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MAH SING SECURES SALES OF RM1BILLION IN 1HFY22
2QFY22 REVENUE INCREASED 23% TO RM542MILLION, PBT OF RM59.8MILLION
“Mah Sing’s upcoming launches in 2H2022 sets to accelerate sales momentum; on track to meet 2022 RM2billion sales target”

Kuala Lumpur, 2022 – Mah Sing Group Berhad (“Mah Sing”) has turned in a stellar report card for the first half of 2022, locking in RM1billion new property sales. The Group registered sales of RM550million for the second quarter ended 30 June 2022 (2QFY22) bringing first-half total sales to RM1billion. This is the highest quarterly and half-year sales recorded since 2017.

Mah Sing’s revenue for 2QFY22 rose 23% to RM542million, resulting in profit before tax (PBT) of RM59.8million. This compares to revenue of RM438.7million and PBT of RM58million recorded in the same quarter last year. For the six-month period ended 30 June 2022, the Group’s revenue increased 14% to RM975.2million as compared to RM852million a year ago.

Mah Sing’s Founder and Group Managing Director, Tan Sri Dato’ Sri Leong Hoy Kum said, “The strong performance was largely due to recovery momentum driven by border re-openings, the Group’s successful launches of new parcels of affordably priced homes in M Senyum, Salak Tinggi and Meridin East, Johor Bahru, and the good take-up of other ongoing projects like M Vertica in Cheras, M Arisa in Setapak, M Luna in Kepong, M Oscar in Sri Petaling, M Adora in Wangsa Melawati, M Aruna in Rawang, Southville City in KL South and Meridin East in Johor. Completed inventories from Southbay City and Ferringhi Residence in Penang, Sierra Perdana, Meridin @ Medini, and Mah Sing i-Parc in Johor also contributed. The strategic shift to a greater emphasis on our affordable M Series developments has proved as an effective and timely move in ensuring stable performance of the Group.”

The affordable M Series carries the DNA of prime locations with a large captive market, easy access to amenities, connectivity, and ready infrastructures, as well as well-designed features. Mah Sing is actively looking to replenish good lands for this series as it meets current market demand.

Strong sales and launches momentum, on track to achieve RM2billion 2022 sales target

Having achieved 98% take-up rate for M Luna in Kepong, Mah Sing opened its M Nova sales gallery located at Taman Wahyu, Kepong in June 2022 to maintain the sales momentum.

Upcoming planned launches include M Astra (high-rise residential from RM399,000) in Setapak, M Panorama (landed residential from RM635,000) in Rawang, Phase 2 and 3 M Senyum (landed residential from RM495,000) in Salak Tinggi and new phases Meridin East double storey link homes (landed residential from RM425,000) in Johor Bahru.

With RM1billion new property sales in the bag, Mah Sing is on track to meet its 2022 sales target of RM2billion.

Healthy balance sheet, looking for more landbanking

As of 30 June 2022, Mah Sing's net gearing is healthy at 0.34 times. Unbilled sales of approximately RM2.16billion further support liquidity and provide future revenue visibility.

Following the acquisition of a new freehold project, M Minori (Johor Bahru) in June 2022 with estimated gross development value of approximately RM469million, Mah Sing intends to further enhance its development pipeline growth with more selective and disciplined acquisitions. Armed with a robust balance sheet, market-led portfolio, and a focus on execution, the Group is well positioned to navigate near-term volatility and uncertainties.

1H2022 Results

For the six months period ended 30 June 2022, the property development segment recorded an operating profit of RM148.1 million on the back of revenue of RM746.2 million, which was 20% and 14% higher than the operating profit and revenue recorded a year ago. Higher property sales and revenue recognition of property projects under construction, as well as the completion of construction costs for certain construction contracts, are driving higher revenue and operating profit.

The development projects which mainly contributed to the Group's results include M Vertica in Cheras, M Arisa in Setapak, M Luna in Kepong, M Oscar in Sri Petaling, M Adora in Wangsa Melawati, M Aruna in Rawang, Southville City in KL South and Meridin East in Johor. Other projects that have contributed are Southbay City and Ferringhi Residence in Penang, Sierra Perdana, Meridin @ Medini, and Mah Sing i-Parc in Johor.

In the current period, the manufacturing segment recorded revenue of RM214 million, an increase of 19% compared to RM179.1million in the previous year corresponding period.

Mah Sing's 3Q2022 H.O.M.E Campaign complements I-MILIKI

On 1 July, Mah Sing launched its homeownership campaign called 'H.O.M.E', which stands for Home Ownership Made Easy. The campaign will run from 1 July until 30 September 2022 and aims to address homebuyers' main concerns of saving up for a down-payment, qualifying for a loan, and paying monthly housing instalments.

Tan Sri Dato' Sri Leong Hoy Kum shared, "It is proven that the government's Home Ownership Campaign (HOC) is a successful campaign in driving property sales; thus, the creation of this campaign by Mah Sing is a replica of HOC, aiming to alleviate homeowners' pain points. The introduction of the Keluarga Malaysia Home Ownership Initiative (I-MILIKI) by the government in mid-July 2022, with 100% stamp duty exemption for properties priced under RM500,000 and 50% stamp duty exemption for homes priced between RM500,000 and RM1million, benefits the Group even more. We are confident in the Group's ability to ride the wave, as 94% of Mah Sing's product offerings are priced at RM700,000 or less, and 60% at RM500,000 or less.

This H.O.M.E sales campaign by Mah Sing aims to make home ownership easier for the home buyers, particularly first-time home buyers, by continuing to offer attractive perks and discounts. This campaign includes 13 landed and high-rise projects in the central, northern and southern regions. For home buyers on the verge of a purchasing decision, it is a good time to lock in properties at current prices before other material costs increase.

Balancing ESG and bottom line – Doing well by doing good

As a constituent of FTSE4Good and one of the Top 25% public listed companies in terms of ESG Ratings on FBM EMAS, Mah Sing embeds sustainability into its business operations and strategies.

Tan Sri Dato' Sri Leong noted, "The Group's sustainability framework, mission pillars and material topics are aligned with the UN SDGs and taking care of our staff is an important part of ESG. Despite challenges facing the real estate industry, Mah Sing did not institute any pay cuts during the past 2 years, and we continued to pay out performance bonuses. By implementing the Productivity-Linked Wage System (PLWS), we were able to keep our staff motivated and gainfully employed."

PLWS is an initiative that promotes wealth creation and sharing through productivity and is promoted by Malaysia Productivity Corporation (MPC), an agency under Ministry of International Trade and Industry (MITI). Mah Sing's active subsidiaries recently received e-Shared Prosperity organisation (eSPO) acknowledgement certificates for successfully implementing PLWS. The eSPO are recognized by Ministry of Human Resources (MOHR), MITI and MPC.

Mah Sing was also recently awarded the ESG Impact Awards for Property Development industry category by the Malaysia SDG and ESG Impact Awards 2022.

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