,628
Income tax expense	**(16,930)**	(16,652)	**(83,755)**	(69,991)
Profit for the year	**55,354**	40,576	**231,768**	168,637
Profit attributable to:				
Equity holders of the Company	**55,399**	41,032	**230,617**	168,556
Non-controlling interests	**(45)**	(456)	**1,151**	81
	55,354	40,576	**231,768**	168,637
Earnings per share attributable to equity holders of the Company:				
- Basic (sen) Note B13	**6.60**	4.93	**27.61**	20.27
- Diluted (sen) Note B13	**6.49**	4.77	**27.14**	19.74

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2012

(The figures have been audited)

	3 months ended		Year ended	
	31/12/2012	31/12/2011	**31/12/2012**	31/12/2011
	RM'000	RM'000	**RM'000**	RM'000
Profit for the year	**55,354**	40,576	**231,768**	168,637
Foreign currency translation difference for foreign operations	**(4)**	727	**(995)**	8,357
Total comprehensive income for the year	**55,350**	41,303	**230,773**	176,994
Total comprehensive income attributable to:				
Equity holders of the Company	**55,396**	41,782	**229,995**	176,546
Non-controlling interests	**(46)**	(479)	**778**	448
	55,350	41,303	**230,773**	176,994

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2012
(The figures have been audited)

	Attributable to equity holders of the Company								
		Non-Distributable				Distributable			
12 months ended 31 December 2012	**Share capital**	**Share premium**	**Equity-settled employees benefit reserve**	**Exchange fluctuation reserve**	**Other reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total Equity**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Balance at 1/1/2012	**415,936**	**131,101**	**8,451**	**3,768**	**17,129**	**496,766**	**1,073,151**	**15,338**	**1,088,489**
Amount recognised directly in equity:									
Profit for the financial year	**-**	**-**	**-**	**-**	**-**	**230,617**	**230,617**	**1,151**	**231,768**
Other comprehensive income	**-**	**-**	**-**	**(622)**	**-**	**-**	**(622)**	**(373)**	**(995)**
Total comprehensive income for the year	**-**	**-**	**-**	**(622)**	**-**	**230,617**	**229,995**	**778**	**230,773**
Recognition of share-based payment	**-**	**-**	**5,218**	**-**	**-**	**-**	**5,218**	**-**	**5,218**
Issuance of ordinary shares pursuant to ESOS exercised	**3,998**	**9,186**	**(2,336)**	**-**	**-**	**2,336**	**13,184**	**-**	**13,184**
ESOS lapsed during the year	**-**	**-**	**(719)**	**-**	**-**	**719**	**-**	**-**	**-**
Dividends for the financial year ended 31 December 2011	**-**	**-**	**-**	**-**	**-**	**(69,163)**	**(69,163)**	**-**	**(69,163)**
Dividend paid to non-controlling interest	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(7,200)**	**(7,200)**
Acquisition of the remaining interest from the non-controlling shareholders	**-**	**-**	**-**	**-**	**-**	**(7,488)**	**(7,488)**	**1,188**	**(6,300)**
Balance at 31/12/2012	**419,934**	**140,287**	**10,614**	**3,146**	**17,129**	**653,787**	**1,244,897**	**10,104**	**1,255,001**

	Attributable to equity holders of the Company								
		Non-Distributable				Distributable			
12 months ended 31 December 2011	Share capital	Share premium	Equity-settled employees benefit reserve	Exchange fluctuation reserve	Other reserve	Retained earnings	Total	Non-controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1/1/2011	415,784	130,752	1,002	(4,222)	-	375,550	918,866	17,590	936,456
Amount recognised directly in equity:									
Profit for the financial year	-	-	-	-	-	168,556	168,556	81	168,637
Other comprehensive income	-	-	-	7,990	-	-	7,990	367	8,357
Total comprehensive income for the year	-	-	-	7,990	-	168,556	176,546	448	176,994
Recognition of share-based payment	-	-	7,508	-	-	-	7,508	-	7,508
Equity component of convertible bonds	-	-	-	-	17,129	-	17,129	-	17,129
Issuance of ordinary shares pursuant to ESOS exercised	152	349	(59)	-	-	59	501	-	501
Dividends for the financial year ended 31 December 2010	-	-	-	-	-	(47,399)	(47,399)		(47,399)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(2,700)	(2,700)
Balance at 31/12/2011	415,936	131,101	8,451	3,768	17,129	496,766	1,073,151	15,338	1,088,489

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the financial year ended 31 December 2012

(The figures have been audited)

	12 months ended 31/12/2012 RM'000	12 months ended 31/12/2011 RM'000
Operating Activities		
Profit before taxation	**315,523**	238,628
Adjustments for:		
Non-cash items	**20,650**	37,620
Non-operating items	**(5,031)**	(1,690)
Operating profit before changes in working capital	**331,142**	274,558
Net change in inventories	**3,184**	(10,543)
Net change in payables	**242,971**	203,826
Net change in property development costs	**(189,450)**	(453,465)
Net change in receivables	**(45,416)**	42,098
Cash generated from operations	**342,431**	56,474
Interest paid	**(30,486)**	(28,460)
Interest received	**19,381**	14,208
Tax paid	**(115,087)**	(79,588)
Net cash generated from operating activities	**216,239**	(37,366)
Investing Activities		
Acquisition of investment in a subsidiary	**(56,758)**	-
Additions to investment properties	**(12,956)**	(4,024)
Additions to land held for property development	**(33,874)**	(8,980)
Payment for acquisition of property, plant and equipment	**(34,765)**	(28,484)
Payment for acquisition of balance of equity in subsidiaries	**(6,828)**	(7,420)
Proceeds from disposal of property, plant and equipment	**1,744**	780
Net cash used in investing activities	**(143,437)**	(48,128)
Financing Activities		
Dividends paid to non-controlling interests	**(7,200)**	(2,700)
Dividends paid to shareholders of the Company	**(69,163)**	(47,399)
Net (repayment of)/ proceeds from borrowings	**(75,618)**	202,663
Net (placement)/withdrawal of deposits with licensed banks as collateral/Escrow Account	**(13,815)**	30,742
Payment of bonds coupon	**(10,534)**	(5,354)
Payment of corporate exercise expenses	**-**	(2,745)
Proceeds from ESOS exercised	**13,184**	500
Proceeds from issuance of redeemable convertible bonds	**-**	289,478
Net cash (used in)/generated from financing activities	**(163,146)**	465,185
Net changes in cash and cash equivalents	**(90,344)**	379,691
Effect of exchange rate changes	**(97)**	8,045
Cash and cash equivalents at beginning of financial year	**634,215**	246,479
Cash and cash equivalents at end of financial year	**543,774**	634,215

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the financial year ended 31 December 2012 (cont'd)

(The figures have been audited)

	12 months ended 31/12/2012 RM'000	12 months ended 31/12/2011 RM'000
Cash and cash equivalents at the end of the financial year comprise the following:		
Deposits with licensed banks	**291,839**	508,486
Cash and bank balances	**297,621**	157,231
Bank overdrafts	**(519)**	(150)
	588,941	665,567
Less: Deposits pledged as collateral	**(37,774)**	(28,507)
Less: Deposits in Escrow Account	**(7,393)**	(2,845)
	543,774	634,215

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

A Explanatory Notes

A1 Basis of Preparation

The interim financial report has been prepared in accordance with Financial Reporting Standard ("FRS") No. 134 : Interim Financial Reporting and applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2011. The explanatory notes attached to the interim financial report 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 2011.

The significant accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2011 save for the adoption of the following:

FRS 124 (revised)	Related Party Disclosures
Amendment to FRS 7	Financial Instruments: Disclosures - Transfers of Financial Assets
Amendment to FRS 112	Income Taxes - Deferred Tax : Recovery of Underlying Assets
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendment to IC Interpretation 14	Prepayments of a Minimum Funding Requirement

The adoption of the above revised FRSs, amendments to FRSs and Interpretations does not have any material impact on the financial statements of the Group.

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called "Transitioning Entities"). Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the new MFRS Framework by Transitioning Entities will be mandatory for annual period beginning on or after 1 January 2013.

On 30 June 2012, MASB announced that the Transitioning Entities are allowed to extend their deferment on the adoption of MFRS Framework for another year. As such, the MFRS Framework will be mandotory for all companies for annual period beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using MFRS Framework in its first MFRS financial statements for the year ending 31 December 2014. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits. The Group is currently reviewing its accounting policies to assess financial effects of the differences between the current FRSs and accounting standards under the MFRS Framework.

A2 Seasonal or cyclical factors

The operations of the Group were not significantly affected by any seasonal or cyclical factors during the financial year under review.

A3 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the financial year under review.

A4 Changes in estimates

There were no material changes in estimates for the financial year under review.

A5 Debt and equity securities

For the financial year under review, there were no issuance and repayment of debt and equity securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares other than an increase in issued and paid up ordinary share capital from RM415,936,070 to RM419,933,655 by way of issuance of 7,995,171 new ordinary shares of RM0.50 each pursuant to exercise of employees share options.

A6 Dividends paid

On 26 September 2012, the Company paid a first and final dividend of 11.0 sen per ordinary share of RM 0.50 each, less income tax of 25% amounting to RM69,163,392 in respect of the financial year ended 31 December 2011.

A7 Segment reporting

Year ended 31 December 2012

	Properties RM'000	**Plastics RM'000**	**Investment Holding & Others RM'000**	**Elimination RM'000**	**Consolidated RM'000**
REVENUE					
External revenue	**1,554,494**	**208,822**	**11,944**	**-**	**1,775,260**
Inter-segment	**-**	**-**	**149,185**	**(149,185)**	**-**
Total revenue	**1,554,494**	**208,822**	**161,129**	**(149,185)**	**1,775,260**
RESULTS					
Operating profit	**296,657**	**16,192**	**143,344**	**(148,465)**	**307,728**
Interest income					**9,997**
Finance costs					**(2,202)**
Income tax					**(83,755)**
Profit for the year					**231,768**
OTHER INFORMATION					
Capital expenditure	**5,428**	**30,568**	**447**	**-**	**36,443**
Depreciation and amortisation	**4,032**	**9,743**	**157**	**-**	**13,932**

Year ended 31 December 2011

	Properties RM'000	Plastics RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
REVENUE					
External revenue	1,363,711	202,610	4,375	-	1,570,696
Inter-segment	-	-	133,941	(133,941)	-
Total revenue	1,363,711	202,610	138,316	(133,941)	1,570,696
RESULTS					
Operating profit	240,283	16,331	107,177	(132,290)	231,501
Interest income					10,166
Finance costs					(3,039)
Income tax					(69,991)
Profit for the year					168,637
OTHER INFORMATION					
Capital expenditure	5,016	25,728	128	-	30,872
Depreciation and amortisation	2,348	9,297	104	-	11,749

A8 Material subsequent events

Save as disclosed in B6, there were no material events subsequent to the balance sheet date up to 20 February 2013, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report.

A9 Significant Related Party Transactions

Transactions with directors of the Company and subsidiary companies and companies in which they have interests:

		01/1/2012 to 31/12/2012 RM'000
(i)	Rental paid to a Company in which a Director has interest	1,313
(ii)	Maintenance services rendered from a Company in which the Directors are family members of a Director of the Company	104
(iii)	Sales of development properties to Directors of the Company and/or the subsidiaries of the company, their family members and/or to a company in which the family member of a Director has interest	5,298

A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the financial year except for the following:

1) On 13 January 2012, the Company acquired the entire issued and paid-up share capital of Reputable Housing 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, for a cash consideration of RM2.00.

2) On 15 February 2012, the Company completed the acquisition of the entire issued and paid-up share capital of Semai Meranti Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each, of which 1,800,000 ordinary shares of RM1.00 each have been issued and fully paid-up, for a cash consideration of RM57,000,000.

3) On 25 April 2012, the Company acquired the entire issued and paid-up share capital of Tropika Istimewa 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, for a cash consideration of RM2.00.

4) On 15 May 2012, the Company acquired the entire issued and paid-up share capital of Nova Indah 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, for a cash consideration of RM2.00.

5) On 18 May 2012, the Company acquired the entire issued and paid-up share capital of Tristar Acres 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, for a cash consideration of RM2.00.

6) On 10 August 2012, the Company acquired the remaining 30% equity interest in both Vienna Home Sdn Bhd ("Vienna Home") and Enrich Property Development Sdn Bhd ("Enrich") for a total consideration of RM6,000,000 and RM300,000 respectively, resulting in both Vienna Home and Enrich becoming wholly-owned subsidiaries of the Company.

A11 Changes in contingent liabilities or contingent assets

There were no contingent assets. Contingent liabilities of the Group are as follows:

	31/12/2012	31/12/2011
	RM'000	RM'000
Bank guarantees issued in favour of third parties	**8,241**	6,200
Corporate guarantee issued in favour of a third party	**6,000**	-
Others	**707**	-
	14,948	6,200

A12 Capital Commitments

	31/12/2012
	RM'000
Commitment for acquisition of property, plant and equipment	
- Approved and contracted for	10,245

A13 Operating Lease Commitments

As Lessee - for the lease of commercial buildings

The future operating lease commitments for rental of commercial buildings (net of lease rentals receivable from sublease) contracted for as at balance sheet date but not recognised as liabilities are as follows:

	Lease rentals payable		**Lease rentals receivable**		**Net**	
	31/12/2012	31/12/2011	**31/12/2012**	31/12/2011	**31/12/2012**	31/12/2011
	RM'000	RM'000	**RM'000**	RM'000	**RM'000**	RM'000
Less than one year	**10,000**	41,909	**(4,972)**	(14,404)	**5,028**	27,505
One to two years	**-**	10,624	**-**	(3,676)	**-**	6,948
	10,000	52,533	**(4,972)**	(18,080)	**5,028**	34,453
				Provision	**(4,889)**	(11,800)
					139	22,653

The operating lease commitments are in respect of leaseback of commercial buildings sold en-bloc ie ***The Icon, Jalan Tun Razak*** and the Corporate Building Block of ***Southgate Commercial Centre*** from the purchasers at 7% and 8% per annum of the respective buildings' sale considerations. The lease is for a period of 3 and 2 years from the commencement date as set out in the respective leaseback agreements. Leaseback for ***The Icon, Jalan Tun Razak*** had fully expired during the year with its West Wing and East Wing expired on October 2012 and December 2012 respectively. Leaseback for the Corporate Building Block of ***Southgate Commercial Centre*** has commenced since September 2011 and shall expire by August 2013.

During the financial year, the Group has recognised in the income statement leaseback rental amounting to RM30.6 million (2011: RM33.6 million) and rental income from sublease amounting to RM21.3 million (2011: RM8.1 million). The Group has also made further provision of RM1.6 million (2011: RM11.8 million) for future lease commitments based on assessment of expected net outflows.

As Lessor - for the lease of investment properties

The Group leases out its investment properties. The future minimum lease receivable under non-cancellable leases are as follow:-

	Lease rentals receivable
	31/12/2012
	RM'000
Less than one year	339
One to two years	106
	445

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

B1 Review of Group performance

The Group delivered yet another record-breaking year in 2012 with revenue and net profit at RM1.78 billion and RM230.6 million respectively. This represents improvement in revenue and net profit of 13% and 37% respectively as compared to the previous year. The current quarter net profit soared to RM55.4 million which represents a 35% improvement over the same quarter last year on the back of RM441.4 million in revenue.

Basic earnings per share were up 36% to 27.6 sen.

Despite strong growth in operation, balance sheets remained solid, with high cash pile at RM589.5 million and net gearing sustained at 0.26 as at 31 December 2012.

Property development

Revenue from property development improved by 14% y-o-y to RM1.55 billion. The Group's property sales exceeded slightly the internal target of RM2.5 billion to end about RM2.503 billion for 2012 supported by well located properties coupled with timely execution and delivery of high quality properties.

Projects that contributed to revenue and profit include ***Kinrara Residence*** in Puchong, ***Garden Residence***, ***Clover @ Garden Residence*** and ***Garden Plaza*** in Cyberjaya, ***M-Suites*** and ***M-City*** in Jalan Ampang, ***Icon City*** in Petaling Jaya, ***Aman Perdana*** in Meru - Shah Alam, ***M Residence*** in Rawang, ***One Legenda, Hijauan Residence*** in Cheras and ***Icon Residence*** in Mont' Kiara. Commercial projects are ***Star Avenue @ D'sara***, ***Southgate Commercial Centre*** in Sungai Besi, ***StarParc Point*** in Setapak and industrial projects ***i-Parc 1, i-Parc 3*** in Bukit Jelutong and ***i-Parc 2*** in Shah Alam. In addition to ***Sierra Perdana, Sri Pulai Perdana 2*** and ***Austin Perdana,*** new projects namely ***The Meridin @ Medini*** and ***Mah Sing i-Parc @ Tanjung Pelepas*** in Iskandar Malaysia are expected to further boost contribution from Johor Bahru in the near future. Projects in Penang Island, ***Residence @ Southbay, Legenda @ Southbay*** and the recently launched ***Southbay City*** and ***Ferringhi Residence*** have and will continue to contribute positively to the Group's performance.

Property development margin improved compared to the previous year due mainly to changes in property mix.

The Group's land bank has strengthened further during the year by approximately RM5.88 billion in potential Gross Development Value (GDV) on the back of four successful land deals secured namely ***SouthVille City*** and ***M Residence 2*** in Klang Valley of approximately RM3.63 billion and RM650 milllion respectively, ***The Meridin @ Medini*** in Iskandar Malaysia with a GDV of approximately RM1.1 billion and ***Sutera Avenue*** in Kota Kinabalu of approximately RM502 milion as a result of improved product planning.

Plastics

Plastics segment continued to contribute positively to group revenue and profit. Whilst revenue grew marginally by 3% to RM208.8 million, profit margin was affected by foreign exchange difference and higher staff costs as a result of minimum wage ruling in Indonesia.

Investment holding & Others

Revenue and profit for the segment comprise mainly interest income from funds placement.

B2 Material change in quarterly results compared with the immediate preceding quarter

The fluctuations in current quarter profit before taxation compared to the immediate preceding quarter was due mainly to additional sales and marketing expenses arising from higher level of selling and promotional activities for the Group's new property projects.

B3 Prospects for the next financial year

The Group achieved sales of slightly more than RM2.5 billion for 2012. Moving into year 2013, the Group remains upbeat on its property sales and has set a sales target of at least RM3 billion, representing a 20% increase over 2012. On top of its existing projects, the slated launches of the six new projects consisting of ***SouthVille City*** and ***M Residence 2*** in Klang Valley, ***Ferringhi Residence*** in Penang Island, ***Mah Sing i-Parc @ Tanjung Pelepas*** and ***The Meridin @ Medini*** in Iskandar Malaysia and ***Sutera Avenue*** in Kota Kinabalu located at strategic hot spots across Malaysia will augur well for the Group in achieving its sales target in the coming year.

Unbilled sales position of the Group continued to advance to approximately RM3.16 billion as at 31 December 2012. The strong unbilled sales position enable visibility over near term performance and assures a steady stream of cash flows and liquidity. The well-balanced product portfolio mix at various strategic growth locations facilitate exposure of the Group's product to wide segments of the market which allows flexibility to react quickly to demand shifts. The Group's unbilled sales combined with remaining GDV from its new and existing projects and land deals is estimated at about RM18.9 billion.

The Group remains committed to create value and deliver returns to shareholders with a minimum dividend payout of 40% - this being evident with cash dividends totaling RM69.2 million were paid by the Group to shareholders in September 2012 marking the 6th consecutive year of the Group's commitment. The Group's ability to reward shareholders during these years mirrors the uninterrupted profit growth supported by continuous well-planned explorations and acquisitions of selective strategic landbanks for expansion. The Group is in a strong position to continue its expansion drive via landbanking exercises and development activities.

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**	
	31/12/2012	31/12/2011	**31/12/2012**	31/12/2011
	RM'000	RM'000	**RM'000**	RM'000
Current tax:				
Malaysian income tax	**29,732**	22,109	**119,951**	90,092
Foreign tax	**103**	(57)	**677**	1,828
	29,835	22,052	**120,628**	91,920
Under/(Over) provision of Malaysian income tax in prior year	**(15)**	(274)	**61**	(603)
	29,820	21,778	**120,689**	91,317
Deferred taxation:				
Malaysian deferred tax	**(12,890)**	(5,126)	**(36,934)**	(21,326)
	16,930	16,652	**83,755**	69,991

The Group's effective tax rate for the current financial year is higher than the statutory tax rate of 25% due to non-tax deductible expenses. The current quarter effective tax rate was lower due to the recognition of deferred tax assets available to offset against expected future taxable profits.

B6 Status of corporate proposals

The following corporate proposals announced by the Company have not been completed as at 20 February 2013 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report):

1) On 5 July 2010, the Company's wholly-owned subsidiary, Grand Prestige Development Sdn Bhd ("Grand Prestige") entered into a Joint Venture Agreement ("JVA") with Medan Damai Sdn Bhd ("Medan Damai") for the joint development of a piece of residential land in Kinrara with total gross area measuring approximately 13.2 acres (net aggregate area of 7.59 acres) in Mukim Petaling, Daerah Petaling, Negeri Selangor Darul Ehsan ("Kinrara Land"). Under the terms of the JVA, Medan Damai shall grant Grand Prestige the exclusive rights to continue with the sales and development of the Kinrara Land and in return for an entitlement sum of RM35,403,863.85.

2) On 26 March 2012, the Company's wholly-owned subsidiary, Capitol Avenue Development Sdn Bhd ("Capitol Avenue") entered into a Joint Development Agreement ("Agreement") with Paduan Hebat Sdn Bhd ("Paduan Hebat") for the proposed joint development of a parcel of prime leasehold commercial land measuring approximately 4.26 acres ("Land") in Kota Kinabalu, Negeri Sabah. Under the terms of the Agreement, Paduan Hebat agrees with Capitol Avenue to jointly develop the Land for an entitlement of RM39 million or approximately RM210 per square foot.

   On 4 December 2012, all Paduan Hebat's obligation have been fully performed pursuant to the Agreement.

3) On 21 May 2012, the Company's wholly-owned subsidiary, Tristar Acres Sdn Bhd ("Tristar") entered into a sale and purchase agreement ("SPA") with Boon Siew Development Sdn Bhd ("Boon Siew") for the proposed acquisition of 8 parcels of adjacent freehold land with a total net area measuring approximately 408.243 acres ("Lands"), all located in Bandar Baru Bangi for a total cash consideration of RM330,765,010.49 or RM18.60 per square foot.

   Tristar and Boon Siew had via the exchange of their respective solicitors' letters dated 19 June 2012 and 22 June 2012 agreed to adjust the total land area in relation to the Lands from 408.243 acres to 407.997 acres and the total cash consideration of the proposed acquisition of Lands from RM330,765,010.49 to RM330,565,697.35 in accordance with Section 3.04 of the Lands SPA.

   On 14 December 2012, the SPA had become unconditional.

4) On 18 October 2012, the Company's wholly-owned subsidiary, Tropika Istimewa Development Sdn Bhd entered into a Lease Purchase Agreement ("LPA") with Medini Land Sdn Bhd to acquire the lease over two (2) parcels of contingious prime land in Medini, Iskandar Malaysia, all in Mukim Pulai, Daerah Johor Bahru, State of Johor with agreed gross floor area of 2,140,538.40 square feet for a total lease consideration of RM74,717,596.80 or approximately RM34.906 per square foot gross floor area.

   The conditions precedent of the LPA has been fulfilled on 18 October 2012.

5) Through an announcement on 10 December 2012 and subsequent annoucements, the Company is undertaking the following proposals ("Proposals"):

   (a) Renounceable rights issue of up to 280,099,803 new ordinary shares of RM0.50 each in the Company ("Rights Shares") together with up to 168,059,881 free detachable warrants ("Warrants") on the basis of 1 Rights Share for every 3 existing ordinary shares of RM0.50 sen each ("Mah Sing Shares") held and 3 Warrants for every 5 Rights Shares subscribed for by the entitled shareholders at an issue price of RM1.42 per Right Share ("Right Issue With Warrants");

   (b) Bonus issue of new Mah Sing Shares ("Bonus Shares") to be credited as fully paid-up on the basis of 1 Bonus Share for every 5 Mah Sing Shares held after the Rights Issue with Warrants; and

   (c) Exemption for Mayang Teratai Sdn Bhd ("Mayang Teratai") and persons acting in concert with it from the obligation to carry out a mandatory offer on the remaining voting shares in the Company not held by Mayang Teratai and persons acting in concert with it after the Rights Issue with Warrants.

   At an extraordinary general meeting held on 5 February 2013, the shareholders of the Company had approved the Proposals and the Proposals had become unconditional on 7 February 2013.

B7 Group borrowings

Total group borrowings as at 31 December 2012 were as follows:

	Secured RM'000	**Secured RM'000**	**Secured RM'000**	**Total RM'000**
(Denominated in)	***(RM)***	***(Indonesian Rupiah)***	***(USD)***	
Redeemable convertible bonds				
- after 12 months	275,785	-	-	275,785
Term loans payable				
- within 12 months	24,763	3,912	-	28,675
- after 12 months	581,674	8,726	-	590,400
	606,437	12,638	-	619,075
Short term borrowings	5,880	2,520	2,905	11,305
Bank overdrafts	-	519	-	519
Finance lease and hire purchase				
- within 12 months	1,174	-	-	1,174
- after 12 months	2,439	-	-	2,439
	3,613	-	-	3,613
Total	891,715	15,677	2,905	910,297

B8 Material litigation

The Group is not engaged in any material litigation as at 20 February 2013, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report.

B9 Derivatives Financial Instrument

Foreign currency forward contracts were entered into by a subsidiary within the Plastics Division of the Group to manage its exposure against adverse fluctuations in foreign currency risks as a results of transactions denominated in currencies other than the functional currency of the subsidiary.

These derivatives are stated at fair value, using the prevailing market rates and any changes in fair value of these derivatives during the period are taken directly to the income statement. Accordingly, a gain of RM238,000 was recognised in the income statement for the year ended 31 December 2012.

As at 31 December 2012, there were no outstanding foreign currency forward contracts.

B10 Realised and unrealised earnings or losses disclosure

The retained earnings as at 31 December 2012 and 31 December 2011 were analysed as follows:

	31/12/2012 RM'000	31/12/2011 RM'000
Total retained earnings of the Group		
- Realised	**616,308**	498,520
- Unrealised	**60,464**	15,952
	676,772	514,472
Total share of accumulated losses from associated company		
- Realised	**(73)**	(73)
	676,699	514,399
Less: Consolidation adjustments	**(22,912)**	(17,633)
Total group retained earnings as per consolidated accounts	**653,787**	496,766

B11 Additional disclosures pursuant to para 16, Part A, Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements

	3 months ended		Year ended	
	31/12/2012	31/12/2011	**31/12/2012**	31/12/2011
	RM'000	RM'000	**RM'000**	RM'000
Allowance for doubtful debts - trade receivables	**-**	(76)	**(4)**	(76)
Allowance for slow-moving and impairment for inventories	**(550)**	(26)	**(1,043)**	(26)
Amortisation and impairment of intangible assets	**(288)**	-	**(427)**	-
Depreciation and amortisation	**(2,138)**	(3,819)	**(13,932)**	(11,749)
Gain on foreign exchange forward contracts	**-**	-	**238**	-
Gain on changes in fair value of investment properties	**2,094**	-	**2,094**	-
Net foreign exchange gain/(loss)	**1,038**	(1,624)	**(3,187)**	(4,474)
Reversal of allowance for doubtful debts - trade receivables	**1**	-	**136**	-
Reversal of allowance for slow moving inventories	**419**	81	**419**	81
Reversal of impairment of property, plant and equipment	**2**	6	**6**	6

Other than the items above which have been included in the income statement, there were no gain/(loss) on disposal of quoted or unquoted investments and exceptional items affecting the results for the current quarter and financial year ended 31 December 2012.

B12 Dividend proposed

i) The Board of Directors has proposed first and final dividend of 7.6 sen per ordinary share of RM0.50 each consisting of 0.4 sen per share less income tax of 25% and single-tier dividend of 7.2 sen per share (2011: 11.0 sen per ordinary share of RM0.50 each, less income tax of 25%) in respect of the financial year ended 31 December 2012, which is subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting.

ii) The date payable of the dividend will be determined at a later date.

iii) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at a date to be determined later.

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		Year ended	
	31/12/2012	31/12/2011	**31/12/2012**	31/12/2011
Net profit for the year (RM'000)	**55,399**	41,032	**230,617**	168,556
Weighted average number of ordinary shares in issue ('000)	**839,419**	831,781	**835,268**	831,627
Basic EPS (sen)	**6.60**	4.93	**27.61**	20.27

(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 assuming full exercise of the remaining options under the ESOS and conversion of bonds, adjusted for the number of such ordinary shares that would have been issued at fair value.

	3 months ended		Year ended	
	31/12/2012	31/12/2011	**31/12/2012**	31/12/2011
Net profit for the year (RM'000)	**55,399**	41,032	**230,617**	168,556
Weighted average number of ordinary shares in issue ('000)	**839,419**	831,781	**835,268**	831,627
Weighted average number of ordinary shares shares deemed issued at no consideration ('000)				
ESOS	**10,427**	13,920	**10,739**	14,188
Bonds conversion	**3,869**	14,198	**3,869**	7,952
Adjusted weighted average number of ordinary shares ('000)	**853,715**	859,899	**849,876**	853,767
Diluted EPS (sen)	**6.49**	4.77	**27.14**	19.74

B14 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2011 was not subject to any qualification.

B15 Comparative figures

Comparative figures, where applicable, have been modified to conform to the current year presentation.

BY ORDER OF THE BOARD

YANG BAO LING
KUAN HUI FANG

Kuala Lumpur
27 February 2013