

PRESS RELEASE

For Immediate Release

OSK Group Delivers 20% and 14%, Revenue and PBT YoY Reflects Positive Financial Health and Operational Efficiency for FY2023

Kuala Lumpur, 27 February 2024 – OSK Holdings Berhad ("OSKH" or "the Group") is pleased to announce its fourth quarter and full-year financial results for the financial year ended 31 December 2023 ("4Q2023" and "FY2023"). The announcement was made to Bursa Malaysia today, highlighting an increase in revenue, profit before tax (PBT), and steady improvement across the core business segments.

The Group has reached a notable milestone, concluding the year positively with a 20% increase in revenue, reaching RM1.6 billion compared to the same period last year ("YoY"), while PBT grew by 14% to RM555.1 million YoY.

"We are pleased that the Group continues to deliver a healthy financial performance as we continue executing the appropriate strategies for each of our businesses with a long-term horizon in mind.

The Group operates in mature industries where there is intense competition from strong competitors, so we have to strategise carefully and execute well in order to remain competitive.

The Group remains optimistic to achieve steady growth over the long term, supported by our commitment to execute our long-term strategies and our focus on delivering healthy risk-adjusted returns for the benefit of all our stakeholders. Our confidence is bolstered by the consistent strength of our Property Segment, the ongoing growth in our Financial Services Segment, and the expansion of our Industrial Segment," said OSK Group Executive Chairman, Tan Sri Ong Leong Huat.

KEY HIGHLIGHTS

**For the full year financial result ended 31 December 2023 ("4Q2023" and "FY2023")*

Overall Financial Performance	<ul style="list-style-type: none"> ▪ New highs in overall financial performance in FY2023: <ul style="list-style-type: none"> o Revenue: RM1.6 bil (FY2022: RM1.3 bil) o PBT: RM555.1 mil (FY2022: RM485.1 mil) o PAT: RM470.2 mil (FY2022: RM426.8 mil) o Total assets: RM10.4 bil (FY2022: RM9.7 bil) o Shareholders' funds: RM6.1 bil (FY2022: RM5.7bil) ▪ Improvements in equity performance in FY2023: <ul style="list-style-type: none"> o Dividend per share: 7.0 sen (FY2022: 6.0 sen) o Net assets per share: RM2.97 (FY2022: RM2.76)
4Q2023 vs 4Q2022	<ul style="list-style-type: none"> ▪ Revenue increased 27% YoY to RM423.5 mil. ▪ PBT increased slightly by 4% YoY to RM140.5 million. This increase is attributed to improvements from four (4) business segments including Property, Construction, Industries and Hospitality Segments, with the exception of a slight decline in the Financial Services & Investment Holding Segments.
Forward Earnings Visibility	<ul style="list-style-type: none"> ▪ As of the end of FY 2023, total unbilled property sales remained strong at RM1.2 billion (compared to RM1.0 billion in FY2022), attributable to high take-up rates for both new and ongoing projects, with minimal unsold completed stock.
Land Bank	<ul style="list-style-type: none"> ▪ As of 31 December 2023, the Group's land bank comprises a total of 1,977 acres located across Klang Valley, Sungai Petani, Butterworth, Kuantan, and Seremban in Malaysia, as well as in Melbourne, Australia, with an estimated effective GDV of RM 15.1 billion.

**Basic Earnings
Per Share (EPS)**

- 4Q2023 EPS decreased to 4.74 sen (4Q2022: 5.88 sen).
- FY2023 EPS increased to 22.64 sen (FY2022: 20.57 sen).

Outlook

- The Malaysian economy expanded by 3.0% in 4Q2023 (3Q2023: 3.3%), anchored by resilient domestic demand. Bank Negara Malaysia highlighted that household spending continues to be supported by improving labour market conditions and decreasing cost pressures. The unemployment rate has declined to pre-pandemic levels, standing at 3.3%, while the labour force participation rate reached a historic high in 2023. Additionally, investment activity growth was bolstered by the progressive realisation of multi-year projects and capacity expansion by firms.¹
- Bank Negara Malaysia's statement for 4Q2023 outlines that the Malaysian economy saw a normalisation in growth, reaching 3.7% for the year 2023 compared to a robust 8.7% in the previous year. The moderation in growth was attributed to challenges in the external environment, including slower global trade, the global tech downcycle, geopolitical tensions, and tighter monetary policies.¹
- The Group anticipates a satisfactory performance for FY2024 and remains committed to navigating the challenging economic landscape by persistently implementing our long-term strategies and exercising financial prudence.
- The Group will continue to focus on improving operational efficiency and executing our long-term strategic vision for the various businesses under our care.

¹ BNM: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2023 (16 February 2023)

* For more detailed information, please refer to our financial statements as announced on the Bursa Malaysia website

The Group's Property Segment registered 14% increase in revenue to RM853.5 million however, the pre-tax profit declined by 8% to RM138.3 million. The revenue contributor for the Property Segment, including Property Development and Property Investment Divisions, was mainly contributed by property sales and construction progress of ongoing projects in Malaysia, such as LEA by The Hills in Taman Melawati, Mira and Anya @ Shorea Park in Puchong, and our township projects at Iringan Bayu, Seremban and Bandar Puteri Jaya, Sungai Petani.

Over in Melbourne, Australia, the Group officially launched Phase 2 of Melbourne Square, known as BLVD, in October 2023. With approximately 591 units in a single tower, it received a positive response, reaching around a 50% take-up rate. Going forward, the Group will also focus on selling the remaining completed residential units of Phase 1 in MSQ. The Group's Property Investment Division continues to generate stable rental income from its office and retail properties.

Under the Construction Segment, the Group is committed to prioritising fulfilment of its current order book, valued at RM389.6 million as of 31 December 2023. Additionally, the Division will continue supporting the Property Development Division in constructing quality homes efficiently through the Group's "Prop-Con" model.

The Group's Cables and IBS Divisions demonstrated an improved YoY performance due to higher demand from local and export markets. The division remains committed to exploring new market opportunities for its Industries Segment while implementing strategic measures to enhance profit margins, including improving production efficiency and implementing raw material procurement and waste control measures.

The performance of our Hospitality Segment recorded a stable performance in FY2023 with a 12% rise in revenue to RM99.0 million, while PBT slightly increased 3% YoY to RM3.3 million. Occupancy and room rates at all our hotels have improved, mostly due to increase demand from local tourism and meetings/conventions. This led to higher average room rates and increased revenue and profits in FY2023.



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As for the Financial Services and Investment Holding Segment, the growth is primarily attributed to the performance of RHB Group and the larger loan portfolios managed by the Capital Financing Division, both in Malaysia and Australia. With the growth of its financing portfolio and product offerings, this Division is expected to deliver stronger financial performance for the Group.

Over the full FY2023, the Group declared a final dividend of 4.0 sen per share (FY2022: 4.0 sen), bringing the total dividend for FY2023 to 7.0 sen (FY2022: 6.0 sen).

Media Enquiries

For further queries on this media release or to reach out to our Investor Relations team, kindly email: 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 31 December 2023, the Group's shareholders' funds stood at RM6.1 billion with total assets of RM10.4 billion and a total market capitalisation of RM2.6 billion[^].

For further information about OSK Group, please visit our website at: www.oskgroup.com.

[^] Based on OSKH's last quoted share price on the Main Market of Bursa Malaysia at the close of trading day on 29 December 2023.