

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current quarter ended 30/09/2008 RM'000	Comparative quarter ended 30/09/2007 RM'000	Current year to date ended 30/09/2008 RM'000	Preceding year to date ended 30/09/2007 RM'000
Revenue	31,814	24,876	78,369	57,508
Cost of sales	(25,743)	(20,059)	(61,399)	(46,747)
Gross profit	6,071	4,817	16,970	10,761
Other income	2,516	2,075	7,483	2,751
Administrative expenses	(2,938)	(2,938)	(8,958)	(6,669)
Finance costs	(1,867)	(2,232)	(6,010)	(4,843)
Profit before taxation	3,782	1,722	9,485	2,000
Income tax expense	(1,962)	(1,024)	(3,318)	(1,917)
Profit for the period	1,820	698	6,167	83
Profit attributable to:				
Equity holders of the Company	1,796	703	6,289	88
Minority interests	24	(5)	(122)	(5)
	1,820	698	6,167	83
Earnings per share (sen) attributable to equity holders of the Company (Note B14):				
Basic	0.93	0.71	3.20	0.09
Diluted	0.93	0.64	3.20	0.08

(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 2008
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

	As at 30/09/2008	As at 30/09/2007	(Audited) As at 31/12/2007
	RM'000	RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	1,749	6,436	1,663
Investment properties	4,553	4,515	4,746
Prepaid land lease payments	-	1,720	-
Land held for property development	361,788	254,036	342,721
Intangible assets	67	-	62
Deferred tax assets	1,611	523	759
	369,768	267,230	349,951
Current assets			
Property development costs	98,645	175,604	96,170
Trade receivables	29,845	27,153	32,156
Accrued billings	6,196	3,535	11,974
Other receivables, deposits and prepayments	5,127	3,632	1,924
Tax recoverable	2,014	2,363	3,222
Cash, bank balances and deposits	43,821	119,351	67,815
	185,648	331,638	213,261
Non-current assets classified as held for sale	-	-	6,211
	185,648	331,638	219,472
TOTAL ASSETS	555,416	598,868	569,423

OSK PROPERTY HOLDINGS BERHAD (201666-D)**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS (CONT'D)**

	As at 30/09/2008 RM'000	As at 30/09/2007 RM'000	(Audited) As at 31/12/2007 RM'000
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	200,001	100,001	200,001
Less: Treasury shares	(6,535)	-	-
	193,466	100,001	200,001
Warrants A	14,998	14,998	14,998
Reserves	104,515	99,396	102,806
	312,979	214,395	317,805
Minority interests	478	123	116
Total equity	313,457	214,518	317,921
Non-current liabilities			
Seven (7)-Year Serial Al-Bai' Bithaman Ajil Islamic Debt Securities ("BaIDS")	23,699	46,795	47,153
Term loans	67,131	69,589	69,600
Deferred tax liabilities	41,915	44,403	42,622
	132,745	160,787	159,375
Current liabilities			
Trade payables	25,786	23,403	21,664
Progress billings	17,347	15,501	12,254
Other payables, deposits and accruals	16,182	18,886	14,243
Rights issue application account	-	95,279	-
Short term borrowings	48,211	70,311	43,395
Tax payable	1,688	183	571
	109,214	223,563	92,127
Total liabilities	241,959	384,350	251,502
TOTAL EQUITY AND LIABILITIES	555,416	598,868	569,423
Net asset per share (RM) attributable to equity holders of the Company	1.62	2.14	1.59

(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 2008
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		
<u>Current year to date ended</u> <u>30 September 2008 (unaudited)</u>								
At 1 January 2008	200,001	-	14,998	15,385	87,421	317,805	116	317,921
Share issue expenses	-	-	-	(4)	-	(4)	-	(4)
Rights issue expenses	-	-	-	(136)	-	(136)	-	(136)
Total expense recognised directly in equity	-	-	-	(140)	-	(140)	-	(140)
Profit for the period	-	-	-	-	6,289	6,289	(122)	6,167
Total (expense)/income recognised for the period	-	-	-	(140)	6,289	6,149	(122)	6,027
Dividend paid	-	-	-	-	(4,440)	(4,440)	-	(4,440)
Share buyback of the Company	-	(6,535)	-	-	-	(6,535)	-	(6,535)
Acquisition of subsidiary company	-	-	-	-	-	-	484	484
At 30 September 2008	200,001	(6,535)	14,998	15,245	89,270	312,979	478	313,457
<u>Preceding 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
Expenses recognised in relation to exercise of Warrants A	-	-	-	(1)	-	(1)	-	(1)
Profit 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 A	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

OSK PROPERTY HOLDINGS BERHAD (201666-D)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)**

	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
<u>Preceding year ended</u>								
<u>31 December 2007 (audited)</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 A	-	-	-	(1)	-	(1)	- (1)	
Rights issue expenses	-	-	-	(943)	-	(943)	- (943)	
Total expense recognised directly in equity	-	-	-	(944)	-	(944)	- (944)	
Profit for the year	-	-	-	-	4,441	4,441	(12) 4,429	
Total (expense)/income recognised for the year	-	-	-	(944)	4,441	3,497	(12) 3,485	
Dividend paid	-	-	-	-	(3,486)	(3,486)	- (3,486)	
Shares issued pursuant to exercise of Warrants A	5	-	(1)	2	-	6	- 6	
Shares issued pursuant to the rights issue	100,000	-	-	-	-	100,000	- 100,000	
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 31 December 2007	200,001	-	14,998	15,385	87,421	317,805	116 317,921	

(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 2008
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	Current year to date ended 30/09/2008 RM'000	Preceding year to date ended 30/09/2007 RM'000	(Audited) Preceding year ended 31/12/2007 RM'000
Cash Flows From Operating Activities			
Profit before taxation	9,485	2,000	6,587
Adjustments for non-cash and non-operating items	4,666	4,291	6,679
Operating profit before working capital changes	14,151	6,291	13,266
Changes in working capital :-			
Net change in property development costs	(20,606)	(84,785)	(94,974)
Net change in receivables	1,474	(896)	(4,245)
Net change in payables	3,873	19,671	13,536
Net change in accrued/progress billings	10,871	4,515	(7,170)
Net cash used in operations	9,763	(55,204)	(79,587)
Income tax paid	(3,593)	(1,892)	(3,207)
Income tax refunded	1,038	1,116	1,116
Interest received	1,167	191	905
Interest paid	(3,100)	(1,435)	(2,743)
Net cash generated from/(used in) operating activities	5,275	(57,224)	(83,516)
Cash Flows From Investing Activities			
Proceeds from disposal of plant and equipment	95	-	-
Proceeds from disposal of non-current asset held for sale	6,500	-	-
Purchase of plant and equipment	(455)	(2,896)	(159)
Purchase of investment properties	-	(16)	(2,837)
Net cash inflow/(outflow) on acquisition of subsidiary companies	1	(15,121)	(15,167)
Purchase of intangible assets	(14)	-	(67)
Net cash generated from/(used in) investing activities	6,127	(18,033)	(18,230)

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008 UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (CONT'D)

	Current year to date ended 30/09/2008	Preceding year to date ended 30/09/2007	(Audited) Preceding year ended 31/12/2007
	RM'000	RM'000	RM'000
Cash Flows From Financing Activities			
Dividends paid	(4,440)	(3,486)	(3,486)
Payment of BaIDS expenses	(31)	(105)	(80)
Payment of BaIDS profits	(1,750)	(1,750)	(3,500)
Payment of borrowing expenses	-	(421)	(421)
Payment of Primary Bonds Tranche 1	(25,000)	-	-
Payment of rights issue expenses	(140)	-	(944)
Proceeds from rights issue	-	95,279	100,000
Proceeds from resale of treasury shares	-	8,804	8,804
Proceeds from conversion of Warrants A	-	5	6
Proceeds from subscription of additional shares by minority shareholders	-	147	147
Drawdown of term loans	-	70,000	70,000
Drawdown of revolving credits	14,750	45,100	66,800
Share buybacks	(6,535)	-	-
Repayment of revolving credits	(12,250)	(29,000)	(77,800)
Net cash (used in)/generated from financing activities	(35,396)	184,573	159,526
Net change in cash and cash equivalents	(23,994)	109,316	57,780
Cash and cash equivalents at beginning of the period/year	67,815	10,035	10,035
Cash and cash equivalents at end of the period/year	43,821	119,351	67,815
Cash and cash equivalents at end of the period/year comprised:			
Cash on hand and at banks	2,173	27,524	2,806
Sinking Fund Account - Cash at bank	4,254	4	4
Sinking Fund Account - Short term placements with licensed bank	-	-	12,750
Short term placements with licensed investment bank	21,051	72,133	39,304
Housing Development Accounts	13,905	16,190	9,451
Fixed deposit for Profit Service Reserve and Reserve Accounts	2,438	3,500	3,500
	43,821	119,351	67,815

(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 2008

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 statements of the Group for the year ended 31 December 2007 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 2007.

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 2007 except for the adoption of the following new and revised Financial Reporting Standards, Amendments and interpretations issued by MASB that are effective for financial statements beginning on or after 1 July 2007: -

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members’ Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 ₂₀₀₄ Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

FRS 111 and 120 are not applicable to the Group’s operations. The adoption of the other FRSs and the interpretations are not expected to have any significant financial impact on the financial statements of the Group.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

A1. Accounting policies (Cont'd)

The Group had not adopted the following FRSs and Interpretations which have effective dates as follows:

		<u>Effective for financial Period beginning on or after</u>
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010

A2. 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.

A3. Unusual items affecting the financial statements

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

A4. 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.

A5. Changes in debt and equity securities

(a) Exercise of Warrants A 2004/2009

During the current year to date, the Company has issued 136 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 RM150. 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
14 Apr 2008	136	136	Exercise of Warrants A 2004/2009 at RM1.10 per share
Total	136	136	

As a result of the exercise of the Warrants A mentioned above, the total number of issued and paid up shares of RM1.00 each of the Company has been increased from 200,000,688 shares to 200,000,824 shares. The new ordinary shares issued arising from the exercise of Warrants A 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 A is effected before the book closure of the share registers for determination of the entitlement to such rights or distributions.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

A5. Changes in debt and equity securities (Cont'd)

(b) Share buybacks / Treasury shares

During the current year to date, the Company has purchased 7,356,700 ordinary shares for a total cash consideration of RM6,534,979 from open market at an average price of RM0.89 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 the share buyback for the current year to date are as follows:

	Number of shares	Purchase Price			Cost RM
		Highest price RM	Lowest price RM	Average price RM	
As at 1 January 2008	100	1.20	0.99	1.12	112
May 2008	2,000	0.80	0.80	0.82	1,633
June 2008	7,354,700	0.89	0.81	0.89	6,533,346
As at 30 September 2008	7,356,800	1.20	0.80	0.89	6,535,091

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

A6. Dividends paid

A final dividend of 3 sen per share less 26% income tax amounting to RM4,440,036 in respect of preceding financial year ended 31 December 2007 was paid on 21 May 2008.

A7. Segmental information

Segmental information is presented in respect of the Group's business segments. Segment revenue and results 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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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

A7. Segmental information (Cont'd)

<u>Current year to date ended</u> <u>30 September 2008</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	77,908	-	461	-	78,369
Inter segment revenue	-	-	2,162	(2,162)	-
Total	77,908	-	2,623	(2,162)	78,369

Results					
Profit before finance costs	14,959	265	1,988	(1,717)	15,495
Less: Finance costs	(7,671)	-	-	1,661	(6,010)
Profit before taxation	7,288	265	1,988	(56)	9,485
Income tax expense					(3,318)
Profit after taxation					6,167
Minority interest					122
Profit attributable to equity holders of the Company					6,289

<u>Preceding 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	57,446	-	62	-	57,508
Inter segment revenue	-	-	981	(981)	-
Total	57,446	-	1,043	(981)	57,508

Results					
Profit before finance costs	7,400	215	321	(1,093)	6,843
Less: Finance costs	(6,046)	-	222	981	(4,843)
Profit before taxation	1,354	215	543	(112)	2,000
Income tax expense					(1,917)
Profit after taxation					83
Minority interest					5
Profit attributable to equity holders of the Company					88

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

A8. Valuations of property, plant and equipment

There were no revalued property, plant and equipment as at 30 September 2008.

A9. Material events subsequent to the end of the quarter

There were no material events subsequent to the end of the quarter.

A10. Changes in the composition of the Group

(a) Acquisition of Perspektif Pertama Sdn. Bhd.

On 30 April 2008, the Company acquired the entire issued and paid-up capital of Perspektif Pertama Sdn. Bhd. ("PPSB") comprising two (2) ordinary shares of RM1.00 each for a cash consideration of RM2.00.

PPSB was incorporated in Malaysia under the Companies Act, 1965 on 9 April 2008 with an authorised share capital of RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each. PPSB is presently a dormant company and its intended principal business activities are property management and development.

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

(b) Acquisition of Pine Avenue Sdn. Bhd.

On 11 June 2008, the Company acquired the entire issued and paid-up capital of Pine Avenue Sdn. Bhd. ("PASB") comprising two (2) ordinary shares of RM1.00 each for a cash consideration of RM2.00.

PASB was incorporated in Malaysia under the Companies Act, 1965 on 8 May 2008 with an authorised share capital of RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each. PASB is presently a dormant company and its intended principal business activities are property management and development.

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

(c) Acquisition of Rimulia Sdn. Bhd.

On 19 June 2008, the Company entered into a Subscription Agreement with Rimulia Sdn. Bhd. ("Rimulia") and its existing shareholders namely, Encik Ahmad Azmi bin Noordin and Encik Mohamed Nazari bin Noordin, for the subscription of 510,000 ordinary shares of RM1.00 each at par, representing 51% of the enlarged issued and paid-up share capital of Rimulia for an aggregate subscription price of RM510,000.00.

Rimulia was incorporated in Malaysia under the Companies Act, 1965 on 29 September 2003 with an authorised share capital of RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each and an issued and paid-up capital of RM2.00. The principal activity of Rimulia is property development.

The subscription of shares in Rimulia completed on 24 June 2008. Effectively, Rimulia has become a 51% owned subsidiary company of the Company.

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

A10. 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 inflow on acquisitions are as follows:

	RM'000
Total cost of acquisitions, satisfied by cash	510
Cash and cash equivalents of subsidiary companies acquired	(511)
Net cash inflow of the Group	<u>1</u>

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

	Date of acquisition to 30.09.2008 RM'000
Revenue	-
Loss before taxation	(18)
Loss for the period	<u>(18)</u>

If the acquisitions had been effected on 1 January 2008, the financial results contributed by these new subsidiary companies for current year to date would have been:

	01.01.2008 to 30.09.2008 RM'000
Revenue	-
Loss before taxation	(19)
Loss for the period	<u>(19)</u>

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

A10. Changes in the composition of the Group (Cont'd)

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	6
Other receivables, deposits and prepayments	2,323
Cash and bank balances	511
Other payables and accruals	(1,843)
Tax payable	(3)
Fair value of total net assets	<u>994</u>
Minority interests	<u>(484)</u>
Group's share of net assets	510
Goodwill	-
Purchase consideration	<u><u>510</u></u>

A11. Changes in contingent liabilities or contingent assets

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

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

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 increased to RM31.81 million and RM3.78 million respectively for the current quarter as compared to the Group’s revenue of RM24.88 million and pre-tax profit of RM1.72 million reported in the corresponding quarter last year.

On a year to-date basis, the Group recorded higher revenue and pre-tax profit of RM78.37 million and RM9.49 million respectively for the nine months period ended 30 September 2008 as compared to RM57.51 million and RM2.00 million respectively in the corresponding period last year.

The improved results were mainly driven by higher revenue recognised from the sales of higher margin products for the up-market project namely Taman Sri Banyan in Kajang which has been completed in the current quarter. In addition, the development progress of Phase 1 of Mon’t Jade project in Seremban and Phase 3 of Bandar Puteri Jaya project in Sungai Petani has contributed to the recognition of higher revenue and pre-tax profit.

B2. Material changes in the quarterly results

(Comparison on current quarter with the immediate preceding quarter)

The Group recorded a pre-tax profit of RM3.78 million for the current quarter as compared to pre-tax profit of RM4.95 million in the immediate preceding quarter.

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

(a) Current year prospects

(Commentary on the remaining year)

The Group will continue to improve in sales and marketing efforts for its existing ongoing projects together with the upcoming projects in Klang Valley.

(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 Group.

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 Group.

B5. Profit forecast / profit guarantee

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

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

B6. Taxation

	Current quarter ended 30/09/2008 RM'000	Current year to date ended 30/09/2008 RM'000
In respect of the current quarter/year to date		
- Malaysian income tax	2,229	4,876
- Deferred tax	(267)	(1,558)
	<u>1,962</u>	<u>3,318</u>

For the current quarter and year to date, the effective tax rate of the Group is higher than the statutory tax rate of 26% 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

On 3 January 2008, OSK Properties Sdn Bhd, a subsidiary company, completed the disposal of three (3) properties which consists of five (5) parcels of land together with the buildings erected thereon as listed below to KE-ZAN Holdings Berhad, a subsidiary company of OSK Holdings Berhad, holding company of the Company, for a total cash consideration of RM6,500,000.

- (a) 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;
- (b) 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, Negeri Johor; and
- (c) 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.

There was no sale of unquoted investments during the current year to date.

B8. Quoted securities

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

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B9. Status of corporate proposals announced but not completed as at 13 November 2008 and utilisation of proceeds from the rights issue

- (a) There were no corporate proposals announced but not completed as at 13 November 2008.
- (b) The Group raised RM99,999,493 from the rights issue of 99,999,493 new ordinary shares of RM1.00 each at an issue price of RM1.00 each in the previous year. The status of utilisation of proceeds from the rights issue as at 30 September 2008 are summarised below:

<u>Purpose</u>	<u>Proposed utilisation</u> RM'000	<u>Utilisation to date</u> RM'000	<u>Balance</u> RM'000
Working capital	73,543	67,929	5,614
Redemption of BaIDS - 1 st Tranche	25,000	25,000	-
Rights issue expenses	1,456	1,070	386
	<u>99,999</u>	<u>93,999</u>	<u>6,000</u>

B10. Borrowings and debt securities

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

	RM'000
(a) Long term borrowings:	
Secured	
Class A BaIDS	25,000
Class B BaIDS	<u>25,000</u>
	50,000
Less: Unaccredited discount on BaIDS	(1,544)
Expenses incurred for issuance of BaIDS	<u>(196)</u>
	48,260
Less: payable within 12 months	<u>(24,561)</u>
	23,699
Term loans	<u>67,131</u>
	<u>90,830</u>
(b) Short term borrowings:	
Secured	
BaIDS	24,561
Term loan	2,500
Revolving credit	<u>5,250</u>
	32,311
Unsecured	
Revolving credits	<u>15,900</u>
	<u>48,211</u>
Total	<u>139,041</u>

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

B11. Off balance sheet financial instruments

As at 13 November 2008, the Group did not enter into any contract involving financial instruments with off balance sheet risk.

B12. Material litigation

As at 13 November 2008, 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

No dividend has been declared or paid for the current year to date ended 30 September 2008 (Comparative quarter ended 30 September 2007: Nil).

OSK PROPERTY HOLDINGS BERHAD (201666-D)**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008****B14. Earnings Per Share (“EPS”)**

	Current quarter ended <u>30/09/2008</u>	Comparative quarter ended <u>30/09/2007</u>	Current year to date ended <u>30/09/2008</u>	Preceding year to date ended <u>30/09/2007</u>
Basic EPS				
Profit attributable to equity holders of the Company (RM'000)	1,796	703	6,289	88
Weighted average number of ordinary shares in issue ('000 shares)	192,644	99,202	196,776	94,232
Basic EPS (sen)	0.93	0.71	3.20	0.09
Diluted EPS				
Profit attributable to equity holders of the Company (RM'000)	1,796	703	6,289	88
Weighted average number of ordinary shares in issue ('000 shares)	192,644	99,202	196,776	96,232
Effect of dilution on assumed exercise of warrants ('000 shares)	- *	10,143	- *	8,844
Adjusted weighted average number of ordinary shares in issue and issuable ('000 shares)	192,644	109,345	196,776	105,076
Diluted EPS (sen)	0.93	0.64	3.20	0.08

* For the current quarter and current year to date ended 30 September 2008, the outstanding warrants have been excluded from the computation of fully diluted earnings per ordinary share as their conversion to ordinary shares would be anti-dilutive.

B15. Auditors' report of preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2007 was not qualified.

By Order of the Board

DATO' NIK MOHAMED DIN BIN DATUK NIK YUSOFF
Executive Chairman

Kuala Lumpur
20 November 2008