

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	<b>Current quarter ended 30/9/2007</b>	Comparative quarter ended 30/9/2006	<b>Current year to date ended 30/9/2007</b>	Preceding year to date ended 30/9/2006
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Revenue	<b>294,086</b>	122,122	<b>877,401</b>	389,337
Operating expenses	<b>(205,632)</b>	(79,398)	<b>(556,966)</b>	(273,763)
Other income	<b>8,907</b>	209	<b>33,799</b>	9,196
Finance costs	<b>(8,806)</b>	(6,726)	<b>(25,912)</b>	(19,574)
Share of profits of associated companies, net of taxation	<b>1,888</b>	7,327	<b>9,310</b>	14,298
<b>Profit before taxation</b>	<b>90,443</b>	43,534	<b>337,632</b>	119,494
Income tax expense	<b>(24,975)</b>	(10,507)	<b>(87,226)</b>	(32,008)
<b>Profit after taxation for the period</b>	<b>65,468</b>	33,027	<b>250,406</b>	87,486
<b>Profit attributable to:</b>				
<b>Equity holders of the Company</b>	<b>53,909</b>	22,022	<b>212,351</b>	63,762
<b>Minority interests</b>	<b>11,559</b>	11,005	<b>38,055</b>	23,724
	<b>65,468</b>	33,027	<b>250,406</b>	87,486
<b>Earnings per share attributable to equity holders of the Company (sen) (Note B14):</b>				
Basic	<b>8.33</b>	3.62	<b>33.29</b>	10.49
Diluted	<b>8.12</b>	3.61	<b>31.98</b>	10.48

(The accompanying explanatory notes attached to the interim financial statements form an integral part of and should be read in conjunction with this quarterly report.)

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007 UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	As at 30/9/2007 RM'000	As at 30/9/2006 RM'000	(Audited) As at 31/12/2006 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	161,391	158,181	160,590
Prepaid land lease payments	11,042	11,176	11,146
Investment property	42,786	42,786	42,786
Land held for property development	208,251	195,705	190,802
Investments in associated companies	198,441	179,071	225,084
Intangible assets	248,572	194,650	248,352
Other long term investments	86,650	73,029	80,439
Statutory deposits with Bank Negara Malaysia	53,701	-	-
Security deposits and statutory funds	2,715	3,009	3,413
Deferred tax assets	894	613	465
	<b>1,014,443</b>	858,220	963,077
<b>Current assets</b>			
Property development costs	160,949	66,453	71,356
Trade receivables	4,028,762	1,989,236	1,802,890
Accrued billings	3,535	-	-
Other receivables, deposits and prepayments	40,826	31,634	21,305
Tax recoverable	5,266	5,757	12,779
Short term investments	1,457,612	453,288	419,232
Fund manager's stocks	7,732	2,558	1,787
Loans, advances and financing	87,527	-	-
Derivative financial assets	47,210	-	-
Deposits and placements with banks and other financial institutions	455,700	-	15,600
Cash, bank balances and deposits			
- General accounts	419,610	273,955	180,436
- Segregated accounts	608,489	198,779	328,479
	<b>7,323,218</b>	3,021,660	2,853,864
<b>TOTAL ASSETS</b>	<b>8,337,661</b>	3,879,880	3,816,941

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007 UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS (Cont'd)

	As at 30/9/2007 RM'000	As at 30/9/2006 RM'000	(Audited) As at 31/12/2006 RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	671,747	626,574	632,352
Less : Treasury shares	(29,597)	(26,350)	(29,082)
	<b>642,150</b>	600,224	603,270
Reserves	<b>780,931</b>	571,231	618,984
	<b>1,423,081</b>	1,171,455	1,222,254
<b>Minority interests</b>	<b>334,527</b>	288,877	298,860
<b>TOTAL EQUITY</b>	<b>1,757,608</b>	1,460,332	1,521,114
<b>Non-current liabilities</b>			
Term loan	<b>124,023</b>	96,712	84,212
Seven (7)-Year Serial Al-Bai' Bithaman Ajil Islamic Debt Securities ("BaIDS")	<b>47,109</b>	69,650	70,139
Finance lease payables	<b>669</b>	320	1,214
Deferred tax liabilities	<b>32,154</b>	29,246	28,099
	<b>203,955</b>	195,928	183,664
<b>Current liabilities</b>			
Trade payables	<b>3,431,057</b>	1,558,992	1,319,003
Progress billings	<b>15,501</b>	9,976	7,451
Other payables, deposits and accruals	<b>280,835</b>	139,848	155,075
Amount due to an associated company	<b>3,086</b>	-	3,042
Derivative financial liabilities	<b>72,339</b>	-	-
Obligations on securities sold under repurchase agreements	-	-	-
Deposits and placements of banks and other financial institutions	-	147,520	102,090
Deposits from customers	<b>2,007,561</b>	-	-
Short term borrowings	<b>468,937</b>	324,557	516,436
Tax payable	<b>49,506</b>	15,686	9,066
Dividend payable	<b>47,276</b>	27,041	-
	<b>6,376,098</b>	2,223,620	2,112,163
<b>TOTAL LIABILITIES</b>	<b>6,580,053</b>	2,419,548	2,295,827
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,337,661</b>	3,879,880	3,816,941
<b>Net Asset per share (RM) attributable to:</b>			
<b>Equity holders of the Company</b>	<b>2.20</b>	1.94	2.01

(The accompanying explanatory notes attached to the interim financial statements form an integral part of and should be read in conjunction with this quarterly report.)

**OSK HOLDINGS BERHAD (207075-U)**
**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007  
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to equity holders of the Company										Minority interests	Total equity
	Share capital	Treasury shares	Share premium	Capital redemption reserve	Equity compensation reserve	Foreign exchange reserve	Statutory reserves	Other reserves	Retained profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>Current year to date ended</b>												
<b>30 September 2007 (unaudited)</b>												
At 1 January 2007	632,352	(29,082)	62,732	58,919	2,460	(2,158)	-	22,445	474,586	1,222,254	298,860	1,521,114
Foreign currency translation differences	-	-	-	-	-	(2,280)	-	-	-	(2,280)	(544)	(2,824)
Share issue expenses	-	-	(1,100)	-	-	-	-	-	-	(1,100)	-	(1,100)
Net loss on deemed disposal of shares in associated companies	-	-	-	-	-	-	-	(114)	-	(114)	-	(114)
Reserves realised upon actual disposal of shares in associated companies:												
- gains previously recognised on deemed disposal	-	-	-	-	-	-	-	(2,511)	2,511	-	-	-
- other reserves	-	-	-	-	-	-	-	240	(240)	-	-	-
Share of other reserves in associated companies	-	-	-	-	-	-	-	(499)	-	(499)	-	(499)
Minority interests' share of reserves in associated companies	-	-	-	-	-	-	-	988	(777)	211	1	212
Transfer of reserve	-	-	-	-	-	-	52,522	-	(52,522)	-	-	-
Accretion of interest in an indirect subsidiary arising from acquisition of additional shares in a subsidiary	-	-	-	-	-	-	-	-	35	35	(35)	-
Reserve arising from subscription of additional shares in a subsidiary	-	-	-	-	-	-	-	-	146	146	(146)	-
Total (expense)/income recognised directly in equity	-	-	(1,100)	-	-	(2,280)	52,522	(1,896)	(50,847)	(3,601)	(724)	(4,325)
Profit for the period	-	-	-	-	-	-	-	-	212,351	212,351	38,055	250,406
Total (expense)/income for the period	-	-	(1,100)	-	-	(2,280)	52,522	(1,896)	161,504	208,750	37,331	246,081
Dividends paid	-	-	-	-	-	-	-	-	(82,583)	(82,583)	-	(82,583)
Dividends paid to minority interests	-	-	-	-	-	-	-	-	-	-	(11,938)	(11,938)
Shares issued pursuant to private placement	25,000	-	31,250	-	-	-	-	-	-	56,250	-	56,250
Shares issued pursuant to exercise of ESOS	14,395	-	6,361	-	-	-	-	-	-	20,756	-	20,756
Share-based payment under ESOS due to modification	-	-	-	-	1,268	-	-	-	-	1,268	-	1,268
Reserve realised upon exercise and forfeiture of ESOS	-	-	-	-	(1,747)	-	-	-	1,747	-	-	-
Share of share-based payment under ESOS by a subsidiary company	-	-	-	-	406	-	-	-	-	406	-	406
Share buybacks by the Company	-	(515)	-	-	-	-	-	-	-	(515)	-	(515)
Subscription of shares by minority interests	-	-	-	-	-	-	-	-	-	-	147	147
Loss recouped from minority interests	-	-	-	-	-	-	-	-	-	-	(19)	(19)
Acquisition of additional shares in subsidiary company	-	-	-	-	-	-	-	-	-	-	(2,169)	(2,169)
Dilution of interest in a subsidiary company due to:												
- conversion of warrants in a subsidiary company	-	-	-	-	-	-	-	-	(3)	(3)	9	6
- resale of treasury shares by a subsidiary company	-	-	-	-	-	-	-	-	(3,502)	(3,502)	12,306	8,804
At 30 September 2007	<b>671,747</b>	<b>(29,597)</b>	<b>99,243</b>	<b>58,919</b>	<b>2,387</b>	<b>(4,438)</b>	<b>52,522</b>	<b>20,549</b>	<b>551,749</b>	<b>1,423,081</b>	<b>334,527</b>	<b>1,757,608</b>

**OSK HOLDINGS BERHAD (207075-U)**
**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Cont'd)**

	Attributable to equity holders of the Company										Minority interests	Total equity
<u>Previous year to date ended</u> <u>30 September 2006 (unaudited)</u>	Share capital	Treasury shares	Share premium	Capital re-demption reserve	Equity compensation reserve	Foreign exchange reserve	Reserve on consolidation	Other reserves	Retained profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2006	625,308	(16,593)	61,029	58,919	-	(127)	76,365	4,827	342,127	1,151,855	208,975	1,360,830
Effect of adoption of FRS 3	-	-	-	-	-	-	(76,365)	-	76,365	-	-	-
As restated	625,308	(16,593)	61,029	58,919	-	(127)	-	4,827	418,492	1,151,855	208,975	1,360,830
Foreign currency translation differences	-	-	-	-	-	890	-	-	-	890	1,423	2,313
Gains on deemed disposal of shares in associated companies	-	-	-	-	-	-	-	6,753	-	6,753	-	6,753
Reserves realised upon actual disposal of shares in associated companies	-	-	-	-	-	-	-	(51)	51	-	-	-
Share of other reserves in associated companies	-	-	-	-	-	-	-	(76)	-	(76)	-	(76)
Minority interests' share of reserves in associated companies	-	-	-	-	-	-	-	(2,832)	-	(2,832)	2,832	-
Reserve arising from subscription of additional equity interest in a subsidiary	-	-	-	-	-	-	-	-	7	7	(7)	-
Total income recognised directly in equity	-	-	-	-	-	890	-	3,794	58	4,742	4,248	8,990
Profit for the period	-	-	-	-	-	-	-	-	63,762	63,762	23,724	87,486
Total income for the period	-	-	-	-	-	890	-	3,794	63,820	68,504	27,972	96,476
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(43,813)	(43,813)	-	(43,813)
Dividends paid to minority interests	-	-	-	-	-	-	-	-	-	-	(18,967)	(18,967)
Share-based payment under ESOS	-	-	-	-	2,859	-	-	-	-	2,859	-	2,859
Reserve realised upon exercise of ESOS	-	-	-	-	(17)	-	-	-	17	-	-	-
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	86,518	86,518
Acquisition of additional shares in subsidiary companies	-	-	-	-	-	-	-	-	230	230	(16,146)	(15,916)
Share buybacks by the Company	-	(9,757)	-	-	-	-	-	-	-	(9,757)	-	(9,757)
Share buybacks by a subsidiary company	-	-	-	-	-	-	-	-	-	-	(52)	(52)
Shares issued pursuant to exercise of ESOS	1,266	-	311	-	-	-	-	-	-	1,577	-	1,577
Subscription of shares by minority interest	-	-	-	-	-	-	-	-	-	-	485	485
Reversal of unutilised share issue expenses in a subsidiary company	-	-	-	-	-	-	-	-	-	-	92	92
At 30 September 2006	626,574	(26,350)	61,340	58,919	2,842	763	-	8,621	438,746	1,171,455	288,877	1,460,332

**OSK HOLDINGS BERHAD (207075-U)**

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Cont'd)**

	Attributable to equity holders of the Company										Minority interests	Total equity
<u>Previous year ended</u>	Share capital	Treasury shares	Share premium	Capital re-demption reserve	Equity compensation reserve	Foreign exchange reserve	Reserve on consolidation	Other reserves	Retained profits	Total		
<u>31 December 2006 (Audited)</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2006	625,308	(16,593)	61,029	58,919	-	(127)	76,365	4,827	342,127	1,151,855	208,975	1,360,830
Effect of adoption of FRS 3	-	-	-	-	-	-	(76,365)	-	76,365	-	-	-
As restated	625,308	(16,593)	61,029	58,919	-	(127)	-	4,827	418,492	1,151,855	208,975	1,360,830
Gains on deemed disposal of shares in associated companies	-	-	-	-	-	-	-	28,444	-	28,444	-	28,444
Reserves realised upon actual disposal of shares in associated companies	-	-	-	-	-	-	-	(51)	51	-	-	-
Foreign currency translation differences	-	-	-	-	-	(2,031)	-	-	-	(2,031)	277	(1,754)
Share issue expenses	-	-	(2)	-	-	-	-	-	-	(2)	-	(2)
Group's share of other reserves in associated companies	-	-	-	-	-	-	-	(1,072)	-	(1,072)	-	(1,072)
Reserve arising from acquisition of additional shares in an indirect subsidiary company	-	-	-	-	-	-	-	339	-	339	(339)	-
Reserve arising from subscription of additional equity interest in a subsidiary company	-	-	-	-	-	-	-	-	7	7	(7)	-
Minority interest's share of reserves in associated companies	-	-	-	-	-	-	-	(10,049)	-	(10,049)	10,049	-
Total (expense)/income recognised directly in equity	-	-	(2)	-	-	(2,031)	-	17,611	58	15,636	9,980	25,616
Profit for the year	-	-	-	-	-	-	-	-	99,501	99,501	31,593	131,094
Total (expense)/income for the year	-	-	(2)	-	-	(2,031)	-	17,611	99,559	115,137	41,573	156,710
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(43,812)	(43,812)	-	(43,812)
Dividends paid to minority interests	-	-	-	-	-	-	-	-	-	-	(20,764)	(20,764)
Shares issued pursuant to exercise of ESOS	7,044	-	1,705	-	-	-	-	-	-	8,749	-	8,749
Share-based payment under ESOS	-	-	-	-	2,859	-	-	-	-	2,859	-	2,859
Reserve realised upon exercise of ESOS	-	-	-	-	(399)	-	-	-	399	-	-	-
Share buybacks by the Company	-	(12,489)	-	-	-	-	-	-	-	(12,489)	-	(12,489)
Share buybacks by a subsidiary company	-	-	-	-	-	-	-	-	-	-	(52)	(52)
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	86,519	86,519
Acquisition of additional shares in subsidiary companies	-	-	-	-	-	-	-	-	(45)	(45)	(17,964)	(18,009)
Subscription of shares by minority interest	-	-	-	-	-	-	-	-	-	-	485	485
Reversal of unutilised share issue expenses in a subsidiary company	-	-	-	-	-	-	-	-	-	-	88	88
At 31 December 2006	632,352	(29,082)	62,732	58,919	2,460	(2,158)	-	22,438	474,593	1,222,254	298,860	1,521,114

(The accompanying explanatory notes attached to the interim financial statements form an integral part of and should be read in conjunction with this quarterly report.)

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007 UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Current year to date ended 30/9/2007 RM'000	Preceding year to date ended 30/9/2006 RM'000	(Audited) Preceding year ended 31/12/2006 RM'000
<b>Cash Flows From Operating Activities</b>			
Profit before taxation	337,632	119,494	161,638
Adjustments for :-			
Gain on disposal of shares in associated companies	(25,465)	(25,998)	(25,998)
Interest expense	54,219	10,242	17,374
Profit payment on BaIDS	2,625	2,625	3,500
Accretion of discount on BaIDS	1,499	1,389	1,867
Interest income	(107,780)	(52,047)	(73,524)
Other non-cash and non-operating items	754	13,452	15,890
Share of profits of associated companies, net of taxation	(9,310)	(14,298)	(18,294)
Operating profit before working capital changes	254,174	54,859	82,453
<i>(Increase)/Decrease in operating assets:</i>			
Deposits and placements with banks and other financial institutions	(440,100)	-	(15,600)
Loans, advances and financing	(88,860)	-	-
Statutory deposits with Bank Negara Malaysia	(53,701)	-	-
Property development costs	(87,153)	(13,745)	(13,745)
Other operating assets	(3,586,481)	(553,465)	(455,869)
<i>Increase/(Decrease) in operating liabilities:</i>			
Deposits from customers	2,007,561	-	-
Deposits and placements of banks and other financial institutions	(102,090)	147,520	102,090
Other operating liabilities	2,274,768	238,417	(18,138)
Cash generated from /(used in) operations	178,118	(126,414)	(318,809)
Income tax paid net of refund	(40,179)	(10,737)	(23,787)
Interest received	96,078	49,280	61,511
Net cash from / (used in) operating activities	234,017	(87,871)	(281,085)
<b>Cash Flows From Investing Activities</b>			
Acquisition of additional shares in subsidiary companies	(2,476)	(18,944)	(21,855)
Acquisition of additional shares in associated companies	-	(18,729)	(18,773)
Acquisition of intangible assets	(4)	-	(135)
Dividend received	8,690	1,724	1,902
Interest received	1,172	2,768	12,013
Net cash outflow on acquisition of subsidiary companies	(16,495)	(45,001)	(45,001)
Net payment from equity/futures/fixed income securities	(11,594)	(5,349)	(6,694)
Payment for merchant bank licence	-	(10,000)	(52,500)
Proceeds from disposal of shares in associated companies	56,925	31,233	31,233
Proceeds from disposal of long term investments in shares	23,184	8,971	18,352
Purchase of long term investments	(23,727)	(56,017)	(91,761)
Purchase of property, plant and equipment, net of sales proceeds	(12,055)	(8,969)	(14,169)
Subscription of preference shares	(165)	-	-
Net cash from / (used in) investing activities	23,455	(118,313)	(187,388)

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007 UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (Cont'd)

	<b>Current year to date ended 30/9/2007 RM'000</b>	Preceding year to date ended 30/9/2006 RM'000	(Audited) Preceding year ended 31/12/2006 RM'000
<b>Cash Flows From Financing Activities</b>			
Dividends paid to shareholders	(35,307)	(43,812)	(43,812)
Dividends paid to minority interests	(11,938)	(18,967)	(20,764)
Drawdown of term loan	70,000	100,000	100,000
Interest paid	(59,671)	(10,242)	(15,877)
Net drawdown of revolving credits/short term loans	109,078	91,901	132,004
Payments of BaIDS and borrowing expenses	(464)	-	(56)
Payments of BaIDS profits	(1,750)	(1,750)	(3,500)
Payments of finance lease instalments	(503)	(318)	(452)
Payments of share buybacks by the Company	(515)	(9,757)	(12,489)
Payments of share issue expenses	(1,101)	-	-
Proceeds from exercise of warrants in a subsidiary company	6	-	-
Proceeds from issuance of commercial papers	-	96,740	252,616
Proceeds from issuance of shares for ESOS exercised	20,756	1,594	8,748
Proceeds from issuance of shares for Private Placement	56,250	-	-
Proceeds from resale of treasury shares by a subsidiary company	8,804	-	-
Proceeds from rights issue application in a subsidiary company	35,245	-	-
Proceeds from subscription of shares by minority shareholders	147	-	485
Repayment of commercial papers	(199,097)	-	-
Repayment of term loan	(17,277)	(3,289)	(3,289)
Net cash (used in) / from financing activities	<u>(27,337)</u>	202,100	393,614
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>230,135</b>	(4,084)	(74,859)
Effects of exchange rate changes	(1,839)	2,588	(1,585)
<b>Cash and cash equivalents at beginning of period / year</b>	<b>169,372</b>	245,816	245,816
<b>Cash and cash equivalents at end of period / year</b>	<b><u>397,668</u></b>	244,320	169,372
Cash and cash equivalents at end of period / year comprised:			
Cash, bank balances and deposits - General accounts	419,610	273,955	180,436
Bank overdrafts	(21,942)	(29,635)	(11,064)
	<b><u>397,668</u></b>	244,320	169,372

(The accompanying explanatory notes attached to the interim financial statements form an integral part of and should be read in conjunction with this quarterly report.)

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### PART A - Explanatory Notes Pursuant to Financial Reporting Standard 134 ("FRS 134") Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB")

#### A1. Accounting policies

The quarterly report has been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting issued by the MASB. The report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2006 and the accompanying explanatory notes. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2006.

OSK Investment Bank Berhad (formerly known as OSK Securities Berhad) ("OSKIB") has been given a year from the date of inception of its investment bank status to comply with the requirements of the "Revised Guidelines on Financial Reporting for Licensed Institutions" ("BNM/GP8"). Therefore, the Group and OSKIB are required to comply with BNM/GP8 for the financial statements beginning 1 January 2008.

The significant accounting policies and methods of computation adopted by the Group in this quarterly report are consistent with those of the annual financial statements for the year ended 31 December 2006 except for the adoption of the following new and revised Financial Reporting Standards and Amendment issued by MASB that are effective for financial statements beginning 1 January 2007: -

FRS 6	Exploration for and Evaluation of Mineral Resources
FRS 117	Leases
FRS 124	Related Party Disclosures
Amendment to FRS 119 <sub>2004</sub>	Employee Benefits

The Group has early adopted the Amendment to FRS 121: -

Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
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FRS 6 is not relevant to the Group's operations. The adoption of Amendment to FRS 119<sub>2004</sub>, FRS 124 and Amendment to FRS 121 does not have a significant financial impact on the Group. The effects of the changes in accounting policies resulting from the adoption of FRS 117 are as follows:-

#### FRS 117: Leases

##### (a) Leasehold land held for own use

Prior to 1 January 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease, the minimum lease payments or the upfront payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The upfront payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### A1. Accounting policies (Cont'd)

#### FRS 117: Leases (Cont'd)

##### (a) Leasehold land held for own use (Cont'd)

Upon adoption of the revised FRS 117 on 1 January 2007, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions. There were no effects on the consolidated income statement for the preceding year to date. The restatement of certain comparatives are shown below:

<b>Consolidated Balance Sheets</b>	<b>As previously stated RM'000</b>	<b>Effect of FRS 117 RM'000</b>	<b>As restated RM'000</b>
<b>As at 30 September 2006</b>			
Property, plant and equipment	169,357	(11,176)	158,181
Prepaid land lease payments	-	11,176	11,176
<b>As at 31 December 2006</b>			
Property, plant and equipment	171,736	(11,146)	160,590
Prepaid land lease payments	-	11,146	11,146

##### (b) Initial direct costs

Prior to 1 January 2007, the Group, as a lessor in operating lease arrangements, had recognised initial direct costs incurred in negotiating and arranging leases as an expense in the income statement in the period in which they were incurred. The revised FRS 117 requires such costs to be added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. According to the revised FRS 117, this change in accounting policy should be applied retrospectively. The Group does not incur significant initial direct costs on negotiating and arranging leases and as a result, this change in accounting policy did not materially affect the financial statements of the Group.

### A2. Auditors' report of preceding annual financial statements

The audit report of the Group's preceding year financial statements was not qualified.

### A3. Seasonal or cyclical factors

There were no significant seasonal or cyclical factors that will materially affect the business operations of the Group for the period under review other than the stock broking operations which is dependent on the stock market performance; and the profit of OSK Ventures International Berhad ("OSKVI") group, a subsidiary group of the Company, is influenced by, amongst others, the share of profits of associated companies as well as the timing of disposal of investments by OSKVI group.

### A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the financial statements for the current year to date.

### A5. Material changes in estimates

There were no significant changes in estimates of amounts reported in prior interim periods or prior financial year that have a material effect in the current year to date.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### A6. Changes in debt and equity securities

(a) Executive Share Option Scheme (“ESOS”) of the Company

During the current year to date, the Company has issued 14,394,660 new ordinary shares of RM1 each for cash at the respective exercise prices pursuant to the ESOS and the total cash proceeds arising from the exercise of options amounted to RM20,756,359. The movement in the ESOS during the current financial year to date is as follows:

Date of offer	Exercise price RM	No. of options over ordinary shares of RM1 each				
		As at 1/1/2007	Granted	Exercised	Forfeited	As at 30/9/2007
27 Jun 2003	1.33	3,660,200	-	(1,827,200)	-	1,833,000
16 Mar 2004	1.95	9,000,000	-	(3,506,060)	(138,500)	5,355,440
29 Apr 2005	1.18	6,026,900	-	(4,634,100)	-	1,392,800
3 May 2006	1.36	9,545,200	-	(4,427,300)	(38,700)	5,079,200
		28,232,300	-	(14,394,660)	(177,200)	13,660,440

On 4 January 2007, the duration of ESOS which was due to expire on 17 February 2008 had been extended for another 5 years to 17 February 2013.

(b) Share buybacks / Treasury shares of the Company

During the current year to date, the Company has purchased 263,100 ordinary shares of RM1 each for a total cash consideration of RM515,326 from the open market at an average price of RM1.96 per share. The shares repurchased are being held as treasury shares and treated in accordance with the requirements of Section 67A of the Companies Act, 1965. Details of share buybacks for the current year to date are as follows:

	Number of shares	Highest price RM	Lowest price RM	Average cost RM	Total amount paid RM
As at 1 January 2007	23,783,212	1.88	0.90	1.22	29,081,537
January 2007	263,000	1.95	1.95	1.96	515,031
May 2007	100	2.82	2.82	2.95	295
	263,100	2.82	1.95	1.96	515,326
As at 30 September 2007	24,046,312	2.82	0.90	1.23	29,596,863

(c) Private placement of the Company

On 26 February 2007, the Company issued 25,000,000 new ordinary shares of RM1 each to Koperasi Permodalan Felda Berhad at RM2.25 per share pursuant to the Private Placement of the Company and the said shares was granted listing and quotation on 7 March 2007. The Private Placement provides an avenue for the Company to increase its Bumiputera equity shareholdings. The total funds of RM56,250,000 raised will be utilised for the Group's working capital requirements.

Other than the above, there were no cancellations, resale and repayments of debt and equity securities for the current year to date.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### A7. Dividend paid

A final dividend of 7.5 sen per share less 27% income tax amounted to RM35,307,086 in respect of the preceding financial year ended 31 December 2006 was paid on 21 May 2007.

### A8. Segmental information

Please refer to Appendix 1.

### A9. Valuations of property, plant and equipment

There were no revalued property, plant and equipment as at 30 September 2007.

### A10. Material events subsequent to the end of the quarter

- (a) Merger of Stock Broking Activities of OSK Investment Bank Berhad (formerly known as OSK Securities Berhad) ("OSKIB") and Futures and Options Broking Activities of OSK Futures and Options Sdn Bhd ("OSKFO") ("the Merger")

OSKIB, a wholly-owned subsidiary company of the Company, had on 15 November 2006 entered into a Business Merger Agreement ("BMA") with its wholly-owned subsidiary company, OSKFO, to merge its stock broking activities with the futures and options broking activities of OSKFO. On 16 November 2006, Bursa Malaysia Derivatives Berhad, Bursa Malaysia Derivatives Clearing Berhad had granted their approvals in-principle for the Merger. The Securities Commission ("SC") has also on 7 May 2007 agreed in principle for the Merger.

The Merger is a strategic move for OSKIB Group to create a larger and more robust securities and futures broking company. The broking operations of OSKIB and OSKFO are being combined to gain the business and operational synergies and economies of scale in terms of more effective use of its resources and cost savings from the integration process. The Merger is also in line with the recommendation of the Malaysia's Capital Market Masterplan for common trading platform for stocks and futures.

On 2 August 2007, the High Court of Malaya has granted a Vesting Order upon the joint application of OSKIB and OSKFO for the transfer of the business from OSKFO to OSKIB pursuant to Section 124(B) of the Securities Commission Act, 1993.

On 1 October 2007, the Merger was completed and OSKIB has commenced the futures and options business.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### A10. Material events subsequent to the end of the quarter (Cont'd)

(b) Rights Issue by OSK Property Holdings Berhad ("OSKPH")

On 21 May 2007, OSKPH proposed to undertake a renounceable rights issue of up to 149,994,000 new ordinary shares of RM1 each in OSKPH ("Rights Share(s)") with up to 74,997,000 free detachable new warrants ("OPKPH Warrant(s) B") on the basis of two (2) Rights Shares with one (1) free detachable warrant for every two (2) existing ordinary shares of RM1 each in OSKPH ("OSKPH Share(s)" or "Share(s)") held on entitlement date. OSKPH has obtained all required approvals from the relevant authorities.

The rationale for the Rights Issue is (i) to provide the shareholders of OSKPH an opportunity to further increase their equity participation in OSKPH; (ii) to raise additional working capital for the OSKPH Group; and (iii) the free OSKPH Warrants B attached to the Rights Shares are expected to provide the shareholders of OSKPH an incentive to subscribe for the Rights Shares. It would also enable the entitled shareholders to benefit from the future growth of OSKPH and any potential capital appreciation arising thereof. OSKPH would then be able to raise further proceeds as and when any of the OSKPH Warrants B is exercised.

Arising from the Rights Issue, the existing Warrants A of OSKPH at exercise price RM1.10 was adjusted to RM1.00 accordingly and the adjusted exercise price shall take effect from 5 September 2007.

The Rights Issue has raised a total proceeds of RM99,999,493 based on issue price of RM1 per Rights Share. The proceeds are to be utilised mainly for working capital, redemption of 1st tranche Al-Bai' Bithaman Ajil Islamic Debt Securities due on 6 April 2008 of RM25 million and estimated Rights Issue expenses of RM1.46 million.

On 5 October 2007, the Rights Issue was completed upon issuance of 99,999,493 new ordinary shares of RM1 each; and 49,998,801 Warrants B. The Rights Issue and Warrants B were admitted to the Official List of Bursa Malaysia Securities Berhad and granted listing and quotation on the Main Board of Bursa Malaysia Securities Berhad with effect from 5 October 2007.

(c) Acquisition of Perspektif Vista Sdn. Bhd. ("PV")

On 9 October 2007, OSKPH acquired the entire issued and paid-up share capital of PV comprising two (2) ordinary shares of RM1 each for a cash consideration of RM2 only.

PV was incorporated in Malaysia under the Companies Act, 1965 on 31 August 2007 with an authorised share capital of RM100,000 divided into 100,000 ordinary shares of RM1 each. PV is presently dormant and its principal activity will be property management and development.

Effectively, PV has become a wholly-owned subsidiary company of OSKPH and an indirect subsidiary company of the Company.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### A10. Material events subsequent to the end of the quarter (Cont'd)

(d) Acquisition of UOB Trustees (Malaysia) Berhad ("UOBT")

On 5 June 2007 the Company and its wholly-owned subsidiary companies ("the Purchasers") as listed below entered into a Sale and Purchase Agreement with the following shareholders ("the Vendors") of UOB Trustees (Malaysia) Berhad ("UOBT") for the acquisition of the entire issued share capital of UOBT comprising 100,000 ordinary shares of RM10 each and partly paid-up to RM5 each ("Sale Shares") which were held equally by the Vendors for a total purchase consideration of RM800,000 ("the Acquisition of UOBT "): -

The Purchasers	The Vendors
OSK Holdings Berhad	United Overseas Bank (Malaysia) Berhad
OSK Investment Bank Berhad (Formerly known as OSK Securities Berhad)	UOB Smart Solutions Sdn. Bhd.
OSK Nominees (Tempatan) Sdn Berhad	UOB Credit Berhad
KE-ZAN Nominees (Tempatan) Sdn Bhd	UOB 2006 Nominees (Tempatan) Sdn. Bhd.
TCL Nominees (Tempatan) Sdn Bhd	UOB 2006 Nominees (Asing) Sdn. Bhd.

UOBT is a public limited company with an authorised capital of RM1,000,000 comprising 100,000 ordinary shares of RM10 each of which 100,000 ordinary shares of RM10 each have been issued and half of the amount of every ordinary share (RM5) has been paid with the remaining half (RM5) unpaid in accordance with the requirement of Section 3(c) of the Trust Companies Act 1949. The principal activities of UOBT are to engage in the business of trustee agent, executor and administrator pursuant to the Trust Companies Act, 1949.

The acquisition of UOBT enables the Group to increase the scale of operations and expand its market share in the provision of trustee services, enhancing the future performance of the Group and thus the shareholders' value of the Company.

The acquisition of UOBT was completed on 2 November 2007 and UOBT has become a wholly-owned subsidiary company of the Group.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### A11. Changes in the composition of the Group

(a) Acquisition of 50% equity interest in OSK Wealth Planners Sdn Bhd ("OSKWP")

On 23 February 2007, the Company completed the acquisition of the balance of 50% equity interest represented by 725,000 ordinary shares of RM1 each in OSKWP from Equitable Investment Co. (Hong Kong) Ltd for a total cash consideration of RM1. Effectively, OSKWP became a wholly-owned subsidiary company of the Company.

(b) Acquisition of OSK Asia Finance Limited (formerly known as Sunway Finance Limited) ("OSKAFin") by OSK Asia Holdings Limited ("OSKAH")

On 21 March 2007, OSKAH, an indirect subsidiary company via its wholly-owned subsidiary company, OSKIB, acquired the entire issued and paid-up share capital of OSKAFin, comprising one (1) ordinary share of HKD1 for a cash consideration of HKD1.

OSKAFin was incorporated in Hong Kong on 15 February 2007 under the name of Sunway Finance Limited and thereafter change to its present name on 4 April 2007. Currently, OSKAFin has an authorised share capital of HKD10,000 divided into 10,000 ordinary shares of HKD1 each and paid-up share capital of HKD1 comprising one (1) ordinary share of HKD1.

Effectively, OSKAFin has become a wholly-owned subsidiary company of OSKAH and an indirectly subsidiary company of OSKIB and of the Company.

(c) Acquisition of Atria Damansara Sdn Bhd (formerly known as Nexus Empire Sdn. Bhd.) ("AD")

On 24 April 2007, OSK Property Holdings Berhad ("OSKPH"), a subsidiary company, acquired the entire issued and paid-up share capital of AD comprising two (2) ordinary shares of RM1 each for a cash consideration of RM2.

AD was incorporated in Malaysia under the Companies Act, 1965 on 25 January 2007 with an authorised share capital of RM100,000 divided into 100,000 ordinary shares of RM1 each. The principal activities of AD is property management and development.

Effectively, AD has become a wholly-owned subsidiary company of OSKPH and an indirect subsidiary company of the Company.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### A11. Changes in the composition of the Group (Cont'd)

(d) Subscription of additional shares in OSK Asia Holdings Limited ("OSKAH") by OSKIB

On 30 April 2007, OSKIB, a wholly-owned subsidiary company, had increased its equity interest in OSKAH from 87.50% to 91.01% through subscription of additional 50,000,000 new ordinary shares of HKD1 each in OSKAH.

With the above, the total issued and paid-up share capital of OSKAH had increased from HKD128,000,000 to HKD178,000,000.

(e) Members' voluntary winding-up of OSK Melaka Sdn. Bhd. ("OSKM")

On 16 May 2007, OSKPH completed the members' voluntary winding-up of OSKM, a wholly-owned subsidiary company of OSKPH.

(f) Acquisition of Ernst & Young Corporate Finance Limited ("EYCF") by OSK Asia Holdings Limited ("OSKAH") ("Acquisition of EYCF")

On 31 May 2007, OSKAH, an indirect subsidiary company in Hong Kong via OSKIB, completed the acquisition of the entire issued and paid-up share capital of EYCF, comprising of 1,000,000 ordinary shares of HKD1 each and 9,000,000 Deferred Shares of HKD1 each at a total purchase consideration of HKD 15,565,731. The principal activities of EYCF is provision of corporate finance advisory services.

EYCF is licensed by the Securities and Futures Commission of Hong Kong to conduct Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) of the regulated activities under the Securities and Futures Ordinance of the Laws of Hong Kong.

Effectively, EYCF has become a wholly-owned subsidiary company of OSKAH and an indirect subsidiary company of OSKIB and of OSKH. On 31 May 2007, the name of EYCF was changed to OSK Asia Capital Limited.

(g) Disposal of entire equity interest in ECO Industrial Environmental Engineering Pte Ltd ("ECO")

On 31 May 2007, OSK Ventures International Limited (formerly known as Future View Investments Limited), a wholly-owned subsidiary company of OSK Ventures International Berhad ("OSKVI") which in turn is a subsidiary company of the Company, disposed the entire equity interest in ECO, a 27.56% owned associated company of OSKVI, for a total cash consideration of SGD11,900,000 or RM26,413,240 equivalent.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### A11. Changes in the composition of the Group (Cont'd)

(h) Acquisition of OSK Infrastructure Investments Limited ("OSKII")

On 29 June 2007, OSKVI acquired one (1) ordinary share of HKD1 in OSKII, representing the entire issued and paid-up share capital of OSKII for a cash consideration of HKD1 (equivalent to RM0.4555).

OSKII was incorporated on 22 June 2007 as a limited company in Hong Kong. The authorised share capital of OSKII is HKD10,000 comprising 10,000 shares of which one (1) share has been issued and was fully paid-up. The principal activity of OSKII is that of investment holding and private equity business.

Pursuant to the Acquisition, OSKII has become a wholly-owned subsidiary of OSKVI and an indirect subsidiary company of the Company.

(i) Incorporation of iFast Capital Sdn. Bhd. ("iFast Cap")

On 1 August 2007, iFast Cap has been incorporated to carry on the business as governed in the Joint Venture Agreement as disclosed in B9 (a)(ii) with an initial issued and paid-up share capital of RM100,000 divided into 100,000 ordinary shares of RM1 each of which OSK-UOB Unit Trust Management Berhad, a 70% owned subsidiary company of OSKIB, owns 49% of shareholdings in iFast Cap.

(j) Acquisition of Semponia Sdn Bhd ("Semponia") and Country Wheels Sdn Bhd ("Country Wheels")

On 7 August 2007, OSKPH entered into two separate Share Sales Agreements ("SSAs") with Encik Ahmad Azmi bin Noordin and Encik Mohamed Nazari bin Noordin for acquisition of 51,000 ordinary shares of RM1 each representing 51% equity interest in Semponia and 51,000 ordinary shares of RM1 each representing 51% equity interest in Country Wheels respectively, for a cash consideration of RM7,650,000 each ("Acquisition of Semponia and Country Wheels").

Semponia is a private company limited by shares incorporated on 20 September 2002, under the Companies Act, 1965 with an authorised capital of RM100,000 divided into 100,000 ordinary shares of RM1 each of which all ordinary shares have been issued and paid-up. The principal activity of Semponia is property development.

Country Wheels is a private company limited by shares incorporated on 5 July 2002, under the Companies Act, 1965 with an authorised capital of RM100,000 divided into 100,000 ordinary shares of RM1 each of which all ordinary shares have been issued and paid-up. The principal activity of Country Wheel is property development.

Semponia and Country Wheels had on 20 August 2003 entered into a joint venture agreement with Permodalan Negeri Selangor Berhad ("PNSB") to jointly develop a mixed development project on two pieces of land in Pekan Baru Sungai Buloh, held under H.S. (D) 239874, PT 9814 measuring approximately 202,481 sq metres and H.S. (D) 239875, PT 9815 measuring approximately 202,481 sq metres respectively. PNSB is the beneficial owner of the two pieces of land.

Effectively, Semponia and Country Wheels have become 51% owned subsidiary companies of OSKPH and indirect subsidiary companies of the Company.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### A11. Changes in the composition of the Group (Cont'd)

- (k) Subscription of additional shares in OSK Asia Futures Limited ("OSKAF") by OSK Asia Holdings Limited ("OSKAH")

On 20 August 2007, OSKAH, a 91.01% owned subsidiary company via OSKIB, had subscribed for 10,000,000 new ordinary share of HKD1 each in its wholly-owned subsidiary company, OSKAF, for working capital purpose.

With the above, the total issued and paid-up share capital of OSKAF had increased from HKD25,000,000 to HKD35,000,000.

- (l) Transfer of 1,450,000 ordinary shares of RM1 each, which represents 100% of the total issued paid-up share capital of OSK Wealth Planners Sdn Bhd ("OSKWP") from the Company to OSK-UOB Unit Trust Management Berhad ("OUTM") ("the Transfer of Shares")

On 20 August 2007, the Company completed the disposal of its entire equity interest in OSKWP, comprising 1,450,000 ordinary shares of RM1 each to its 70% owned indirect subsidiary company, OUTM, via OSKIB, pursuant to the Sale and Purchase Agreement entered on 14 May 2007 for a cash consideration of RM1.

The Transfer of Shares will enable the Group to streamline its fund management, financial planning business and its related financial activities under its wholly-owned subsidiary company, OSKIB, and also to ensure a more efficient use of its resources.

By virtue of the Transfer of Shares, OSKWP became a wholly-owned subsidiary company of OUTM and an indirect subsidiary company of the Company.

- (m) Purchase of additional shares in OSKVI

During the current year to date, the Company purchased additional 983,400 shares of RM1 each in OSKVI at a total cost of RM2,475,892 from the open market. For current year to date, the Company's equity interest in OSKVI increased to 65.78% as at 30 September 2007 from 65.13% as at 31 December 2006.

By virtue of the above purchases, the Group also increased its effective equity interest in an indirect subsidiary company, Finexasia.com Sdn. Bhd. ("Finex") to 71.61% as at 30 September 2007 from 71.29% as at 31 December 2006.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### A11. Changes in the composition of the Group (Cont'd)

- (n) Resale of treasury shares by OSK Property Holdings Berhad ("OSKPH") and exercise of Warrants A at OSKPH

During the current year to date, OSKPH, a subsidiary company, had re-sold 6,628,600 treasury shares of RM1 each for a total cash consideration of RM8,804,139 to the open market; and 5,195 Warrants A of OSKPH have been exercised for conversion into 5,195 new ordinary share of RM1 each at OSKPH for a total cash proceeds of RM5,715.

With the above resale of treasury shares and conversion of Warrants A, the Company's equity interest in OSKPH decreased to 60.03% as at 30 September 2007 from 64.30% as at 31 December 2006.

- (o) Partial disposal of equity interest in Green Packet Holdings Berhad ("GPB")

During the current year to date, OSK Technology Ventures Sdn Bhd, a subsidiary company of OSKVI, had disposed 6,500,000 ordinary shares of RM1 each in GPB for a total cash consideration of RM31,049,062 to the open market.

Following the above partial disposal, the Group's equity interest in GPB decreased to 16.00% as at 30 September 2007 from 17.46% as at 31 December 2006 .

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### A11. Changes in the composition of the Group (Cont'd)

The effect of the acquisitions of subsidiary companies as disclosed above had the following effect on the Group's financial results for the current year to date:

The cost of acquisitions and cash outflow on acquisitions are as follows:

	<b>RM'000</b>
Purchase consideration satisfied by cash	22,087
Costs attributable to the acquisitions, paid in cash	93
Total cost of acquisitions	<u>22,180</u>
Cash and cash equivalents of subsidiary companies acquired	(5,685)
Net cash outflow of the Group	<u>16,495</u>

These new subsidiary companies had contributed the following financial results to the Group:

	<b>Date of acquisitions to</b>
	<b>30.9.2007</b>
	<b>RM'000</b>
Revenue	1,909
Profit before taxation	435
Profit for the period	<u>323</u>

If the acquisitions had been effected on 1 January 2007, the financial results contributed by these new subsidiary companies for current year to date would have been:

	<b>1.1.2007 to</b>
	<b>30.9.2007</b>
	<b>RM'000</b>
Revenue	4,161
Profit before taxation	1,155
Profit for the period	<u>954</u>

The fair values of assets and liabilities recognised upon acquisitions on the dates of completion were as follows:

	<b>As at date of</b>
	<b>acquisitions</b>
	<b>RM'000</b>
Property, plant and equipment	12
Land held for property development	15,361
Security deposits	44
Trade and other receivables	1,414
Cash and bank balances - General accounts	5,684
Other payables and accruals	(499)
Tax payable	(74)
Fair value of total net assets	<u>21,942</u>
Minority interests	-
Group's share of net assets	<u>21,942</u>
Add: Goodwill on consolidation	238
Total acquisition costs	<u>22,180</u>

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### A12. Changes in contingent liabilities or contingent assets since 31 December 2006

As at 30 September 2007, the unsecured contingent liabilities of the Group are as follows:

	RM'000
Bank guarantee provided by OSKIB to Bursa Malaysia Securities Clearing Sdn. Bhd. ("the Securities Clearing") (Note a)	1,052
Contingent liabilities arising from guarantees given by the Unit Trust subsidiary to the Trustee of certain unit trust Funds (Note b)	-
	<u>1,052</u>

Note:

- (a) OSKIB provided a bank guarantee of RM1,051,705 to the Securities Clearing to ensure minimum disruption to the clearing and settlement system as a result of the failure of any trading clearing participants.
- (b) OSK-UOB Unit Trust Management Berhad ("OUTM") is principally engaged in the management of unit trusts funds, had entered into an agreement with two licensed commercial banks ("the Banks") to provide unconditional and irrevocable guarantees to the Trustee (on behalf of the Unit Holders) of OSK-UOB Capital Guaranteed Funds – Series 1; OSK-UOB Capital Guaranteed Funds – Series 2 and OSK-UOB Capital Guaranteed BRIC Fund ("the Funds") which guarantee the payment of capital value of RM1.00 per unit of the Funds at respective maturity dates, in the event that the net asset value of the Funds is less than the capital value as at the maturity dates.

Inter-alia, OUTM undertakes to reimburse the Banks in full the shortfall, if any, which may be paid by the Banks to the Unit Holders pursuant to the above-mentioned guarantees at the respective maturity dates.

The contingent liabilities of OUTM are quantified annually until the date of maturity and is based on the total units in circulation and differences between the capital value and net asset value of the Funds. As at 30 September 2007, there is no contingent liability to the Company based on the units in circulation and net asset value per unit of the Funds:

Type of funds	Maturity date	Units in circulation	NAV per unit RM
OSK-UOB Capital Guaranteed Funds - Series 1	5 November 2008	52,930,000	1.2566
OSK-UOB Capital Guaranteed Funds - Series 2	2 August 2008	255,070,000	1.1292
OSK-UOB Capital Guaranteed BRIC Fund	31 October 2009	150,850,000	1.0266

The amount of contingent liabilities may fluctuate annually depending on the total units in circulation and net asset value of the Funds. Any materialisation of the contingent liabilities will only be determined on the maturity dates of the Funds, depending on the number of units and net asset value of the Funds on those dates.

In return for the guarantees, the Trustee placed a certain amount of the proceeds from sale of units of the Funds in Negotiable Instruments of Deposits ("NIDs") which are issued by the Banks and other banks that have a minimum rating of A and will yield a nominal value equivalent to RM1.00 for every unit held by the Unit Holders at the respective maturity dates.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### **PART B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities")**

#### **B1. Review of the performance of the Company and its principal subsidiaries**

*(Commentary on current quarter and current year to date)*

The Group recorded a commendable performance in the third quarter continuing the growth momentum in the first half of 2007 after OSK Investment Bank Berhad (formerly known as OSK Securities Berhad) became an investment bank in January 2007. The Group's revenue improved by 141% to RM294.09 million for the quarter under review as compared to RM122.12 million in the corresponding quarter of the preceding year. The Group's pre-tax profit for the third quarter of 2007 more than doubled to RM90.44 million as compared to RM43.53 million in the corresponding quarter last year.

For the same period, the Group's profit attributable to the equity holders (i.e. profit after tax and after minority interests) surged by 145% from RM22.02 million to RM53.91 million. The Group's earnings per share increased from 3.62 sen per share for the third quarter last year to 8.33 sen per share in the corresponding quarter this year, representing an improvement of over 130%.

On a year-to-date (YTD) basis, the Group's revenue of RM877.40 million for the first 9 months in 2007 improved by 125% as compared to the corresponding period in 2006. The Group recorded pre-tax profit of RM337.63 million for the 9-month period in 2007, which has surpassed the profit for last year's corresponding period by 183%. In addition, the 9-month pre-tax profit has more than doubled 2006's full year profit.

The Group's strong performance is due to higher profit contributions from stockbroking, investment banking, private equity and equity financing. With the buoyant regional equity market in the first half of 2007, OSK's regional stockbroking and futures businesses and related activities achieved an impressive profit growth in the third quarter of 2007, which accounted for approximately 51% of the Group's year to date pre-tax profit. Out of this total, the Malaysia stockbroking operations contributed 31% of total pre-tax profit, while the Group's overseas operations in Singapore and Hong Kong contributed RM68.62 million, which accounted for about 20% of the Group's pre-tax profit, representing an increase from 17% for the 6-month period ended 30 June 2007.

Contribution from investment banking accounted for about 27% of the Group's YTD pre-tax profit with significant contributions from corporate finance, debt capital markets activities as well as derivatives and structured products. The Group's private equity business (i.e. venture capital business) accounted for 11% of the Group's pre-tax profit for the 9-month period albeit a lower profit contribution in the third quarter of this year, due to no major divestment of investment in the third quarter of 2007. Both equity financing and unit trust activities achieved record profits for the 9-month period, contributing about 5% and 3% respectively.

The strong results were achieved despite marginal contributions from the Group's properties activities, which contributed only RM9.25 million in pre-tax profit, representing about 3% of the Group's profit. The Group is confident that the properties segment will show better results for the remaining of the year.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### **B2. Material change in quarterly profit before taxation**

*(Comparison on current quarter with immediate preceding quarter)*

The Group reported pre-tax profit of RM90.44 million for the third quarter of 2007 as compared to RM128.00 million achieved for the immediate preceding quarter. This lower profit contribution is mainly due to relatively lower activities in the equity market due to uncertainty arising from the upheaval in the sub-prime mortgage market in the United States of America. Profit contribution from stockbroking activities declined from RM61.10 million in the second quarter to RM42.10 million in the third quarter of 2007. However, profit contribution from investment banking activities doubled to RM33.29 million in the third quarter from RM16.85 million in the second quarter of this year. The lower profit for the third quarter is also due to lower profit contribution from the private equity business as no major divestment of investment was undertaken in the quarter under review.

### **B3. Current year prospects and progress on previously announced revenue or profit forecast**

#### **(a) Current year prospects**

*(Commentary on the remaining year)*

The regional bourses performed well in the first 9 months of 2007 with strong capital market activities albeit a slow down in the third quarter. However, the recent turmoil arising from non-performing subprime mortgages in the United States of America and the rising crude oil price have caused uncertainty and may have adverse implications to the global financial markets. While this is a significant concern for all market players, the Board is of the view that the markets OSK is operating in will continue to have strong fundamentals and should be able to resume their growth after this period of uncertainty is over. Further, with a prudent management approach coupled with the Group's well-diversified capital market products and its regional forays, the Board is confident that the Group will be able to manage a better performance despite market difficulties and maintain its strong earnings for our shareholders for the rest of 2007.

#### **(b) Progress and steps to achieve revenue or profit estimate, forecast, projection and internal targets previously announced**

There was no revenue or profit forecast announced by the Company.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### B4. Statement of the Board of Directors' opinion on achievability of revenue or profit estimate, forecast, projection and internal targets previously announced

There was no revenue or profit forecast announced by the Company.

### B5. Profit forecast / profit guarantee

There was no profit forecast or profit guarantee issued by the Company.

### B6. Income tax expense

	Current quarter ended 30/9/2007 RM'000	Current year to date ended 30/9/2007 RM'000
In respect of the current quarter / year to date		
- Malaysian income tax	20,204	75,194
- Foreign income tax	4,936	12,694
- Deferred taxation	(269)	(901)
	<hr/>	<hr/>
	24,871	86,987
In respect of the prior year		
- Malaysian income tax	104	239
	<hr/>	<hr/>
	24,975	87,226

### B7. Sales of unquoted investments and / or properties

There were no sales of unquoted investments except for the venture capital businesses which have been exempted from disclosure on the net effect of sale of unquoted securities during the current year to date. There were no sales of properties during the current year to date.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### B8. Quoted securities

Particulars of purchase and disposal of quoted securities by the Group are as follows:

- (a) Total purchase consideration, sale proceeds and profits results arising therefrom (except for the subsidiary companies engaged in stockbroking, investment banking and venture capital businesses which have been exempted from this disclosure):

	<b>Current quarter ended 30/9/2007 RM'000</b>	<b>Current year to date ended 30/9/2007 RM'000</b>
Total purchase consideration	<b>78,625</b>	<b>145,185</b>
Total sale proceeds	<b>80,819</b>	<b>126,988</b>
Net profit on disposals	<b>41</b>	<b>1,983</b>

- (b) Investments in quoted securities (including listed associated companies) as at 30 September 2007 (except for the subsidiary companies engaged in stockbroking and investment banking which have been exempted from this disclosure):

	<b>Associated companies RM'000</b>	<b>Other investments RM'000</b>
Quoted shares at cost:		
In Malaysia	<b>128,070</b>	<b>14,915</b>
Outside Malaysia	<b>5,588</b>	<b>17,827</b>
	<b>133,658</b>	<b>32,742</b>
Share of post-acquisition reserves	<b>59,253</b>	<b>-</b>
At carrying amount	<b>192,911</b>	<b>32,742</b>
Market value of quoted shares:		
In Malaysia	<b>270,824</b>	<b>19,228</b>
Outside Malaysia	<b>17,314</b>	<b>19,723</b>
	<b>288,138</b>	<b>38,951</b>

Investments in associated companies comprise investments in Green Packet Berhad, MNC Wireless Berhad, eBworx Berhad, mTouche Technology Berhad and GMO Limited.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### B9. Status of corporate proposals and utilisation of proceeds

#### (a) Status of corporate proposals announced but not completed as at 20 November 2007

- (i) Joint Venture Agreement ("JVA") between OSK Investment Bank (Labuan) Limited ("OSKIBL"), Washington Square Investment Management (Asia Pacific) Limited ("WSQAP") and H.E. Khalid Ali Al Bustani ("Mr. Bustani")

On 16 November 2006, OSKIBL, a wholly-owned subsidiary of the Company, entered into a JVA with WSQAP and Mr. Bustani to set up a joint-venture company in Dubai International Financial Centre ("DIFC") to offer financial products, investment and corporate advisory services.

Pursuant to the JVA, OSKIBL and WSQAP will each hold a 42.5% stake in the joint venture company and the remaining 15% will be held by Mr. Bustani. This is subject to approvals of the relevant authorities of DIFC for the establishment of the joint venture company.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### B9. Status of corporate proposals and utilisation of proceeds

#### (a) Status of corporate proposals announced but not completed as at 20 November 2007

- (ii) Joint Venture Agreement ("JVA 1") between OSK-UOB Unit Trust Management Berhad ("OUTM"), iFAST Corporation Pte Ltd ("iFAST Corp") and Mr Lim Chung Chun ("LCC")  
Joint Venture Agreement ("JVA 2") between OSK Investment Bank Berhad ("OSKIB") and iFAST Corp

On 12 February 2007, OUTM, a 70% owned subsidiary company of OSKIB which is wholly-owned subsidiary company, entered into a JVA 1 with iFAST Corp and LCC (collectively defined as "Parties") to establish a joint venture company ("Newco") for the purpose of dealing in unit trust funds in Malaysia, including acting as an Institutional Unit Trust Agent, operating a unit trust-related website, investment management services and other ancillary services. The proposed shareholdings in Newco is 49% by OUTM, 49% by iFAST Corp and 2% by LCC. On 29 March 2007, Monetary Authority of Singapore granted its approval in principle for the Joint Venture.

iFast Capital Sdn. Bhd. ("iFast Cap") has been incorporated on 1 August 2007 to carry on the business as governed in the JVA 1 dated 12 February 2007 with an initial issued and paid-up share capital of RM100,000 divided into 100,000 ordinary shares of RM1 each of which OUTM owns 49% of shareholdings in iFast Cap.

On 19 November 2007, the above-mentioned joint venture partners decided to terminate JVA 1 and replace it with a new joint venture agreement entered into between OSKIB, a wholly-owned subsidiary of the Company, and iFAST Corp on even date ("JVA 2") wherein a new company named iFast-OSK Sdn. Bhd. ("iFast-OSK") had been set up as an investment holding company of iFast Cap.

iFast-OSK has an authorised share capital of RM500,000 comprising 500,000 ordinary shares of RM1 each and an initial paid-up share capital of RM200,000 comprising of 200,000 ordinary shares of RM1 each. iFast-OSK is an associated company of OSKIB (and an indirect associated company of the Company) in which it has an interest of 49%. The remaining 51% of iFast-OSK is held by iFast Corp.

On 19 November 2007, iFast-OSK and a Bumiputra investor, Dato' Nik Mohamed Din bin Datuk Nik Yusoff ("DND"), acquired from OUTM, iFast Corp and LCC their entire shareholding in iFast Cap on a willing buyer willing seller basis for RM100,000, being the issued and paid-up share capital of iFast Cap of 100,000 ordinary shares at RM1 each. Upon the acquisition, iFast-OSK and DND respectively hold 82% and 18% interest in iFast Cap.

The above structure is necessary to facilitate the restructuring of iFast Cap to fulfill the Bumiputra shareholding requirement for a license application to be submitted to the Securities Commission to carry out unit trusts funds distribution and other related services under the Capital Markets Services Act 2007.

The subscription of the 49% equity in iFast-OSK by OSKIB of RM98,000 was internally-funded by OSKIB.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### B9. Status of corporate proposals and utilisation of proceeds (Cont'd)

#### (a) Status of corporate proposals announced but not completed as at 20 November 2007 (Cont'd)

##### (iii) Proposed disposal of three (3) properties by OSK Properties Sdn Bhd (“OSKP”) to KE-ZAN Holdings Berhad (“KHB”)

On 3 May 2007, OSKP entered into a sale and purchase agreement with KHB, both OSKP and KHB are subsidiary companies of the Company, to dispose three (3) properties which consists of five (5) parcels of land together with the buildings erected thereon as listed below for a total cash consideration of RM6,500,000 (“the Proposed Transfer of Properties”).

- 1) Two (2) parcels of leasehold land measuring 1,104.037 square meters held under master title no. PN33134, Lot 59059 (formerly known as PN30372 Lot 57745) together with a three (3) storey shop office erected thereon located in the Mukim Batu, District of Kuala Lumpur;
- 2) One (1) parcel of freehold land measuring 153.2992 square meters held under H.S. (D) 26998 for Lot No. PTD 8462 together with a four (4) storey shop office erected thereon located in the Mukim Sungai Segamat, State of Johor; and
- 3) Two (2) parcels of freehold land measuring 260 square meters held under title no. H.S. (D) 10883, Lot PT 32834 and H.S. (D) 10822, Lot PT 32833 together with a three (3) storey shop office erected thereon located in Bandar Kuantan, Daerah Kuantan, Negeri Pahang.

The Proposed Transfer of Properties will streamline the business activities within the Group to enable OSKP to redeploy its resources on property development while KHB may expand its revenue stream from letting of investment properties. The Proposed Transfer of Properties is expected to be completed by the fourth quarter of 2007.

##### (iv) Proposed acquisition of lands and building by OSK Property Holdings Berhad (“OSKPH”) from Presenter Services (M) Sdn Bhd (“PSSB”)

On 21 May 2007, OSKPH entered into a sale and purchase agreement with PSSB for proposed acquisition of two (2) pieces of lands together with a double storey office and a single storey office for a total cash consideration of RM11,500,000 (the Proposed Acquisition of Land and Building ).

The Proposed Acquisition of Lands consists of two (2) pieces of land held under No. Hakmilik 34839 Lot 88 Seksyen 43 Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan K.L (“Lot 88”) and No. Hakmilik 42565 Lot 87 Seksyen 43 Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan K.L (“Lot 87”) together with a double storey office and a single storey office erected thereon bearing the postal address of Nos.37 and 39 Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

The Proposed Acquisition of Land and Building is expected to be completed by the fourth quarter of 2007.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### **B9. Status of corporate proposals and utilisation of proceeds (Cont'd)**

#### **(a) Status of corporate proposals announced but not completed as at 20 November 2007 (Cont'd)**

- (v) Proposed acquisition of 49% equity interest in the issued paid-up share capital of Ascendas-OSK REIT Management Sdn. Bhd. ("A-OSK") from Ascendas (Malaysia) Pte Ltd ("AMPL") (the "Proposed Acquisition of Shares in A-OSK")

On 19 October 2007, the Company entered into a Sale of Shares Agreement ("SSA") with AMPL to acquire 490,000 ordinary shares of RM1.00 each, which represents 49% of the total issued paid-up share capital of A-OSK at a purchase consideration of RM117,423 subject to the terms and conditions of the SSA. The purchase consideration was arrived at on a willing-buyer willing-seller basis. A-OSK is presently a 51%-owned subsidiary of the Company.

Upon completion of the Proposed Acquisition of Shares in A-OSK, A-OSK shall become a wholly-owned subsidiary of the Company.

#### **(b) The status of utilisation of proceeds raised from the Private Placement of the Company**

On 26 February 2007, the Company issued 25,000,000 new ordinary shares of RM1 each to Koperasi Permodalan Felda Berhad at RM2.25 per share pursuant to the Private Placement of the Company and the said shares was granted listing and quotation on 7 March 2007. The total proceeds of RM56,250,000 raised from the Private Placement and these proceeds were fully utilised as working capital for the Group and private placement expenses.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### B10. Borrowings and debt securities

The Group's borrowings and debt securities (denominated in RM unless otherwise stated) at the end of the current year to date are as follows:-

#### Short term:

RM'000

##### *Unsecured*

- deposits from customers	2,007,561
- bank overdrafts	5,188
- bank overdrafts denominated in HKD	293
- bank overdrafts denominated in SGD	16,461
- commercial papers	49,566
- revolving credits	224,550
- bank loans denominated in HKD	99,689
- bank loans denominated in SGD	22,916
	<b>2,426,224</b>

##### *Secured*

Term loan	25,000
BaIDS	24,561
Finance lease payables denominated in SGD	713
	<b>50,274</b>

**2,476,498**

#### Long term:

##### *Secured*

Term loans	124,023
BaIDS	47,109
Finance lease payables denominated in SGD	669
	<b>171,801</b>

### B11. Off balance sheet financial instruments

As at 20 November 2007 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report), the Group did not enter into any contract involving financial instruments with off balance sheet risk.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### B12. Material litigation

As at 20 November 2007 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report), save as disclosed below, the Group was not engaged in any material litigation either as plaintiff or defendant and the directors are not aware of any proceeding pending or threatened against the Group or any facts likely to give rise to any proceeding which might materially and adversely affect the financial position or business operations of the Group.

(a) Seremban High Court Suit No. 22-216-2003

Kamal, Lokman & Mustakim Holdings Sdn. Bhd. (“Chargor”) and Ahmad Azari bin Mohd. Daud (“Azari”) (collectively referred to as the “Plaintiffs”) vs OSK Capital Sdn. Bhd. (“OSKC”) and OSK Nominees (Tempatan) Sdn. Bhd. (“OSKNT”) and Another (collectively referred to as the “Defendants”)

The Plaintiffs commenced an action against the Defendants on 14 November 2003 seeking, inter-alia, a declaration that a charge registered in favour of OSKC is void, damages in the sum of RM20,000,000, general damages, interest and costs and claiming against OSKC/OSKNT for negligence, breach of duty, fiduciary duty and unjust enrichment in relation to a facility of RM13,000,000 granted to Azari by OSKC. OSKC and OSKNT have filed their defence on 17 February 2004.

OSKC and OSKNT have also filed an application to strike out the Plaintiffs’ Writ of Summons and Statement of Claim on the basis that the filing of the action by the Plaintiffs was frivolous and vexatious. OSKC and OSKNT have also filed an application under Order 14A of the Rules of the High Court, 1980 to dispose of the Plaintiffs’ prayers in seeking the declarations that the charges are inequitable and/or illegal in light of the order for sale and successful auction of the charged land. The striking out application which was fixed for hearing on 1 November 2007 has now been postponed to 27 December 2007 whilst the Order 14A application has been fixed for further mention on 8 January 2008.

OSKC and OSKNT had filed an application for security for costs against the Chargor on 23 August 2006 and the said application was dismissed by the Court on 6 April 2007. The Plaintiffs have on 4 May 2007 filed the notice to attend case management before trial.

The solicitors in charge of this matter are of the view that OSKC and OSKNT stand a reasonable chance of success in dismissing the Plaintiffs’ claim.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### B12. Material litigation (Cont'd)

- (b) Kuala Lumpur High Court Suit No. D8 (D3)-22-543-1993  
Asset Investments Pte. Ltd. ("the Plaintiff") vs O.S.K. & Partners Sdn. Bhd. [now known as OSK Investment Bank Berhad (formerly known as OSK Securities Berhad) ("OSKIB")]
- 

The suit was brought by the Plaintiff against OSKIB for losses which purportedly resulted from the latter's alleged breach of contract and/or negligence and/or breach of statutory duty arising from an asset-swap transaction which the Plaintiff entered into in 1992.

On 17 December 2004, judgment was entered by the High Court against OSKIB for the sum of RM26,984,729 with interest of 8% per annum from the date of filing of the said action, i.e. 27 May 1993 until full realisation and costs.

The Court of Appeal had on 18 April 2007 allowed OSKIB's appeal and the judgment against OSKIB has been set aside.

The Plaintiff had on 17 May 2007 filed a Notice of Motion to the Federal Court seeking leave to appeal against the Court of Appeal's decision. The Federal Court has now postponed the hearing from 19 November 2007 to 7 January 2008.

As at 30 September 2007, a total of RM57,958,761 (31.12.2006: RM56,344,113) has been provided by OSKIB for interest cost and compensation for this legal suit.

### B13. Dividend

- (a) No dividend has been declared for the current quarter as well as for the comparative quarter ended 30 September 2006.
- (b) A higher interim dividend of 10.0 sen per share less 27% income tax has been paid on 3 October 2007 as compared to the previous corresponding period of 5.0 sen per share less 28% income tax. Total dividend for the current year to date is 10.0 sen per share less 27% income tax.

# OSK HOLDINGS BERHAD (207075-U)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

### B14. Earnings Per Share (“EPS”)

	<b>Current quarter ended 30/9/2007</b>	Comparative quarter ended 30/9/2006	<b>Current year to date ended 30/9/2007</b>	Preceding year to date ended 30/9/2006
<b><u>Basic EPS</u></b>				
Profit attributable to equity holders of the Company (RM'000)	<b>53,909</b>	22,022	<b>212,351</b>	63,762
Weighted average number of ordinary shares in issue ('000 shares)	<b>647,425</b>	607,968	<b>637,976</b>	607,586
<b>Basic EPS (sen)</b>	<b>8.33</b>	3.62	<b>33.29</b>	10.49
<b><u>Diluted EPS</u></b>				
Profit attributable to equity holders of the Company (RM'000)	<b>53,909</b>	22,022	<b>212,351</b>	63,762
Weighted average number of ordinary shares in issue ('000 shares)	<b>647,425</b>	607,968	<b>637,976</b>	607,586
Effect of dilution on assumed exercise of Warrants B and options granted under ESOS ('000 shares)	<b>16,423</b>	1,706	<b>26,026</b>	814
Adjusted weighted average number of ordinary shares in issue and issuable ('000 shares)	<b>663,848</b>	609,674	<b>664,002</b>	608,400
<b>Diluted EPS (sen)</b>	<b>8.12</b>	3.61	<b>31.98</b>	10.48

**By Order of the Board**

**Dato' Nik Mohamed Din bin Datuk Nik Yusoff**  
**Executive Chairman**

Kuala Lumpur  
27 November 2007

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007  
EXPLANATORY NOTES (Cont'd)**

**NOTE A8. SEGMENTAL INFORMATION**

The Group is organised into the following major business segments :

- |     |                      |  |
|-----|----------------------|--|
| 1.  | Investment banking   | - Debt capital market, corporate advisory, treasury, derivatives and structured products, loans, advances and financing and offshore investment banking. |
| 2.  | Equity & nominees    | - Stockbroking, nominee services and related services both local and overseas.   |
| 3.  | Futures & options    | - Futures and options broking.   |
| 4.  | Venture capital      | - Provision of venture capital services and investee entities, also known as private equity business.  |
| 5.  | Capital financing    | - Licensed money lender for initial public offers and share option schemes.  |
| 6.  | Property development | - Development of residential and commercial properties.  |
| 7.  | Property investment  | - Management and letting of properties.  |
| 8.  | Unit trust           | - Management of unit trust funds.  |
| 9.  | Holding entities     | - Investment holding companies.  |
| 10. | Others               | - Not significant to be separately disclosed.  |

Segment revenue and results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The inter-segment transactions have been entered into in the ordinary course of business at terms mutually agreed between the companies concerned and are not more favourable than those arranged with independent third parties have been eliminated to arrive at the Group's results.



## NOTE A8. SEGMENTAL INFORMATION (Cont'd)

## Secondary reporting format - Geographical Segments

In presenting information by geographical locations, segment revenue is based on geographical locations of operations. Segment assets are based on the geographical location of assets.

	Malaysia RM'000	Singapore RM'000	China and Hong Kong RM'000	Total RM'000
<b><u>CURRENT YEAR TO DATE ENDED 30 SEPTEMBER 2007 (Unaudited)</u></b>				
Revenue	653,656	171,191	52,554	877,401
Total carrying amount of segment assets	4,804,984	2,945,249	581,268	8,331,501
Total capital expenditure	8,759	1,972	1,560	12,291

**PRECEDING YEAR TO DATE ENDED 30 SEPTEMBER 2006 (Unaudited)**

Revenue	326,735	45,009	17,593	389,337
Total carrying amount of segment assets	2,230,490	1,483,675	159,345	3,873,510
Total capital expenditure	7,013	2,179	1,400	10,592