

OSK PROPERTY HOLDINGS BERHAD (201666-D)

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

	Current quarter ended 30/9/2007 RM'000	Comparative quarter ended 30/9/2006 RM'000	Current year to date ended 30/9/2007 RM'000	Preceding year to date ended 30/9/2006 RM'000
Revenue	24,876	8,713	57,508	50,791
Cost of sales	(20,059)	(5,478)	(46,747)	(37,896)
Gross profit	4,817	3,235	10,761	12,895
Other income	2,075	354	2,751	1,029
Administrative expenses	(2,938)	(1,469)	(6,669)	(5,115)
Finance costs	(2,232)	(1,415)	(4,843)	(4,262)
Profit before taxation	1,722	705	2,000	4,547
Income tax expense	(1,024)	(472)	(1,917)	(1,973)
Profit after taxation for the period	698	233	83	2,574
Profit/(loss) attributable to:				
Equity holders of the Company	703	233	88	2,574
Minority interests	(5)	-	(5)	-
	698	233	83	2,574
Earnings per share (sen) attributable to equity holders of the Company (Note B14):				
Basic	0.71	0.25	0.09	2.76
Diluted	0.64	0.24	0.08	2.56

(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 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
ASSETS			
Non-current assets			
Property, plant and equipment	6,436	3,792	3,811
Investment properties	4,515	2,542	4,531
Prepaid land lease payments	1,720	1,739	1,734
Land held for property development	254,036	247,434	234,988
Deferred tax assets	523	-	434
	267,230	255,507	245,498
Current assets			
Property development costs	175,604	77,043	89,095
Trade receivables	27,153	21,029	23,385
Accrued billings	3,535	-	2,357
Other receivables, deposits and prepayments	3,632	6,271	6,340
Tax recoverable	2,363	3,241	4,034
Cash, bank balances and deposits	119,351	13,647	10,035
	331,638	121,231	135,246
TOTAL ASSETS	598,868	376,738	380,744
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	100,001	99,996	99,996
Less: Treasury shares	-	(7,935)	(7,935)
Reserves	114,394	116,438	116,923
	214,395	208,499	208,984
Minority interests	123	-	-
Total equity	214,518	208,499	208,984
Non-current liabilities			
Seven (7)-Year Serial Al-Bai' Bithaman Ajil Islamic Debt Securities ("BaIDS")	46,795	69,247	69,759
Term Loan	69,589	-	-
Deferred tax liabilities	44,403	41,399	41,102
	160,787	110,646	110,861
Current liabilities			
Trade payables	23,403	13,787	16,542
Progress billings	15,501	9,976	9,807
Other payables, deposits and accruals	18,886	7,319	4,900
Rights Issue application account	95,279	-	-
Short term borrowings	70,311	23,150	29,650
Tax payable	183	-	-
Dividend payable	-	3,361	-
	223,563	57,593	60,899
Total liabilities	384,350	168,239	171,760
TOTAL EQUITY AND LIABILITIES	598,868	376,738	380,744
Net Asset per Share (RM)	2.14	2.23	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).

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	Warrants A	Share premium	Retained profits			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Current year to date ended</u>								
<u>30 September 2007 (unaudited)</u>								
At 1 January 2007	99,996	(7,935)	14,999	15,458	86,466	208,984	-	208,984
Expense recognised in relation to exercise of warrants	-	-	-	(1)	-	(1)	-	(1)
Profit/ (loss) for the period	-	-	-	-	88	88	(5)	83
Total (expense)/income recognised for the period	-	-	-	(1)	88	87	(5)	82
Dividend paid	-	-	-	-	(3,486)	(3,486)	-	(3,486)
Shares issued pursuant to exercise of warrants	5	-	(1)	2	-	6	-	6
Resale of treasury shares	-	7,935	-	869	-	8,804	-	8,804
Loss recouped from minority interests	-	-	-	-	-	-	(19)	(19)
Subscription of shares by minority interest	-	-	-	-	-	-	147	147
At 30 September 2007	100,001	-	14,998	16,328	83,068	214,395	123	214,518
<u>Preceding year to date ended</u>								
<u>30 September 2006 (unaudited)</u>								
At 1 January 2006	99,996	(7,900)	14,999	15,458	90,129	212,682	-	212,682
Profit for the period	-	-	-	-	2,574	2,574	-	2,574
Total income recognised for the period	-	-	-	-	2,574	2,574	-	2,574
Dividends paid	-	-	-	-	(6,722)	(6,722)	-	(6,722)
Shares buyback of the Company	-	(35)	-	-	-	(35)	-	(35)
At 30 September 2006	99,996	(7,935)	14,999	15,458	85,981	208,499	-	208,499
<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	-	212,682
Profit for the year	-	-	-	-	3,059	3,059	-	3,059
Total income recognised for the year	-	-	-	-	3,059	3,059	-	3,059
Dividends paid	-	-	-	-	(6,722)	(6,722)	-	(6,722)
Shares buyback of the Company	-	(35)	-	-	-	(35)	-	(35)
At 31 December 2006	99,996	(7,935)	14,999	15,458	86,466	208,984	-	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 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
Cash Flows From Operating Activities			
Profit before taxation	2,000	4,547	4,783
Adjustments for non-cash and non-operating items	4,291	3,197	5,445
Operating profit before working capital changes	6,291	7,744	10,228
Changes in working capital :-			
Net change in development costs	(84,785)	(11,919)	(18,561)
Net change in current assets	(896)	(2,025)	(4,563)
Net change in current liabilities	19,671	4,584	4,939
Net change in accrued/progress billings	4,515	(16,262)	(11,465)
Net change in intercompany balances	-	(18)	(18)
Net cash used in operations	(55,204)	(17,896)	(19,440)
Income tax paid	(1,892)	(4,706)	(5,981)
Income tax refunded	1,116	79	79
Interest received	191	279	498
Interest paid	(1,435)	(531)	(817)
Net cash used in operating activities	(57,224)	(22,775)	(25,661)
Cash Flows From Investing Activities			
Purchase of plant and equipment	(2,896)	(1,515)	(1,621)
Purchase of investment property	(16)	-	(1,998)
Net cash outflow on acquisition of subsidiary companies	(15,121)	-	-
Net cash used in investing activities	(18,033)	(1,515)	(3,619)
Cash Flows From Financing Activities			
Dividends paid	(3,486)	(3,361)	(6,722)
Payment of BaIDS expenses	(105)	(45)	(56)
Payment of BaIDS profits	(1,750)	(1,750)	(3,500)
Payment of borrowing expenses	(421)	-	-
Share buybacks	-	(35)	(35)
Proceeds from rights issue application	95,279	-	-
Proceeds from disposal of treasury shares	8,804	-	-
Proceeds from conversion of warrants	5	-	-
Proceeds from subscription of additional shares by minority shareholders	147	-	-
Drawdown of term loan	70,000	-	-
Drawdown of revolving credits	45,100	31,918	35,700
Repayment of revolving credits	(29,000)	(8,768)	(6,050)
Net cash from financing activities	184,573	17,959	19,337
Net change in cash and cash equivalents	109,316	(6,331)	(9,943)
Cash and cash equivalents at beginning of the period/year	10,035	19,978	19,978
Cash and cash equivalents at end of the period/year	119,351	13,647	10,035
Cash and cash equivalents at end of the period/year comprised:			
Cash on hand and banks	27,524	3,337	1,540
Sinking Fund Account	4	1	1
Deposit with Licensed Banks	72,133	1,830	-
Housing Development Accounts	16,190	3,729	3,744
Profit Service Reserve and Reserve Accounts	3,500	4,750	4,750
	119,351	13,647	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 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 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

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 FRS 121 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 restatement of certain comparatives is shown below:

	As previously stated RM'000	Effect of FRS117 RM'000	As restated RM'000
Consolidated Balance Sheets At 30 September 2006			
Investment properties	4,281	(1739)	2,542
Prepaid land lease payments	-	1,739	1,739
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.

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.

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

A6. Changes in debt and equity securities

(a) Exercise of Warrants A 2004/2009

During the current year to date, the Company has issued 5,195 new Ordinary Shares of RM1.00 each for cash at RM1.10 each pursuant to the exercise of Warrants A 2004/2009 and the total cash proceeds arising from the exercise of Warrants A amounted to RM5,715. The details of the Warrants A exercised during the current year to date are as follows:

Date	No. of Warrants exercise	No. of shares allotted	Type of issue
15 Jan 2007	391	391	Exercise of Warrants A 2004/2009 at RM1.10 per share
26 Feb 2007	363	363	Exercise of Warrants A 2004/2009 at RM1.10 per share
10 Apr 2007	846	846	Exercise of Warrants A 2004/2009 at RM1.10 per share
21 May 2007	174	174	Exercise of Warrants A 2004/2009 at RM1.10 per share
28 May 2007	376	376	Exercise of Warrants A 2004/2009 at RM1.10 per share
8 Jun 2007	486	486	Exercise of Warrants A 2004/2009 at RM1.10 per share
1 Aug 2007	357	357	Exercise of Warrants A 2004/2009 at RM1.10 per share
10 Aug 2007	500	500	Exercise of Warrants A 2004/2009 at RM1.10 per share
30 Aug 2007	710	710	Exercise of Warrants A 2004/2009 at RM1.10 per share
4 Sep 2007	992	992	Exercise of Warrants A 2004/2009 at RM1.10 per share
Total	5,195	5,195	

As a result of the exercise of the Warrants A 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 100,001,195 shares. The new Ordinary Shares issued arising from the exercise of Warrants shall rank pari passu in all respect with the existing Ordinary Shares of the Company, save and except that the new shares shall not be 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.

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

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

(b) Treasury shares

During the current year to date, the company has purchased 100 ordinary shares for a total cash consideration of RM133 from open market at an average price of RM1.33 per share. The shares repurchased are held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act, 1965.

The detail of the share buy back, resale of treasury shares and the number of treasury shares held in hand as at 30 September 2007 are as follows:

<u>Date</u>	<u>Number of shares</u>	<u>Purchase Price</u>			<u>Cost RM</u>
		<u>Highest price RM</u>	<u>Lowest price RM</u>	<u>Average price RM</u>	
As at 1 Jan 2007	6,628,500	1.34	0.91	1.20	7,935,411
May 2007	100	1.20	1.20	1.33	133
Disposal of treasury shares (Note 1)	(6,628,600)	1.34	0.91	1.20	(7,935,544)
As at 30 September 2007	-	-	-	-	-

Note 1

The Company has reissued 6,628,600 treasury shares by resale in the open market during the year to date at an average resale price of RM1.33 per share for an aggregate net proceeds of RM8,804,139. The proceeds from the resale will be utilised for working capital purposes.

Details of the resale of treasury shares during the current year to date are as follows:-

<u>Date</u>	<u>Number of shares</u>	<u>Sale Price</u>			<u>Proceeds RM</u>
		<u>Highest price RM</u>	<u>Lowest price RM</u>	<u>Average price RM</u>	
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
17 July 2007	3,300,000	1.40	1.37	1.38	4,536,677
18 July 2007	1,071,000	1.40	1.36	1.38	1,452,558
19 July 2007	130,000	1.42	1.40	1.41	181,600
Total	6,628,600	1.42	1.22	1.33	8,804,139

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

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

A7. Dividends paid

A final dividend of 5 sen per share less 27% income tax amounting to RM3,485,624 in respect of preceding financial year ended 31 December 2006 was paid on 18 May 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

<u>Current year to date ended</u> <u>30 September 2007</u> <u>(unaudited)</u>	Property development	Property investment & management	Holding entity	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	57,330	-	178	-	57,508
Inter segment revenue	-	-	981	(981)	-
Total	57,330	-	1,159	(981)	57,508

Results

Profit from operations	7,284	215	437	(1,093)	6,843
Less: Finance costs	(6,046)	-	222	981	(4,843)
Profit before taxation	1,238	215	659	(112)	2,000
Income tax expense					(1,917)
Profit after taxation					83
Minority interest					5
Profit attributable to equity holders of the Company					88

<u>Preceding year to date</u> <u>ended 30 September 2006</u> <u>(unaudited)</u>	Property development	Property investment & management	Holding entity	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	50,585	-	206	-	50,791
Inter segment revenue	-	-	8,590	(8,590)	-
Total	50,585	-	8,796	(8,590)	50,791

Results

Profit from operations	9,900	97	7,515	(8,703)	8,809
Less: Finance costs	(4,853)	-	-	591	(4,262)
Profit before taxation	5,047	97	7,515	(8,112)	4,547
Income tax expense					(1,973)
Profit after taxation					2,574
Minority interest					-
Profit attributable to equity holders of the Company					2,574

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

A9. Valuations of property, plant and equipment

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

A10. Material subsequent events

(a) Renounceable rights issue by the Company

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

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

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

The Rights Issue has raised a total proceeds of RM99,999,493 new ordinary shares 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.

(b) Acquisition of Perspektif Vista Sdn Bhd (“PV”)

On 9 October 2007, the Company acquired the entire issued and paid-up capital of PV comprising two (2) ordinary shares of RM1.00 each for a cash consideration of RM2.00.

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 RM1.00 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 the Company.

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

A11. Changes in the composition of the Group

(a) Acquisition of Atria Damansara Sdn Bhd (formerly known as Nexus Empire Sdn. Bhd. (“Atria Damansara”))

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

Atria Damansara 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. The principal activities of Atria Damansara is property management and development and Atria Damansara is the owner of Atria Shopping Centre.

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

(b) Acquisition Semponia Sdn Bhd (“Semponia”) and Country Wheels Sdn Bhd (“Country Wheels”)

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

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 fully 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 fully paid-up. The principal activity 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 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 the Company.

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

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

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:

	RM'000
Purchase consideration satisfied by cash	15,300
Costs attributable to the acquisitions, paid in cash	22
Total cost of acquisitions	<u>15,322</u>
Cash and cash equivalents of subsidiary companies acquired	(201)
Net cash outflow of the Group	<u><u>15,121</u></u>

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

	Date of acquisition to 30.9.2007 RM'000
Revenue	-
Loss before taxation	(11)
Loss for the period	<u>(11)</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:

	1.1.2007 to 30.9.2007 RM'000
Revenue	-
Loss before taxation	(12)
Loss for the period	<u>(12)</u>

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

	As at the date of acquisitions RM'000
Land held for property development	15,360
Cash and bank balances	201
Other payables and accruals	(239)
Fair value of total net assets	<u>15,322</u>
Minority interests	-
Group's share of net assets	<u>15,322</u>
Goodwill	-
Purchase consideration	<u><u>15,322</u></u>

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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.

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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’s revenue and pre-tax profit have increased by 185% and 145% to RM24.88 million and RM1.72 million respectively for the current quarter as compared to the Group’s revenue of RM8.71 million and pre-tax profit of RM0.70 million reported in the corresponding quarter last year. The improved results were driven by higher sales achieved from Bandar Puteri Jaya project in Sungai Petani, Seremban 3 project and the recently launched Sri Banyan project in Country Heights Kajang.

The Group recorded a revenue of RM57.5 million and pre-tax profit of RM2.0 million for the nine months ended 30 September 2007 as compared to RM50.8 million and RM4.5 million respectively in the corresponding period last year. The lower pre-tax profit was mainly due to the delay in the launching of Mon’t Jade project in Seremban and the “Build and Sell” concept for its high-end Sri Banyan project in Kajang. In addition, the pre-tax profit of the comparative corresponding period included the recognition of sales of certain higher profit margins development in Sungai Petani project.

B2. Material changes in the quarterly results

(Comparison on current quarter with the immediate preceding quarter)

The Group recorded a pre-tax profit of RM1.7 million for the current quarter as compared to pre-tax losses of RM78,000 in the immediate preceding quarter. This was principally due to higher sales achieved from the ongoing development projects.

B3. (a) Current year prospects

(Commentary on the remaining year)

The implementation of the 9th Malaysia Plan and incentives announced by the government, such as the exemption of Real Property Gains Tax and 50% stamp duty exemption on purchase of houses not exceeding RM250,000, are expected to improve the sales of property.

The Group will continue to actively source for new land bank and projects in strategic locations for future developments. Following the acquisition of Semponia and Country Wheels (A11 (b)), the Group expects to launch new development project in the coming quarter or latest by first quarter of 2008. This new project together with the proposed acquisition of two pieces of land (B9 (b)) are expected to contribute positively to the earnings of the Group in future.

Barring any unforeseen circumstances, the Board expects the Group to perform satisfactorily for the remaining of the current year ending 31 December 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.

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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. Taxation

	Current quarter ended 30/9/2007 RM'000	Current year to date ended 30/9/2007 RM'000
In respect of the current quarter / period		
- Malaysian income tax	1,190	2,417
- Deferred tax	(379)	(713)
	<hr/> 811	<hr/> 1,704
In respect of prior year		
- Malaysian income tax	213	213
	<hr/> 1,024	<hr/> 1,917

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.

B7. Sale of unquoted investments and/or properties

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

B8. Quoted securities

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

B9. Status of corporate proposals announced but not completed as at 16 November 2007

- (a) 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 with KHB 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.

- (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;

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B9. Status of corporate proposals announced but not completed as at 16 November 2007 (Cont'd)

- (a) 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”) (Contd.)
- (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 by the fourth quarter of 2007.

- (b) Proposed acquisition of two (2) pieces of lands together with a double storey office and a single storey office by OSK Property Holdings Berhad (“OSKPH”) from Presenter Services (M) Sdn Bhd (“PSSB”) for a total cash consideration of RM11,500,000 (“Proposed Acquisition of Lands”)

On 21 May 2007, OSKPH entered into a sale and purchase agreement with PSSB for the Proposed Acquisition of Lands for a total cash consideration of RM11,500,000.

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 Lands is expected to be completed by the fourth quarter of 2007.

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B10. 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 borrowings: -	
Secured	
Class A BaIDS	50,000
Class B BaIDS	25,000
	<u>75,000</u>
Less: Unaccredited discount on BaIDS	(3,316)
Expenses incurred for issuance of BaIDS	(328)
	<u>71,356</u>
Less: payable within 12 months	(24,561)
	<u>46,795</u>
Term Loan	69,589
	<u>116,384</u>
	RM'000
(b) Short term borrowings: -	
Secured	
BaIDS	24,561
Revolving credit	4,750
	<u>29,311</u>
Unsecured	
Revolving credits	41,000
	<u>70,311</u>

B11. Off balance sheet financial instruments

As at 16 November 2007, the Group did not enter into any contract involving financial instruments with off balance sheet risk.

B12. Material litigation

As at 16 November 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.

B13. Dividends

(a) No dividend has been declared for the current quarter as well as for the comparative quarter ended 30 September 2006.

(b) No dividend has been declared for the current year to date.

OSK PROPERTY HOLDINGS BERHAD (201666-D)**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007****B14. Earnings Per Share (“EPS”)**

	Current quarter ended 30/9/2007	Comparative quarter ended 30/9/2006	Current year to date ended 30/9/2007	Preceding year to date ended 30/9/2006
Basic EPS				
Profit attributable to equity holders of the Company (RM'000)	703	233	88	2,574
Weighted average number of ordinary shares in issue ('000 shares)	99,202	93,372	96,232	93,370
Basic EPS (sen)	0.71	0.25	0.09	2.76
Diluted EPS				
Profit attributable to equity holders of the Company (RM'000)	703	233	88	2,574
Weighted average number of ordinary shares in used ('000 shares)	99,202	93,372	96,232	93,370
Effect of dilution on assumed exercise of Warrants ('000 shares)	10,143	5,284	8,844	7,031
Adjusted weighted average number of ordinary shares in issue ('000 shares)	109,345	98,656	105,076	100,401
Diluted EPS (sen)	0.64	0.24	0.08	2.56

By Order of the Board

DATO' NIK MOHAMED DIN BIN DATUK NIK YUSOFF
Executive Chairman

Kuala Lumpur

23 November 2007