



# **MAH SING GROUP BERHAD**

Company No.: 230149-P

**(Incorporated in Malaysia)**

**Interim Financial Report**

**30 June 2014**

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(Incorporated in Malaysia)

## **Interim Financial Report - 30 June 2014**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at 30 June 2014**

(The figures have not been audited)

	AS AT 30/06/2014 RM'000	(AUDITED) AS AT 31/12/2013 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
<i>Property, plant and equipment</i>	116,408	114,146
<i>Prepaid lease payments</i>	6,955	7,173
<i>Investment properties</i>	100,646	86,194
<i>Land held for property development</i>	929,513	543,794
<i>Intangible assets</i>	9,239	11,499
<i>Deferred tax assets</i>	74,344	75,496
	<u>1,237,105</u>	<u>838,302</u>
<b>Current Assets</b>		
<i>Property development costs</i>	2,327,106	2,258,641
<i>Inventories</i>	69,140	76,225
<i>Trade and other receivables</i>	609,461	581,748
<i>Current tax assets</i>	2,917	6,545
<i>Deposits, cash and bank balances</i>	715,393	822,290
	<u>3,724,017</u>	<u>3,745,449</u>
<b>TOTAL ASSETS</b>	<u><u>4,961,122</u></u>	<u><u>4,583,751</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Company</b>		
<i>Share capital</i>	724,016	706,807
<i>Share premium</i>	360,517	331,716
<i>Other reserves</i>	73,534	79,743
<i>Retained earnings</i>	896,530	834,026
	<u>2,054,597</u>	<u>1,952,292</u>
<b>Non-controlling interests</b>	<u>10,689</u>	<u>10,987</u>
<b>Total Equity</b>	<u><u>2,065,286</u></u>	<u><u>1,963,279</u></u>
<b>Non-current Liabilities</b>		
<i>Redeemable convertible secured bonds</i>	287,833	283,720
<i>Term loans</i>	752,249	756,470
<i>Long term and deferred payables</i>	86,346	84,729
<i>Deferred tax liabilities</i>	17,544	19,160
	<u>1,143,972</u>	<u>1,144,079</u>
<b>Current Liabilities</b>		
<i>Trade and other payables</i>	1,495,831	1,370,262
<i>Term loans</i>	97,552	74,922
<i>Short term borrowings</i>	7,717	8,988
<i>Bank overdrafts</i>	459	340
<i>Current tax liabilities</i>	34,462	21,881
<i>Dividend payable</i>	115,843	-
	<u>1,751,864</u>	<u>1,476,393</u>
<b>Total Liabilities</b>	<u><u>2,895,836</u></u>	<u><u>2,620,472</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>4,961,122</u></u>	<u><u>4,583,751</u></u>
<b>Net assets per share attributable to equity holders of the Company (RM)</b>	<u><u>1.42</u></u>	<u><u>1.38</u></u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

**For the financial period ended 30 June 2014**

*(The figures have not been audited)*

	3 months ended		Period ended		
	30/06/2014	30/06/2013	30/06/2014	30/06/2013	
	RM'000	RM'000	RM'000	RM'000	
Revenue	<b>705,019</b>	475,749	<b>1,347,218</b>	898,892	
Cost of sales	<b>(515,952)</b>	(320,167)	<b>(983,773)</b>	(604,519)	
Gross profit	<b>189,067</b>	155,582	<b>363,445</b>	294,373	
Other income	<b>1,301</b>	6,754	<b>6,080</b>	15,758	
Selling and marketing expenses	<b>(38,373)</b>	(28,993)	<b>(69,738)</b>	(50,785)	
Administrative expenses	<b>(38,551)</b>	(35,541)	<b>(74,940)</b>	(68,301)	
Other operating expenses	-	(1,919)	-	(3,843)	
Interest income	<b>1,057</b>	1,145	<b>2,048</b>	2,457	
Finance costs	<b>(1,026)</b>	(806)	<b>(1,863)</b>	(1,420)	
Profit before tax	<b>113,475</b>	96,222	<b>225,032</b>	188,239	
Income tax expense	<b>(28,823)</b>	(26,238)	<b>(56,479)</b>	(48,838)	
Profit for the period	<b>84,652</b>	69,984	<b>168,553</b>	139,401	
Profit attributable to:					
Equity holders of the Company	<b>84,735</b>	69,826	<b>168,762</b>	139,300	
Non-controlling interests	<b>(83)</b>	158	<b>(209)</b>	101	
	<b>84,652</b>	69,984	<b>168,553</b>	139,401	
Earnings per share attributable to equity holders of the Company:					
- Basic (sen)	Note B13	<b>5.93</b>	5.17	<b>11.87</b>	11.32
- Diluted (sen)	Note B13	<b>5.59</b>	4.91	<b>11.17</b>	10.76

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the financial period ended 30 June 2014**

*(The figures have not been audited)*

	<b>3 months ended</b>		<b>Period ended</b>	
	<b>30/06/2014</b>	30/06/2013	<b>30/06/2014</b>	30/06/2013
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Profit for the period</b>	<b>84,652</b>	69,984	<b>168,553</b>	139,401
<b>Other comprehensive income</b>				
<b><i>Item that may be reclassified subsequently to profit or loss:</i></b>				
Foreign currency translation difference for foreign operations	<b>(1,733)</b>	706	<b>(388)</b>	1,054
Other comprehensive income for the period	<b>(1,733)</b>	706	<b>(388)</b>	1,054
<b>Total comprehensive income for the period</b>	<b>82,919</b>	70,690	<b>168,165</b>	140,455
Total comprehensive income attributable to:				
Equity holders of the Company	<b>83,600</b>	70,316	<b>168,463</b>	140,024
Non-controlling interests	<b>(681)</b>	374	<b>(298)</b>	431
	<b>82,919</b>	70,690	<b>168,165</b>	140,455

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the financial period ended 30 June 2014

(The figures have not been audited)

	Attributable to equity holders of the Company									
	Non-Distributable						Distributable			
	Share capital	Share premium	Equity-settled employees benefit reserve	Warrants 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	RM'000	RM'000
6 months ended 30 June 2014										
Balance at 1/1/2014	706,807	331,716	11,423	46,589	4,602	17,129	834,026	1,952,292	10,987	1,963,279
Amount recognised directly in equity:										
Profit for the financial period	-	-	-	-	-	-	168,762	168,762	(209)	168,553
Other comprehensive income	-	-	-	-	(299)	-	-	(299)	(89)	(388)
Total comprehensive income for the period	-	-	-	-	(299)	-	168,762	168,463	(298)	168,165
Dividends for the financial year ended 31 December 2013	-	-	-	-	-	-	(115,843)	(115,843)	-	(115,843)
Issuance of ordinary shares pursuant to:										
- ESOS exercised	17,207	28,794	(9,221)	-	-	-	9,221	46,001	-	46,001
- Warrants exercised	2	7	-	(1)	-	-	-	8	-	8
ESOS lapsed during the period	-	-	(364)	-	-	-	364	-	-	-
Recognition of share-based payment	-	-	3,676	-	-	-	-	3,676	-	3,676
Balance at 30/06/2014	724,016	360,517	5,514	46,588	4,303	17,129	896,530	2,054,597	10,689	2,065,286

	Attributable to equity holders of the Company									
	Non-Distributable						Distributable			
	Share capital	Share premium	Equity-settled employees benefit reserve	Warrants 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	RM'000	RM'000
6 months ended 30 June 2013										
Balance at 1/1/2013	419,934	140,287	10,614	-	3,146	17,129	653,787	1,244,897	10,104	1,255,001
Amount recognised directly in equity:										
Profit for the financial period	-	-	-	-	-	-	139,300	139,300	101	139,401
Other comprehensive income	-	-	-	-	724	-	-	724	330	1,054
Total comprehensive income for the period	-	-	-	-	724	-	139,300	140,024	431	140,455
Dividends for the financial year ended 31 December 2012	-	-	-	-	-	-	(102,000)	(102,000)	-	(102,000)
Issuance of ordinary shares pursuant to:										
- ESOS exercised	5,289	10,819	(3,275)	-	-	-	3,275	16,108	-	16,108
- Rights Issue	140,050	193,829	-	63,863	-	-	-	397,742	-	397,742
- Warrants exercised	27	124	-	(21)	-	-	-	130	-	130
ESOS lapsed during the period	-	-	(306)	-	-	-	306	-	-	-
Recognition of share-based payment	-	-	2,151	-	-	-	-	2,151	-	2,151
Ordinary shares issued to non-controlling interests by a subsidiary company	-	-	-	-	-	-	-	-	1,568	1,568
Balance at 30/06/2013	565,300	345,059	9,184	63,842	3,870	17,129	694,668	1,699,052	12,103	1,711,155

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 2013 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**For the financial period ended 30 June 2014**

*(The figures have not been audited)*

	<b>6 months ended 30/06/2014 RM'000</b>	6 months ended 30/06/2013 RM'000
<b>Operating Activities</b>		
Profit before tax	225,032	188,239
Adjustments for:		
Non-cash items	11,242	12,953
Non-operating items	12,359	7,049
Operating profit before changes in working capital	248,633	208,241
Net change in property development costs	(70,961)	(113,585)
Net change in inventories	8,005	3,235
Net change in receivables	(24,398)	(107,932)
Net change in payables	(28,868)	(33,313)
Cash generated from / (used in) operations	132,411	(43,354)
Interest received	7,887	7,520
Interest paid	(19,800)	(19,978)
Tax paid	(40,651)	(26,734)
Net cash generated from / (used in) operating activities	79,847	(82,546)
<b>Investing Activities</b>		
Additions to property, plant and equipment	(11,290)	(13,740)
Additions to investment properties	(14,452)	(800)
Additions to land held for property development	(29,158)	-
Acquisition of land	(188,796)	(362,574)
Proceeds from disposal of property, plant and equipment	17	938
Net cash used in investing activities	(243,679)	(376,176)
<b>Financing Activities</b>		
Net proceeds from borrowings	16,052	261,100
Net (placement)/withdrawal of deposits with licensed banks as collateral/Escrow Account	(4,682)	26,537
Payment for corporate exercise expenses	-	(4,249)
Payment of bonds coupon	(5,267)	(5,267)
Proceeds from issuance of ordinary shares by a subsidiary company to non-controlling interests	-	1,568
Proceeds from ESOS exercised	46,001	16,108
Proceeds from Rights Issue	-	397,742
Proceeds from warrants exercised	7	130
Net cash generated from financing activities	52,111	693,669
Net changes in cash and cash equivalents	(111,721)	234,947
Effect of exchange rate changes	23	4
Cash and cash equivalents at beginning of the financial period	808,321	543,774
Cash and cash equivalents at end of the financial period	696,623	778,725

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**For the financial period ended 30 June 2014 (cont'd)**

*(The figures have not been audited)*

	<b>6 months ended 30/06/2014 RM'000</b>	6 months ended 30/06/2013 RM'000
Cash and cash equivalents at the end of the financial period comprise the followings:		
Deposits with licensed banks	<b>68,604</b>	174,530
Investments in short term funds	<b>272,714</b>	362,268
Cash and bank balances	<b>374,075</b>	260,817
Bank overdrafts	<b>(459)</b>	(259)
	<b>714,934</b>	797,356
Less: Deposits pledged as collateral	<b>(16,971)</b>	(3,949)
Less: Deposits in Escrow Account	<b>(1,340)</b>	(14,682)
	<b>696,623</b>	778,725

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 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 2013. 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 2013.

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 2013 save for the adoption of the followings:

FRS 10	Consolidated Financial Statements (Amendments relating to Investment Entities)
FRS 12	Disclosure of Interests in Other Entities (Amendments relating to Investment Entities)
FRS 127	Separate Financial Statements (Amendments relating to Investment Entities)
FRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)
FRS 136	Impairment of Assets (Amendments relating to Recoverable Amounts Disclosures for Non-Financial Assets)
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)
IC Interpretation 21	Levies

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.

**Malaysian Financial Reporting Standard ("MFRS Framework")**

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework"), a fully-IFRS compliant framework. Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities.

Transitioning Entities, being entities within the scope of MFRS 141 *Agriculture* and/or IC Interpretation 15: *Agreements for the Construction of Real Estate*, including its parents, significant investors and venturers were given a transitional period of two years, which allowed these entities an option to continue with the FRS Framework. Following the announcement by the MASB on 7 August 2013, the transitional period for Transitioning Entities has been extended for an additional year.

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 its first set of MFRS financial statements when the MFRS Framework is mandated by MASB.

The Group is currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. At the date of authorisation for issue of this interim financial report, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group's first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

**A2 Seasonal or cyclical factors**

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

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**A4 Changes in estimates**

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

**A5 Debt and equity securities**

During the financial period ended 30 June 2014, the Company increased its issued and paid up ordinary share capital from RM706,806,627 to RM724,015,866 by way of:

- a) issuance of 34,414,723 new ordinary shares of RM0.50 each pursuant to the exercise of employees share options; and
- b) issuance of 3,756 new ordinary shares of RM0.50 each pursuant to the exercise of the warrants.

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

**A6 Dividends paid**

No dividend was paid in the current financial period under review.

**A7 Segment reporting**

Period ended 30 June 2014

	Properties RM'000	Plastics RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>					
External revenue	1,193,906	124,986	28,326	-	1,347,218
Inter-segment	-	-	105,177	(105,177)	-
<b>Total revenue</b>	<b>1,193,906</b>	<b>124,986</b>	<b>133,503</b>	<b>(105,177)</b>	<b>1,347,218</b>
<b>RESULTS</b>					
Operating profit	212,934	7,817	109,273	(105,177)	224,847
Interest income					2,048
Finance costs					(1,863)
Income tax expense					(56,479)
<b>Profit for the period</b>					<b>168,553</b>
<b>OTHER INFORMATION</b>					
Capital expenditure	1,085	9,914	326	-	11,325
Depreciation and amortisation	2,356	6,556	165	-	9,077
<b>Assets and Liabilities</b>					
Segment assets	4,368,961	173,879	341,021		4,883,861
Current and deferred tax assets					77,261
<b>Total assets</b>					<b>4,961,122</b>
Segment liabilities	2,362,424	56,165	425,241		2,843,830
Current and deferred tax liabilities					52,006
<b>Total liabilities</b>					<b>2,895,836</b>

**MAH SING GROUP BERHAD (230149-P)**  
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**A7 Segment reporting (continued)**

Period ended 30 June 2013

	Properties RM'000	Plastics RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>					
External revenue	758,770	119,313	20,809	-	898,892
Inter-segment	-	-	19,647	(19,647)	-
Total revenue	<u>758,770</u>	<u>119,313</u>	<u>40,456</u>	<u>(19,647)</u>	<u>898,892</u>
<b>RESULTS</b>					
Operating profit	175,918	10,038	20,887	(19,641)	187,202
Interest income					2,457
Finance costs					(1,420)
Income tax expense					(48,838)
Profit for the period					<u>139,401</u>
<b>OTHER INFORMATION</b>					
Capital expenditure	7,341	6,299	100	-	13,740
Depreciation and amortisation	2,082	5,775	91	-	7,948
<b>Assets and Liabilities</b>					
Segment assets	3,353,545	174,739	510,865		4,039,149
Current and deferred tax assets					64,124
Total assets					<u>4,103,273</u>
Segment liabilities	1,833,072	69,588	413,192		2,315,852
Current and deferred tax liabilities					76,266
Total liabilities					<u>2,392,118</u>

**A8 Material subsequent events**

Save as disclosed in B6, there were no material events subsequent to the reporting date up to 28 August 2014, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report.

**A9 Related Party Transactions**

Transactions with companies in which a Director of the Company and subsidiary companies has interests:

	<b>01/1/2014</b> <b>to</b> <b>30/06/2014</b> <b>RM'000</b>
(i) Rental paid to a Company in which a Director has interest	736
(ii) Maintenance services rendered from a Company in which the Directors are family members of a Director of the Company	85
(iii) Sales of building materials to a Company in which a Director has interest	<u>2</u>

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**A10 Changes in the composition of the Group**

There were no changes in the composition of the Group for the financial period except for the followings:

On 23 January 2014, the Company acquired the entire issued and paid-up share capital of the following companies for cash consideration of RM2.00 each respectively:

- a) Enchanting View Development Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up.
- b) Garden Vista Development Sdn Bhd, a private limited company incorporated in Malaysia, with an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up.

**A11 Changes in contingent liabilities or contingent assets**

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

	<b>30/06/2014</b>	31/12/2013
	<b>RM'000</b>	RM'000
Bank guarantees issued in favour of third parties	<b>26,694</b>	15,602
Corporate guarantee issued in favour of third parties	<b>8,139</b>	8,489
Others	<b>981</b>	700
	<b><u>35,814</u></b>	<u>24,791</u>

**A12 Capital Commitments**

	<b>30/06/2014</b>
	<b>RM'000</b>
Contractual commitment in relation to:	
- Proposed acquisition of land	<b>294,729</b>
- Development Agreement for proposed development of land in Kota Kinabalu	<b>158,740</b>
Commitment for acquisition of property, plant and equipment:	
- Approved and contracted for	<b>1,520</b>
Commitment for construction of investment properties	
- Approved and contracted for	<b>28,960</b>
	<b><u>483,949</u></b>

**As Lessee - for the lease of commercial buildings**

The leaseback for the Corporate Building Block of **Southgate Commercial Centre** and **The Icon**, Jalan Tun Razak had expired in August 2013 and December 2012 respectively. There is no new leaseback of commercial building during the financial period.

The Group had recognised the leaseback rental amounted to RM3.8 million and the rental income from the sub-lease amounted to RM3.8 million in profit or loss in the corresponding period last year.

**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 follows:-

	<b><u>Lease rentals receivable</u></b>
	<b>30/06/2014</b>
	<b>RM'000</b>
Less than one year	<b><u>53</u></b>

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

**B1 Review of Group performance**

The Group posted revenue of approximately RM1.3 billion and net profit of approximately RM168.8 million for the six-months ended 30 June 2014. This represents 49.9% improvement in revenue and 21.2% improvement in net profit compared to the corresponding quarter last year. The current quarter revenue and net profit of approximately RM705 million and approximately RM84.7 million represent 48.2% and 21.4% improvement respectively over the same quarter last year.

Despite expanded operations, balance sheets remained strong with a high cash pile of approximately RM715.4 million and low net gearing at 0.21 times as at 30 June 2014.

**Property development**

For the six-months ended 30 June 2014, revenue from property development is approximately RM1.2 billion, marking near to 57.3% improvement as compared to approximately RM758.8 million achieved in the corresponding period last year. The improved revenue is attributable to the higher work progress from the Group's ongoing development projects. Operating profit also increased 21.0% from approximately RM175.9 million to approximately RM212.9 million. The higher profit for the six-months ended 30 June 2014 compared to the same period last year was due to higher recognition of profit on **Icon City** in Petaling Jaya and **M Residence @ Rawang**. In the last corresponding period, profit recognition was mainly from **M-Suites** in Jalan Ampang and **Garden Residence** in Cyberjaya. The Group achieved property sales of approximately RM1.55 billion for the six-months ended 30 June 2014 due to the focus in mass market properties at the right locations and products that are in line with market demand.

Other projects that contributed to the Group's results in Greater KL and Klang Valley included **M-City** and **M-Suites** in Jalan Ampang, **Icon Residence** in Mont' Kiara, **Garden Residence**, **Clover @ Garden Residence** and **Garden Plaza** in Cyberjaya, **Kinrara Residence** in Puchong, **M Residence 2@Rawang**, **Aman Perdana** in Meru - Shah Alam, **Bayu Sekamat** and **One Legenda** in Cheras and **Perdana Residence 2** in Selangor. Commercial projects included **Star Avenue @ D'sara** and industrial project **i-Parc 3** in Bukit Jelutong. Furthermore, projects in Penang Island included **Legenda @ Southbay**, **Southbay City** and **Ferringhi Residence** and projects in Iskandar, Johor Bahru included **Sierra Perdana**, **Sri Pulai Perdana 2**, **Austin Perdana**, **Mah Sing i-Parc @ Tanjung Pelepas** and **The Meridin @ Medini** whilst **Sutera Avenue** in Kota Kinabalu, Sabah also contributed.

The Group has announced acquisition of three lands to-date in 2014, namely 85 acres in KGSSAAS Golf Course Shah Alam, 960 acres in Seremban for its biggest township in the central region, and 88.7 acres behind IOI Mall in Puchong, with the right for an additional 170.58 acres next to the land. Arising from the proposed land acquisitions, the Group's landbank would increase to 3,720 acres. Potential Gross Development Value of RM45.23 billion combined with unbilled sales of RM4.79 billion provides a total of RM50.02 billion pipeline, enabling the Group to deliver longer term sustainable growth.

**Plastics**

The plastics segment continued to contribute positively to the revenue and operating profit of the Group. Revenue grew by 4.8% from approximately RM119.3 million to approximately RM125.0 million over the corresponding quarter last year as a result of higher pallet sales.

**Investment holding & Others**

Revenue and profit for the segment comprise mainly interest income from the placement of funds and the trading of building materials.

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

There was no major fluctuation in the Group's current quarter profit before tax compared to the immediate preceding quarter.

**B3 Prospects for the current financial year**

Following the successful launches of **Southville City@KL South** and **D'sara Sentral** in Sungai Buloh, the Group's recent official launch of **Lakeville Residence** in Taman Wahyu, Kuala Lumpur attracted overwhelming response from a strong turnout of approximately 9,000 crowd. The Group believes there is strong demand for well located properties that are priced attractively.

Property sales momentum is expected to be strong ahead of GST implementation. Going forward, continued income growth and stable employment market fueled by an expanding economy, as well as a preference for properties as hedge against inflation are motivation to property purchase. Further to this, the positive demographic profile of a relatively young and growing working population and housing demand-supply mismatch in key growth areas are also fundamentals that should drive positive long term prospects of the property market.

With projects in multiple growth corridors offering the right product mix that appeal to a wide market, coupled with strong financial discipline, the Group is well placed to benefit from the market opportunities. Additionally, backed by the Group's experienced entrepreneurial approach and excellent track record in execution, the Group is and remains responsive to developments in the market environment.

**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	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	31,484	25,393	56,584	42,310
Foreign tax	196	346	359	500
	<u>31,680</u>	<u>25,739</u>	<u>56,943</u>	<u>42,810</u>
Deferred taxation:				
Malaysian deferred tax	(2,857)	499	(464)	6,028
	<u>28,823</u>	<u>26,238</u>	<u>56,479</u>	<u>48,838</u>

The Group's effective tax rate for the current financial period is approximated the statutory tax rate of 25%.

**B6 Status of corporate proposals**

The following corporate proposals as announced by the Company have not been completed as at 28 August 2014 (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.

The JVA is pending fulfilment by Medan Damai of certain obligations pertaining to the development components.

- 2) On 26 March 2012, the Company's wholly-owned subsidiary, Capitol Avenue Development Sdn Bhd ("**Capitol Avenue**") entered into a Joint Development Agreement ("**JDA**") 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 ("**KK Land**") in Kota Kinabalu, Negeri Sabah. Under the terms of the JDA, Paduan Hebat agreed with Capitol Avenue to jointly develop the KK Land for an entitlement of RM39 million. RM25 million of the entitlement for the KK Land shall be satisfied by way of cash and the remaining balance shall be settled by way of conveyance of such number of unit(s) which shall be developed on the KK Land with total value equivalent to RM14 million or such other lesser sum as may be adjusted in accordance with the provisions of the JDA.

On 4 December 2012, all Paduan Hebat's obligations have been fully performed pursuant to the JDA. The development of KK Land has commenced in December 2013.

**B6 Status of corporate proposals (continued)**

- 3) On 29 May 2013, the Company's subsidiary, Convention City Development Sdn Bhd ("**Convention City**") entered into a development agreement ("**DA**") with Yayasan Sabah ("**Yayasan Sabah**" or "**Landowner**") for the proposed development of a parcel of prime land measuring approximately 8.33 acres ("**Parcel A**") forming part of all that piece of master land held under title no. 016290976 in the locality of Tanjung Lipat, District of Kota Kinabalu, Negeri Sabah. Under the terms of the DA, Yayasan Sabah agrees to grant an exclusive right to Convention City to develop Parcel A for a cash consideration of RM163 million. Convention City has also been granted an exclusive option to develop 2 parcels of adjacent land with a total land area measuring approximately 5.95 acres ("**Option Land**") at an entitlement price of RM117 million. The option is exercisable by Convention City within 2 years from the date the Landowner procures the separate issue document of title to the Option Land.

On 27 May 2014, Convention City and Yayasan Sabah had mutually agreed to extend the performance period to 29 November 2014 for Yayasan Sabah to perform the Landowner's Obligations.

- 4) On 27 August 2013, the Company's wholly-owned subsidiary, Mediterranean View Development Sdn Bhd entered into a sale and purchase agreement with Ng Tan Moi and Tan Lee Kau ("**Mediterranean SPA**") for the proposed acquisition of all that piece of prime land measuring approximately 96.71 acres held under H.S.(D) 35626, PT No. 23373, Mukim Rawang, Daerah Gombak, Negeri Selangor for cash consideration of RM68,666,807.88.

The Mediterranean SPA was declared unconditional on 13 December 2013.

- 5) On 12 March 2014, the Company's wholly-owned subsidiary, Enchanting View Development Sdn Bhd entered into a sale and purchase agreement ("**SPA**") with Great Doctrine (M) Sdn Bhd for the proposed acquisition of a portion of prime land measuring approximately 85.43 acres forming part of all that piece of leasehold land measuring approximately 77.02 hectares held under master title known as PN 11895, Lot 741 Seksyen 13, Bandar Shah Alam, Daerah Petaling, Negeri Selangor for a cash consideration of RM327,477,110.40

The proposed acquisition is pending fulfilment of the conditions precedent of the SPA.

- 6) On 11 August 2014, the Company's wholly-owned subsidiary, Grand Prestige Development Sdn Bhd entered into a sale and purchase agreement with the respective vendors for the proposed acquisition of a piece of prime freehold land in Mukim Rantau, Daerah Seremban, Negeri Sembilan for a total cash consideration of RM359,557,153.36.

The proposed acquisition is pending fulfilment of the conditions precedent of the SPA.

- 7) On 28 August 2014, the Company's wholly-owned subsidiary, Mah Sing Group Ventures Sdn Bhd (formerly known as Grand Pavilion Development Sdn Bhd) ("**Mah Sing Ventures**") entered into a sale and purchase agreement with Huges Development Sdn Bhd ("**Huges Development**") for the proposed acquisition of a piece of prime leasehold land in Puchong, Selangor measuring approximately 88.7 acres for a total cash consideration of RM656,896,779.

The proposed acquisition is pending fulfilment of the conditions precedent of the SPA.

On the same date, in consideration for RM1.00 paid by Mah Sing Ventures to Huges Development, Huges Development and Mah Sing Ventures have entered into a memorandum of understanding effective from the date of the memorandum for a period of 4 years. During the duration of the memorandum of understanding, Huges Development shall negotiate first with Mah Sing Ventures to enter into a sale and purchase, joint venture or such other arrangement in respect of a piece of prime land measuring approximately 170 acres ("**Subject Land**") upon terms and conditions to be mutually agreed upon by Huges Development and Mah Sing Ventures. Failing which, Mah Sing Ventures shall have the first right of refusal for any arrangement in respect of the Subject Land.

- 8) The total gross proceeds raised by the Company from the Rights Issue amounted to RM397,741,720 have been fully utilised as at 28 August 2014.

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**B7 Group borrowings**

Total group borrowings as at 30 June 2014 were as follows:

<i>(Denominated in)</i>	<b>Secured RM'000 (RM)</b>	<b>Secured RM'000 (Indonesian Rupiah)</b>	<b>Secured RM'000 (USD)</b>	<b>Total RM'000</b>
Redeemable convertible bonds				
- after 12 months	287,833	-	-	287,833
Term loans payable				
- within 12 months	94,075	3,477	-	97,552
- after 12 months	747,621	4,628	-	752,249
	841,696	8,105	-	849,801
Short term borrowings	3,784	813	3,120	7,717
Bank overdrafts	-	459	-	459
Finance lease and hire purchase				
- within 12 months	1,569	5	-	1,574
- after 12 months	2,978	26	-	3,004
	4,547	31	-	4,578
<b>Total</b>	<b>1,137,860</b>	<b>9,408</b>	<b>3,120</b>	<b>1,150,388</b>

**B8 Material litigation**

The Group is not engaged in any material litigation as at 28 August 2014, 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**

The Group's outstanding derivatives financial instrument as at 30 June 2014 were analysed as follows:

<b>Foreign currency forward contracts</b>	<b>Notional Value RM'000</b>	<b>Fair Value Asset RM'000</b>
- Less than one year	<b>8,653</b>	<b>401</b>

Foreign currency forward contracts were entered into by a subsidiary company 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 currency other than the functional currency of the subsidiary company.

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 profit or loss.

**B10 Realised and unrealised earnings or losses disclosure**

The retained earnings as at 30 June 2014 and 31 December 2013 were analysed as follows:

	<b>30/06/2014 RM'000</b>	<b>31/12/2013 RM'000</b>
Total retained earnings of the Group		
- Realised	827,975	744,271
- Unrealised	68,259	73,025
	896,234	817,296
Total share of accumulated losses from associated company		
- Realised	(73)	(73)
	896,161	817,223
Consolidation adjustments	369	16,803
<b>Total group retained earnings as per consolidated accounts</b>	<b>896,530</b>	<b>834,026</b>



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

	<b>3 months ended 30/06/2014 RM'000</b>	<b>Period ended 30/06/2014 RM'000</b>
Depreciation and amortisation	(4,568)	(9,077)
Gain on redemption of investments in short term funds	69	167
Impairment of intangible assets	(1,186)	(2,260)
Net foreign exchange (loss)/gain	(402)	822
Net gain on foreign exchange forward contracts	222	469
Allowance for doubtful debts - trade and other receivables	(2)	(3)
Reversal of allowance for slow-moving inventories	287	803

Other than the items above which have been included in profit or loss, there were no impairment of assets or exceptional items which may have an effect on the results for the current financial period ended 30 June 2014.

**B12 Dividend proposed**

No dividend has been proposed for the first half of the year ended 30 June 2014.

In respect of the previous financial year ended 31 December 2013:

- i) At the Annual General Meeting held on 27 June 2014, the shareholders of the Company approved the first and final single-tier dividend of 8.0 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2013. (2012: 7.6 sen per ordinary share of RM0.50 each comprising 0.4 sen per share less income tax of 25% and single-tier dividend of 7.2 sen per share).
- ii) The dividend will be paid on 25 September 2014.
- iii) A depositor shall qualify for entitlement to the dividend only in respect of:
  - (a) Shares transferred into the Depositor's Securities Account before 4.00pm on 12 September 2014 in respect of transfers; and
  - (b) Shares bought on the Bursa Malaysia Securities Berhad up to 5.00pm on 9 September 2014 i.e. on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

**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.

	<b>3 months ended</b>		<b>Period ended</b>	
	<b>30/06/2014</b>	30/06/2013	<b>30/06/2014</b>	30/06/2013
Net profit for the period (RM'000)	<b>84,735</b>	69,826	<b>168,762</b>	139,300
Weighted average number of ordinary shares in issue ('000)	<b>1,429,817</b>	1,350,225	<b>1,422,175</b>	1,230,125
Basic EPS (sen)	<b>5.93</b>	5.17	<b>11.87</b>	11.32

**MAH SING GROUP BERHAD (230149-P)**  
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**B13 Earnings per share ("EPS") (continued)**

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

	3 months ended		Period ended	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
Net profit for the period (RM'000)	<u>84,735</u>	69,826	<u>168,762</u>	<u>139,300</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,429,817</u>	1,350,225	<u>1,422,175</u>	1,230,125
Weighted average number of ordinary shares deemed issued at no consideration ('000)				
ESOS	<u>14,221</u>	19,917	<u>17,308</u>	19,401
Bonds conversion	<u>58,151</u>	42,390	<u>58,151</u>	40,641
Warrants	<u>13,701</u>	8,598	<u>13,701</u>	4,798
Adjusted weighted average number of ordinary shares ('000)	<u>1,515,890</u>	1,421,130	<u>1,511,335</u>	<u>1,294,965</u>
Diluted EPS (sen)	<u>5.59</u>	4.91	<u>11.17</u>	<u>10.76</u>

**B14 Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 31 December 2013 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  
29 August 2014