

PRESS RELEASE

For Immediate Release

OSK Group's 1H2024 Results Show Continued Strength *Steady Gains in Property, Financial Services and Hospitality Segments*

Key highlights:

- The Group recorded total revenue of **RM736.4 million** and a pre-tax profit of **RM282.8 million** for the first half of 2024 (6M24), compared to RM730.6 million in revenue and RM271.9 million in pre-tax profit for the same period in 2023.
- **Pre-tax profit** grew by 4%, bolstered by the strong showing of the **Property and Financial Services Segments**

Kuala Lumpur, 27 Aug 2024 – OSK Holdings Berhad (“OSK Group” or “the Group”) announced steady growth in its financial performance for the first half of 2024 (“6M24”), driven by improved performance in the Property and Financial Services Segments.

The Group’s total revenue for the first half of this year was recorded at RM736.4 million, showing a slight increase from RM730.6 million in the preceding year (1H2023). The pre-tax profit increased by 4%, reaching RM282.8 million compared to RM271.9 million in the same period last year.

"Our first-half results reflect the strength of our diversified business model and the success of our strategic initiatives. The steady growth in the Property, Hospitality and Financial Services Segments, alongside consistent performance in other areas, reaffirms our progress towards building solid, sustainable businesses across all our business verticals. This performance validates our growth strategies and our ability to deliver positive results across various market conditions," said OSK Group Executive Chairman Tan Sri Ong Leong Huat.

He added, “The Group will remain focused on enhancing shareholder value and driving sustained growth. With the momentum gained in the first half of the year, we are well-positioned to achieve our long-term objectives.”

Steady Performance in the Property Segment

Pre-tax profit for the Property Segment grew by 17% to RM73.5 million, albeit recording a slight 2% dip in revenue to RM416.5 million for 6M24 compared to the same period in the previous year.

The Property Development Division saw higher pre-tax profit driven by ongoing projects such as LEA by The Hills in Taman Melawati, Mira and Anya at Shorea Park in Puchong, Rubica in Butterworth, Iringan Bayu in Seremban and Bandar Puteri Jaya in Sungai Petani.

Newly launched projects, including Nara at Shorea Park in Puchong and Alia at Mori Park in Shah Alam, have yet to contribute significantly to revenue and pre-tax profit as they are in the initial stages of development. During the period, the Property Development Division also recorded a RM3.4 million share of loss from associates, due to sales and marketing expenses for Phase 2,

BLVD in Melbourne Square ("MSQ"), while revenues will only be recognised at the completion of the project.

The Property Development Division moved to further expand its landbank by entering into Sales and Purchase Agreements to acquire approximately 356 acres of freehold land in Bedong, Kedah. The acquisition, when completed, will expand the Group's foothold in Kedah following the success of the existing Bandar Puteri Jaya township with an estimated Gross Development Value of RM972.6 million.

With unbilled sales standing at RM1.6 billion and a total land bank of 1,883 acres totalling a Gross Development Value of RM15.3 billion, the Property Development Division is expected to continue being a key profit contributor in the upcoming quarters.

Meanwhile, the Property Investment Division generated stable rental revenue from its office and retail assets. The 6M24 results were further supported by a share of profit from the disposal of an office tower by its joint venture, set off by a share of fair value loss in an associate, resulting in a total net gain of RM13.4 million during the period.

Double-digit Growth in Financial Services and a Turnaround of the Hospitality Segment

The Financial Services Segment registered a revenue of RM107.5 million in 6M24, up by 42%, with a pre-tax profit of RM51.6 million, a 30% increase from a year ago. The improvement was mainly due to strategic business expansions in Malaysia and Australia. As of 30 June 2024, the loan book stood at RM1.8 billion, compared to RM1.5 billion as of 30 June 2023.

The Hospitality Segment achieved a turnaround, recording a pre-tax profit of RM0.2 million in 6M24, compared to a pre-tax loss of RM0.7 million in the same period last year. Revenue rose by 11% to RM50.2 million from RM45.1 million in 6M23.

This improved performance was driven by higher occupancy rates and average rental rates, largely boosted by increased demand from local and foreign tourists, as well as meetings and conventions held by corporates and government agencies.

In addition, the Swiss-Garden Beach Resort Kuantan completed its refurbishment exercise in late 2023, enabling it to operate with a full room inventory during the period. This was one of the contributing factors to the turnaround in comparison to the half-room inventory during the first half of 2023 when the refurbishment was still underway.

The Group's partnership with international operators, namely DoubleTree by Hilton Damai Laut Resort and Holiday Inn Express & Suites in Johor Bahru, has yielded a healthy performance. This is anticipated to continue delivering positive results, especially during the year-end holiday season.

Investment Holding and Industries Segments

The Investment Holding Segment recorded a pre-tax profit of RM141.5 million in 6M24, representing a 6% decrease compared to 6M23. The lower pre-tax profit was mainly due to a reduced profit contribution by RHB Group, of which OSK Holdings has a 10.27% shareholding, which amounted to RM148.8 million in 6M24 compared to RM160.6 million in 6M23.



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The Industries Segment recorded revenue of RM161.5 million and a pre-tax profit of RM16.0 million in 6M24, reflecting declines of 12% and 17% respectively from a year ago. The drop in revenue was primarily due to decreased sales volume for both the cables and IBS wall panels, particularly in 2Q24, as several major customers postponed their order deliveries. However, with the order book build-up, it is expected that cable and IBS wall panel sales will improve in the second half of this year.

The positive momentum from 1H2024 reinforces OSK Group's position as a resilient organisation. The Group is set to build on this success and continue enhancing value for its shareholders in the coming quarters.

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About OSK Group

OSK Holdings Berhad is a conglomerate with diversified business interests in Property, Financial Services, Industries, Hospitality and Investment Holding. Founded on principles of innovation, sustainability, and excellence, the Group has grown from its humble beginnings to become a significant player in both the local and international markets including being the market leader in several industries.

Over the years, the Group has expanded its horizons beyond Malaysian borders and established operations in Australia with offerings in financial services and property development.

For more information about OSK Group, visit www.oskgroup.com and follow us on LinkedIn: <https://www.linkedin.com/company/osk-group/> to stay updated on our latest projects and initiatives.

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