

AVALAND 2Q2023 REVENUE OF RM113.8 MILLION HIGHEST SINCE 4Q2020

Subang Jaya, 23 August 2023 – Emerging property developer Avaland Berhad (“Avaland”) (formerly known as MCT Berhad) saw its net profit surge to RM11.1 million in the second quarter ended 30 June 2023 (“2Q2023”) from a net loss of RM7.0 million in the previous corresponding quarter, while its revenue in 2Q2023 increased by more than twofold to RM113.8 million from RM53.5 million previously, its highest quarterly revenue since the fourth quarter ended 30 December 2020 (“4Q2020”).

The improved performance came on the back of increased contributions from the Group’s ongoing projects, namely Aetas Damansara, Alira Subang Jaya and Casa Bayu Townhouse.

Meanwhile, for the first six months ended 30 June 2023 (“6M2023”), Avaland also saw its revenue more than double to RM190.4 million from RM92.1 million in the previous corresponding period. This resulted in the Group reporting a net profit of RM11.3 million in 6M2023 from a net loss of RM19.2 million in the previous corresponding period.

Teh Heng Chong, Chief Executive Officer of Avaland said, “Despite facing headwinds in the first half of 2023 such as the increase in the overnight policy rate (“OPR”) in May 2023 and the weaker Ringgit, our Group achieved commendable revenue growth to RM113.8 million for 2Q2023, which is our highest quarterly revenue since the fourth quarter of the financial year ended 31 December 2020. We are pleased with the progress of our turnaround as these reflect the success of the strategies implemented to be more robust in facing the challenging operating conditions.

Our efforts to strengthen sales performance came to fruition as sales increased by 7.8% to RM267 million in 6M2023 from RM247 million in the previous corresponding period last year. The improved sales were attributed to the project launched in the second half of 2022, namely Sanderling, Casa Embun and Phase 2 of Alira Subang Jaya, which have take-up rates of 50%, 54% and 66% respectively.

Our on-going projects namely Aetas Damansara and Phase 1 of Alira Subang Jaya also registered healthy take-up rates of approximately 90% and 89% respectively as at 30 June 2023. We expect an acceleration in construction progress for both projects in the coming months and target to handover Aetas Damansara in December 2024 and Alira Subang Jaya in July 2025. Moreover, we also managed to handover Casa Bayu Apartment and Casa Bayu Townhouse in May 2023 and August 2023 respectively, both of which were handed over six months ahead of the scheduled dates. The two projects have a total of 260 residential units with a combined GDV of RM145 million.”

As at 30 June 2023, the Group’s unbilled sales grew 18% to RM852 million from the RM720 million recorded as at 31 December 2022, providing the Group with earnings visibility over the coming years.

Speaking on the Group’s forward plans and prospects, **Mr.Teh** said “To further bolster our future earnings, the Group has RM1.2 billion worth of projects in the pipeline to be launched in the second half of 2023. Alora Residences, the first phase of the 2Fifth Avenue development, is slated to launch in August 2023 and will comprise 770 serviced apartments and 8 retail units with total GDV of RM552 million. Besides that, we are also targeting to launch the Japanese-inspired Amika Residences in September 2023 which will have 493 units of serviced apartments with neighbourhood retail units with a total GDV of RM452 million and is located adjacent to Alira Subang Jaya. We are confident that the new projects will be well accepted by the market considering its strategic location, unique concepts and designs catering to post-pandemic lifestyles.

The Group’s landbank remains robust with 196 acres of land with an estimated GDV of RM12 billion, which will sustain its earnings over the next 10 years. This includes the latest land acquisitions amounting to 9.5 acres at Bangi, Seputeh and Taman Desa for a total purchase consideration of RM154 million. With a combined GDV of approximately RM1.2 billion, these new landbank will contribute positively to the Group’s growth plans and earnings prospects in the near future. Moving forward, as the Group continues to chart its growth plans, it will continue to pursue landbanking opportunities at strategic locations.

Meanwhile, the pause in OPR hikes in July, easing of inflation and improving overhang numbers of residential properties in Malaysia coupled with initiatives from the Government such as the stamp duty exemptions for first-time homebuyers, lower income tax rate and the Housing Credit Guarantee Scheme to boost home ownership would certainly benefit the overall property market sentiment. Leveraging on our robust unbilled sales and contributions from the new launches, the Group is optimistic of its prospects as it looks to maintain its strong growth trajectory."

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Avaland Berhad

Avaland Berhad ("Avaland") (formerly known as MCT Berhad) was first established in 1999 as Modular Construction Technology Sdn. Bhd. and listed on the Main Market of Bursa Malaysia Securities Berhad on 6 April, 2015.

Avaland's successes include One City at USJ, Sky Park and Lakefront at Cyberjaya, and Cybersouth, a township covering over 400 acres in Dengkil.

In February 2018, Avaland became a subsidiary of Ayala Land Inc. after a mandatory general offer by Ayala Land's wholly owned subsidiary Regent Wise Investments Limited and has since expanded its product offerings to luxury residences, with its development of Aetas Damansara in Tropicana as well as its resort living residences - Alira @ Tropicana Metropark.

In August 2022, Avaland announced the acquisition of three parcels of commercial land in Bangi, marking its foray into a new growth centre in Bangi.

In February 2023, Avaland announced the acquisition of a parcel of residential land in Seputeh for RM58 million, its first acquisition in Kuala Lumpur. Subsequently, the Group acquired a 3.9-acre residential land at Taman Desa, Kuala Lumpur for RM64.6 million in March 2023 to further enhance its landbank.

Avaland aims to create communities, enhancing lives for generations where people enjoy a complete lifestyle experience. Avaland holds strong its core values through its vision of being an Innovative, Timeless Value Creator.

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*For media enquiries, please contact **Calvin See Tho** at:*

Mobile: 016-294-1995

Email: calvin.seetho@avaland.com.my