

# **MahSing**

**MAH SING GROUP BERHAD**

**Company No.: 230149-P**

**(Incorporated in Malaysia)**

**Interim Financial Report**

**31 March 2019**

# **MAH SING GROUP BERHAD**

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

## **Interim Financial Report - 31 March 2019**

	<b>Page No.</b>
<b>Condensed Consolidated Statement Of Financial Position</b>	<b>1</b>
<b>Condensed Consolidated Statement Of Profit Or Loss</b>	<b>2</b>
<b>Condensed Consolidated Statement Of Profit Or Loss and Other Comprehensive Income</b>	<b>3</b>
<b>Condensed Consolidated Statement Of Changes In Equity</b>	<b>4 - 5</b>
<b>Condensed Consolidated Statement Of Cash Flows</b>	<b>6 - 7</b>
<b>Notes To The Interim Financial Report</b>	<b>8 - 18</b>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at 31 March 2019**

(The figures have not been audited)

	<b>AS AT 31/03/2019 RM'000</b>	<b>(AUDITED) AS AT 31/12/2018 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
<i>Property, plant and equipment</i>	224,243	227,352
<i>Prepaid lease payments</i>	4,700	4,820
<i>Right-of-use assets</i>	37,489	-
<i>Investment properties</i>	195,880	195,880
<i>Land held for property development</i>	1,612,042	1,619,797
<i>Intangible assets</i>	5,375	5,506
<i>Trade and other receivables</i>	20,670	32,620
<i>Deferred tax assets</i>	178,234	168,588
	<u>2,278,633</u>	<u>2,254,563</u>
<b>Current Assets</b>		
<i>Property development costs</i>	1,822,398	1,705,694
<i>Inventories</i>	659,534	731,257
<i>Trade and other receivables</i>	628,769	667,078
<i>Contract assets</i>	260,285	322,432
<i>Current tax assets</i>	7,290	7,915
<i>Deposits, cash and bank balances and investment in short-term funds</i>	1,275,950	1,220,462
	<u>4,654,226</u>	<u>4,654,838</u>
<b>TOTAL ASSETS</b>	<u><u>6,932,859</u></u>	<u><u>6,909,401</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Ordinary Equity Holders of the Company</b>		
<i>Share capital</i>	1,776,055	1,776,055
<i>Other reserves</i>	27,264	27,320
<i>Retained earnings</i>	1,721,742	1,685,597
	<u>3,525,061</u>	<u>3,488,972</u>
<b>Perpetual Securities</b>	789,388	789,388
<b>Perpetual Sukuk</b>	540,000	540,000
<b>Non-Controlling Interests</b>	4,958	5,318
<b>Total Equity</b>	<u>4,859,407</u>	<u>4,823,678</u>
<b>Non-Current Liabilities</b>		
<i>Term loans</i>	444,154	443,015
<i>Long term and deferred payables</i>	57,478	31,591
<i>Deferred tax liabilities</i>	71,431	71,537
	<u>573,063</u>	<u>546,143</u>
<b>Current Liabilities</b>		
<i>Trade and other payables</i>	1,246,236	1,237,220
<i>Contract liabilities</i>	110,123	158,605
<i>Term loans</i>	121,165	116,083
<i>Short term borrowings</i>	3,157	4,168
<i>Bank overdrafts</i>	111	1,066
<i>Current tax liabilities</i>	19,597	22,438
	<u>1,500,389</u>	<u>1,539,580</u>
<b>Total Liabilities</b>	<u>2,073,452</u>	<u>2,085,723</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>6,932,859</u></u>	<u><u>6,909,401</u></u>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>	<u>1.45</u>	<u>1.44</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 2018 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**For the financial period ended 31 March 2019**

*(The figures have not been audited)*

	3 months ended		Period ended		
	31/03/2019 RM'000	31/03/2018 RM'000	31/03/2019 RM'000	31/03/2018 RM'000	
Revenue	450,333	584,755	450,333	584,755	
Cost of sales	<u>(311,011)</u>	<u>(430,433)</u>	<u>(311,011)</u>	<u>(430,433)</u>	
<b>Gross profit</b>	<b>139,322</b>	154,322	<b>139,322</b>	154,322	
Other income	4,990	7,116	4,990	7,116	
Selling and marketing expenses	<b>(19,439)</b>	(26,525)	<b>(19,439)</b>	(26,525)	
Administrative and other expenses	<u><b>(50,078)</b></u>	<u>(46,393)</u>	<u><b>(50,078)</b></u>	<u>(46,393)</u>	
<b>Results from operating activities</b>	<b>74,795</b>	88,520	<b>74,795</b>	88,520	
Finance income	3,827	2,266	3,827	2,266	
Finance costs	<u>(4,673)</u>	<u>(4,645)</u>	<u>(4,673)</u>	<u>(4,645)</u>	
<b>Net finance costs</b>	<b>(846)</b>	(2,379)	<b>(846)</b>	(2,379)	
Profit before tax	73,949	86,141	73,949	86,141	
Income tax expense	<b>(19,274)</b>	(21,477)	<b>(19,274)</b>	(21,477)	
Profit for the period	<u><b>54,675</b></u>	<u>64,664</u>	<u><b>54,675</b></u>	<u>64,664</u>	
Profit attributable to:					
Equity holders of the Company	55,013	64,200	55,013	64,200	
Non-controlling interests	<b>(338)</b>	464	<b>(338)</b>	464	
	<u><b>54,675</b></u>	<u>64,664</u>	<u><b>54,675</b></u>	<u>64,664</u>	
Earnings per share attributable to ordinary equity holders of the Company:					
- Basic (sen)	Note B12(a)	<u>1.51</u>	<u>1.89</u>	<u>1.51</u>	<u>1.89</u>
- Diluted (sen)	Note B12(b)	<u>1.51</u>	<u>1.89</u>	<u>1.51</u>	<u>1.89</u>

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 2018 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 31 March 2019**

*(The figures have not been audited)*

	3 months ended		Period ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	<b>54,675</b>	64,664	<b>54,675</b>	64,664
<b>Other comprehensive loss</b>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation difference for foreign operations	(76)	(1,179)	(76)	(1,179)
Other comprehensive loss for the period	<u>(76)</u>	<u>(1,179)</u>	<u>(76)</u>	<u>(1,179)</u>
<b>Total comprehensive income for the period</b>	<b><u>54,599</u></b>	<u>63,485</u>	<b><u>54,599</u></b>	<u>63,485</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<b>54,957</b>	63,409	<b>54,957</b>	63,409
Non-controlling interests	<b>(358)</b>	76	<b>(358)</b>	76
	<b><u>54,599</u></b>	<u>63,485</u>	<b><u>54,599</u></b>	<u>63,485</u>

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 2018 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the financial period ended 31 March 2019

(The figures have not been audited)

	Attributable to ordinary equity holders of the Company								Total Equity RM'000
	Non-Distributable			Distributable		Perpetual Securities RM'000	Perpetual Sukuk RM'000	Non- controlling interests RM'000	
3 months ended 31 March 2019	Share capital RM'000	Warrants reserve RM'000	Exchange fluctuation reserve RM'000	Retained earnings RM'000	Total RM'000				
Balance at 1/1/2019	1,776,055	21,265	6,055	1,685,597	3,488,972	789,388	540,000	5,318	4,823,678
Effect of MFRS 16 adoption (Note A1(b))	-	-	-	(558)	(558)	-	-	(2)	(560)
Balance at 1/1/2019 (restated)	1,776,055	21,265	6,055	1,685,039	3,488,414	789,388	540,000	5,316	4,823,118
Amount recognised directly in equity:									
Profit/(Loss) for the financial period	-	-	-	55,013	55,013	-	-	(338)	54,675
Other comprehensive loss	-	-	(56)	-	(56)	-	-	(20)	(76)
Total comprehensive (loss)/income for the period	-	-	(56)	55,013	54,957	-	-	(358)	54,599
Distribution paid to holders of Perpetual Sukuk	-	-	-	(18,310)	(18,310)	-	-	-	(18,310)
Balance at 31/03/2019	1,776,055	21,265	5,999	1,721,742	3,525,061	789,388	540,000	4,958	4,859,407

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**For the financial period ended 31 March 2018**

*(The figures have been audited)*

	Attributable to ordinary equity holders of the Company								
	Non-Distributable			Distributable		Perpetual Securities	Perpetual Sukuk	Non-controlling interests	Total Equity
3 months ended 31 March 2018	Share capital	Warrants reserve	Exchange fluctuation reserve	Retained earnings	Total				
Balance at 1/1/2018	1,773,291	60,499	6,410	1,615,768	3,455,968	645,212	540,000	6,429	4,647,609
Effect of MFRS 9 adoption	-	-	-	(1,462)	(1,462)	-	-	(4)	(1,466)
Balance at 1/1/2018 (restated)	1,773,291	60,499	6,410	1,614,306	3,454,506	645,212	540,000	6,425	4,646,143
Amount recognised directly in equity:									
Profit for the financial period	-	-	-	64,200	64,200	-	-	464	64,664
Other comprehensive loss	-	-	(791)	-	(791)	-	-	(388)	(1,179)
Total comprehensive (loss)/income for the period	-	-	(791)	64,200	63,409	-	-	76	63,485
Issuance of ordinary shares pursuant to warrants exercised	2,764	(383)	-	-	2,381	-	-	-	2,381
Warrants lapsed during the period	-	(38,851)	-	38,851	-	-	-	-	-
Distribution paid to holders of Perpetual Sukuk	-	-	-	(18,310)	(18,310)	-	-	-	(18,310)
Balance at 31/3/2018	1,776,055	21,265	5,619	1,699,047	3,501,986	645,212	540,000	6,501	4,693,699

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the financial period ended 31 March 2019**

*(The figures have not been audited)*

	<b>3 months ended 31/03/2019 RM'000</b>	3 months ended 31/03/2018 RM'000
<b>Operating Activities</b>		
Profit before tax	73,949	86,141
Adjustments for:		
Non-cash items	10,232	5,324
Non-operating items	1,642	10,049
Operating profit before changes in working capital	<u>85,823</u>	101,514
Net change in property development costs	(6,619)	(39,345)
Net change in inventories	57,372	30,358
Net change in receivables	49,929	(121,371)
Net change in contract assets	62,147	22,486
Net change in payables	(79,203)	(111,058)
Net change in contract liabilities	<u>(48,481)</u>	13,951
Cash generated from/(used in) operations	120,968	(103,465)
Interest received	9,751	7,248
Finance cost paid	(8,086)	(9,149)
Net tax paid	<u>(31,223)</u>	<u>(38,074)</u>
Net cash generated from/(used in) operating activities	<u>91,410</u>	<u>(143,440)</u>
<b>Investing Activities</b>		
Additions to property, plant and equipment	(4,418)	(12,406)
Additions to land held for property development	(5,069)	(30,935)
Acquisition of land	(9,030)	(78,842)
Payment of balance consideration on acquisition of subsidiary companies	-	(11,000)
Proceeds from disposal of property, plant and equipment	96	257
Net cash used in investing activities	<u>(18,421)</u>	<u>(132,926)</u>
<b>Financing Activities</b>		
Distribution paid to holders of Perpetual Sukuk	(18,310)	(18,310)
Net proceeds from/(repayment of) borrowings	4,978	(83,476)
Withdrawal/(Placement) of deposits with licensed banks pledged as collateral/Escrow Accounts	429	(2,820)
Proceeds from warrants exercised	-	2,381
Repayment of lease liabilities	(3,242)	-
Net cash used in financing activities	<u>(16,145)</u>	<u>(102,225)</u>
Net changes in cash and cash equivalents	56,844	(378,591)
Effect of exchange rate changes	28	(62)
Cash and cash equivalents at beginning of the financial period	<u>1,187,964</u>	1,141,769
Cash and cash equivalents at end of the financial period	<u><u>1,244,836</u></u>	<u><u>763,116</u></u>



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the financial period ended 31 March 2019 (continued)***(The figures have not been audited)*

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

	<b>3 months ended 31/03/2019 RM'000</b>	3 months ended 31/03/2018 RM'000
Deposits with licensed banks	<b>69,595</b>	109,604
Investment in short-term funds	<b>686,060</b>	443,023
Cash and bank balances	<b>520,295</b>	287,410
Bank overdrafts	<b>(111)</b>	(734)
	<b>1,275,839</b>	839,303
Less: Deposits in Escrow Accounts	<b>(22,467)</b>	(70,063)
Less: Deposits pledged as collateral	<b>(8,476)</b>	(6,064)
Less: Trustees' Reimbursement Account	<b>(60)</b>	(60)
	<b>1,244,836</b>	763,116

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 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 Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting* and with International Accounting Standard 14 *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 2018. 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 2018.

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 2018 save for the adoption of the following:

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
IC Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improvements to MFRSs 2015 - 2017 Cycle	

The adoption of the above MFRS, amendments to MFRSs, IC Interpretation and annual improvements to MFRS does not have any material impact on the financial statements of the Group, except for MFRS 16. The impact of the adoption of MFRS 16 in the Group's financial statements is as follows:

**MFRS 16 Leases ("MFRS 16")**

The adoption of MFRS 16 resulted in changes in accounting policies and adjustments to the financial statements. The accounting policies that relate to identification of lease arrangements and accounting treatments for both lessors and lessees are amended to comply with MFRS 16. In accordance with the transition requirements under MFRS 16, comparatives are not restated and the financial impact on the adoption of this Standard is recognised in retained earnings as at 1 January 2019.

**(a) Changes in accounting policies**

MFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance lease are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees except for short-term leases and leases of low value assets.

**Right-of-use asset**

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjustment for any remeasurement of the lease liability.

**Classification of cashflow**

The classification of cash flows will also be affected as operating lease payments under MFRS 117 are presented as operating cash flows; whereas under MFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

**A1 Basis of preparation (continued)**

**(b) Classification and measurement of financial instruments**

The following table is a reconciliation of the carrying amount of the Group's statement of financial position from MFRS 117 to MFRS 16 as at 1 January 2019:

	<b>MFRS 117</b> <b>Carrying amount as at</b> <b>31 December 2018</b>	<b>Remeasurement</b>	<b>MFRS 16</b> <b>Carrying amount as at</b> <b>1 January 2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current asset</b>			
<b>Deferred tax assets</b>			
Opening balance	168,588	-	168,588
Increase in deferred tax assets	-	19	19
<b>Total deferred tax assets</b>	<b>168,588</b>	<b>19</b>	<b>168,607</b>
<b>Right-of-use assets</b>			
Opening balance	-	-	-
Initial recognition	-	51,076	51,076
Increase in depreciation	-	(10,307)	(10,307)
<b>Total right-of-use assets</b>	<b>-</b>	<b>40,769</b>	<b>40,769</b>
<b>Current liabilities</b>			
<b>Trade and other payables</b>			
Opening balance	1,237,220	-	1,237,220
Lease liabilities transfer from long term and deferred payables	-	28,959	28,959
<b>Total trade and other payables</b>	<b>1,237,220</b>	<b>28,959</b>	<b>1,266,179</b>
<b>Non-current liabilities</b>			
<b>Long term and deferred payables</b>			
Opening balance	31,591	-	31,591
Initial recognition	-	51,076	51,076
Repayment of lease liabilities	-	(9,728)	(9,728)
Lease liabilities transfer to trade and other payables	-	(28,959)	(28,959)
<b>Total long term and deferred payables</b>	<b>31,591</b>	<b>12,389</b>	<b>43,980</b>
<b>Retained earnings</b>			
Opening balance	1,685,597	-	1,685,597
Increase in interest expenses	-	(1,512)	(1,512)
Decrease in rental expenses	-	11,171	11,171
Increase in depreciation	-	(10,235)	(10,235)
Decrease in deferred tax expenses	-	18	18
<b>Total retained earnings</b>	<b>1,685,597</b>	<b>(558)</b>	<b>1,685,039</b>
<b>Non-controlling interest</b>			
Opening balance	5,318	-	5,318
Increase in interest expenses	-	(8)	(8)
Decrease in rental expenses	-	77	77
Increase in depreciation	-	(72)	(72)
Decrease in deferred tax expenses	-	1	1
<b>Total non-controlling interest</b>	<b>5,318</b>	<b>(2)</b>	<b>5,316</b>

**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.

**A4 Changes in estimates**

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

**A5 Debt and equity securities**

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 current financial period under review.

**MAH SING GROUP BERHAD (230149-P)**  
(Incorporated in Malaysia)

**A7 Segment reporting**

Period ended 31 March 2019

	Properties RM'000	Plastics RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>					
External revenue	355,486	80,480	14,367	-	450,333
Inter-segment	-	-	93,014	(93,014)	-
	<u>355,486</u>	<u>80,480</u>	<u>107,381</u>	<u>(93,014)</u>	<u>450,333</u>
<b>RESULTS</b>					
Operating profit/(loss)	68,900	3,303	2,592	-	74,795
Interest income	3,693	65	69	-	3,827
Finance costs	(3,564)	(688)	(421)	-	(4,673)
Profit/(Loss) before tax	69,029	2,680	2,240	-	73,949
Income tax expense					(19,274)
Profit for the period					<u>54,675</u>

Period ended 31 March 2018

	Properties RM'000	Plastics RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>					
External revenue	500,976	71,995	11,784	-	584,755
Inter-segment	-	-	84,571	(84,571)	-
	<u>500,976</u>	<u>71,995</u>	<u>96,355</u>	<u>(84,571)</u>	<u>584,755</u>
<b>RESULTS</b>					
Operating profit	76,979	6,676	4,865	-	88,520
Interest income	2,174	23	69	-	2,266
Finance costs	(4,106)	(391)	(148)	-	(4,645)
Profit before tax	75,047	6,308	4,786	-	86,141
Income tax expense					(21,477)
Profit for the period					<u>64,664</u>

**A8 Material subsequent events**

Save as disclosed in B6, there were no material events subsequent to the reporting date up to 23 May 2019, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report.

**MAH SING GROUP BERHAD (230149-P)**  
(Incorporated in Malaysia)

**A9 Related party transactions**

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

	01/01/2019 to 31/03/2019 RM'000
(i) Rental paid to a Company in which a Director of the Company has interest	384
(ii) Maintenance services rendered by a company in which the Directors are family members of a Director of the Company	42
Transactions with non-controlling interests:	
(i) Interest payable to non-controlling interests of subsidiary company	<u>6</u>

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

There were no changes in the composition of the Group during the current financial period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring, and discontinuing operations.

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

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

	31/03/2019 RM'000	31/12/2018 RM'000
Bank guarantees issued in favour of third parties	145,159	162,257
Litigations arising from business transactions **	<u>16,287</u>	<u>19,362</u>
	<u>161,446</u>	<u>181,619</u>

\*\* The Group is engaged in various litigation matters arising from its business transactions with potential exposure amounting to approximately RM16.3 million (2018: RM19.4 million). The Group's solicitors are of the view that the litigations will not likely to have any exposure, and thus no provision have been made by the Group at this juncture.

On the other hand, the Group has also filed proceedings for indemnity amounting to approximately RM15.6 million (2018: RM 10.4 million) arising from the above business transactions.

**A12 Capital commitments**

	31/03/2019 RM'000
Commitment for acquisition of property, plant and equipment:	
- Approved and contracted for	<u>1,123</u>

**A13 Operating lease commitments**

**As Lessor - for the lease of investment properties and commercial properties**

The Group leases out its investment properties and commercial properties under non-cancellable operating leases. The tenure of these leases ranges between 1 to 3 years with option to renew upon expiry. Certain of the leases include contingent rental arrangements computed based on sales achieved by tenants.

The future minimum lease receivables under non-cancellable leases as at reporting date are as follow:-

	<u>Lease rental receivables</u> 31/03/2019 RM'000
Less than one year	2,055
One to three years	<u>1,331</u>
	<u>3,386</u>

**B Explanatory notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities**

**B1 Review of Group performance**

For the first quarter ended 31 March 2019, the Group posted profit before tax of RM73.9 million on the back of revenue of RM450.3 million as compared to RM86.1 million profit before tax and RM584.8 million revenue in the previous year corresponding quarter.

The Group's balance sheet remains healthy with cash and bank balances of RM1.28 billion as at 31 March 2019.

**Property development**

For the period ended 31 March 2019, revenue from property development was RM355.5 million compared to RM501 million in the previous year corresponding quarter while operating profit was RM68.9 million as compared to RM77 million in the previous year corresponding quarter. This is mainly attributable to a higher proportion of new sales secured from new projects where contribution to revenue is expected to pick up once past the initial stages of construction. The festive season and its traditionally longer holiday breaks also contributed to comparatively slower work progress in the current quarter. However, demand and sales take-up continue to remain strong for affordable products especially M Centura and M Vertica. Higher revenue and profit contribution are expected from these projects when construction momentum starts to pick up.

The development projects which primarily contributed to the Group's results include **Southville City** in KL South, **Lakeville Residence** in Jalan Kuching, **D'sara Sentral** in Sungai Buloh, **M Residence** and **M Residence 2** in Rawang and **M City** in Jalan Ampang in Greater KL and Klang Valley, **Ferringhi Residence** in Penang and **The Meridin@Medini**, **Meridin East** and **Sierra Perdana** in Johor. Other contributions include the Group's new Klang Valley projects of **M Vertica** in Cheras, **M Centura** in Sentul and **M Aruna** in Rawang.

The Group achieved property sales of approximately RM300.5 million for the period ended 31 March 2019.

**Plastics**

The plastics segment continued to contribute positively to Group performance. Revenue grew by 11.8% from RM72 million a year ago to RM80.5 million in the current quarter. However, operating profits declined from RM6.7 million a year ago to RM3.3 million in the current quarter mainly due to the inclusion of certain gains which arose from the sales of mould in the corresponding quarter last year.

**Investment holding & Others**

Revenue for the segment comprise mainly interest income from the deposit of funds, trading of building materials and Ramada Meridin Hotel operations.

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

The Group's current quarter profit before tax of RM73.9 million was lower as compared to the immediate preceding quarter of RM84 million as a result of lower contribution from certain development phases within the Lakeville and D'sara Sentral projects which were at their tail end stage of completion.

**B3 Prospects for the current financial year**

The incentives from the National Home Ownership Campaign (HOC) were introduced from 1 January 2019 to assist and encourage home ownership. Various measures introduced by the Government to reduce cost of living as well as the recent Overnight Policy Rate cut by 25 bps to 3% are expected to help with the homebuyers' ability to purchase properties.

The Group had recently entered into a sale and purchase agreement for the proposed acquisition of approximately 4.63 acres freehold land in Mukim Petaling, Kuala Lumpur. Based on preliminary plan, the Group plans to develop a niche project named M Oscar with estimated gross development value of approximately RM500 million ("the Proposed Development"), similar to the M Centura, Sentul and M Vertica, Cheras projects. The Proposed Development intends to offer well-thought layout and practical units with proposed built up from 700 sq. ft. comprising two (2) to four (4) bedrooms with indicative pricing from RM428,000 per unit. Subject to market conditions and relevant authorities' approval, the Proposed Development is expected to commence in the second half of 2019.

The Group continues to conduct various marketing strategies to drive sales. As part of the Group's continuous support of the Government's HOC, the Group has extended its Refer n Reward + together with its "RM500,000 In Your Bank" campaign to reward home buyers with attractive sales packages until 30 June 2019.

With disciplined financial management and a healthy balance sheet as at 31 March 2019, the Group is now focusing on increasing land banks in Klang Valley where demand for affordable houses is expected to remain resilient.

As at 31 March 2019, the Group has remaining landbank of 2,099 acres with remaining gross development value and unbilled sales totalling RM25.1 billion of which the remaining performance obligations (unsatisfied or partially unsatisfied) was RM1.58 billion.

**B4 Profit forecast**

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

**B5 Income tax expense**

	<b>3 months ended</b>		<b>Period ended</b>	
	<b>31/03/2019</b>	<b>31/03/2018</b>	<b>31/03/2019</b>	<b>31/03/2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Estimated income tax payable:				
Current financial period	<b>9,917</b>	44,681	<b>9,917</b>	44,681
Deferred tax	<b>9,357</b>	(23,204)	<b>9,357</b>	(23,204)
	<b>19,274</b>	21,477	<b>19,274</b>	21,477

The Group's effective tax rate for the current financial period was higher than the statutory tax rate of 24% mainly due to non-tax deductible expenses and non-recognition of deferred tax assets for certain temporary differences.



**B6 Status of corporate proposals**

The following corporate proposals as announced by the Company have not been completed as at 23 May 2019 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report):

- a) 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 Mukim Petaling, Daerah Petaling, Negeri Selangor Darul Ehsan with a total gross area of approximately 13.2 acres (net aggregate area of 7.59 acres) ("**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 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.

- b) 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 in Kota Kinabalu, Negeri Sabah ("**KK Land**"). 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.

- c) On 3 July 2017, the Company's wholly-owned subsidiary, Nature Legend Development Sdn Bhd ("**NLD**") entered into a Share Sale Agreement ("**SSA**") with Hazreeq Putra Bin Hasman and Maslinda Binti Othman to acquire 500,000 ordinary shares ("**Sale Shares**") in M Vertica Sdn Bhd (formerly known as Cordova Land Sdn Bhd) ("**M Vertica**"), representing the entire equity interest in M Vertica for a purchase consideration of RM156,349,900.

On 30 August 2017 NLD entered into a Supplemental Agreement ("**Amended SSA**") to vary the terms of the SSA and on 27 April 2018 NLD entered into a Further Supplemental Agreement to vary the terms of the Amended SSA.

Completion of the SSA is pending the full settlement of the purchase consideration.

- d) On 28 March 2019, Mah Sing Properties Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement with TC Goldyear Sdn Bhd ("**SPA**") for the proposed acquisition of six (6) pieces of adjoining freehold land in Mukim Petaling, Kuala Lumpur measuring approximately 4.63 acres for a purchase consideration of RM90,300,000.

The completion of the SPA is pending the full settlement of the purchase consideration.

**MAH SING GROUP BERHAD (230149-P)**  
(Incorporated in Malaysia)

**B7 Group borrowings**

Total group borrowings as at 31 March 2019 were as follows:

<i>(Denominated in)</i>	Secured RM'000 (RM)	Secured RM'000 (Indonesian Rupiah)	Secured RM'000 (USD)	Total RM'000
Term loans payable				
- within 12 months	118,320	2,845	-	121,165
- after 12 months	439,833	4,321	-	444,154
	558,153	7,166	-	565,319
Short term borrowings	-	3,157	-	3,157
Bank overdrafts	-	111	-	111
Finance lease and hire purchase				
- within 12 months	960	25	-	985
- after 12 months	2,724	42	-	2,766
	3,684	67	-	3,751
<b>Total</b>	<b>561,837</b>	<b>10,501</b>	<b>-</b>	<b>572,338</b>

**B8 Material litigation**

The Group was not engaged in any material litigation as at 23 May 2019, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report, save as disclosed in Note A11.

**B9 Derivatives financial instrument**

As at 31 March 2019, there were no outstanding foreign currency forward contracts.

**B10 Additional disclosures pursuant to para 16, Part A, Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements**

	3 months ended 31/03/2019 RM'000	Period ended 31/03/2019 RM'000
Depreciation and amortisation	(10,084)	(10,084)
Impairment of intangible assets	(131)	(131)
Gain on redemption of financial assets at fair value through profit or loss	26	26
Bad debts written off	(12)	(12)
Net foreign exchange gain	28	28
Allowance for impairment loss on financial assets	(335)	(335)
Reversal of allowance for impairment loss on financial assets	456	456
Reversal of allowance for impairment on inventories	11	11

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 31 March 2019.

**B11 Dividend proposed**

No dividend has been proposed for the first quarter ended 31 March 2019.

The first and final single-tier dividend of 4.5 sen per ordinary share (2017: 6.5 sen per ordinary share) in respect of the financial year ended 31 December 2018, if approved by the shareholders of the Company at the forthcoming Annual General Meeting to be held on 26 June 2019, will be paid on 25 September 2019 to depositors whose names appear in the Record of Depositors of the Company on 12 September 2019.

**MAH SING GROUP BERHAD (230149-P)**  
(Incorporated in Malaysia)

**B12 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 financial period by the weighted average number of ordinary shares in issue.

	3 months ended		Period ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Net profit for the period (RM'000)	<b>55,013</b>	64,200	<b>55,013</b>	64,200
Distribution paid to holders of - Perpetual Sukuk (RM'000)	<b>(18,310)</b>	(18,310)	<b>(18,310)</b>	(18,310)
Net profit for the period attributable to ordinary equity holders (RM'000)	<b>36,703</b>	45,890	<b>36,703</b>	45,890
Weighted average number of ordinary shares in issue ('000)	<b>2,427,687</b>	2,427,323	<b>2,427,687</b>	2,427,323
Basic EPS (sen)	<b>1.51</b>	1.89	<b>1.51</b>	1.89

**(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 financial period by the weighted average number of ordinary shares that would have been in issue assuming full exercise of the remaining warrants, adjusted for the number of such ordinary shares that would have been issued at fair value.

	3 months ended		Period ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Net profit for the period attributable to ordinary equity holders (RM'000)	<b>36,703</b>	45,890	<b>36,703</b>	45,890
Weighted average number of ordinary shares in issue ('000)	<b>2,427,687</b>	2,427,323	<b>2,427,687</b>	2,427,323
Weighted average number of ordinary shares deemed issued at no consideration ('000) - Warrants C <sup>(1)</sup>	<b>n/a</b>	n/a	<b>n/a</b>	n/a
Adjusted weighted average number of ordinary shares ('000)	<b>2,427,687</b>	2,427,323	<b>2,427,687</b>	2,427,323
Diluted EPS (sen)	<b>1.51</b>	1.89	<b>1.51</b>	1.89

<sup>(1)</sup> The effects of potential ordinary shares arising from the exercise of Warrants C is anti-dilutive and accordingly is excluded from the Diluted EPS computation above.

**B13 Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 31 December 2018 was not subject to any qualification.

**B14 Comparative figures**

In certain instances, the following amount previously reported in the 2018 financial statements has been reclassified to conform to the 2019 financial statement presentation. Such reclassification has no net effect on net assets.

**Statement of Financial Position**  
**As at 31 December 2018**

	<b>31/12/2018</b>	<b>Reclassification</b>	<b>Restated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>31/12/2018</b>
			<b>RM'000</b>
<b>Current Assets</b>			
Property development costs	1,749,195	(43,501)	1,705,694
Trade and other receivables	946,009	(278,931)	667,078
Contract assets	-	322,432	322,432
<b>Current Liabilities</b>			
Trade and other payables	1,395,825	(158,605)	1,237,220
Contract liabilities	-	158,605	158,605

BY ORDER OF THE BOARD

YANG BAO LING  
KUAN HUI FANG

Kuala Lumpur  
30 May 2019