



**MAH SING GROUP BERHAD**

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

**(Incorporated in Malaysia)**

**Interim Financial Report**

**31 March 2024**

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## **Interim Financial Report - 31 March 2024**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at 31 March 2024**

*(The figures have not been audited)*

	<b>AS AT 31/03/2024 RM'000</b>	<b>(AUDITED) AS AT 31/12/2023 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
<i>Property, plant and equipment</i>	405,747	407,864
<i>Prepaid lease payments</i>	3,095	3,151
<i>Right-of-use assets</i>	46,075	46,874
<i>Investment properties</i>	175,880	175,880
<i>Land held for property development</i>	2,160,366	1,766,139
<i>Intangible assets</i>	3,534	3,960
<i>Deferred tax assets</i>	219,779	223,377
	<u>3,014,476</u>	<u>2,627,245</u>
<b>Current Assets</b>		
<i>Property development costs</i>	925,843	999,667
<i>Inventories</i>	506,321	529,659
<i>Trade and other receivables</i>	530,029	618,086
<i>Contract assets</i>	656,624	572,942
<i>Contract cost assets</i>	73,826	75,892
<i>Current tax assets</i>	11,610	12,027
<i>Deposits, cash and bank balances and investment in short-term funds</i>	966,148	981,261
	<u>3,670,401</u>	<u>3,789,534</u>
<b>TOTAL ASSETS</b>	<u><u>6,684,877</u></u>	<u><u>6,416,779</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Ordinary Equity Holders of the Company</b>		
<i>Share capital</i>	1,826,057	1,776,057
<i>Reserves</i>	9,128	12,004
<i>Retained earnings</i>	1,873,378	1,913,090
	<u>3,708,563</u>	<u>3,701,151</u>
<b>Non-Controlling Interests</b>	36,030	35,706
<b>Total Equity</b>	<u>3,744,593</u>	<u>3,736,857</u>
<b>Non-Current Liabilities</b>		
<i>Medium term notes</i>	354,046	1,003,232
<i>Term loans</i>	242,409	265,999
<i>Long term and deferred payables</i>	83,255	83,597
<i>Deferred tax liabilities</i>	28,308	32,213
	<u>708,018</u>	<u>1,385,041</u>
<b>Current Liabilities</b>		
<i>Trade and other payables</i>	1,395,375	1,109,951
<i>Contract liabilities</i>	97,401	138,302
<i>Medium term notes</i>	600,734	-
<i>Term loans</i>	686	1,185
<i>Short term borrowings</i>	7,265	8,265
<i>Current tax liabilities</i>	31,048	37,178
<i>Dividend payable</i>	99,757	-
	<u>2,232,266</u>	<u>1,294,881</u>
<b>Total Liabilities</b>	<u>2,940,284</u>	<u>2,679,922</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>6,684,877</u></u>	<u><u>6,416,779</u></u>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>	<u>1.49</u>	<u>1.52</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 2023 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 2024**

*(The figures have not been audited)*

	3 months ended		Period ended	
	31/03/2024 RM'000	31/03/2023 RM'000	31/03/2024 RM'000	31/03/2023 RM'000
Revenue	558,208	643,454	558,208	643,454
Cost of sales	<u>(413,659)</u>	<u>(501,561)</u>	<u>(413,659)</u>	<u>(501,561)</u>
<b>Gross profit</b>	<b>144,549</b>	141,893	<b>144,549</b>	141,893
Other income	10,450	6,444	10,450	6,444
Selling and marketing expenses	(14,734)	(13,989)	(14,734)	(13,989)
Administrative and other expenses	<u>(45,444)</u>	<u>(45,390)</u>	<u>(45,444)</u>	<u>(45,390)</u>
<b>Results from operating activities</b>	<b>94,821</b>	88,958	<b>94,821</b>	88,958
Finance income	2,445	2,099	2,445	2,099
Finance costs	<u>(15,170)</u>	<u>(15,292)</u>	<u>(15,170)</u>	<u>(15,292)</u>
<b>Net finance costs</b>	<b>(12,725)</b>	(13,193)	<b>(12,725)</b>	(13,193)
Profit before tax	82,096	75,765	82,096	75,765
Income tax expense	(21,741)	(23,489)	(21,741)	(23,489)
<b>Profit for the period</b>	<b><u>60,355</u></b>	<b><u>52,276</u></b>	<b><u>60,355</u></b>	<b><u>52,276</u></b>
Profit attributable to:				
Equity holders of the Company	60,045	50,057	60,045	50,057
Non-controlling interests	310	2,219	310	2,219
	<b><u>60,355</u></b>	<b><u>52,276</u></b>	<b><u>60,355</u></b>	<b><u>52,276</u></b>
Earnings per share attributable to ordinary equity holders of the Company:				
- Basic (sen)	Note B12(a)	<u>2.47</u>	<u>2.06</u>	<u>2.06</u>
- Diluted (sen)	Note B12(b)	<u>2.43</u>	<u>2.06</u>	<u>2.06</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 2023 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

**For the financial period ended 31 March 2024**

*(The figures have not been audited)*

	3 months ended		Period ended	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	<b>60,355</b>	52,276	<b>60,355</b>	52,276
<b>Other comprehensive income</b>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation difference for foreign operations	7	460	7	460
Other comprehensive income for the period	<u>7</u>	<u>460</u>	<u>7</u>	<u>460</u>
<b>Total comprehensive income for the period</b>	<b><u>60,362</u></b>	<u>52,736</u>	<b><u>60,362</u></b>	<u>52,736</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<b>60,046</b>	50,354	<b>60,046</b>	50,354
Non-controlling interests	<b>316</b>	2,382	<b>316</b>	2,382
	<b><u>60,362</u></b>	<u>52,736</u>	<b><u>60,362</u></b>	<u>52,736</u>

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 2023 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 2024**

*(The figures have not been audited)*

	Attributable to ordinary equity holders of the Company						Total Equity RM'000
	Non-distributable			Distributable			
	Share capital RM'000	Exchange fluctuation reserve RM'000	Equity Component of Convertible Sukuk RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	
<b>3 months ended 31 March 2024</b>							
Balance at 1/1/2024	1,776,057	6,250	5,754	1,913,090	3,701,151	35,706	3,736,857
Amount recognised directly in equity:							
Profit for the financial period	-	-	-	60,045	60,045	310	60,355
Other comprehensive income	-	1	-	-	1	6	7
Total comprehensive income for the period	-	1	-	60,045	60,046	316	60,362
Dividends for the financial year ended 31 December 2023	-	-	-	(99,757)	(99,757)	-	(99,757)
Issuance of ordinary shares pursuant to the conversion of redeemable convertible sukuk	50,000	-	(2,877)	-	47,123	-	47,123
Issuance of shares by a subsidiary to a non-controlling shareholder	-	-	-	-	-	8	8
<b>Balance at 31/03/2024</b>	<b>1,826,057</b>	<b>6,251</b>	<b>2,877</b>	<b>1,873,378</b>	<b>3,708,563</b>	<b>36,030</b>	<b>3,744,593</b>
<b>3 months ended 31 March 2023</b>							
Balance at 1/1/2023	1,776,057	5,883	5,754	1,770,989	3,558,683	28,482	3,587,165
Amount recognised directly in equity:							
Profit for the financial period	-	-	-	50,057	50,057	2,219	52,276
Other comprehensive income	-	297	-	-	297	163	460
Total comprehensive income for the period	-	297	-	50,057	50,354	2,382	52,736
Balance at 31/03/2023	1,776,057	6,180	5,754	1,821,046	3,609,037	30,864	3,639,901

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

**For the financial period ended 31 March 2024**

*(The figures have not been audited)*

	<b>3 months ended 31/03/2024 RM'000</b>	3 months ended 31/03/2023 RM'000
<b>Operating Activities</b>		
Profit before tax	<b>82,096</b>	75,765
Adjustments for:		
Non-cash items	<b>11,365</b>	8,497
Non-operating items	<b>12,295</b>	13,294
Operating profit before changes in working capital	<b>105,756</b>	97,556
Net change in property development costs	<b>92,358</b>	134,630
Net change in inventories	<b>22,934</b>	48,591
Net change in receivables	<b>55,362</b>	123,848
Net change in contract assets	<b>(83,682)</b>	(85,888)
Net change in contract cost assets	<b>2,066</b>	(3,410)
Net change in payables	<b>(63,377)</b>	(56,589)
Net change in contract liabilities	<b>(40,901)</b>	(16,723)
Cash from operations	<b>90,516</b>	242,015
Interest received	<b>3,677</b>	2,797
Finance cost paid	<b>(4,430)</b>	(6,377)
Net tax paid	<b>(27,762)</b>	(19,518)
Net cash from operating activities	<b>62,001</b>	218,917
<b>Investing Activities</b>		
Additions to property, plant and equipment	<b>(9,077)</b>	(8,829)
Additions to land held for sale	-	(62)
Additions to land held for property development	<b>(20,290)</b>	(7,127)
Acquisition of land	<b>(10,073)</b>	(129,446)
Proceeds from disposal of property, plant and equipment	<b>1</b>	24
Net cash used in investing activities	<b>(39,439)</b>	(145,440)
<b>Financing Activities</b>		
Net (repayment of)/proceeds from borrowings	<b>(25,159)</b>	67,071
Payment of Medium Term Notes interest	<b>(13,014)</b>	(12,943)
Repayment of lease liabilities	<b>(1,568)</b>	(1,785)
Proceeds from issuance of shares by a subsidiary to a non-controlling shareholder	<b>8</b>	-
Withdrawal of deposits with licensed banks pursuant to banking facilities	<b>1,665</b>	10,663
Withdrawal/(Placement) of deposits in Security and Principal Accounts, Financial Service Reserve Accounts and Trustees' Reimbursement Accounts	<b>24,778</b>	(24,629)
Net cash (used in)/from financing activities	<b>(13,290)</b>	38,377
Net changes in cash and cash equivalents	<b>9,272</b>	111,854
Effect of exchange rate changes	<b>30</b>	(51)
Fair value gain on investment in short-term funds	<b>2,135</b>	1,521
Cash and cash equivalents at beginning of the financial period	<b>780,937</b>	480,370
Cash and cash equivalents at end of the financial period	<b>792,374</b>	593,694

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For the financial period ended 31 March 2024 (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 31/03/2024 RM'000</b>	3 months ended 31/03/2023 RM'000
Investment in short-term funds	<b>391,100</b>	302,371
Cash and bank balances	<b>567,838</b>	397,081
Deposits with licensed banks	<b>7,210</b>	7,407
Bank overdrafts	<b>(1,007)</b>	(934)
	<b>965,141</b>	705,925
Less: Deposits in Security and Principal Accounts and Financial Service Reserve Accounts	<b>(172,734)</b>	(110,566)
Less: Deposits with licensed banks pursuant to banking facilities	-	(1,633)
Less: Deposits in Trustees' Reimbursement Accounts	<b>(33)</b>	(32)
	<b>792,374</b>	593,694

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 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 2023. 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 2023.

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 2023 save for the adoption of the following:

Amendments to:

MFRS 16	Lease Liability in a Sale and Leaseback
MFRS 101	Classification of Liabilities as Current or Non-Current
MFRS 101	Non-current Liabilities with Covenants
MFRS 107 and MFRS 7	Supplier Finance Arrangements

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 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 change in estimates for the financial period under review.

### **A5 Debt and equity securities**

During the financial period ended 31 March 2024, the Company increased its issued and paid up ordinary share capital from RM1,776,057,554 to RM1,826,057,554 by way of issuance of 66,225,165 new ordinary shares of RM0.755 each pursuant to the conversion of redeemable convertible sukuk.

Save for the above, there were no issuance and repayment of debt and equity securities, share buybacks, share cancellations, share held as treasury 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 (199101019838 (230149-P))**

(Incorporated in Malaysia)

**A7 Segment reporting**

Period ended 31 March 2024

	Property RM'000	Manufacturing RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>					
External revenue	448,304	98,549	11,355	-	558,208
Inter-segment	-	-	97,473	(97,473)	-
	<u>448,304</u>	<u>98,549</u>	<u>108,828</u>	<u>(97,473)</u>	<u>558,208</u>
<b>RESULTS</b>					
Operating profit	88,876	652	5,293	-	94,821
Interest income					2,445
Finance costs					(15,170)
Profit before tax					82,096
Income tax expense					(21,741)
Profit for the period					<u>60,355</u>

Period ended 31 March 2023

	Property RM'000	Manufacturing RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>					
External revenue	514,803	114,681	13,970	-	643,454
Inter-segment	-	-	45,293	(45,293)	-
	<u>514,803</u>	<u>114,681</u>	<u>59,263</u>	<u>(45,293)</u>	<u>643,454</u>
<b>RESULTS</b>					
Operating profit/(loss)	89,689	(3,682)	2,951	-	88,958
Interest income					2,099
Finance costs					(15,292)
Profit before tax					75,765
Income tax expense					(23,489)
Profit for the period					<u>52,276</u>

**A8 Material subsequent events**

- (a) On 5 April 2024, the Company's wholly-owned subsidiary, Venice View Development Sdn Bhd, had entered into a conditional sale and purchase agreement ("**SPA**") with Amanah Raya Berhad (as the Administrator for the Estate of Almarhumah Tunku Zanariah Ahmad) for the proposed acquisition of freehold land in Mukim Pulau, Daerah Johor Bahru, Negeri Johor, measuring 100.4 acres for a purchase consideration of RM103,746,850 ("**Proposed Acquisition**").

The completion of the Proposed Acquisition is pending the fulfilment of the conditions precedent of the SPA.

- (b) On 2 May 2024, the Company increased its issued and paid up ordinary share capital from RM1,826,057,554 to RM1,876,057,554 by way of issuance of 66,225,165 new ordinary shares of RM0.755 each pursuant to the conversion of redeemable convertible sukuk.

Save as disclosed in B6, there were no material events subsequent to the reporting date up to 23 May 2024, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report.

**A9 Related party transactions**

**01/01/2024**  
**to**  
**31/03/2024**  
**RM'000**

Transactions with companies in which a Director of the company has interests:

(i) Rental paid to a Company in which a Director of the Company has interest	<b>384</b>
(ii) Maintenance services rendered by a company in which the Directors are family members of a Director of the Company	<b>53</b>
	<b>53</b>

Transactions with non-controlling interests:

(i) Interest payable to non-controlling shareholders of subsidiary companies	<b>45</b>
(ii) Advisory fee paid to a non-controlling shareholder of a subsidiary company	<b>32</b>
(iii) Service fee paid to a non-controlling shareholder of a subsidiary company	<b>30</b>
	<b>30</b>

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

There were no material changes in the composition of the Group during the current financial period except on 28 February 2024, Mah Sing Plastics Industries Sdn Bhd ("**MSPI**"), a wholly-owned subsidiary of the Company, and P.T. Gaya Sukses Mandiri Kaseindo ("**PTGSMK**") executed a deed of Establishment to form a subsidiary with the name of P.T. Mandiri Sinergi Plastindo ("**PTMSP**") whereby MSPI and PTGSMK hold 70% and 30% respectively of the issued and paid-up share capital of PTMSP, making PTMSP a 70% subsidiary of the Group.

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

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

**31/03/2024**  
**RM'000**  
**241,935**

Bank guarantees issued in favour of third parties

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 disputed liquidated ascertained damages.

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

**A12 Capital commitments**

**31/03/2024**  
**RM'000**

Contractual commitment for the acquisition of development land	<b>150,099</b>
Commitment for acquisition of property, plant and equipment:	
- Approved and contracted for	<b>35,599</b>
	<b>185,698</b>

**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 rental receivables under non-cancellable leases as at reporting date are as follow:-

**31/03/2024**  
**RM'000**  
**4,400**  
**2,520**  
**6,920**

Less than one year	<b>4,400</b>
One to three years	<b>2,520</b>
	<b>6,920</b>

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

**B1 Review of Group performance**

The Group recorded a profit before tax of RM82.1 million on the back of revenue of RM558.2 million for the first quarter ended 31 March 2024. This represents an improvement of 8.4% in profit before tax despite a 13.2% decline in revenue as compared to the preceding year's corresponding quarter.

The Group's balance sheet remains healthy with cash and bank balances and investment in short-term funds of approximately RM966.1 million as at 31 March 2024.

The analysis of the performance for each operating segment for the current financial period are as follows:

**Property development**

For the financial period ended 31 March 2024, revenue from property development was RM448.3 million compared to RM514.8 million in the previous year's corresponding quarter while operating profit was RM88.9 million as compared to RM89.7 million in the previous year's corresponding quarter. Lower revenue was 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. Despite a 12.9% decrease in revenue, there was only a 0.9% marginal decrease in operating profit mainly due to the recognition of cost savings from the finalisation of construction costs for certain construction contracts.

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 Bahru, **M Astra** in Setapak, **M Senyum** in Salak Tinggi, **M Panora** in Rawang, **M Nova** in Kepong and **Southville City** in Bangi. Other projects which also contributed include **M Oscar** in Sri Petaling, **Ferringhi Residence** in Penang, **M Minori** and **Mah Sing i-Parc** in Johor.

The Group achieved RM992 million property sales for the five months of 2024.

**Manufacturing**

The manufacturing segment recorded revenue of RM98.5 million and an operating profit of RM0.7 million in the current quarter compared to revenue of RM114.7 million and an operating loss of RM3.7 million in the previous year's corresponding quarter. The decline in revenue was primarily affected by the plastics products delayed shipments due to geopolitical and supply chain challenges. The improvement in operating performance was due to further narrowing of Glove operation's losses as a result of the Group's ongoing cost optimisation and productivity improvement initiatives.

**Investment holding & others**

Revenue for the investment holding and other segments comprise mainly interest income from the deposit of funds, revenue from trading of building materials and hotel operation.

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

	3 months ended	
	31/03/2024	31/12/2023
	RM'000	RM'000
Revenue	558,208	671,275
Profit before tax ("PBT")	<u>82,096</u>	<u>100,551</u>

Current quarter revenue and PBT decreased by 16.8% and 18.4% respectively as compared to the immediate preceding quarter. This decline is attributed to a higher proportion of new projects in the initial stages of construction, where revenue contribution is expected to increase as the projects progress.

### B3 Prospects for the current financial year

The Group continues to experience strong buying momentum for its M-Series developments, targeting first-home buyers and upgraders. M Zenya, the Group's fourth project in Kepong, Kuala Lumpur (from RM420,000), recently launched with a 92% take-up rate. M Minori in Johor Bahru (from RM288,000) achieved 100% and 88% take-up for the international lots of its first two blocks since its launch in November 2023. The Group is on track to meet its minimum RM2.5 billion sales target for 2024 and anticipates stronger sales in the second half of the year, supported by several planned launches. These include M Azura in Setapak, Kuala Lumpur (from RM396,800); M Tiara landed link-homes in Johor Bahru (from RM624,800); M Sinar in Southville Bangi (from RM270,000); M Terra in Puchong (from RM250,000); and M Legasi landed link-homes in Semenyih, Selangor (from RM446,800). Additionally, the new industrial development, MSS Business Park in Sepang, is scheduled for launch in the second half of the year. Celebrating its 30th anniversary as a developer, the Group has launched a mega giveaway campaign for property buyers that includes a trio of electric vehicles, such as the Tesla Model 3, and cash prizes.

With a strong balance sheet and ample liquidity, the Group has acquired two new pieces of land: MSS Business Park in Sepang and M Tiara 2 landed link-homes in Johor Bahru. Along with five other land acquisitions in 2023, these new projects potentially add RM8.95 billion to the Group's Gross Development Value. With a net gearing of 0.06x and RM966 million in cash and bank balances, the Group will continue to seek value-accretive land for sustainable growth. The Group recently paid a 4-cent dividend on 23 May 2024, representing approximately a 48% payout, well above its minimum 40% payout policy. Moving forward, the Group will balance landbanking for growth with rewarding shareholders.

With an unbilled sales position of RM2.32 billion and prompt project execution, the Group expects strong earnings momentum for this financial year. The Group has handed over M Oscar in Sri Petaling (100% sold) recently, achieving an above-industry-average Quality Assessment System in Construction (QClassic) score of 85. Upcoming completions include M Luna in Kepong (100% sold), M Arisa in Sentul (100% sold), landed link-homes in Phase 1A M Senyum (100% sold) in Salak Tinggi, and Parcel 2H Meridin East (100% sold) in Johor Bahru. The receipt of vacant possession funds exceeding RM500 million from these property completions is expected to further boost the Group's liquidity.

The Group's strategy remains focused on the affordably priced M-Series developments to support homeownership among first-home buyers, with 96% of residential products priced below RM700,000 for 2024. The Group will remain vigilant and monitor the return of buying sentiment for mid-to-high-end products such as M Tiara 2 in Johor Bahru (indicative pricing from RM771,600), targeted for launch in 2025. Besides residential projects, industrial development is expected to contribute more significantly to the Group's sales, with the newly acquired MSS Business Park in Sepang. In the longer term, the Group aims to explore recurring-income assets to complement its current develop-and-sell model.

### 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		Period ended	
	31/03/2024 RM'000	31/03/2023 RM'000	31/03/2024 RM'000	31/03/2023 RM'000
Estimated income tax payable:				
Current financial period	<b>22,049</b>	21,866	<b>22,049</b>	21,866
Deferred tax				
Current financial period	<b>(308)</b>	2,869	<b>(308)</b>	2,869
Under provision of income tax in prior year	-	(1,246)	-	(1,246)
	<b>(308)</b>	1,623	<b>(308)</b>	1,623
	<b>21,741</b>	23,489	<b>21,741</b>	23,489

The Group's effective tax rate for the current quarter was higher than the statutory tax rate of 24% mainly due to certain non-tax deductible expenses and non-recognition of deferred tax assets arising from certain loss-making entities.

## **B6 Status of corporate proposals**

The following corporate proposals as announced by the Company have not been completed as at 23 May 2024 (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 19 June 2023, the wholly-owned subsidiaries of the Group, Mestika Bistari Sdn Bhd, Grand Prestige Development Sdn Bhd and Elite Park Development Sdn Bhd had entered into three inter-conditional sale and purchase agreements ("**SPAs**") with Petaling Garden Sdn Bhd for the proposed acquisition of 500 acres in total area of land located in Mukim Beranang, Daerah Ulu Langat Selangor for a purchase consideration of RM392,040,000.

The SPAs had on 21 March 2024 become unconditional and completion of the SPAs is pending the full settlement of the balance purchase consideration.

- c) On 6 July 2023, the Company's wholly-owned subsidiary, Star Residence Sdn Bhd had entered into a joint venture agreement ("**JVA**") with Liberty Triangle Sdn Bhd to undertake a development of two pieces of land in Mukim Batu, Daerah Kuala Lumpur, measuring approximately 4.88 acres for a total consideration of RM85,300,000.

This JVA is pending fulfillment of parties obligations in accordance with the terms thereof.

- d) On 8 December 2023, the Company's wholly-owned subsidiary, Jastamax Sdn Bhd had entered into a conditional sale and purchase agreement ("**Agreement**") with Tekun Juara Sdn Bhd for the proposed acquisition of a parcel of prime land in Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 4.036 acres for a total purchase consideration of RM74,300,000.

The agreement had on 24 April 2024 become unconditional and completion of the agreement is pending the full settlement of the balance purchase consideration.

- e) On 31 January 2024, the Company's wholly-owned subsidiary, Fusion Heights Development Sdn Bhd ("**Purchaser**") had entered into a conditional sale and purchase agreement ("**SPA**") with Premier Land Resources Sdn Bhd for the proposed acquisition of a parcel of prime land measuring 185 acres in Mukim Labu, Daerah Sepang, Negeri Selangor for a total purchase consideration of RM100,732,500 or RM12.50 per square foot ("**Proposed Acquisition**"). The proposed acquisition comes with an option for a further approximately 376.65 acres of adjacent land which may be acquired at the Purchaser's discretion within 4 years from the date of the SPA at the rate of RM12.50 per square foot subject to the terms and conditions set out in the SPA.

The completion of the proposed acquisition is pending the fulfilment of the conditions precedent of the SPA.

## B7 Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 31 March 2024 were as follows:

	Short term RM'000	Long term RM'000	Total RM'000
<b><u>Secured</u></b>			
Medium term notes	600,734	354,046	954,780
Term loans	686	242,409	243,095
Short term borrowings	7,265	-	7,265
Hire purchase	571	1,725	2,296
	<u>609,256</u>	<u>598,180</u>	<u>1,207,436</u>

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

	Short term RM'000	Long term RM'000	Total RM'000
Ringgit Malaysia	601,305	598,180	1,199,485
Indonesian Rupiah	7,951	-	7,951
	<u>609,256</u>	<u>598,180</u>	<u>1,207,436</u>

## 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 Zulkiple Abu Bakar ("**ZAB**") claiming for the following as a result of a breach of the Consultancy Agreement dated 9 June 2015 ("**Consultancy Agreement**") entered between EPD and ZAB whereby ZAB was 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 ("**Development**"):

- (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**") for breach of contract in failing amongst others, to provide material 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 the Development, and Lonpac Insurance Berhad ("**LONPAC**") 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 in the same legal proceedings.

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. Trial dates have been moved to 20 June 2024 to 21 June 2024, 24 June 2024 to 27 June 2024.

Save for the above and as disclosed in A11, the Group was not engaged in any material litigation as at 23 May 2024, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report.

**B9 Derivatives financial instrument**

As at 31 March 2024, 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**

	<b>3 months ended 31/03/2024 RM'000</b>	<b>Period ended 31/03/2024 RM'000</b>
Reversal for impairment loss on financial assets	555	555
Depreciation and amortisation	(11,689)	(11,689)
Gain on redemption of financial assets at fair value through profit or loss	737	737
Impairment of intangible assets	(427)	(427)
Inventories written off	(330)	(330)
Insurance recoveries	2,700	2,700
Net foreign exchange gain	1,614	1,614
Property, plant and equipment written off	(902)	(902)

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 2024.

**B11 Dividend declared**

No dividend has been declared for the first quarter ended 31 March 2024.



**MAH SING GROUP BERHAD (199101019838 (230149-P))**

(Incorporated in Malaysia)

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

	3 months ended		Period ended	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
Net profit for the period attributable to ordinary equity holders (RM'000)	<b>60,045</b>	50,057	<b>60,045</b>	50,057
Weighted average number of ordinary shares in issue ('000)	<b>2,431,327</b>	2,427,688	<b>2,431,327</b>	2,427,688
Basic earnings per share (sen)	<b>2.47</b>	2.06	<b>2.47</b>	2.06

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

	3 months ended		Period ended	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
Net profit for the period attributable to ordinary equity holders (RM'000)	<b>60,045</b>	50,057	<b>60,045</b>	50,057
Weighted average number of ordinary shares in issue ('000)	<b>2,431,327</b>	2,427,688	<b>2,431,327</b>	2,427,688
Weighted average number of ordinary shares deemed issued at no consideration ('000)				
- Convertible Sukuk	<b>36,190</b>	*	36,190	*
Adjusted weighted average number of ordinary shares ('000)	<b>2,467,517</b>	2,427,688	<b>2,467,517</b>	2,427,688
Diluted earnings per share (sen)	<b>2.43</b>	2.06	<b>2.43</b>	2.06

\*The effects of potential ordinary shares arising from the conversion of Convertible Sukuk is anti-dilutive and accordingly is excluded from the diluted earnings per share computation above.

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

The auditors' report on the financial statements for the financial year ended 31 December 2023 was not subject to any qualification.

**B14 Comparative figures**

Comparative figures, where applicable, have been modified to conform to the current year presentation.

BY ORDER OF THE BOARD

YANG BAO LING  
THAM WAI YING

Kuala Lumpur  
30 May 2024