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MAH SING 2021 PROFIT BEFORE TAX SURGES 49.3% to RM219.2MILLION 2022 TARGETS SALES RM2BILLION 25% HIGHER THAN 2021'S RM1.6BILLION, SURPASSING PRE-PANDEMIC LEVELS

Cash & bank balances of approximately RM1.02billion for more land acquisitions
Dividend pay-out of 40% for 16th consecutive year

Kuala Lumpur, 2022 – Mah Sing Group Berhad (Mah Sing) 2021 profit before tax surges 49.3% to RM219.2million on the back of revenue of RM1.75billion.

Mah Sing's new property sales have returned to pre-pandemic levels, achieving RM1.6billion sales for the financial year ended 31 December 2021. The growth was driven primarily by strong execution, the success of its M-Series of affordably priced projects, and effective digital marketing initiatives. This is a 45% increase compared to RM1.1billion sales in 2020, and an increase from 2019 pre-pandemic sales at RM1.5billion.

Mah Sing's Founder and Group Managing Director Tan Sri Dato' Sri Leong Hoy Kum said, "As the economy recovers and shows encouraging signs of returning to normalcy, we plan to launch RM2.4billion worth of properties in 2022. We target to achieve RM2billion new property sales this year, a 25% growth from 2021. Price points will be attractive, with 60% of properties below RM500,000, and 94% below RM700,000."

A strong pipeline of 21 projects will support 2022 sales growth and planned new launches include M Senyum in Sepang, M Astra in Setapak, M Nova in Kepong, M Panora in Rawang, remaining phases for Ferringhi Residences in Penang and double storey link homes in Meridin East, Johor Bahru.

The Group is optimistic that its property projects will continue to gain traction from buyers mainly due to their strategic locations with large captive market, affordable price points and well-designed features that are aligned with current market demand.

Mah Sing looking out for more land with strong balance sheet

Balance sheet remains healthy, reflecting the Group's disciplined financial management and strong execution of its strategy of driving growth through strategic land-banking and quick turnaround. Despite lockdown dislocation, cash generation was strong due to several vacant possessions during the year, with year-end cash balances of RM1.02 billion even with 3 new land acquisitions and steady rate of works.

As at 31 December 2021, Mah Sing has unbilled sales of RM1.9billion which also adds to earnings visibility for the Group.

Tan Sri Dato' Sri Leong commented, "With the good rate of works, the Group is targeting an even higher rate of vacant possessions in 2022, further generating healthy cash flow. With our strong balance sheet, we are constantly on the lookout for new land, with a focus on strategic land banks in Greater KL, Klang Valley, Penang and Johor that are ideal for affordable products."

Aside from these locations, Mah Sing is also scouting for attractively priced residential and industrial lands outside of Klang Valley, such as Seremban, Malacca, and Perak, for projects in the affordable range.

Q42021 and FY2021 results
For the year ended 31 December 2021, the Group posted profit before tax (PBT) of RM219.2million, an increase of 49.3% from RM146.9million in the previous year. Revenue increased 14.6% to RM1.75billion, from RM1.53billion in the previous year.

Mah Sing's Q42021 PBT of RM52.9million was 14.4% higher compared to the preceding corresponding quarter of RM46.2million. Revenue of RM537.4million for Q42021 was also 13.7% higher as compared to the preceding corresponding quarter of RM472.8million.

The property development segment recorded operating profit of RM259.7 million on the back of revenue of RM1.34 billion, which were 64% and 13% respectively higher than the operating profit and revenue recorded in previous year. Despite restrictions during Enhanced Movement Control Order ("EMCO") and National Recovery Plan ("NRP"), the property segment enjoyed higher property sales and revenue recognition of property projects under construction coupled with the finalisation of construction costs for certain construction contracts. In addition, the improved operating profit was also supported by lower administrative and other expenses as well as lower selling and marketing expenses using cost effective digital marketing platforms.

The development projects that were the key earnings contributors include M Vertica in Cheras, M Arisa and M Centura in Sentul, M Luna in Kepong, M Aruna in Rawang, Meridin East in Johor, M Oscar in Off Kuchai Lama, M Adora in Wangsa Melawati, Southville City in KL South and Southbay City in Penang. Other projects which also contributed include Ferringhi Residence in Penang, Sierra Perdana, Meridin @ Medini and Mah Sing i-Parc in Johor.

The manufacturing segment recorded revenue of RM370.3 million, an increase of 28.5% compared to revenue of RM288.2 million in the previous year. Revenue increase was mainly contributed by higher sales of plastic pallets and automotive parts due to pent-up demand from essential and automotive industries, while glove sales also contributed to the increase in manufacturing segment.

Dividend Payout of Minimum of 40% For 16th Consecutive Year
Mah Sing is continuing its track record of rewarding shareholders by proposing a first and final dividend of 2.65 sen per ordinary share for the financial year ended 31 December 2021, which is equivalent to 4% dividend yield based on the closing price as at 24 February 2022 of RM0.66. This is subject to approval by shareholders at the upcoming Annual General Meeting. Mah Sing has been consistent in paying dividend rates of at least 40% of net profit over the last 16 years, upholding its commitment to reward shareholders while balancing growth.

Economy on recovery path
According to Bank Negara Malaysia (BNM) when announcing the "Economic and Financial Developments in Malaysia in the 4th Quarter of 2021" on 11 February 2022, the Malaysian economy is expected to remain on its recovery path, supported by the continued expansion in global demand and higher private sector expenditure given improving labour market conditions and on-going policy support. The continuation of major investment projects in both the private and public sectors will also support growth. The central bank added that the acceleration of the COVID-19 booster vaccination programme and vaccination of children above 5 years old, coupled with sufficient capacity in the healthcare system, would improve domestic economic activities, thus strengthening the recovery momentum.

Better year ahead with more delivery of Vacant Possessions, Lift Off sales campaign and new launches
Aside from the delivery of vacant possession of its first M Series Edition, M Centura in Sentul in December 2021 and the launch of the "Lift Off" sales campaign in January 2022, the Group is also gearing up on new launches and construction activity, with several delivery of vacant possession (VP) slated for 2022. VP targets for 2022 is much higher than 2021 and is expected to further generate healthy cash flow.

A highlight project in the Group's M Series ie M Vertica in Cheras is expected to deliver VP of Phase 1 comprising Tower A and B in the first half of 2022 while Phase 2 comprising Towers C, D and E is slated for VP in the second half of 2022. M Vertica is a Transit-Adjacent Development, strategically located close to Maluri LRT & MRT Interchange (500m walking distance) with covered walkway provided, and 800m to Taman Pertama MRT Station. M Vertica offers residential units with built up of 850sqft (3-bedroom) and 1,000sq ft (4-bedroom), priced from RM480,800, and is deemed ideal for owner-occupiers and investors.

Other projects slated for VP in 2022 includes M Vista high rise units in Penang, Meridin East shops and Acacia double storey homes in Johor, Carya landed homes in M Aruna, Rawang, and Sensory Tower A high rise units in Southvillle City in Bangi.

To meet market demand, the Group will launch the three new lands acquired last year by introducing three new M Series developments, M Senyum in Q1 2022, M Astra in Q2 2022, and M Nova in Q3 2022, which is located in Salak Tinggi, Setapak, and Kepong respectively. M Senyum is a residential development of two-storey terrace homes offering 4-bedroom and 3-bathroom, from 1,555 sqft with land size of 20' x 60', and an indicative price starts from RM450,000. M Astra comprises 2 blocks of serviced residences of 3-bedroom and 4-bedroom units, with indicative built-up ranging from 850 sqft to 1,044 sqft, and indicative price from RM399,000. M Nova comprises serviced residences, with indicative built-up sizes ranging between 700 sqft and 1,000 sqft and indicative price from RM318,000.

Focus on ESG and better performance

Tan Sri Dato' Sri Leong noted, "With stronger sales and a rebound in construction activity, we expect to deliver even better performance this financial year 2022. The pursuit of earnings growth has not affected our focus on quality, service, and acting responsibly. Our inclusion in the FTSE4Good Bursa Malaysia Index and being one of only two from the property sector awarded 4-star rating is a testament that the Group remains committed to high standards of Environmental, Social, Governance (ESG) and Sustainability practices."

Mah Sing Healthcare's 12 production lines fully commissioned, obtained required certifications for medical-grade glove sales to the United States, Canada, the European Union, and the European Economic Area (EEA).

Mah Sing Healthcare's glove factory has completed the commissioning of all their 12 production lines, which may allow increased production efficiency.

It has recently received an updated 510(k) clearance from the United States ("US") Food and Drug Administration ("FDA") which will allow them to market medical grade examination gloves which can be used in the handling or preparation of chemotherapeutic drugs in the US market. This will enable big medical players in the US to obtain gloves from Mah Sing Healthcare as their existing suppliers also carry the chemotherapy protection claim.

Besides the US, Mah Sing Healthcare has also received the necessary certifications to market medical-grade gloves in a wide range of countries, including Canada (Health Canada License for nitrile powder free examination gloves), United Kingdom (UK MHRA), the European Union and the European Economic Area (EEA) (MDR for medical-grade examination gloves, EU Type- Examination Certificate (PPE) and CE Certs for powder free nitrile and powder free latex examinations gloves).

With a stronger sales force and wider geographic reach, Mah Sing Healthcare is well positioned to meet the ongoing demand for gloves during this endemic stage, especially as more stringent regulations and increased awareness of property hygiene practices are in place.

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