

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current quarter ended 31/3/2007 RM'000	Comparative quarter ended 31/3/2006 RM'000	Current year to date ended 31/3/2007 RM'000	Preceding year to date ended 31/3/2006 RM'000
Revenue	16,359	21,820	16,359	21,820
Cost of sales	(13,201)	(15,830)	(13,201)	(15,830)
Gross profit	3,158	5,990	3,158	5,990
Other income	331	261	331	261
Administrative expenses	(1,700)	(1,347)	(1,700)	(1,347)
Finance costs	(1,433)	(1,460)	(1,433)	(1,460)
Profit before taxation	356	3,444	356	3,444
Income tax expense	(433)	(1,026)	(433)	(1,026)
(Loss)/profit after taxation for the period attributable to equity holders of the Company	(77)	2,418	(77)	2,418
Earnings per share (sen) attributable to equity holders of the Company (Note B13):				
Basic	(0.08)	2.59	(0.08)	2.59
Diluted	(0.08)	2.39	(0.08)	2.39

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

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	As at 31/3/2007 RM'000	As at 31/3/2006 RM'000	(Audited) As at 31/12/2006 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	5,003	3,433	3,811
Investment properties	4,523	2,560	4,531
Land held for property development	233,822	235,505	234,988
Prepaid land lease payments	1,729	1,749	1,734
Deferred tax assets	434	-	434
	245,511	243,247	245,498
Current assets			
Property development costs	92,643	67,747	89,095
Trade receivables	23,224	20,293	23,385
Accrued billings	2,826	1,187	2,357
Other receivables, deposits and prepayments	15,206	9,081	6,340
Tax recoverable	4,467	2,650	4,034
Cash, bank balances and deposits	11,543	13,477	10,035
	149,909	114,435	135,246
TOTAL ASSETS	395,420	357,682	380,744
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	99,997	99,996	99,996
Less: Treasury shares	(5,388)	(7,935)	(7,935)
Reserves	116,931	123,003	116,923
Total equity	211,540	215,064	208,984
Non-current liabilities			
Seven (7)-Year Serial Al-Bai' Bithaman Ajil Islamic Debt Securities ("BaIDS")	70,253	68,249	69,759
Deferred tax liabilities	39,415	41,952	41,102
	109,668	110,201	110,861
Current liabilities			
Trade payables	21,789	11,521	16,542
Progress billings	8,913	14,748	9,807
Other payables, deposits and accruals	6,360	4,919	4,900
Short term borrowing	37,150	-	29,650
Tax payable	-	1,229	-
	74,212	32,417	60,899
Total liabilities	183,880	142,618	171,760
TOTAL EQUITY AND LIABILITIES	395,420	357,682	380,744
Net Asset per Share (RM)	2.22	2.30	2.24

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

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company					
	Share capital	Treasury shares	Warrants	Share premium	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Current year to date ended</u>						
<u>31 March 2007 (unaudited)</u>						
At 1 January 2007	99,996	(7,935)	14,999	15,458	86,466	208,984
Loss for the period	-	-	-	-	(77)	(77)
Total expense recognised for the period	-	-	-	-	(77)	(77)
Shares issued pursuant to exercise of warrants	1	-	(1)	-	-	-
Resale of treasury shares	-	2,547	-	86	-	2,633
At 31 March 2007	99,997	(5,388)	14,998	15,544	86,389	211,540
<u>Preceding year to date ended</u>						
<u>31 March 2006 (unaudited)</u>						
At 1 January 2006	99,996	(7,900)	14,999	15,458	90,128	212,681
Profit for the period	-	-	-	-	2,418	2,418
Total income recognised for the period	-	-	-	-	2,418	2,418
Share buybacks of the Company	-	(35)	-	-	-	(35)
At 31 March 2006	99,996	(7,935)	14,999	15,458	92,546	215,064
<u>Preceding year ended</u>						
<u>31 December 2006 (audited)</u>						
At 1 January 2006	99,996	(7,900)	14,999	15,458	90,129	212,682
Profit for the year	-	-	-	-	3,059	3,059
Total income recognised for the year	-	-	-	-	3,059	3,059
Dividends	-	-	-	-	(6,722)	(6,722)
Share buybacks of the Company	-	(35)	-	-	-	(35)
At 31 December 2006	99,996	(7,935)	14,999	15,458	86,466	208,984

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

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007 UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Current year to date ended 31/3/2007 RM'000	Preceding year to date ended 31/3/2006 RM'000	(Audited) Preceding financial year ended 31/12/2006 RM'000
Cash Flows From Operating Activities			
Profit before taxation	356	3,444	4,783
Adjustments for non-cash and non-operating items	6,399	(786)	5,445
Operating profit before working capital changes	<u>6,755</u>	2,658	10,228
Changes in working capital :-			
Net change in development costs	(3,438)	8,777	(18,561)
Net change in current assets	(8,387)	(2,622)	(4,563)
Net change in current liabilities	585	(375)	4,939
Net change in accrued/progress billings	(1,363)	(12,677)	(11,464)
Net change in intercompany balances	-	(18)	(18)
Net cash used in operations	<u>(5,848)</u>	(4,257)	(19,439)
Income tax paid	(1,088)	(1,307)	(5,981)
Income tax refunded	-	-	79
Interest received	47	136	499
Interest paid	(410)	(2)	(817)
Net cash used in operating activities	<u>(7,299)</u>	(5,430)	(25,661)
Cash Flows From Investing Activities			
Purchase of plant and equipment	(1,280)	(983)	(1,621)
Proceeds from disposal of plant and equipment	-	-	(1,998)
Net cash used in investing activities	<u>(1,280)</u>	(983)	(3,619)
Cash Flows From Financing Activities			
Dividends paid	-	-	(6,722)
Payment of BaIDS expenses	(47)	(52)	(56)
Payment of BaIDS profits	-	-	(3,500)
Purchase of own shares	-	(35)	(35)
Proceeds from treasury shares sold	2,633	-	-
Proceeds from exercise of warrants	1	-	-
Drawdown of borrowings	18,200	-	35,700
Repayment of borrowings	(10,700)	-	(6,050)
Net cash from/ (used in) financing activities	<u>10,087</u>	(87)	19,337
Net change in cash and cash equivalents	1,508	(6,500)	(9,943)
Cash and cash equivalents at beginning of the period/year	10,035	19,977	19,978
Cash and cash equivalents at end of the period/year	<u>11,543</u>	13,477	10,035
Cash and cash equivalents at end of the period/year comprised:			
Cash on hand and banks	944	3,197	1,541
Deposit with Licensed Banks	-	850	-
Housing Development Accounts	4,099	4,680	3,744
Profit Service Reserve and Reserve Accounts	6,500	4,750	4,750
	<u>11,543</u>	13,477	10,035

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

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 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 is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”). The interim financial reporting should be read in conjunction with the audited financial statement of the Group for the year ended 31 December 2006 and the 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.

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 Amendments issued by MASB that are effective for financial statements commencing 1 January 2007: -

FRS 6	Exploration for and Evaluation of Mineral Resources
FRS 117	Leases
FRS 124	Related Party Disclosures
Amendment to FRS 119 ₂₀₀₄	Employee Benefits -Actuarial Gains and Losses, Group Plans and Disclosures

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 FRS 124, Amendment to FRS 119₂₀₀₄ and Amendment to FRS121 does not have a significant financial impact on the Group. The effect of the changes in accounting policy resulting from the adoption of FRS 117 is as follows:

FRS 117: Leases

(i) Leasehold land

Prior to 1 January 2007, leasehold land 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 purpose of lease classification. Leasehold land is now classified as operating lease, the minimum lease payments or the upfront payments made are allocated between the land and 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.

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007

A1. Accounting policies (Cont'd)

FRS 117: Leases (Cont'd)

(i) Leasehold land (Cont'd)

Upon adoption of the revised FRS117 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 current year to date. The reclassification of leasehold land as prepaid land lease payments has been accounted for retrospectively and certain comparatives have been restated as shown below:

	As previously stated RM'000	Effect of FRS117 RM'000	As restated RM'000
Consolidated Balance Sheets			
At 31 March 2006			
Property, plant and equipment	7,076	(3,643)	3,433
Investment properties	666	1,894	2,560
Prepaid land lease payments	-	1,749	1,749
Consolidated Balance Sheets			
At 31 December 2006			
Property, plant and equipment	7,423	(3,612)	3,811
Investment properties	2,653	1,878	4,531
Prepaid land lease payments	-	1,734	1,734

(ii) 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 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. Audit report of previous 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 of the Group for the current year to date.

A4. Unusual items affecting financial statements

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

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007

A5. Material changes in estimates of amounts reported

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

A6. Changes in debt and equity securities

(a) Exercise of Warrants 2004/2009

During the current year to date, the Company has issued 754 new Ordinary Shares of RM1.00 each for cash at RM1.10 each pursuant to the exercise of Warrants and the total cash proceeds arising from the exercise of Warrants amounted to RM829. The details of the Warrants exercised during the current year to date are as follows:

Date	No. of Warrants exercise	No. of shares allotted	Type of issue
10 Jan 2007	391	391	Exercise of Warrants 2004/2009 at RM1.10 per share
26 Feb 2007	363	363	Exercise of Warrants 2004/2009 at RM1.10 per share
Total	754	754	

As a result of the exercise of the Warrants mentioned above, the total number of issued and paid up shares of RM1 each of the Company has been increased from 99,996,000 shares to 99,996,754 shares. The new Ordinary Shares issued arising from the exercise of Warrants shall rank par passu in all respect with the existing Ordinary Shares of the Company, save and except that the new shares shall not entitled to any dividends, rights, allotments and/or distributions, unless the exercise of Warrants is effected before the book closure of the share registers for determination of the entitlement to such rights or distributions.

(b) Treasury shares

The number of treasury shares held in hand as at 31 March 2007 is as follows:

Date	Number of shares	Purchase Price			Cost RM
		Highest price RM	Lowest price RM	Average price RM	
As at 1 Jan 2007	6,628,500	1.34	0.91	1.20	7,935,411
Disposal of treasury shares (Note 1)	(2,127,600)	1.34	0.91	1.20	(2,547,163)
As at 31Mar 2007	4,500,900	1.34	0.91	1.20	5,388,248

Note 1

During the current year to date, the Company reissued 2,127,600 treasury shares by resale in the open market at an average resale price of RM1.24 per share. The proceeds of RM2,633,304 from the resale will be utilised for working capital purposes.

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007

A6. Changes in debt and equity securities (Cont'd)

(b) Treasury shares (Cont'd)

Details of treasury shares disposed off during the current year to date were as follows:-

<u>Date</u>	<u>Number of shares</u>	<u>Sale Price</u>			<u>Proceeds</u> RM
		<u>Highest price</u> RM	<u>Lowest price</u> RM	<u>Average price</u> RM	
27 Feb 2007	77,600	1.42	1.42	1.42	109,706
7 Mar 2007	1,000,000	1.22	1.22	1.22	1,215,652
8 Mar 2007	500,000	1.26	1.25	1.25	625,166
9 Mar 2007	300,000	1.26	1.23	1.24	369,549
12 Mar 2007	250,000	1.27	1.25	1.26	313,231
Total	2,127,600	1.42	1.22	1.24	2,633,304

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

A7. Dividends paid

There were no payments of dividend during the current quarter ended 31 March 2007.

A8. Segmental information

Segmental information is presented in respect of the Group's business segments. Segment revenue, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Group comprises the following main business segments:-

- (i) Property development – The development of residential and commercial properties
- (ii) Property investment and management
- (iii) Holding entity

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A8. Segmental information (Cont'd)

<u>Current year to date ended</u> <u>31 March 2007 (unaudited)</u>	Property development RM'000	Property investment & management RM'000	Holding entity RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External revenue	16,314	-	45	-	16,359
Inter segment revenue	-	-	390	(390)	-
Total	16,314	-	435	(390)	16,359
Results					
Profit / (loss) from operations	2,699	74	264	(1,248)	1,789
Less: Finance costs	(1,823)	-	-	390	(1,433)
Profit / (loss) before taxation	876	74	264	(858)	356
Income tax expense					(433)
Loss after taxation					(77)
Assets					
Segment assets	370,380	12,361	7,778		390,519
Liabilities					
Segment liabilities	143,927	5	533		144,465
Other information					
Capital expenditure	1,280	-	-		1,280
Depreciation	98	-	-		98

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007

A8. Segmental information (Cont'd)

<u>Preceding year to date ended 31 March 2006 (unaudited)</u>	<u>Property development</u> RM'000	<u>Property investment & management</u> RM'000	<u>Holding entity</u> RM'000	<u>Elimination</u> RM'000	<u>Consolidated</u> RM'000
Revenue					
External revenue	21,721	-	99	-	21,820
Inter segment revenue	-	-	4,321	(4,321)	-
Total	21,721	-	4,420	(4,321)	21,820
Results					
Profit / (loss) from operations	6,562	74	4,224	(5,956)	4,904
Less: Finance costs	(1,781)	-	-	321	(1,460)
Profit / (loss) before taxation	4,781	74	4,224	(5,635)	3,444
Income tax expense					(1,026)
Profit after taxation					2,418
Assets					
Segment assets	342,082	9,503	3,447		355,032
Liabilities					
Segment liabilities	99,002	4	431		99,437
Other information					
Capital expenditure	983	-	-		983
Depreciation	97	-	-		97

A9. Valuations of property, plant and equipment

There were no revalued property, plant and equipment as at 31 March 2007.

A10. Material subsequent events

- (a) Proposed acquisition of five (5) parcels of contiguous freehold land measuring approximately 238,539 square feet held under Lot PT9089, 9090, 10166, 10197 and 10198 together with a four (4) level shopping mall and annexed with two (2) car parking buildings of three (3) level erected thereon commonly known as "Atria Shopping Centre" located at Mukim of Sungai Buloh, District of Petaling, State of Selangor, by OSK Property Holdings Berhad ("OSKPH") from Atria Properties Sdn Bhd ("APSB") for a total cash consideration of RM75,000,000 ("Proposed Acquisition of Atria Properties")

On 7 March 2007, OSKPH entered into a conditional sale and purchase agreement ("SPA") with APSB, a wholly owned subsidiary company of Lien Hoe Corporation Berhad for the Proposed Acquisition of Atria Properties for a total cash purchase consideration of RM75,000,000. Upon signing of the SPA, OSKPH paid a deposit of RM7,500,000 and the balance of RM67,500,000 will be paid upon completion of the SPA.

On 19 April 2007, at the Extraordinary General Meeting, the shareholders of OSKPH have approved the Proposed Acquisition of Atria Properties. The Foreign Investment Committee had on 23 April 2007 confirmed no objection of the Proposed Acquisition of Atria Properties. The Proposed Acquisition of Atria Properties is expected to be completed in the second quarter of 2007.

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007

A10. Material subsequent events (Cont'd)

- (b) Proposed disposal of three (3) properties by OSK Properties Sdn Bhd (“OSKPSB”), a wholly-owned subsidiary company of the Company, to KE-ZAN Holdings Berhad (“KHB”), a wholly-owned subsidiary company of OSK Holdings Berhad (“OSKH”), holding company of the Company (“the Proposed Disposal”).

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

- (i) 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;
- (ii) 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;
- (iii) 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 Disposal enables OSKPSB to redeploy its resources on property development.

The Proposed Disposal is expected to be completed in the second quarter of 2007.

A11. Changes in the composition of the Group

Acquisition of Nexus Empire Sdn. Bhd. (“Nexus”)

On 24 April 2007, the Company acquired the entire issued and paid-up capital of Nexus comprising two (2) ordinary shares of RM1.00 each for a cash consideration of RM2.00.

Nexus 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 RM1.00 each. Nexus is presently dormant and its principal activities will be property management and development.

Effectively, Nexus has become a wholly-owned subsidiary company of the Company.

A12. Changes in contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets as at the end of the current year to date.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 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 reported a pre-tax profit of RM0.36 million for the current quarter as compared to the previous year corresponding quarter of RM3.44 million, a decrease of RM3.07 million. This was principally due to lower revenue recognised as a result of slower construction activities and hence reduced billings, which was affected by festive holidays during the first quarter. The lower revenue was also due to the delay in the launching of Mon't Jade, the up-market development in Seremban. Further, the management is currently reviewing the prospects of embarking on a “Build then Sell” (BTS) concept for its high-end Sri Banyan residential project in Kajang comprising of 10 semi-detached houses and 16 bungalows which construction is expected to be fully completed by year ending 2007 to maximize returns for the Group.

B2. Material changes in the quarterly results

(Comparison on current quarter with the immediate preceding quarter)

The Group recorded a pre-tax profit of RM0.36 million for the current quarter as compared to RM0.24 million in the immediate preceding quarter.

B3. Current year prospects

(Commentary on the remaining year)

The recent positive sentiment arising from the improved performance of capital markets, implementation of the 9th Malaysia Plan, relaxation of the Foreign Investment Committee legislation and the abolishment of Real Property Gains Tax will augur well for the property development sector in the country. The Group expects its existing development projects in Sungai Petani, Seremban 3 and the newly launched up-market project, Mon't Jade in Seremban, together with Sri Banyan project in Kajang, which is targeted to be launched in late 3rd quarter of 2007, to contribute positively to the earnings going forward. The Group will continue to actively source for new pieces of land and projects in strategic locations for future developments.

Barring any unforeseen circumstances, the Board expects the Group to perform better in the second half of the year.

B4. Profit forecast / profit guarantee

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

B5. Taxation

	Current quarter ended 31/3/2007 RM'000	Current year to date ended 31/3/2007 RM'000
In respect of the current quarter / period		
- Malaysian income tax	655	655
- Deferred tax	(222)	(222)
	<u>433</u>	<u>433</u>

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B5. Taxation (Cont'd)

For the current quarter and year to date, the effective tax rate of the Group is higher than the statutory tax rate of 27% mainly due to tax charge on profits of certain subsidiaries which cannot be set-off against the tax losses of the Company and other subsidiaries in the group and the disallowance of certain expenses for tax purposes.

B6. Sale of unquoted investments and/or properties

There were no sales of unquoted investment or properties during the current year to date.

B7. Quoted securities

There were no purchases or sales of quoted securities during the current year to date.

B8. Status of corporate proposals

There were no corporate proposals previously announced but not completed as at 14 May 2007.

B9. Borrowings and debt securities

The Group's debt securities as at the end of the current period under review are as follows:

	RM'000
(a) Long term (secured): -	
Class A BaIDS	50,000
Class B BaIDS	<u>25,000</u>
	75,000
Less: Unaccredited discount on BaIDS	(4,324)
Expenses incurred for issuance of BaIDS	<u>(423)</u>
	<u><u>70,253</u></u>
	RM'000
(b) Short term (unsecured): -	
Revolving credits	<u>37,150</u>

B10. Off balance sheet financial instruments

As at 14 May 2007, the Group did not enter into any contract involving financial instruments with off balance sheet risk.

B11. Material litigation

As at 14 May 2007, 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.

B12. Dividends

No dividend has been declared or paid for the current year to date ended 31 March 2007 (comparative quarter ended 31 March 2006: Nil).

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007

B13. (Loss Per Share) (“LPS”)/ Earnings Per Share (“EPS”)

	Current quarter ended 31/3/2007	Comparative quarter ended 31/3/2006	Current year to date ended 31/3/2007	Preceding year to date ended 31/3/2006
Basic EPS				
(Loss)/profit attributable to equity holders of the Company (RM'000)	(77)	2,418	(77)	2,418
Weighted average number of ordinary shares in issue ('000 shares)	93,940	93,372	93,940	93,372
Basic (LPS)/EPS (sen)	(0.08)	2.59	(0.08)	2.59
Diluted (LPS)/EPS				
(Loss)/profit attributable to equity holders of the Company (RM'000)	(77)	2,418	(77)	2,418
Weighted average number of ordinary shares in used ('000 shares)	93,940	93,372	93,940	93,372
Effect of dilution on assumed exercise of Warrants ('000 shares)	6,692	8,015	6,692	8,015
Adjusted weighted average number of ordinary shares in issue ('000 shares)	100,632	101,387	100,632	101,387
Diluted (LPS)/EPS (sen)	(0.08)	2.39	(0.08)	2.39

By Order of the Board

DATO' NIK MOHAMED DIN BIN DATUK NIK YUSOFF
Executive Chairman

Kuala Lumpur

21 May 2007