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MAH SING ACHIEVES 9-MONTH ROBUST SALES OF RM1.8 BILLION, SET TO SURPASS 2023 SALES TARGET OF RM2.2 BILLION, HEALTHY GEARING OF 0.13TIMES FOR MORE LAND ACQUISITIONS

Kuala Lumpur, 2023 – Mah Sing Group Berhad (Mah Sing) is confident of achieving its 2023 minimum sales target of RM2.2 billion as the Group registered RM1.8 billion in property sales for the nine-month period ended 30 September 2023, an increase of 14.4% compared with RM1.57 billion in the same period last year. Armed with a healthy cash and bank balance together with low 0.13x net gearing ratio, the Group is actively seeking to acquire more lands, especially in Klang Valley, Johor and Penang.

In Q32023, the Group achieved robust revenue and profit before tax (PBT) of RM644.3 million and RM76.1 million. For the nine-month period ended 30 September 2023, the Group recorded revenue and PBT of RM1.93 billion and RM226.8 million, marking a 17.3% and 15.6% improvement respectively as compared to RM1.65 billion and RM196.2 million a year ago.

Mah Sing's Founder and Group Managing Director, Tan Sri Dato' Sri Leong Hoy Kum said, "With our strong product leadership position in affordable homes and ongoing active launches of our products, we are confident of meeting our full-year sales target of minimum RM2.2 billion. Our highly differentiated product offering, M Series developments meets the market's demand as shown by the impressive results of high take-up rates evident in our Q32023 performance. Our unbilled sales have grown to RM2.42 billion, providing future revenue visibility for the Group. Leveraging on our healthy balance sheet and confidence in our quick turnaround business model, we are actively seeking to replenish our landbanks in Klang Valley, Johor and Penang to expand our residential and industrial development portfolios."

"Recently, we introduced our first M Series project, M Minori in the southern region. We are very happy with the positive reception when Tower A's non-bumiputera units were fully taken up over one weekend. Due to the encouraging response received, Tower B is now available for registration and on top of that, we are actively looking to buy more landbank in Johor for townships, industrial projects and more M series projects development. Our M Series projects receive very good take-up rates driven by its alignment with market expectations in both product quality and pricing," continued Tan Sri Dato' Sri Leong Hoy Kum.

Net Gearing to a Low 0.13x

The Group maintains a robust balance sheet with approximately RM865.4 million in cash and bank balances and investment in short-term funds. Free cash flows from timely completions and vacant possession of properties reduced net gearing to a low 0.13x as of 30 September 2023. The strong financial profile and liquidity enable acceleration of growth with continued landbanking.

Encouraged by the resilient performance of the M-series projects, the Group will continue to pursue more acquisitions to develop affordable residential homes as well as to expand its industrial development portfolio. Further to the four new land acquisitions earlier in the year, namely, M Terra and M Hana in Puchong, M Tiara in Johor Bahru, Glengowrie Estate in Semenyih and M Zenya in Kepong, the Group entered into a joint venture collaboration in September 2023 to offer one-stop service solution for foreign businesses looking to set up manufacturing bases in Malaysia. The joint venture is expected to open up more opportunities for the Group to fuel its industrial development portfolio growth.

During the quarter, the Company rewarded and paid RM72.8 million to shareholders in the form of dividends, representing the 17th year of uninterrupted dividend payout record at minimum 40% of annual profit.

Including all new lands acquired to date, the Group has a remaining landbank of 2,282 acres with a remaining GDV of RM26.3 billion.

Results for 9-Month Ended 30 September 2023

As of 30 September 2023, the property development segment recorded an operating profit of RM259.7 million on the back of revenue of RM1.56 billion, which were 4.9% and 20.5% respectively higher than the operating profit and revenue recorded a year ago. The higher revenue and operating profit were mainly driven by higher property sales and progressive revenue recognition from ongoing construction progress. The development projects that were the key earnings contributors include M Vertica in Cheras, M Arisa in Sentul, M Luna in Kepong, Meridin East in Johor Bharu, M Oscar in Sri Petaling, M Adora in Wangsa Melawati, M Senyum in Salak Tinggi and Southville City in Bangi. Other projects which also contributed include M Astra in Setapak, M Aruna and M Panora in Rawang, Southbay City and Ferringhi Residence in Penang, Sierra Perdana, Meridin @ Medini and Mah Sing i-Parc in Johor.

The manufacturing segment's revenue grew slightly by 0.6% to RM328.1 million in the current period ended 30 September 2023 compared with RM326.1 million in the preceding year's corresponding period.

Mah Sing Achieves RM1.8 billion New Property Sales; Introduces New Brand Campaign – Mah Sing First

The Group registered new property sales of RM600 million for the third quarter, bringing the nine months' cumulative sales to RM1.8 billion. This is a 14.4% increase as compared with RM1.57 billion (excluding land sales of RM115 million) in the same period last year.

Further to recent launches of M Nova in Kepong in August 2023, Phase 3A of M Senyum in Salak Tinggi and M Minori in Johor Bahru in October 2023, new launches in the pipeline include future phases of M Senyum in Salak Tinggi, Meridin East in Johor Bahru, M Residence in Rawang and M Sinar, Southville City in Bangi. The Group also looks forward to the maiden launches of M Terra in Puchong, M Tiara in Johor Bahru and M Zenya in Kepong which have recorded strong registration of interests.

The Group recently introduced its latest brand initiative, Mah Sing First, driven by the sentiment that "Everyone's first is unforgettable." With a focus on becoming a significant part of first-time homebuyers' journeys, Mah Sing aims to offer affordable housing options to the nation. The campaign acknowledges the significance of home ownership as a space where cherished memories are created.

Double Triumph: Mah Sing clinches two prestigious awards

Mah Sing received recognition at The Edge Malaysia's ESG Awards 2023 once again, clinching the silver award in the Property sector, Equities category for the year. Organised in collaboration with Bursa Malaysia Berhad and FTSE Russell with Morningstar as the knowledge partner for the funds category and Deloitte as the auditor, The Edge Malaysia ESG Awards 2023 aims to recognise public-listed companies (PLCs) and asset management firms that are environmental, social and governance (ESG) leaders in Malaysia.

Last week, Mah Sing was honoured with the prestigious accolade of Malaysia's Top 10 Property Developers at The Edge Malaysia Property Excellence Awards (TEPEA) 2023. This accolade marks the 13th consecutive year in which Mah Sing has been recognised, underscoring the Group's dedication to delivering high-quality projects characterised by innovative concepts aligned with prevailing market preferences.

2024 Property Outlook

Bank Negara Malaysia (BNM) has forecasted that the gross domestic product (GDP) will expand between 4%-5% for 2024. The Group should continue to benefit from the 5-year stamp duty waiver for residential properties priced below RM500,000 for first-time homebuyers (until the end of 2025) as announced in Budget 2021.

As proposed in the recent Budget 2024 announcement, the government's plan to ease the current conditions of Malaysia My Second Home (MM2H) applications is timely to attract foreign buyers. In addition, the RM10 billion Housing Credit Guarantee Scheme will help make homeownership more accessible to first-time buyers.

Mah Sing's projects would benefit from several key infrastructure projects in plan, such as Johor Bahru-Singapore Rapid Transit System, the potential revival of KL-Singapore high-speed rail project, Johor-Singapore special economic and financial zones and Penang Transport Master Plan Distance from our Southbay City project to the proposed Silicon Island and Bayan Lepas LRT Station 19 is approximately 5km.

In addition, according to Budget 2024, Pengerang Integrated Petroleum Complex (PIPC) is to be designated a chemical and petrochemical development hub with the

provision of special tax incentives to attract high-value activities ecosystem. This should benefit our biggest township Meridin East in Pasir Gudang, Johor.

The mid to long-term outlook remains positive supported by strong fundamental demand for properties due to the young demography. Demand for houses from first-time homebuyers should remain resilient.

According to NAPIC, overhang condition within the residential housing market has improved further, having achieved its lowest level since 2Q 2018 in the first half of 2023. Incoming supply for residential is at its lowest level since 1H 2021. The reducing trend for incoming supply and improving overhang conditions is positive for the housing market.

Looking ahead, the Group will maintain discipline on execution for continued momentum in revenue and earnings delivery. Armed with a healthy financial profile, demand-driven property portfolio and operational efficiency, the Group should continue to deliver above industry Return on Equity and future growth in performance.

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Chinese Translation

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