



**MAH SING GROUP BERHAD**

**Registration No.: 199101019838 (230149-P)**

**(Incorporated in Malaysia)**

**Interim Financial Report**

**31 December 2020**

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(Incorporated in Malaysia)

**Interim Financial Report - 31 December 2020**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at 31 December 2020**

(The figures have been audited)

	<b>AS AT 31/12/2020 RM'000</b>	<b>AS AT 31/12/2019 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
<i>Property, plant and equipment</i>	242,021	225,674
<i>Prepaid lease payments</i>	3,960	4,511
<i>Right-of-use assets</i>	46,068	18,561
<i>Investment properties</i>	185,880	195,880
<i>Land held for property development</i>	1,791,740	1,750,409
<i>Intangible assets</i>	5,145	5,174
<i>Deferred tax assets</i>	169,054	145,606
	<u>2,443,868</u>	<u>2,345,815</u>
<b>Current Assets</b>		
<i>Property development costs</i>	1,560,477	1,531,647
<i>Inventories</i>	754,445	763,276
<i>Trade and other receivables</i>	622,016	559,953
<i>Contract assets</i>	265,321	352,012
<i>Contract cost assets</i>	52,630	51,480
<i>Current tax assets</i>	11,214	8,182
<i>Deposits, cash and bank balances and investment in short-term funds</i>	1,156,012	1,063,461
	<u>4,422,115</u>	<u>4,330,011</u>
<b>TOTAL ASSETS</b>	<u><b>6,865,983</b></u>	<u><b>6,675,826</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Ordinary Equity Holders of the Company</b>		
<i>Share capital</i>	1,776,057	1,776,055
<i>Other reserves</i>	11,770	27,618
<i>Retained earnings</i>	1,652,620	1,685,326
	<u>3,440,447</u>	<u>3,488,999</u>
<b>Perpetual Securities</b>	789,388	789,388
<b>Perpetual Sukuk</b>	-	540,000
<b>Non-Controlling Interests</b>	11,526	7,980
<b>Total Equity</b>	<u>4,241,361</u>	<u>4,826,367</u>
<b>Non-Current Liabilities</b>		
<i>Medium term notes</i>	695,341	-
<i>Term loans</i>	505,366	444,925
<i>Long term and deferred payables</i>	74,639	49,220
<i>Deferred tax liabilities</i>	59,947	69,074
	<u>1,335,293</u>	<u>563,219</u>
<b>Current Liabilities</b>		
<i>Trade and other payables</i>	1,171,225	1,063,946
<i>Contract liabilities</i>	78,213	85,505
<i>Term loans</i>	9,752	119,369
<i>Short term borrowings</i>	5,922	2,655
<i>Current tax liabilities</i>	24,217	14,765
	<u>1,289,329</u>	<u>1,286,240</u>
<b>Total Liabilities</b>	<u>2,624,622</u>	<u>1,849,459</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>6,865,983</b></u>	<u><b>6,675,826</b></u>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>	<u><b>1.42</b></u>	<u><b>1.44</b></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 2019 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**For the financial year ended 31 December 2020**

(The figures have been audited)

	3 months ended		Year ended		
	31/12/2020 RM'000	31/12/2019 RM'000	31/12/2020 RM'000	31/12/2019 RM'000	
Revenue	472,781	442,640	1,530,754	1,789,693	
Cost of sales	<u>(369,846)</u>	<u>(322,317)</u>	<u>(1,166,695)</u>	<u>(1,274,116)</u>	
<b>Gross profit</b>	<b>102,935</b>	120,323	<b>364,059</b>	515,577	
Other income	7,831	5,670	22,605	24,983	
Selling and marketing expenses	(11,343)	(20,623)	(50,871)	(76,334)	
Administrative and other expenses	<u>(51,198)</u>	<u>(46,421)</u>	<u>(171,372)</u>	<u>(192,812)</u>	
<b>Results from operating activities</b>	<b>48,225</b>	58,949	<b>164,421</b>	271,414	
Finance income	4,112	3,590	13,692	14,764	
Finance costs	<u>(4,700)</u>	<u>(4,247)</u>	<u>(24,444)</u>	<u>(15,959)</u>	
<b>Net finance costs</b>	<b>(588)</b>	(657)	<b>(10,752)</b>	(1,195)	
Profit before tax	47,637	58,292	153,669	270,219	
Income tax expense	(17,155)	(12,021)	(49,623)	(67,626)	
<b>Profit for the year</b>	<b><u>30,482</u></b>	<u>46,271</u>	<b><u>104,046</u></b>	<u>202,593</u>	
Profit attributable to:					
Equity holders of the Company	28,134	44,987	100,394	200,334	
Non-controlling interests	2,348	1,284	3,652	2,259	
	<u>30,482</u>	<u>46,271</u>	<u>104,046</u>	<u>202,593</u>	
Earnings per share attributable to ordinary equity holders of the Company:					
- Basic (sen)	Note B12(a)	<u>0.02</u>	<u>0.73</u>	<u>1.12</u>	<u>4.49</u>
- Diluted (sen)	Note B12(b)	<u>0.02</u>	<u>0.73</u>	<u>1.12</u>	<u>4.49</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 2019 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**For the financial year ended 31 December 2020**

*(The figures have been audited)*

	3 months ended		Year ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the year</b>	<b>30,482</b>	46,271	<b>104,046</b>	202,593
<b>Other comprehensive income/(loss)</b>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation difference for foreign operations	245	(23)	(520)	463
<i>Item that will not be reclassified subsequently to profit or loss:</i>				
Remeasurements of defined benefit obligations	218	685	218	685
Other comprehensive income/(loss) for the year	463	662	(302)	1,148
<b>Total comprehensive income for the year</b>	<b>30,945</b>	46,933	<b>103,744</b>	203,741
Total comprehensive income attributable to:				
Equity holders of the Company	28,435	45,405	100,198	201,077
Non-controlling interests	2,510	1,528	3,546	2,664
	<b>30,945</b>	46,933	<b>103,744</b>	203,741

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 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 2020

(The figures have been audited)

	Attributable to ordinary equity holders of the Company						Perpetual Securities	Perpetual Sukuk	Non-controlling interests	Total Equity
	Non-Distributable			Distributable						
	Share capital	Warrants reserve	Exchange fluctuation reserve	Equity Component of Convertible Sukuk	Retained earnings	Total				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Year ended 31 December 2020										
Balance at 1/1/2020	1,776,055	21,265	6,353	-	1,685,326	3,488,999	789,388	540,000	7,980	4,826,367
Amount recognised directly in equity:										
Profit for the financial year	-	-	-	-	100,394	100,394	-	-	3,652	104,046
Other comprehensive (loss)/income	-	-	(337)	-	141	(196)	-	-	(106)	(302)
Total comprehensive (loss)/income for the year	-	-	(337)	-	100,535	100,198	-	-	3,546	103,744
Dividends for the financial year ended 31 December 2019	-	-	-	-	(81,328)	(81,328)	-	-	-	(81,328)
Issuance of Convertible Sukuk	-	-	-	5,754	-	5,754	-	-	-	5,754
Issuance of ordinary shares pursuant to warrants exercised	2	-	-	-	-	2	-	-	-	2
Warrants lapsed during the year	-	(21,265)	-	-	21,265	-	-	-	-	-
Redemption of Perpetual Sukuk	-	-	-	-	-	-	-	(540,000)	-	(540,000)
Distribution paid to holders of Perpetual Sukuk	-	-	-	-	(18,410)	(18,410)	-	-	-	(18,410)
Distribution paid to holders of Perpetual Securities	-	-	-	-	(54,768)	(54,768)	-	-	-	(54,768)
<b>Balance at 31/12/2020</b>	<b>1,776,057</b>	<b>-</b>	<b>6,016</b>	<b>5,754</b>	<b>1,652,620</b>	<b>3,440,447</b>	<b>789,388</b>	<b>-</b>	<b>11,526</b>	<b>4,241,361</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**For the financial year ended 31 December 2019**

*(The figures have been audited)*

	Attributable to ordinary equity holders of the Company								
	Non-Distributable			Distributable					Total Equity
Year ended 31 December 2019	Share capital	Warrants reserve	Exchange fluctuation reserve	Retained earnings	Total	Perpetual Securities	Perpetual Sukuk	Non-controlling interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	-	-	(535)	(535)	-	-	(2)	(537)
Balance at 1/1/2019 (restated)	1,776,055	21,265	6,055	1,685,062	3,488,437	789,388	540,000	5,316	4,823,141
Amount recognised directly in equity:									
Profit for the financial year	-	-	-	200,334	200,334	-	-	2,259	202,593
Other comprehensive income	-	-	298	445	743	-	-	405	1,148
Total comprehensive income for the year	-	-	298	200,779	201,077	-	-	2,664	203,741
Dividends for the financial year ended									
31 December 2018	-	-	-	(109,246)	(109,246)	-	-	-	(109,246)
Distribution paid to holders of Perpetual Sukuk	-	-	-	(36,921)	(36,921)	-	-	-	(36,921)
Distribution paid to holders of Perpetual Securities	-	-	-	(54,348)	(54,348)	-	-	-	(54,348)
Balance at 31/12/2019	1,776,055	21,265	6,353	1,685,326	3,488,999	789,388	540,000	7,980	4,826,367

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the financial year ended 31 December 2020**

*(The figures have been audited)*

	<b>12 months ended 31/12/2020 RM'000</b>	12 months ended 31/12/2019 RM'000
<b>Operating Activities</b>		
Profit before tax	<b>153,669</b>	270,219
Adjustments for:		
Non-cash items	<b>86,410</b>	81,547
Non-operating items	<b>8,092</b>	20,669
Operating profit before changes in working capital	<b>248,171</b>	372,435
Net change in property development costs	<b>(81,437)</b>	97,728
Net change in inventories	<b>77,736</b>	165,103
Net change in receivables	<b>(58,916)</b>	148,459
Net change in contract assets	<b>86,691</b>	(73,081)
Net change in contract cost assets	<b>(1,150)</b>	(6,505)
Net change in payables	<b>108,130</b>	(163,366)
Net change in contract liabilities	<b>(7,292)</b>	(73,100)
Cash generated from operations	<b>371,933</b>	467,673
Interest received	<b>25,136</b>	33,638
Finance cost paid	<b>(16,775)</b>	(30,541)
Net tax paid	<b>(77,604)</b>	(55,025)
Net cash generated from operating activities	<b>302,690</b>	415,745
<b>Investing Activities</b>		
Additions to property, plant and equipment	<b>(52,288)</b>	(34,401)
Additions to land held for property development	<b>(61,810)</b>	(51,492)
Acquisition of land	-	(245,694)
Payment of balance consideration on acquisition of subsidiary companies	<b>(16,400)</b>	(29,184)
Proceeds from disposal of property, plant and equipment	<b>90</b>	409
Net cash used in investing activities	<b>(130,408)</b>	(360,362)
<b>Financing Activities</b>		
Dividends paid to shareholders of the Company	<b>(81,328)</b>	(109,246)
Distribution paid to holders of Perpetual Sukuk	<b>(18,410)</b>	(36,921)
Distribution paid to holders of Perpetual Securities	<b>(54,768)</b>	(54,348)
Net proceeds from issuance of Medium Term Notes	<b>696,481</b>	-
Net (repayment of)/proceeds from borrowings	<b>(52,574)</b>	2,362
Payment of corporate exercise expenses	<b>(1,661)</b>	-
Payment of Medium Term Notes interest	<b>(13,229)</b>	-
Proceeds from warrants exercised	<b>2</b>	-
Redemption of Perpetual Sukuk	<b>(540,000)</b>	-
Repayment of lease liabilities	<b>(14,721)</b>	(13,178)
Withdrawal/(Placement) of deposits with licensed banks pledged as collateral/Escrow Account/Sinking Fund Account/Project Account/ Trustees' Reimbursement Account/Security and Principal Account/ Finance Service Reserve Account	<b>281,373</b>	(298,555)
Net cash generated from/(used in) financing activities	<b>201,165</b>	(509,886)
Net changes in cash and cash equivalents	<b>373,447</b>	(454,503)
Effect of exchange rate changes	<b>47</b>	13
Cash and cash equivalents at beginning of the financial year	<b>733,474</b>	1,187,964
Cash and cash equivalents at end of the financial year	<b>1,106,968</b>	733,474



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For the financial year ended 31 December 2020 (continued)***(The figures have been audited)*

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

	<b>12 months ended 31/12/2020 RM'000</b>	12 months ended 31/12/2019 RM'000
Investment in short-term funds	<b>534,996</b>	626,092
Cash and bank balances	<b>599,120</b>	406,238
Deposits with licensed banks	<b>21,896</b>	31,131
Bank overdrafts	<b>(430)</b>	-
	<b>1,155,582</b>	1,063,461
Less: Deposits in Sinking Fund Account	-	(288,998)
Less: Deposits in Escrow Account	<b>(16,960)</b>	(22,876)
Less: Deposits in Project Account	-	(9,448)
Less: Deposits in Security and Principal Account	<b>(16,346)</b>	-
Less: Deposits in Finance Service Reserve Account	<b>(6,523)</b>	-
Less: Deposits pledged as collateral	<b>(8,723)</b>	(8,604)
Less: Trustees' Reimbursement Account	<b>(62)</b>	(61)
	<b>1,106,968</b>	733,474

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 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 2019. 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 2019.

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 2019 save for the adoption of the following:

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 7, MFRS 9 and MFRS 139	Interest rate Benchmark Reform
Amendments to MFRS 16	Covid-19-Related Rent Concessions
Amendments to MFRS 101 and MFRS 108	Definition of Material
MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the above amendments to MFRSs does not have any material impact on the financial statements of the Group.

**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**

Save as disclosed in B1, 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**

Share capital

During the financial year ended 31 December 2020, the Company increased its issued and paid up share capital by way of issuance of 787 new ordinary shares pursuant to the exercise of the Warrant C 2015/2020 at an issue price of RM2.10 per ordinary share.

Medium Term Notes

During the financial year, the Company has issued the following Islamic Medium Term Notes ("Sukuk Murabahah") pursuant to an Islamic Medium Term Note Programme of up to RM1.0 billion in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement):

- (i) 5-year Sukuk Murabahah of RM600 million in nominal value on 13 March 2020, which carries a fixed profit rate of 4.35% per annum payable semi-annually; and
- (ii) 7-year Redeemable Convertible Sukuk Murabahah of RM100 million in nominal value on 29 December 2020, which carries a fixed profit rate of 3% per annum payable semi-annually.

Perpetual Sukuk

On 31 March 2020, the Company has completed the redemption of a RM540 million nominal value unrated Perpetual Sukuk under the Shariah principle of Musharakah.

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 year under review.

**MAH SING GROUP BERHAD (199101019838 (230149-P))**  
(Incorporated in Malaysia)

**A6 Dividends paid**

On 29 September 2020, the Company paid a first and final single-tier dividend of 3.35 sen per ordinary share which amounted to RM81,327,521 in respect of the financial year ended 31 December 2019.

**A7 Segment reporting**

**Year ended 31 December 2020**

	Properties RM'000	Plastics RM'000	Hotel RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>						
External revenue	1,188,600	288,247	13,309	40,598	-	1,530,754
Inter-segment	-	-	41	271,745	(271,786)	-
	<u>1,188,600</u>	<u>288,247</u>	<u>13,350</u>	<u>312,343</u>	<u>(271,786)</u>	<u>1,530,754</u>
<b>RESULTS</b>						
Operating profit/(loss)	148,098	17,222	(14,614)	13,715	-	164,421
Interest income	13,466	115	-	111	-	13,692
Finance costs	(10,509)	(1,763)	(410)	(11,762)	-	(24,444)
Profit/(Loss) before tax	151,055	15,574	(15,024)	2,064	-	153,669
Income tax expense						(49,623)
Profit for the year						<u>104,046</u>

**Year ended 31 December 2019**

	Properties RM'000	Plastics RM'000	Hotel RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>						
External revenue	1,410,105	327,051	11,413	41,124	-	1,789,693
Inter-segment	-	9	135	360,961	(361,105)	-
	<u>1,410,105</u>	<u>327,060</u>	<u>11,548</u>	<u>402,085</u>	<u>(361,105)</u>	<u>1,789,693</u>
<b>RESULTS</b>						
Operating profit/(loss)	254,646	20,339	(28,752)	25,181	-	271,414
Interest income	14,209	237	-	318	-	14,764
Finance costs	(11,792)	(2,510)	(1,644)	(13)	-	(15,959)
Profit/(Loss) before tax	257,063	18,066	(30,396)	25,486	-	270,219
Income tax expense						(67,626)
Profit for the year						<u>202,593</u>

**A8 Material subsequent events**

Save as disclosed in B6, there were no material events subsequent to the reporting date up to 19 February 2021, being the latest practicable date which is not earlier than 6 days from the date of issuance of this Interim Financial Report.

**MAH SING GROUP BERHAD (199101019838 (230149-P))**  
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**A9 Related party transactions**

	01/01/2020 to 31/12/2020 RM'000
Transactions with Directors of the Company and subsidiary companies and companies in which they have interests:	
(i) Rental paid to a Company in which a Director of the Company has interest	1,538
(ii) Maintenance services rendered by a company in which the Directors are family members of a Director of the Company	187
(iii) Sales of development properties to family members of a Director of the Company	<u>975</u>
Transactions with non-controlling interests:	
(i) Interest payable to non-controlling interests of subsidiary company	<u>7</u>

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

There were no changes in the composition of the Group during the current financial year, 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:

	31/12/2020 RM'000	31/12/2019 RM'000
Bank guarantees issued in favour of third parties	<u>143,324</u>	<u>154,956</u>

The Group has adopted the provisions of Paragraph 92 of MFRS 137 Provisions, Contingent Liabilities and Contingent Assets pursuant to the non-disclosure of the financial effect in relation to the litigation matters and these matters may include disputed liquidated ascertained damages and service charge rates.

The Group is relying on its solicitors view that the Group has good chance to succeed in the litigation proceedings and thus no provisions have been made by the Group at this juncture.

**A12 Capital commitments**

	31/12/2020 RM'000
Commitment for acquisition of property, plant and equipment:	
- Approved and contracted for	<u>125,012</u>

**A13 Operating lease commitments**

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

The Group lease out its investment properties and commercial properties under non-cancellable operating leases. The tenure of these leases ranges between 1 to 6 years with option to renew upon expiry except for certain commercial properties. 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> 31/12/2020 RM'000
Less than one year	5,223
One to three years	3,159
More than three years	<u>147</u>
	<u>8,529</u>

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

**B1 Review of Group performance**

For the year ended 31 December 2020, the Group posted profit before tax of RM153.7 million on the back of revenue of RM1.5 billion as compared to RM270.2 million profit before tax and RM1.8 billion revenue a year ago. On a quarterly basis, the Group recorded profit before tax of RM47.6 million and revenue of RM472.8 million as compared to RM58.3 million profit before tax and RM442.6 million revenue in the same quarter last year.

The Group's balance sheet remains healthy with cash and bank balances and investment in short-term funds of approximately RM1.16 billion as at 31 December 2020.

**Property development**

For the year ended 31 December 2020, revenue from property development was RM1.2 billion as compared to RM1.4 billion a year ago while operating profit was RM148.1 million as compared to RM254.6 million a year ago. The property development segment reported lower revenue and profit mainly due to the lingering impact of Movement Control Order ("MCO") and Conditional MCO where level of activities on sites were generally lower. The strict lending environment also affected sales conversion which weighed on revenue recognition.

The development projects which contributed to the Group's results mainly include **M Vertica** in Cheras, **M Centura** in Sentul, **Southville City** in KL South, **Meridin East** in Johor and **Lakeville Residence** in Jalan Kuching. Other projects which also contributed include **M Oscar** in Off Kuchai Lama, **M Aruna** in Rawang, **M Luna** in Kepong, **M Adora** in Wangsa Melawati, **Ferringhi Residence** and **Southbay City** in Penang, **Sierra Perdana**, **Meridin @ Medini** and **Mah Sing i-Parc** in Johor.

Meanwhile, contribution from matured projects like Lakeville was lower as it was completed during the current year while new projects such as M Oscar, M Arisa, M Luna and M Adora were at initial stages of construction with minimal contribution. The performance of the segment was also impacted by the impairment and write-offs of certain assets as well as the fair value loss on investment property totalling RM25.9 million.

The Group achieved property sales of approximately RM1.1 billion for the year ended 31 December 2020.

**Plastics**

The plastics segment recorded revenue of RM288.2 million and operating profit of RM17.2 million in the current year compared to revenue of RM327.1 million and operating profit of RM20.3 million a year ago. Lower revenue and operating profit recorded in the current year were mainly due to lower orders for automotive parts pursuant to the suspension of automotive production during partial lockdown in Indonesia.

**Hotel**

For the year ended 31 December 2020, the hotel segment posted revenue of RM13.3 million as compared with RM11.4 million revenue a year ago. The operating loss for the current year was lower at RM14.6 million as compared with RM28.8 million a year ago mainly attributable to lower depreciation and impairment charges on the hotel operating assets totalling RM8.8 million.

The performance of the segment was impacted by the impairment charge of RM10.2 million for its operating assets in the current year.

**Investment holding & Others**

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

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

The Group's current quarter profit before tax of RM47.6 million was higher as compared to the immediate preceding quarter of RM40.5 million mainly due to increase in contribution from on-going projects namely M Vertica and M Centura. The increase was partially offsetted by the impairment and write-offs of certain assets as well as the fair value loss on investment property totalling RM25.1 million

**B3 Prospects for the next financial year**

Despite MCO and CMCO which affected market condition, the Group achieved RM1.1 billion property sales in 2020 driven by its strategy in digital marketing and affordably priced properties at strategic location. The Group sets a higher RM1.6 billion sales target for 2021 with 91% of products priced below RM700,000, and 51% below RM500,000.

Planned new launches for 2021 include Tower E of M Vertica, Cheras, remaining phases of M Arisa, Sentul, Phase 2 of Cerrado Suites and Tower B Sensory Residences at Southville City @ KL South, Phase 3 of M Aruna and M Panora in Rawang, M Senyum in Bandar Baru Salak Tinggi, Sepang, service apartments in Southbay City, Penang and double storey link homes in Meridin East, Johor Bahru. The Group recently launched the “Home with Mah Sing” campaign that offers easy payment schemes and various incentives to ease home ownership.

On 19 February 2021, the Group announced the proposed acquisition of a 100 acres of new land in Bandar Baru Salak Tinggi, Sepang. Based on preliminary plans, the proposed development to be named M Senyum, shall comprise mainly landed double storey link homes that are affordably priced from RM399,000. Registration of interest and launching are targeted to be in the second half of 2021. The Land that is located at the southern growth corridor of Klang Valley is in line with the Group’s strategy to focus on affordable landed homes at the outskirts/suburban areas and affordable high rises at the central business district.

At the Extraordinary General Meeting on 21 December 2020, the shareholders approved the Group’s proposal to diversify its principal activities to include manufacturing and trading of gloves and related healthcare products. The diversification further enhances and strengthens the Group’s 42 years of manufacturing capabilities. The diversification into healthcare sector that is more resilient with stable and recurring export income complements well the domestic and cyclical property business of the Group. The glove plant in Kapar is currently at advanced stage of completion and is expected to contribute positively to Group financials commencing from the second quarter of 2021.

With disciplined financial management and a healthy balance sheet, the Group will continue with its selective land banking strategy for continuous growth. With the new land, the Group has remaining landbank of 2,076 acres with remaining gross development value of RM23 billion. Unbilled sales (performance obligation unsatisfied or partially unsatisfied) amounted to approximately RM1.64 billion as at 31 December 2020.

For the financial year ended 31 December 2020, the Board of Directors has proposed first and final dividend of 1.66 sen per ordinary share. This marks our 15th consecutive year of paying at least 40% of net profit as dividend and the Group is committed to continue rewarding our shareholders while balancing growth.

**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	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
Estimated income tax payable:				
Current financial year	21,499	18,318	82,096	64,083
(Over)/Under provision of income tax in prior years	(116)	(903)	1,932	(16,995)
	<u>21,383</u>	<u>17,415</u>	<u>84,028</u>	<u>47,088</u>
Deferred tax	<u>(4,228)</u>	<u>(5,394)</u>	<u>(34,405)</u>	<u>20,538</u>
	<u><u>17,155</u></u>	<u><u>12,021</u></u>	<u><u>49,623</u></u>	<u><u>67,626</u></u>

The Group's effective tax rate for the current quarter and current financial year were 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 19 February 2021 (being the latest practicable date which is not earlier than 6 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 19 February 2021, the Company's wholly-owned subsidiary, Oasis Garden Development Sdn Bhd ("**Oasis Garden**"), accepted the counter offer approval letter dated 20 January 2021 issued by the Sepang District/Land Office (Pentadbir Tanah Sepang) ("**Approval Letter**") for the alienation of a parcel of prime land in Bandar Baru Salak Tinggi, Daerah Sepang, Negeri Selangor measuring approximately 100 acres for a total consideration of RM95,832,000 ("**Consideration**") ("**Proposed Acquisition**"). The Approval Letter was issued pursuant to an offer from Oasis Garden dated 3 August 2020. The said Land comes with the benefit of converted residential title, enabling rapid speed to market to meet market demand in the location.

The completion of the Proposed Acquisition is pending the full settlement of the Consideration.

**B7 Group Borrowings and Debt Securities**

Total group borrowings and debt securities as at 31 December 2020 were as follows:

	Short term RM'000	Long term RM'000	Total RM'000
<b>Secured</b>			
Medium term notes	-	695,341	695,341
Term loans	9,752	505,366	515,118
Short term borrowings	5,922	-	5,922
Hire purchase	1,005	1,398	2,403
	<b>16,679</b>	<b>1,202,105</b>	<b>1,218,784</b>

The currency profile of borrowings and debt securities is as follows:

	Short term RM'000	Long term RM'000	Total RM'000
Ringgit Malaysia	8,641	1,200,144	1,208,785
Indonesian Rupiah	8,038	1,961	9,999
	<b>16,679</b>	<b>1,202,105</b>	<b>1,218,784</b>

**B8 Material litigation**

On 25 October 2019, the Company's wholly owned subsidiary, Elite Park Development Sdn Bhd ("**EPD**") had through its solicitors filed and served Statement of Claim against Zulhkiple Abu Bakar ("**ZAB**") following a general endorsed writ.

By way of a Consultancy Agreement dated 9 June 2015 ("**Consultancy Agreement**"), EPD appointed ZAB to provide amongst others, value engineering services to the original foundation and structural designs ("**Services**") for the buildings in the project erected on Lot 24673 (PT 2105), Bandar Kundang, Mukim Rawang, Daerah Gombak, Selangor.

EPD has appointed experts and found that ZAB's designs are not in accordance with established engineering practices and standards. EPD claims ZAB is in breach of the Consultancy Agreement and/or negligent in providing the Services to EPD. As such, EPD is claiming for damages against ZAB as follows:

- (i) A total sum of damages of RM40,670,557.81 and/or alternatively for damages to be assessed; and
- (ii) Interest at the rate of 5% or any other rate as the Court deems fit and proper on the judgement sum calculated from the date of judgement until the date of final settlement and costs.

On 27 November 2019, ZAB has filed a statement of defence and counterclaim against EPD alleging amongst others:

- (i) Unlawful termination of the Consultancy Agreement;
- (ii) EPD pay to ZAB a total sum of RM114,088.23 being ZAB's outstanding fee under the Consultancy Agreement; and
- (iii) General damages to be assessed.

On 15 July 2020, EPD had through its solicitors filed and served the Amended Writ and Amended Statement of Claim against ZAB and two other defendants namely, Pembinaan Infrastruktur OKH Sdn Bhd ("**OKH**") and Lonpac Insurance Berhad ("**LONPAC**") in the same legal proceedings.

The claim against OKH is for breach of contract in failing amongst others, to provide materials and workmanship of the quality and standard pursuant to a letter of award dated 28 November 2014 and a Standard Form PAM 2006 Contract entered into between EPD and OKH to build and construct buildings in the project erected on Lot 24673 (PT 2105), Bandar Kundang, Mukim Rawang, Daerah Gombak, Selangor ("**Development**").

The claim against LONPAC is for breach of an insurance policy issued by LONPAC in favour of EPD as beneficiary under a Contractors' All Risk Policy in failing to pay to EPD for damages and/or losses suffered by EPD in the Development.

As such, EPD is claiming for damages against ZAB, OKH and LONPAC as disclosed in above.

The solicitors of EPD are of the view that EPD has good grounds to succeed in its claims against ZAB, OKH and LONPAC. It is preliminary at this stage to ascertain the potential recoverable amount. The matter has been fixed for trial between 11 October 2021 and 15 October 2021.

Save for the above and as disclosed in A11, the Group was not engaged in any material litigation as at 19 February 2021, being the latest practicable date which is not earlier than 6 days from the date of issuance of this Interim Financial Report.



**MAH SING GROUP BERHAD (199101019838 (230149-P))**  
(Incorporated in Malaysia)

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**B9 Derivatives financial instrument**

As at 31 December 2020, 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 31/12/2020 RM'000	Year ended 31/12/2020 RM'000
Allowance for impairment loss on financial assets	(2,383)	(4,294)
Allowance for impairment on inventories	(11,950)	(12,799)
(Allowance)/Reversal of allowance for impairment on inventories	(59)	116
Bad debts written off	-	(307)
Depreciation and amortisation	(10,921)	(39,244)
Fair value loss on an investment property	(10,000)	(10,000)
Gain/(Loss) on redemption of financial assets at fair value through profit or loss	135	(1,287)
Impairment of intangible assets	(15)	(29)
Impairment of property, plant and equipment	-	(3,908)
Impairment of right-of-use assets	(178)	(6,270)
Inventories written off	-	(1,331)
Insurance income	2,688	8,724
Land held for property development written off	(3,414)	(3,414)
Net foreign exchange loss	(148)	(248)
Property, plant and equipment written off	(2)	(3,214)
(Allowance)/Reversal of allowance for impairment loss on financial assets	<u>(135)</u>	<u>364</u>

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 year ended 31 December 2020.

**B11 Dividend proposed**

- i) The Board of Directors has proposed a first and final single-tier dividend of 1.66 sen per ordinary share (2019: 3.35 sen per ordinary share) in respect of the financial year ended 31 December 2020, which is subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting.
- ii) The proposed dividend shall be payable on a date to be determined later.
- iii) In respect of deposited securities, the entitlement to dividends shall be determined on the basis of the record of depositors at a date to be determined later.

**MAH SING GROUP BERHAD (199101019838 (230149-P))**  
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**B12 Earnings per share**

**(a) Basic earnings per share**

The basic earnings per share has been calculated by dividing the Group's net profit attributable to ordinary equity holders for the financial year by the weighted average number of ordinary shares in issue.

	3 months ended		Year ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Net profit for the year (RM'000)	<b>28,134</b>	44,987	<b>100,394</b>	200,334
Distribution paid to holders of				
- Perpetual Sukuk (RM'000)	-	-	<b>(18,410)</b>	(36,921)
- Perpetual Securities (RM'000)	<b>(27,546)</b>	(27,275)	<b>(54,768)</b>	(54,348)
Net profit for the year attributable to ordinary equity holders (RM'000)	<b>588</b>	17,712	<b>27,216</b>	109,065
Weighted average number of ordinary shares in issue ('000)	<b>2,427,688</b>	2,427,687	<b>2,427,688</b>	2,427,687
Basic earnings per share (sen)	<b>0.02</b>	0.73	<b>1.12</b>	4.49

**(b) Diluted earnings per share**

The diluted earnings per share has been calculated by dividing the Group's net profit attributable to ordinary equity holders for the financial year by the weighted average number of ordinary shares that would have been in issue assuming full conversion of Convertible Sukuk and 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		Year ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Net profit for the year attributable to ordinary equity holders (RM'000)	<b>588</b>	17,712	<b>27,216</b>	109,065
Weighted average number of ordinary shares in issue ('000)	<b>2,427,688</b>	2,427,687	<b>2,427,688</b>	2,427,687
Weighted average number of ordinary shares deemed issued at no consideration ('000)				
- Convertible Sukuk	<b>571</b>	-	<b>144</b>	-
- Warrants C <sup>(1)</sup>	-	n/a	-	n/a
Adjusted weighted average number of ordinary shares ('000)	<b>2,428,259</b>	2,427,687	<b>2,427,832</b>	2,427,687
Diluted earnings per share (sen)	<b>0.02</b>	0.73	<b>1.12</b>	4.49

<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 earnings per share computation above. The Warrants C have expired on 21 February 2020.

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

The auditors' report on the financial statements for the financial year ended 31 December 2019 was not subject to any qualification.

**B14 Comparative figures**

In certain instances, the following amount previously reported in the 2019 financial statements has been reclassified to conform to the 2020 financial statement presentation. Such reclassification has no net effect on net assets.

**Statement of Financial Position**  
**As at 31 December 2019**

	<b>31/12/2019</b>	<b>Reclassification</b>	<b>Restated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>31/12/2019</b>
			<b>RM'000</b>
<b>Current Assets</b>			
Contract assets	403,492	(51,480)	352,012
Contract cost assets	-	51,480	51,480

**Statement of Cash Flows**  
**For the financial year ended 31 December 2019**

	<b>31/12/2019</b>	<b>Reclassification</b>	<b>Restated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>31/12/2019</b>
			<b>RM'000</b>
Net change in contract assets	(79,586)	6,505	(73,081)
Net change in contract cost assets	-	(6,505)	(6,505)

BY ORDER OF THE BOARD

YANG BAO LING  
KUAN HUI FANG

Kuala Lumpur  
25 February 2021