



**MAH SING GROUP BERHAD**

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

**(Incorporated in Malaysia)**

**Interim Financial Report**

**30 June 2024**

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Registration No.: 199101019838 (230149-P)

(Incorporated in Malaysia)

## **Interim Financial Report - 30 June 2024**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2024**

(The figures have not been audited)

	AS AT 30/06/2024 RM'000	(AUDITED) AS AT 31/12/2023 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
<i>Property, plant and equipment</i>	403,207	407,864
<i>Prepaid lease payments</i>	3,312	3,151
<i>Right-of-use assets</i>	50,843	46,874
<i>Investment properties</i>	175,880	175,880
<i>Land held for property development</i>	2,347,891	1,766,139
<i>Intangible assets</i>	3,231	3,960
<i>Deferred tax assets</i>	216,130	223,377
	<b>3,200,494</b>	<b>2,627,245</b>
<b>Current Assets</b>		
<i>Property development costs</i>	888,180	999,667
<i>Inventories</i>	500,386	529,659
<i>Trade and other receivables</i>	630,976	618,086
<i>Contract assets</i>	605,073	572,942
<i>Contract cost assets</i>	75,977	75,892
<i>Current tax assets</i>	13,028	12,027
<i>Deposits, cash and bank balances and investment in short-term funds</i>	911,457	981,261
	<b>3,625,077</b>	<b>3,789,534</b>
<b>TOTAL ASSETS</b>	<b>6,825,571</b>	<b>6,416,779</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Ordinary Equity Holders of the Company</b>		
<i>Share capital</i>	1,876,057	1,776,057
<i>Reserves</i>	4,954	12,004
<i>Retained earnings</i>	1,930,940	1,913,090
	<b>3,811,951</b>	<b>3,701,151</b>
<b>Non-Controlling Interests</b>	<b>44,011</b>	<b>35,706</b>
<b>Total Equity</b>	<b>3,855,962</b>	<b>3,736,857</b>
<b>Non-Current Liabilities</b>		
<i>Medium term notes</i>	302,298	1,003,232
<i>Term loans</i>	382,796	265,999
<i>Long term and deferred payables</i>	89,148	83,597
<i>Deferred tax liabilities</i>	25,886	32,213
	<b>800,128</b>	<b>1,385,041</b>
<b>Current Liabilities</b>		
<i>Trade and other payables</i>	1,389,298	1,109,951
<i>Contract liabilities</i>	128,087	138,302
<i>Medium term notes</i>	607,358	-
<i>Term loans</i>	4,568	1,185
<i>Short term borrowings</i>	-	8,265
<i>Current tax liabilities</i>	40,170	37,178
	<b>2,169,481</b>	<b>1,294,881</b>
<b>Total Liabilities</b>	<b>2,969,609</b>	<b>2,679,922</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,825,571</b>	<b>6,416,779</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>	<b>1.49</b>	<b>1.52</b>

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 30 June 2024**

*(The figures have not been audited)*

	3 months ended		Period ended		
	30/06/2024 RM'000	30/06/2023 RM'000	30/06/2024 RM'000	30/06/2023 RM'000	
Revenue	578,385	644,223	1,136,593	1,287,677	
Cost of sales	<u>(433,126)</u>	<u>(507,522)</u>	<u>(846,785)</u>	<u>(1,009,083)</u>	
<b>Gross profit</b>	<b>145,259</b>	136,701	<b>289,808</b>	278,594	
Other income	<b>9,274</b>	7,538	<b>19,724</b>	13,982	
Selling and marketing expenses	<b>(14,718)</b>	(13,609)	<b>(29,452)</b>	(27,598)	
Administrative and other expenses	<u><b>(46,636)</b></u>	<u>(43,125)</u>	<u><b>(92,080)</b></u>	<u>(88,515)</u>	
<b>Results from operating activities</b>	<b>93,179</b>	87,505	<b>188,000</b>	176,463	
Finance income	<b>2,585</b>	1,609	<b>5,030</b>	3,708	
Finance costs	<u><b>(13,715)</b></u>	<u>(14,093)</u>	<u><b>(28,885)</b></u>	<u>(29,385)</u>	
<b>Net finance costs</b>	<u><b>(11,130)</b></u>	<u>(12,484)</u>	<u><b>(23,855)</b></u>	<u>(25,677)</u>	
Profit before tax	<b>82,049</b>	75,021	<b>164,145</b>	150,786	
Income tax expense	<u><b>(22,393)</b></u>	<u>(21,835)</u>	<u><b>(44,134)</b></u>	<u>(45,324)</u>	
<b>Profit for the period</b>	<u><b>59,656</b></u>	<u>53,186</u>	<u><b>120,011</b></u>	<u>105,462</u>	
Profit attributable to:					
Equity holders of the Company	<b>60,211</b>	50,475	<b>120,256</b>	100,532	
Non-controlling interests	<u><b>(555)</b></u>	<u>2,711</u>	<u><b>(245)</b></u>	<u>4,930</u>	
	<u><b>59,656</b></u>	<u>53,186</u>	<u><b>120,011</b></u>	<u>105,462</u>	
Earnings per share attributable to ordinary equity holders of the Company:					
- Basic (sen)	Note B12(a)	<u><b>2.37</b></u>	<u>2.08</u>	<u><b>4.84</b></u>	<u>4.14</u>
- Diluted (sen)	Note B12(b)	<u><b>2.37</b></u>	<u>2.08</u>	<u><b>4.84</b></u>	<u>4.14</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 30 June 2024**

*(The figures have not been audited)*

	<b>3 months ended</b>		<b>Period ended</b>	
	<b>30/06/2024</b>	30/06/2023	<b>30/06/2024</b>	30/06/2023
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Profit for the period</b>	<b>59,656</b>	53,186	<b>120,011</b>	105,462
<b>Other comprehensive income</b>				
<b><i>Item that may be reclassified subsequently to profit or loss:</i></b>				
Foreign currency translation difference for foreign operations	(1,873)	445	(1,866)	905
Other comprehensive (loss)/income for the period	(1,873)	445	(1,866)	905
<b>Total comprehensive income for the period</b>	<b>57,783</b>	53,631	<b>118,145</b>	106,367
Total comprehensive income attributable to:				
Equity holders of the Company	58,914	50,754	118,960	101,108
Non-controlling interests	(1,131)	2,877	(815)	5,259
	<b>57,783</b>	53,631	<b>118,145</b>	106,367

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 30 June 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>6 months ended 30 June 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/(Loss) for the financial period	-	-	-	120,256	120,256	(245)	120,011
Other comprehensive loss	-	(1,296)	-	-	(1,296)	(570)	(1,866)
Total comprehensive (loss)/income for the period	-	(1,296)	-	120,256	118,960	(815)	118,145
Dividends for the financial year ended 31 December 2023	-	-	-	(102,406)	(102,406)	-	(102,406)
Issuance of ordinary shares pursuant to the conversion of redeemable convertible sukuk	100,000	-	(5,754)	-	94,246	-	94,246
Issuance of shares by a subsidiary to a non-controlling shareholder	-	-	-	-	-	9,120	9,120
<b>Balance at 30/06/2024</b>	<b>1,876,057</b>	<b>4,954</b>	<b>-</b>	<b>1,930,940</b>	<b>3,811,951</b>	<b>44,011</b>	<b>3,855,962</b>
<b>6 months ended 30 June 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	-	-	-	100,532	100,532	4,930	105,462
Other comprehensive income	-	576	-	-	576	329	905
Total comprehensive income for the period	-	576	-	100,532	101,108	5,259	106,367
Dividends for the financial year ended 31 December 2022	-	-	-	(72,831)	(72,831)	-	(72,831)
Issue of shares by a subsidiary to non-controlling shareholders	-	-	-	-	-	4	4
<b>Balance at 30/06/2023</b>	<b>1,776,057</b>	<b>6,459</b>	<b>5,754</b>	<b>1,798,690</b>	<b>3,586,960</b>	<b>33,745</b>	<b>3,620,705</b>

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 30 June 2024**

(The figures have not been audited)

	<b>6 months ended 30/06/2024 RM'000</b>	6 months ended 30/06/2023 RM'000
<b>Operating Activities</b>		
Profit before tax	<b>164,145</b>	150,786
Adjustments for:		
Non-cash items	<b>25,686</b>	17,979
Non-operating items	<b>22,274</b>	25,783
Operating profit before changes in working capital	<b>212,105</b>	194,548
Net change in property development costs	<b>165,120</b>	245,572
Net change in land held for sale	-	46,614
Net change in inventories	<b>28,871</b>	95,407
Net change in receivables	<b>(48,898)</b>	103,893
Net change in contract assets	<b>(32,131)</b>	(24,604)
Net change in contract cost assets	<b>(85)</b>	(7,423)
Net change in payables	<b>(14,327)</b>	(115,543)
Net change in contract liabilities	<b>(10,215)</b>	81,037
Cash from operations	<b>300,440</b>	619,501
Interest received	<b>7,716</b>	5,515
Finance cost paid	<b>(9,469)</b>	(11,950)
Net tax paid	<b>(41,214)</b>	(33,005)
Net cash from operating activities	<b>257,473</b>	580,061
<b>Investing Activities</b>		
Additions to property, plant and equipment	<b>(30,933)</b>	(21,787)
Additions to prepaid lease payments	<b>(618)</b>	-
Additions to land held for property development	<b>(64,605)</b>	(13,522)
Acquisition of land	<b>(227,902)</b>	(176,259)
Payment of balance consideration on acquisition of a subsidiary company	-	(7,500)
Proceeds from disposal of property, plant and equipment	<b>934</b>	351
Net cash used in investing activities	<b>(323,124)</b>	(218,717)
<b>Financing Activities</b>		
Dividends paid to shareholders of the Company	<b>(102,406)</b>	-
Net proceeds from borrowings	<b>112,777</b>	12,845
Payment of Medium Term Notes interest	<b>(20,465)</b>	(21,776)
Repayment of lease liabilities	<b>(3,001)</b>	(3,573)
Withdrawal of deposits with licensed banks pursuant to banking facilities	<b>1,665</b>	10,653
Proceeds from the issuance of shares by a subsidiary to a non-controlling shareholder	<b>9,120</b>	4
Withdrawal/(Placement) of deposits in Security and Principal Accounts, Financial Service Reserve Accounts and Trustees' Reimbursement Accounts	<b>88,168</b>	(37,548)
Net cash from/(used in) financing activities	<b>85,858</b>	(39,395)
Net changes in cash and cash equivalents	<b>20,207</b>	321,949
Effect of exchange rate changes	<b>(1,152)</b>	26
Fair value gain on investment in short-term funds	<b>2,088</b>	2,228
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>802,080</b>	804,573

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the financial period ended 30 June 2024 (continued)**

*(The figures have not been audited)*

Cash and cash equivalents at the end of the financial period comprise the followings:

	<b>6 months ended 30/06/2024 RM'000</b>	6 months ended 30/06/2023 RM'000
Investment in short-term funds	<b>417,420</b>	540,795
Cash and bank balances	<b>493,700</b>	381,008
Deposits with licensed banks	<b>337</b>	7,939
Bank overdrafts	<b>-</b>	(9)
	<b>911,457</b>	929,733
Less: Deposits in Security and Principal Accounts and Financial Service Reserve Accounts	<b>(109,344)</b>	(123,485)
Less: Deposits with licensed banks pursuant to banking facilities	<b>-</b>	(1,643)
Less: Deposits in Trustees' Reimbursement Accounts	<b>(33)</b>	(32)
	<b>802,080</b>	804,573

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 30 June 2024, the Company increased its issued and paid up ordinary share capital from RM1,776,057,554 to RM1,876,057,554 by way of issuance of 132,450,330 new ordinary shares of RM0.755 each pursuant to the conversion of redeemable convertible sukuk (second tranche of medium term notes).

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**

On 23 May 2024, the Company paid a first and final single-tier dividend of 4 sen per ordinary share which amounted to RM102,405,527 in respect of the financial year ended 31 December 2023.

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

(Incorporated in Malaysia)

**A7 Segment reporting**

Period ended 30 June 2024

	Property RM'000	Manufacturing RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>					
External revenue	914,465	200,537	21,591	-	1,136,593
Inter-segment	-	-	165,976	(165,976)	-
	<u>914,465</u>	<u>200,537</u>	<u>187,567</u>	<u>(165,976)</u>	<u>1,136,593</u>
<b>RESULTS</b>					
Operating profit/(loss)	180,125	(508)	8,383	-	188,000
Interest income					5,030
Finance costs					(28,885)
Profit before tax					164,145
Income tax expense					(44,134)
Profit for the period					<u>120,011</u>

Period ended 30 June 2023

	Property RM'000	Manufacturing RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>					
External revenue	1,041,330	218,650	27,697	-	1,287,677
Inter-segment	-	-	90,834	(90,834)	-
	<u>1,041,330</u>	<u>218,650</u>	<u>118,531</u>	<u>(90,834)</u>	<u>1,287,677</u>
<b>RESULTS</b>					
Operating profit/(loss)	177,875	(7,844)	6,432	-	176,463
Interest income					3,708
Finance costs					(29,385)
Profit before tax					150,786
Income tax expense					(45,324)
Profit for the period					<u>105,462</u>

**A8 Material subsequent events**

- (a) On 3 July 2024, the Company's wholly-owned subsidiary, Mah Sing Properties Sdn Bhd, had entered into a conditional sale and purchase agreement with Datuk Bandar Kuala Lumpur for the proposed acquisition of a parcel of prime land in Taman Desa, Mukim Kuala Lumpur, Daerah Kuala Lumpur, measuring 6.169 acres for a total purchase consideration of RM108 million ("**Proposed Acquisition**").

The Proposed Acquisition was completed on 23 August 2024.

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

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

(Incorporated in Malaysia)

**A9 Related party transactions**01/01/2024  
to  
30/06/2024  
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	800
(ii) Maintenance services rendered by a company in which the Directors are family members of a Director of the Company	100

Transactions with non-controlling interests:

(i) Interest payable to non-controlling shareholders of subsidiary companies	90
(ii) Advisory fee paid to a non-controlling shareholder of a subsidiary company	63
(iii) Service fee paid to a non-controlling shareholder of a subsidiary company	60

**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 an entity 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.

PTMSP has an issued and paid-up share capital of IDR100 billion (IDR1 million per share). The principal activities of PTMSP are manufacturing and trading of plastic pallets, containers and related material handling and storage products in Indonesia.

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

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

30/06/2024  
RM'000  
240,424

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**30/06/2024  
RM'000

Contractual commitment for the acquisition of development land

90,659

Commitment for acquisition of property, plant and equipment:

- Approved and contracted for

75,666

166,325**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:-

30/06/2024  
RM'000

Less than one year

5,588

One to three years

5,291

10,879

**B Explanatory notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad****B1 Review of Group performance**

For the second quarter ended 30 June 2024, the Group recorded a profit before tax ("PBT") of RM82 million on the back of revenue of RM578.4 million. This represents an improvement of 9.4% in profit before tax despite a 10.2% decline in revenue as compared to the preceding year's corresponding quarter. For the six-month period ended 30 June 2024, the Group recorded revenue and PBT of RM1.14 billion and RM164.1 million respectively as compared to RM1.29 billion and RM150.8 million a year ago.

The Group's balance sheet remains healthy with cash and bank balances and investment in short-term funds of approximately RM911.5 million as at 30 June 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 30 June 2024, revenue from property development was RM914.5 million compared to RM1.04 billion in the previous year's corresponding period while operating profit was RM180.1 million as compared to RM177.9 million in the previous year's corresponding period. 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 when construction progress past the initial stages of construction. Despite a 12.2% decrease in revenue, operating profit was 1.3% higher mainly due to the finalisation of construction costs for certain construction contracts that are close to completion.

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 and *M Oscar* in Sri Petaling. Other projects which also contributed include *Southville City* in Bangi, *Ferringhi Residence* in Penang, *M Zenya* and *M Nova* in Kepong, *M Minori* and *Mah Sing i-Parc* in Johor.

The Group achieved RM1.66 billion property sales for the first eight months of 2024.

**Manufacturing**

The manufacturing segment recorded revenue of RM200.5 million and an operating loss of RM0.5 million in the current period compared to revenue of RM218.7 million and an operating loss of RM7.8 million in the previous year's corresponding period. The decline in revenue was partially impacted by shipment delays amid the ongoing global shipment constraints. 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	
	30/06/2024	31/3/2024
	RM'000	RM'000
Revenue	578,385	558,208
Profit before tax ("PBT")	82,049	82,096

There was no major fluctuation in the Group's current quarter PBT of RM82 million as compared to the immediate preceding quarter of RM82.1 million.

### B3 Prospects for the current financial year

The Group has achieved year-to-date property sales of RM1.66 billion over the past 8 months, on track to meet its minimum RM2.5 billion sales target for the year. The Group's performance is supported by past successful launches and a strong pipeline of key new projects slated for future launches. These include M Zenya in Kepong, M Azura in Setapak, M Terra in Puchong, M Sinar in Southville City, M Legasi in Semenyih, M Aspira in Taman Desa and M Tiara in Johor Bahru. Additional parcel launches from existing projects, such as M Nova in Kepong, M Minori and Meridin East in Johor Bahru, also contribute to sales. The Group's strategic focus on the affordable residential segment through its successful M-Series ensures the right market positioning.

In May 2024, the Group launched the 150-acre Mah Sing DC Hub@Southville City, offering up to 500MW capacity. The initial partnership with Bridge Data Centres for up to 100MW on 17.55 acres lays the foundation for further collaborations with established data center players, positioning Southville City as a future data center hub in Greater Kuala Lumpur. This venture is part of the Group's strategy to establish long-term recurring income, complementing its cyclical development income. By leveraging its landbank in Southville City and Meridin East in Johor Bahru, the Group aims to create a portfolio of data centers. This portfolio can enhance value through one-off gains from land transfers to joint ventures, recurring rental income, profit shares, development margins from data center construction, and value unlocking from lucrative exits.

The Group maintains a strong balance sheet, with cash and bank balances of RM911 million and a low net gearing of 0.1 times. With three new land acquisitions this year, in addition to five in 2023, the Group has secured close to RM10 billion in new Gross Development Value, ensuring sustainable earnings visibility. Expected free cash flows of approximately RM500 million from vacant possessions and property completions this year will further boost liquidity.

The Group is on track for a strong FY2024 performance, supported by RM2.43 billion in unbilled sales. With a solid position in the affordable housing market through the M-Series developments, the Group is confident in delivering sustainable earnings. The data center portfolio is expected to further enhance long-term earnings through recurring income and value unlocking opportunities.

### 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	
	30/06/2024 RM'000	30/06/2023 RM'000	30/06/2024 RM'000	30/06/2023 RM'000
Estimated income tax payable:				
Current financial period	<b>21,166</b>	43,994	<b>43,215</b>	65,860
Deferred tax				
Current financial period	<b>1,227</b>	(22,159)	<b>919</b>	(19,290)
Under provision of income tax in prior year	-	-	-	(1,246)
	<b>1,227</b>	(22,159)	<b>919</b>	(20,536)
	<b>22,393</b>	21,835	<b>44,134</b>	45,324

The Group's effective tax rate for the current quarter and current financial period were 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 August 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 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.

- b) 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.

- c) On 30 May 2024, the Company's wholly-owned subsidiary, Southville City Sdn Bhd ("**SVC**"), had entered into a collaboration agreement with Bridge Data Centres Malaysia V Sdn Bhd ("**BDC**") for the joint development of data centre facilities and infrastructure on a freehold land held under Geran 335877 Lot 123155 Mukim Dengkil, Daerah Sepang, Negeri Selangor, measuring approximately 7.101 hectares (17.55 acres) within the Southville City township in Bangi, Selangor ("**Project**").

The commencement of the Project shall be subject to BDC securing hyperscale data centre customer(s) or artificial intelligence data centre customer(s) for the Project to be used as data centre facilities at BDC's costs and expenses.

## B7 Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 30 June 2024 were as follows:

<u>Secured</u>	Short term RM'000	Long term RM'000	Total RM'000
Medium term notes	607,358	302,298	909,656
Term loans	4,568	382,796	387,364
Hire purchase	690	2,147	2,837
	<u>612,616</u>	<u>687,241</u>	<u>1,299,857</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	612,448	687,241	1,299,689
Indonesian Rupiah	168	-	168
	<u>612,616</u>	<u>687,241</u>	<u>1,299,857</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 Zulhkiplé 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 9 December 2024 to 13 December 2024.

Save for the above and as disclosed in A11, the Group was not engaged in any material litigation as at 23 August 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 30 June 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 30/06/2024 RM'000</b>	<b>Period ended 30/06/2024 RM'000</b>
Reversal for impairment loss on financial assets	281	836
Reversal for impairment on inventories	5	5
Depreciation and amortisation	(12,510)	(24,199)
Gain on redemption of financial assets at fair value through profit or loss	2,294	3,031
Impairment of intangible assets	(302)	(729)
Bad debts written off	(13)	(13)
Inventories written off	(259)	(589)
Insurance recoveries	-	2,700
Net foreign exchange (loss)/gain	(219)	1,395
Property, plant and equipment written off	(1,064)	(1,966)

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 30 June 2024.

**B11 Dividend declared**

No dividend has been declared for the first half of the year ended 30 June 2024.



**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.

	<b>3 months ended</b>		<b>Period ended</b>	
	<b>30/06/2024</b>	30/06/2023	<b>30/06/2024</b>	30/06/2023
Net profit for the period attributable to ordinary equity holders (RM'000)	<b>60,211</b>	50,475	<b>120,256</b>	100,532
Weighted average number of ordinary shares in issue ('000)	<b>2,537,578</b>	2,427,688	<b>2,484,452</b>	2,427,688
Basic earnings per share (sen)	<b>2.37</b>	2.08	<b>4.84</b>	4.14

**(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.

	<b>3 months ended</b>		<b>Period ended</b>	
	<b>30/06/2024</b>	30/06/2023	<b>30/06/2024</b>	30/06/2023
Net profit for the period attributable to ordinary equity holders (RM'000)	<b>60,211</b>	50,475	<b>120,256</b>	100,532
Weighted average number of ordinary shares in issue ('000)	<b>2,537,578</b>	2,427,688	<b>2,484,452</b>	2,427,688
Weighted average number of ordinary shares deemed issued at no consideration ('000)				
- Convertible Sukuk	<b>n/a<sup>#</sup></b>	*	<b>n/a<sup>#</sup></b>	*
Adjusted weighted average number of ordinary shares ('000)	<b>2,537,578</b>	2,427,688	<b>2,484,452</b>	2,427,688
Diluted earnings per share (sen)	<b>2.37</b>	2.08	<b>4.84</b>	4.14

\* 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.

<sup>#</sup> The effects of potential ordinary shares arising from the conversion of Convertible Sukuk is excluded from the diluted earnings per share computation above following the conversion of Convertible Sukuk into ordinary shares of the Company.

**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 August 2024