

## PRESS RELEASE

For Immediate Release

### OSK Group Achieves 30% YoY Jump in Pre-Tax Profit for 1Q2023 Moving Towards Sustainable Growth

**Kuala Lumpur, 26 May 2023** – OSK Holdings Berhad ("OSKH" or "the Group") is pleased to announce its first quarter results ended 31 March 2023 ("1Q2023") to Bursa Malaysia today.

Following a record high in revenue for FY2022, the Group registered a commendable performance for 1Q2023 with a 9% rise in revenue to RM333.2 million from the corresponding period a year ago ("YoY"), while pre-tax profit ("PBT") grew 30% YoY to RM126.0 million, as operating performance across all business segments showed improvement, underpinned by stronger consumer sentiment, recovering labour market conditions and the revival of tourism activities. Total assets grew 6% YoY to RM9.7 billion (1Q2022: RM9.1 billion) translating to an earnings per share ("EPS") of 5.58 sen compared with 4.09 sen (restated) in the corresponding period a year ago.

"We kicked off FY2023 on a strong note with the overall operating environment continuing to show signs of improvement despite elevated levels of inflation as the output and demand for our property, construction, financial services, manufacturing, and tourism products grew, in sync with the upward trajectory of the nation's economy in the first quarter of 2023.

"Despite global uncertainties, the Group is well-positioned to grow in the coming year as we actively expand our market share, innovate and improve our product proposition, while managing our cost base and optimising our margins. This has proven to be the right formula as seen in the continuous improvement of our financial performance throughout the post-pandemic era, enabled by our prudent financial approach and management. With these resiliencies in place, we are confident that FY2023 will be another satisfactory year for the Group," said the Group's Executive Chairman, Tan Sri Ong Leong Huat.

#### 1Q2023 KEY BUSINESS & FINANCIAL HIGHLIGHTS (for the quarter ended 31 March 2023)

**Overall  
Financial  
Performance**

- In line with Malaysia's 5.6% GDP growth in 1Q2023, the Group achieve robust year-on-year ("YoY") growth for the quarter on the back of improved consumer sentiment and demand, supportive labour market conditions and stable raw material prices.
- The Group's revenue for 1Q2023 increased 9% YoY to RM333.2 million (1Q2022: RM306.5 million), while Group PBT jumped 30% YoY RM126.0 million (1Q2022: RM96.7 million).
- All business segments showed improvement in PBT during the quarter, notably the Construction, Financial Services and Investment Holding, Hospitality, and Industries with 62%, 41%, 34%, and 24% YoY increase in PBT, respectively.
- The Property Segment remains the largest contributor to the Group's revenue at 52%, followed by Industries at 24% and Financial Services and Investment Holding at 16%.
- The Property Investment Division continues to generate stable rental revenue from its investment portfolio comprising office buildings (ie. Plaza OSK and Faber Towers) and Atria Shopping Gallery.
- The Group's Capital Financing Division continued to grow its loan book, which stood at RM1.3 billion as of 31 March 2023 (1Q2022: RM972.7 million). The division's PBT rose 23% YoY in 1Q2023 to RM18.4 million from higher loan disbursements.

**Forward Earnings Visibility**

- Total unbilled property sales (receivables) remained strong at RM1.0 billion (1Q2022: RM0.9 billion) due to high take up rates for new and ongoing property development projects, with minimal unsold completed stock.

**Net Gearing**

- Net gearing ratio remained at a healthy level of 0.38 times (1Q2022: 0.35 times).

**Land Bank**

- The Group's land bank totalled 2,002 acres as of 1Q 2023, located across Malaysia's Klang Valley, Sungai Petani, Butterworth, Kuantan, and Seremban, and Melbourne, Australia<sup>(1)</sup>, with an estimated effective GDV of RM16.2 billion.

**Total Assets**

- The Group's total assets remained stable at RM9.7 billion, supported by unbilled property sales of RM1.0 billion and the expansion of our capital financing loan portfolio to RM1.3 billion (as of end-1Q2023).

**Basic Earnings Per Share (EPS)<sup>(2)</sup>**

- 1Q2023 EPS increased to 5.58 sen (1Q2022: 4.09 sen (restated)).

**Dividend Paid**

- The proposed single-tier final dividend of 4 sen per share in respect of FY2022 was approved by Shareholders at the Group's 33rd Annual General Meeting held on 18 April 2023. The final dividend was paid to eligible Shareholders on 12 May 2023 totalling RM 82.5 million.

**Outlook**

- The normalisation of the Nation's growth trajectory, signalled by a 4.6% improvement in domestic demand and 54.4% rise in exports in 1Q2023, shows that the economy continues to gain strength, while inflation rate moderated to 3.6% (4Q2022: 3.9%) due to, among others, the Government's continued implementation of price control measures and consumer subsidies.<sup>(3) (4) (5)</sup>
- Despite external headwinds, the Malaysian economy is on track to achieve its forecast GDP growth of 4% to 5% in 2023, supported by Malaysia's strong economic fundamentals and implementation of Belanjawan 2023 measures.
- On monetary stance, the raising of 25 basis points in the OPR rate to 3.0% by BNM and the increase of the cash rate by 25 basis points to 3.85% by the Reserve Bank of Australia on 3 May 2023 are accommodative of the inflation and growth outlook of both economies.
- The Group will continue to focus on building resiliencies through market expansion, product innovation, cost optimisation, digitalisation and productivity measures, as we move towards ensuring sustainable growth in the long-term.
- The Group continues to place emphasis on accelerating our sustainability agenda and initiatives, not only to mitigate potential ESG risks, but also to future-proof our business and creating a healthy and sustainable environment for our community.
- Based on the assessment of the respective segments, the Board is confident that the Group will be able to deliver satisfactory results for the remaining quarters of FY2023.

(1) Reflecting effective share of joint-venture project Melbourne Square ("MSQ") in Melbourne, Australia.

(2) No potential issuance of ordinary shares or instruments that were dilutive in nature at the end of the current year-to-date FY2023.

(3) Bank Negara Malaysia: Economic and Financial Developments in Malaysia in the First Quarter of 2023

(4) Ministry of Finance: Economy Achieves Growth Of 5.6% In First Quarter (12 May 2023)

(5) Bernama: BNM Declares Malaysia's Economy No Longer in Crisis After 5.6 Pct Expansion in First Quarter (12 May 2023)

As FY2023 unfolds amid a dynamic and challenging period in the global economy, the Group maintains a stable outlook on the Property Development Division in Malaysia with progressive recognition of revenue from progress billings of ongoing projects.

Development projects that were launched in the 2H2022, namely ANYA at Shorea Park in Puchong, LEA by the Hills in Melawati, Rubica in Butterworth and various phases of our township developments in Iringan Bayu, Seremban, and Bandar Puteri Jaya in Sungai Petani are expected to provide a sustainable revenue stream for the division in the coming years. The Construction Segment, on the other hand, is committed to delivering its current outstanding order book which stood at RM415.1 million, as of 31 March 2023. This segment will continue to support the Property Development Division in building quality homes within budget and time.

Over in Australia, we launched Stage 2 of our flagship Melbourne Square (“MSQ”) development in Melbourne, known as BLVD in April 2023. The latest phase of MSQ comprises about 600 units of high-rise apartments in a single tower. Apart from selling the newly launched off-the-plan units, the division will continue to focus on selling the remaining completed residential units in Stage 1 of MSQ.

The Industrial Segment, comprising our cables and precast Industrialised Building System (“IBS”) wall panels manufacturing business, are actively exploring domestic and export market opportunities, especially in Singapore, as building and construction activities return to full swing and travel restrictions are lifted. The segment continues to be supported by a strong labour market, while measures to drive cost optimisation and production efficiency are implemented and reviewed regularly to ensure its effectiveness.

The performance of our Hospitality Segment is also expected to be stable in FY2023 with the existing partnership with our operating partners for the two (2) rebranded hotels, namely, DoubleTree by Hilton Damai Laut Resort, and Holiday Inn Express & Suites Johor Bahru are expected to contribute positively to the segment’s bottom line and further enhance the value proposition of the business.

As for the Financial Services and Investment Holding Segment, the demand for financing is expected to remain strong as investment and business activities continue to gain strength and evidenced by higher loan disbursement in 1Q2023 compared with the corresponding quarter in FY2022. In line with the strategic expansion of our capital financing products in Malaysia and Australia, our Syariah Capital business started offering financing services to the retail segment in Malaysia in 1Q2023. From the investment holding perspective, the Group’s increased stake of 10.24% in RHB Bank will deliver consistent and steady returns for the segment for the remaining quarters of FY2023. The share of profits from RHB Bank for 1Q2023 amounted to RM77.9 million (1Q2022: RM57.1 million).

## Media Enquiries

For further queries on this media release or to reach out to our Investor Relations team, kindly email: [ir@oskgroup.com](mailto:ir@oskgroup.com), call [+603-2177 1999](tel:+603-2177-1999), or visit: <http://www.oskgroup.com/overview/>.

## About OSK Group

Listed on the Main Board of Bursa Malaysia, OSK Holdings Berhad is a conglomerate with diversified business interests in Property, Financial Services and Investment Holding, Construction, Industries and Hospitality. As of 31 March 2023, the Group’s shareholders’ funds stood at RM5.8 billion with total assets of RM9.7 billion and a total market capitalisation of RM2.1 billion<sup>^</sup>.

For further information about OSK Group, please visit our website at: [www.oskgroup.com](http://www.oskgroup.com).

<sup>^</sup> Based on OSKH’s last quoted share price on the Main Market of Bursa Malaysia at the close of trading day on 31 March 2023.