

## PRESS RELEASE

For Immediate Release

### OSK Group PBT Jumped 24% YoY in 1H2023

*2Q2023 Revenue and PBT Rose 19% YoY*

*On Track Towards a Stronger Yearly Performance Despite Challenging Environment*

**Kuala Lumpur, 29 August 2023** – OSK Holdings Berhad (“OSKH” or “the Group”) announced a strong set of results for its second quarter ended 30 June 2023 (“2Q2023”).

Following a good performance in the first quarter of the financial year, the Group registered yet another strong set of results in the second quarter. The Group showed positive growth in 2Q2023 with revenue rising 19% YoY to RM397.4 million and profit before tax (“PBT”) rising 19% to RM145.8 million YoY, underpinned by improved operational efficiencies and stronger demand for the Group’s products and services.

“We are pleased to report that the Group registered improved results in our mid-year performance compared to the preceding year. There was a broad-based improvement in our businesses as we continue executing our long-term business strategy through improving our operational efficiency, improving the quality of our products and services, and managing our financial resources prudently.

Recognising the external challenges ahead, we shall continue to undertake all necessary measures to adapt to the changing market conditions,” said Group Executive Chairman Tan Sri Ong Leong Huat.

#### KEY HIGHLIGHTS

*For the quarter ended 30 June 2023 (“2Q2023”)*

##### **Overall Financial Performance**

- Group revenue in 1H2023 rose 14% to RM730.6 million, while pre-tax profit (“PBT”) increased 24% to RM271.9 million, compared to 1H2022.
- All business segments showed improvement in revenue for the 2Q2023 and 1H2023 period, underpinned by improved labour conditions, operational efficiency, and stronger domestic demand.
- The Property, and Financial Services & Investment Holding Segments continue to lead the Group’s performance making up 22% and 71% of Group PBT for 1H2023, respectively.
- The Property Development Division registered a decline in PBT from RM65.6 million in 1H2022 to RM50.2 million in 1H2023, mainly due to a reduction in overall sales, and delays in planned new launches of high-rise projects in the Klang Valley, which affected the replenishment rate of our inventory in the high-rise segment. The landed homes segment continues to perform well.
- Under the Financial Services & Investment Holding Segment, the Group’s Capital Financing Division continued to expand its loan book, which stood at RM1.5 billion, as of 30 June 2023 (as at 30 June 2022: RM932.7 million) covering operations in both Malaysia and Australia. The division’s PBT rose 27% YoY in 1H2023 to RM39.6 million from higher loan disbursements.
- Under the Financial Services & Investment Holding Segment, the Investment Holding Division recorded a 41% YoY hike in PBT to RM154.3 million in 1H2023, due to higher profits from RHB Banking Group amounting to RM160.6 million in 1H2023 compared to RM119.0 million in 1H2022.
- A notable improvement was seen in the Industries Segment (ie. Cables and IBS Divisions) with a jump of 82% YoY in PBT to RM19.2 million for 1H2023 and 138% YoY in PBT to RM12.8 million for 2Q2023. This is attributed to higher sales and increased margins from improved operational efficiency.

<b>Forward Earnings Visibility</b>	<ul style="list-style-type: none"> <li>As at 30 June 2023, the Group's Property Development Division has effective unbilled sales of RM1.14 billion with minimal unsold completed stocks.</li> <li>In Melbourne, Australia, we launched Melbourne Square ("MSQ") Stage 2 in April 2023, known as BLVD. The take-up rate has been encouraging.</li> <li>The Group's total land bank of 1,993 acres garners an estimated effective GDV of RM15.5 billion in the Klang Valley, Sungai Petani, Butterworth, Kuantan, Seremban, and Melbourne, Australia<sup>(1)</sup>.</li> </ul>
<b>Net Gearing</b>	<ul style="list-style-type: none"> <li>Manageable net gearing ratio of 0.39 times (1Q2023: 0.38 times).</li> </ul>
<b>Total Assets</b>	<ul style="list-style-type: none"> <li>1H2023 total assets increased to RM9.9 billion (1H2022: RM9.0 billion).</li> </ul>
<b>Basic Earnings Per Share (EPS)<sup>(2)</sup></b>	<ul style="list-style-type: none"> <li>2Q2023 EPS increased to 6.35 sen (2Q2022: 5.13 sen).</li> <li>1H2023 EPS went up to 11.94 sen (1H2022: 9.22 sen).</li> </ul>
<b>Net Assets Per Share Attributable to Owners of the Company</b>	<ul style="list-style-type: none"> <li>1H2023 net assets per share grew to RM2.87 (1H2022: RM2.66).</li> </ul>
<b>Shareholders' Funds</b>	<ul style="list-style-type: none"> <li>1H2023 shareholders' funds went up to RM5.9 billion (1H2022: RM5.5 billion)</li> </ul>
<b>Dividend Declared in respect of FY2023</b>	<ul style="list-style-type: none"> <li>The Board of Directors have approved a single-tier interim dividend of 3.0 sen per ordinary share for 1H2023 (1H2022: 2.0 sen).</li> <li>The dividend entitlement and payment dates will be on 15 September 2023 and 13 October 2023, respectively.</li> <li>Total dividend declared in 1H2023 was 3.0 sen per ordinary share (1H2022: 2.0 sen).</li> </ul>
<b>Dividend Paid in respect of FY2022</b>	<ul style="list-style-type: none"> <li>Final dividend payment of RM82.5 million equivalent to 4.0 sen per ordinary share in respect of FY2022 was paid on 12 May 2023.</li> </ul>
<b>Outlook</b>	<ul style="list-style-type: none"> <li>On a macro level, Malaysia's GDP fell to 2.9% in 2Q2023 (1Q2023: 5.6%) due to weakening global demand amidst tight monetary conditions. Domestic demand remained the key driver of growth during 2Q2023, supported by private consumption and investment.<sup>(3)</sup></li> <li>With the challenging global environment, BNM projects the Malaysian economy to grow close to the lower end of the 4.0-5.0% range in 2023.<sup>(4)</sup></li> <li>Economists expect the benchmark interest rate to remain unchanged due to moderating growth and easing inflation.<sup>(5)</sup></li> <li>The ringgit is facing outflow pressure, caused in part by diminishing yield premium over US Treasuries and China's slowing growth.<sup>(6)</sup></li> <li>The Institute of Chartered Accountants in England and Wales (ICAEW)'s South East Asia (SEA) Economic Insight Report 2Q2023 foresees Malaysia's growth in domestic product (GDP) to ease to 2.6% this year as external and domestic demand wane. Looking ahead, growth is expected to pick up to 4.5% in 2024, signalling a gradual return to the pre-pandemic average growth rate of approximately 5% over a five-year period.<sup>(7)</sup></li> <li>The Group expects a satisfactory performance for the remaining FY2023, and will continue to employ prudent business strategies and financial discipline.</li> </ul>

(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 Second Quarter of 2023

(4) Bernama: BMI Revises Malaysia GDP Forecast Down to 4.0 Pct This Year

(5) Reuters: Malaysia Posts Weakest GDP Growth in Nearly 2 Years as Exports Slump

(6) Bloomberg: Rapid Descent in Ringgit Puts Malaysia's Currency Stance to Test

(7) ICAEW SEA Economic Insight Report Q2 2023

Over the past quarter, the Group has expanded its operations in Malaysia and Australia, and one of the key revenue contributors, the Property Segment (comprising the Property Development and Property Investment Divisions), registered a revenue of RM217.7 million and a pre-tax profit of RM33.5 million in 2Q2023. This was mainly contributed by property sales and construction progress for ongoing projects during the quarter, such as LEA by The Hills in Melawati, Anya @ Shorea Park in Puchong,



**OSK Holdings Berhad** 199001015406 (207075-U)  
Level 21, Plaza OSK, Tel : 603 2177 1999  
Jalan Ampang, Fax : 603 2026 6331  
50450 Kuala Lumpur, Website : www.oskgroup.com  
Malaysia

Rubica @ Harbour Place in Butterworth, and ongoing phases in our township developments in Iringan Bayu, Seremban, as well as in Bandar Puteri Jaya, Sg. Petani.

Over in Australia, we launched Stage 2 of our flagship mixed development, Melbourne Square (“MSQ”), in Melbourne, known as BLVD in April 2023. The latest offerings of MSQ comprises approximately 593 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.

Our Industries Segment, comprising our Cables and IBS Divisions, saw stronger demand and growth during the quarter, driven by higher deliveries to existing customers, supported by stabilised raw material prices. The expansion of the Group’s cable manufacturing facilities with new production lines and the expansion of our IBS factory to produce new lightweight products will enable the Industries Segment to tap into new markets.

For the Financial Services and Investment Holding Segment, demand for non-bank financing is expected to remain strong as investment and business activities continue to gain strength, as evidenced by higher loan disbursements in 2Q2023. In line with the strategic expansion of our non-bank financing products in Malaysia and Australia, our Syariah Capital business started offering Shariah-compliant financing services to the retail segment in Malaysia in 4Q 2021 and have accelerated our loan disbursements in 2023.

For the Investment Holding Division, the Group’s 10.24% stake in RHB Banking Group is expected to deliver consistent and steady returns for the Segment in the remaining quarters of FY2023. The share of profits from RHB Banking Group in 1H2023 amounted to RM160.6 million (1H2022: RM119.0 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

OSK Holdings Berhad is a conglomerate with diversified business interests in Property, Financial Services and Investment Holding, Construction, Industries and Hospitality. As of 30 June 2023, the Group’s shareholders’ funds stood at RM5.9 billion with total assets of RM9.9 billion and a total market capitalisation of RM2.2 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 30 June 2023.