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**MAH SING POSTS RM669.8MILLION 1H REVENUE AND  
RM65.6MILLION PBT, ACHIEVES RM418.6MILLION PROPERTY  
SALES WITH ADDITIONAL RM1.6BILLION SALES BOOKINGS  
ON HAND**

*~Healthy balance sheet with cash and bank balances of approximately  
RM1.13billion~*

**Kuala Lumpur, 2020** – Mah Sing Group Berhad (Mah Sing) recorded profit before tax of RM65.6million on the back of revenue of RM669.8million in the first half of the financial year ended June 30, 2020. It also achieved property sales of approximately RM418.6million for the period, with an additional RM1.6billion sales bookings on hand.

Balance sheet remained healthy with cash and bank balances of approximately RM1.13billion as at 30 June 2020, putting the Group in a good position to continue focusing on increasing land banks in the Klang Valley, and exploring new business opportunities.

The Group also continues to reward shareholders with a minimum of 40% net profit as dividends for the 14<sup>th</sup> consecutive year since 2006. The dividend of 3.35sen per ordinary share in respect of the financial year ended 31 December 2019 shall be paid on 29 September 2020.

Mah Sing's Founder and Group Managing Director, Tan Sri Dato' Sri Leong Hoy Kum said, "The Movement Control Order (MCO) and Conditional Movement Control Order (CMCO) period has generally been challenging for all developers, as site progress of all projects were halted during MCO and there were also delays in loan approvals for sales conversions."

While the market has been relatively quiet, Mah Sing has bucked the trend launching M Luna in Kepong in June 2020 and M Adora in Wangsa Melawati in July 2020 after increased digitisation efforts to reach out to buyers. This proved to be a good decision as both launches achieved 90% take up for the maiden phase during their respective weekend launches.

"At present, we are focused on converting our RM1.6billion in sales bookings, clearing the existing stocks and to catch up with the construction progress of our projects. Recently, we have successfully delivered vacant possession of towers C and D of our Lakeville Residence at Taman Wahyu and tower A and B of our Cerrado at Southville City @ KL South, Bangi," Tan Sri Dato' Sri Leong Hoy Kum elaborated.

The Group is revising their 2020 sales target to RM1.1billion from RM1.6billion previously in view of a longer period required to convert existing bookings to sales. Although there

was a jump in mortgage loan applications in June, the approval rate deteriorated to 24.6% compared to 32.6% in May 2020. This was primarily due to banks becoming more stringent in approving loans amid weak macroeconomic indicators.

The Group has been leveraging on digital technology to drive productivity gains through quicker decision-making and better workforce management. They also use technology to discover new sources of top-line growth in the company. For example, they introduced Virtual Reality tours of their properties for customers that were keen to learn about their products during the MCO. They have also reinvented the Customer Relationship Journey to provide better visibility on customer's needs and empowers them to respond with agility to the changing tastes and preferences of their customers.

For the remainder of 2020, the Group is planning to launch more projects in the affordable segment at strategic locations including Carya in M Aruna, Rawang, remaining blocks of M Vertica in Cheras and Ferringhi Residences 2 in Penang as well as Acacia, Jasmine 1 & 3 link homes in Meridin East, Johor Bahru.

### **Q22020 results**

For the six-month period ended 30 June 2020, the Group posted profit before tax of RM65.6million on the back of revenue of RM669.8million. On a quarterly basis, the Group recorded profit before tax of RM22.4million and revenue of RM298.6million.

On the property development front, revenue was RM510.8million, whilst operating profit was RM75million for the six-month period ended 30 June 2020. The development projects, which contributed mainly to the Group's results, include M Vertica in Cheras, M Centura in Sentul, Southville City in KL South, Meridin East in Johor and Lakeville Residence in Jalan Kuching. Other projects, which also contributed, include M Oscar in Off Kuchai Lama, M Aruna in Rawang, Ferringhi Residence and Southbay City in Penang, Sierra Perdana, Meridin @ Medini and Mah Sing i-Parc in Johor.

The quarter under review coincided with the imposition of MCO and CMCO to contain the Covid-19 pandemic. Site progress of all projects were halted during MCO to comply with regulations during this period, and there were also delays in loan approvals for sales conversions, which weighed on revenue recognition. Although operations had resumed during the CMCO, the level of activities on sites was generally lower due to adoption of strict standard operating procedures in compliance with relevant regulatory requirements.

The plastics segment recorded revenue of RM132.3million in the current period and is exploring new expansion opportunities in healthcare related products.

### **Healthy Cash & Bank Balances of Approximately RM1.13billion**

With disciplined financial management and a healthy balance sheet with cash and bank balances at approximately RM1.13billion as at 30 June 2020, Mah Sing continues to focus on increasing land banks in Klang Valley with key focus in the affordable segment.

"Echoing our strategy of fast execution and financial prudence, we have successfully launched all three lands that we bought in 2019. As a market driven developer, we are always on the lookout for prime lands to continue to rollout products that are in line with the market demand. At the same time, we also have remaining landbank of 2,005 acres with remaining gross development value and unbilled sales totalling approximately

RM24.64billion as of 30 June 2020, which can provide earnings visibility for at least 8 years," Tan Sri Dato' Sri Leong Hoy Kum said.

There are 13 research houses that cover Mah Sing currently, with nine buy calls and three neutral calls. UOB Hay Kian in its 19 August Company report maintained BUY recommendation on Mah Sing with Target Price of RM0.80, noting that Mah Sing is the biggest beneficiary of the reintroduction of HOC. Additionally, RHB Investment Bank in its 5<sup>th</sup> August Company report has also maintained their BUY recommendation with Target price of RM0.91 for Mah Sing. RHB Investment pointed out that the Group's timely property launches are riding on the demand recovery.

### **Government Initiatives – A Boost to Stimulate Property Market**

Tan Sri Dato' Sri Leong Hoy Kum said, "The mid to long-term outlook remains positive supported by strong fundamental demand for property due to the young demography and strong household formation which outstrips annual supply. Malaysia's population is still very young with 66% of population below 40 years old, contributing to strong household formation."

"The attractive low interest rate environment driven by the multiple rounds of Overnight Policy Rate and the reduction provides better position to buyers to own properties. The reintroduction of the Home Ownership Campaign (HOC) under the PENJANA plan and other various property friendly incentives would definitely help to help stimulate the property market. This also serves as an impetuous to promote home ownership particularly for first time home buyers. We also collaborated with Maybank Islamic to launch HouzKEY, a financing solution under our *Eazy to Own* campaign for selected Mah Sing projects. This home financing solution enables buyers to own their ideal home with easy entry and low monthly instalments," Tan Sri Dato' Sri Leong Hoy Kum added.