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MAH SING STARTS STRONG IN 2024, ACHIEVES RM992 MILLION PROPERTY SALES IN FIVE MONTHS

~On track to meet minimum RM2.5 billion sales target~

~Healthy balance sheet, continues scouting for strategic new lands in Klang Valley, Johor and Penang~

Kuala Lumpur, 2024 – Mah Sing Group Berhad (“Mah Sing”) achieved RM992 million in new property sales in the first five months of 2024. The Group is well on track to meet its full-year sales target of at least RM2.5 billion, supported by strong sales momentum and a strategic focus on the M Series affordable products. This impressive performance was driven by high demand in key markets, particularly in central and southern regions, and successful launches.

Looking ahead, Mah Sing remains optimistic about achieving its sales target, driven by a compelling pipeline of projects strategically positioned in the affordably-priced housing segment. These projects align seamlessly with current market demands, particularly from the rapidly growing first-home market segment.

The Group recorded a profit before tax (PBT) 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 PBT as compared to the preceding year’s corresponding quarter.

On the property development front, revenue was RM448.3 million while operating profit was RM88.9 million for the financial period ended 31 March 2024. This is 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.

“2024 has been a great start for us, with our property sales achieving RM992 million in the first five months. Our new launches, including the most recent M Zenya in Kepong, have been met with overwhelming demand, highlighting the strong market demand for our M Series affordable products. We are confident that we will meet our full-year sales target of at least RM2.5 billion. Looking ahead, we are excited about the upcoming launches planned for the year, which will further solidify our position in the market and drive sustainable growth for the Group,” said Mah Sing’s Founder and Group Managing Director, Tan Sri Dato’ Sri Leong Hoy Kum.

Mah Sing continues strategic land acquisitions and project launches

In 2024, the Group 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 are projected to add RM8.95 billion to the Group's Gross Development Value (GDV).

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 (starting from RM420,000), recently launched with a 92% take-up rate. Meanwhile, M Minori in Johor Bahru (starting from RM288,000) achieved 100% and 88% take-up rates for the international lots of its first two blocks since its launch in November 2023.

The Group is on track to meet its minimum sales target of RM2.5 billion for 2024 and anticipates stronger sales in the second half of the year, supported by several planned launches. These include M Azura in Setapak (indicative pricing from RM396,800); M Tiara landed link-homes in Johor Bahru (indicative pricing from RM624,800); M Sinar in Southville Bangi (indicative pricing from RM270,000); M Terra in Puchong (indicative pricing from RM250,000); and M Legasi landed link-homes in Semenyih, Selangor (indicative pricing from RM446,800). Additionally, the new industrial development, MSS Business Park in Sepang, is scheduled for launch in the second half of the year.

Mah Sing's M-Series: Ideal for first-time homebuyers

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 the longer term, the Group aims to explore recurring-income assets to complement its current develop-and-sell model.

RM500 million cash from incoming VP funds, balance sheet remains healthy supported by strong cash flow

Mah Sing has incoming Vacant Possession (VP) funds exceeding RM500 million this year, which will generate significant free cash flow. The Group also maintains a strong balance sheet, supported by the Group's focused and disciplined execution of projects with steady construction progress, which helped drive revenue, earnings, and cash flow momentum. 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 representing approximately a 48% payout, well above its minimum 40% payout policy. Moving forward, the Group will balance land banking for growth with rewarding shareholders.

In view of the significant volume of construction progress and property completions for 2024, the Group expects further growth and stronger delivery of performance for FY 2024. The Group is optimistic of the long-term prospects of its property development business and will continue to deliver value to its stakeholders.

With an unbilled sales position of RM2.32 billion and prompt project execution, the Group expects strong earnings momentum for this financial year. Recently, the Group successfully handed over M Oscar in Sri Petaling, achieving a Quality Assessment System in Construction (QLASSIC) score of 85%, surpassing the industry average.

Upcoming completions that are 100% sold include M Luna in Kepong, M Arisa in Sentul, and the landed link-homes in Phases 1A of M Senyum in Salak Tinggi, as well as Parcel 2H in Meridin East, Johor Bahru. The receipt of VP funds exceeding RM500 million from these property completions is expected to further enhance the Group's liquidity.

Q12024 Financial Results

As at 31 March 2024, the Group's property development revenue was RM448.3 million, compared to RM514.8 million in the corresponding quarter of the previous year. Operating profit for the period was RM88.9 million compared to RM89.7 million in the previous year's corresponding quarter. The lower revenue is mainly due to a higher proportion of new sales from projects in the early stages of construction, with revenue expected to increase as these projects progress. Despite a 12.9% decrease in revenue, operating profit saw only a marginal decline of 0.9%, primarily due to cost savings from the finalisation of construction costs for certain contracts.

The key contributing developments 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 Panorama 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.

Mah Sing's 30th Anniversary Campaign

In celebration of Mah Sing's 30th anniversary this year, the Group kick-started its mega campaign offering 3 electric vehicles, with the Tesla Model 3 among one of the top prizes and cash prizes of up to RM10,000. The campaign will run until 31 March 2025. Homebuyers who have purchased and finalised the Sales and Purchase Agreement will qualify for participation.

For more information on Mah Sing and its financial results, kindly visit: <https://www.mahsing.com.my/reports/>.

Note:

Chinese Translation

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