

## OSK PROPERTY HOLDINGS BERHAD (201666-D)

### QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

|  | <b>Current<br/>quarter<br/>ended<br/>30/06/2010<br/>RM'000</b> | Comparative<br>quarter<br>ended<br>30/06/2009<br>RM'000 | <b>Current<br/>year to date<br/>ended<br/>30/06/2010<br/>RM'000</b> | Preceding<br>year to date<br>ended<br>30/06/2009<br>RM'000 |
|--|--|---|---|--|
| Revenue  | <b>28,740</b>  | 22,893  | <b>60,163</b>   | 46,229   |
| Cost of sales  | <b>(20,036)</b>  | (18,431)  | <b>(44,756)</b>   | (35,364)   |
| Gross profit   | <b>8,704</b>   | 4,462   | <b>15,407</b>   | 10,865   |
| Other income   | <b>2,722</b>   | 2,299   | <b>5,351</b>  | 4,828  |
| Selling and marketing expenses   | <b>(1,719)</b>   | (690)   | <b>(3,366)</b>  | (1,123)  |
| Administrative expenses  | <b>(2,691)</b>   | (2,897)   | <b>(5,569)</b>  | (5,792)  |
| Finance costs  | <b>(368)</b>   | (1,072)   | <b>(1,511)</b>  | (2,748)  |
| <b>Profit before taxation</b>  | <b>6,648</b>   | 2,102   | <b>10,312</b>   | 6,030  |
| Income tax expense   | <b>(1,498)</b>   | (456)   | <b>(2,612)</b>  | (1,730)  |
| <b>Profit for the period</b>   | <b>5,150</b>   | 1,646   | <b>7,700</b>  | 4,300  |
| <b>Profit attributable to:</b>   |  |   |   |  |
| <b>Equity owners of the Company</b>  | <b>3,129</b>   | 1,355   | <b>5,011</b>  | 4,015  |
| <b>Minority interests</b>  | <b>2,021</b>   | 291   | <b>2,689</b>  | 285  |
|  | <b>5,150</b>   | 1,646   | <b>7,700</b>  | 4,300  |
| <b>Earnings per share (sen) attributable to<br/>equity owners of the Company (Note B14):</b> |  |   |   |  |
| Basic  | <b>1.67</b>  | 0.72  | <b>2.67</b>   | 2.14   |
| Diluted  | <b>1.67</b>  | 0.72  | <b>2.67</b>   | 2.14   |

(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 SECOND QUARTER ENDED 30 JUNE 2010  
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE  
INCOME**

|  | <b>Current<br/>quarter<br/>ended<br/>30/06/2010<br/>RM'000</b> | <b>Comparative<br/>quarter<br/>ended<br/>30/06/2009<br/>RM'000</b> | <b>Current<br/>year to date<br/>ended<br/>30/06/2010<br/>RM'000</b> | <b>Preceding<br/>year to date<br/>ended<br/>30/06/2009<br/>RM'000</b> |
|--|--|--|---|---|
| <b>Profit after tax for the period</b>                           | <b>5,150</b>   | 1,646  | <b>7,700</b>  | 4,300   |
| <b>Other comprehensive income<br/>for the period, net of tax</b> | -  | -  | -   | -   |
| <b>Total comprehensive income<br/>for the period, net of tax</b> | <b>5,150</b>   | 1,646  | <b>7,700</b>  | 4,300   |
| Total comprehensive income/(loss) attributable to:               |  |  |   |   |
| Equity owners of the Company                                     | <b>3,129</b>   | 1,355  | <b>5,011</b>  | 4,015   |
| Minority interests   | <b>2,021</b>   | 291  | <b>2,689</b>  | 285   |
|  | <b>5,150</b>   | 1,646  | <b>7,700</b>  | 4,300   |

(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 SECOND QUARTER ENDED 30 JUNE 2010 UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION

|   | As at<br>30/06/2010 | As at<br>30/06/2009 | (Audited)<br>As at<br>31/12/2009 |
|---|---------------------|---------------------|----------------------------------|
|   | RM'000              | RM'000              | RM'000                           |
| <b>ASSETS</b>                               |                     |                     |                                  |
| <b>Non-current assets</b>                   |                     |                     |                                  |
| Property and equipment                      | 3,796               | 3,211               | 3,094                            |
| Investment properties                       | 8,688               | 8,774               | 8,731                            |
| Land held for property development          | 341,570             | 355,945             | 344,675                          |
| Intangible assets                           | 63                  | 92                  | 57                               |
| Deferred tax assets                         | 3,265               | 2,661               | 3,021                            |
|   | <b>357,382</b>      | <b>370,683</b>      | <b>359,578</b>                   |
| <b>Current assets</b>                       |                     |                     |                                  |
| Property development costs                  | 94,860              | 87,883              | 69,578                           |
| Inventories                                 | 284                 | 381                 | 284                              |
| Trade receivables                           | 20,042              | 25,645              | 23,126                           |
| Accrued billings                            | 1,631               | 4,744               | 2,738                            |
| Other receivables, deposits and prepayments | 4,008               | 4,009               | 3,292                            |
| Tax recoverable                             | 1,373               | 2,501               | 1,843                            |
| Cash, bank balances and deposits            | 36,126              | 32,361              | 44,726                           |
|   | <b>158,324</b>      | <b>157,524</b>      | <b>145,587</b>                   |
| <b>TOTAL ASSETS</b>                         | <b>515,706</b>      | <b>528,207</b>      | <b>505,165</b>                   |

# OSK PROPERTY HOLDINGS BERHAD (201666-D)

## QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010 UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION (CONT'D)

|   | (Audited)      |            |            |
|---|----------------|------------|------------|
|   | As at          | As at      | As at      |
|   | 30/06/2010     | 30/06/2009 | 31/12/2009 |
|   | RM'000         | RM'000     | RM'000     |
| <b>EQUITY AND LIABILITIES</b>   |                |            |            |
| <b>Equity attributable to equity owners of the Company</b>            |                |            |            |
| Share capital   | 187,380        | 200,002    | 200,002    |
| Less: Treasury shares, at cost  | (1)            | (8,260)    | (8,261)    |
|   | <b>187,379</b> | 191,742    | 191,741    |
| Reserves  | 130,134        | 122,737    | 123,785    |
|   | <b>317,513</b> | 314,479    | 315,526    |
| Minority interests  | 5,289          | 758        | 2,580      |
| <b>Total equity</b>   | <b>322,802</b> | 315,237    | 318,106    |
| <b>Non-current liabilities</b>  |                |            |            |
| Term loans  | 61,336         | 62,727     | 59,423     |
| Deferred tax liabilities  | 37,885         | 39,391     | 38,459     |
|   | <b>99,221</b>  | 102,118    | 97,882     |
| <b>Current liabilities</b>  |                |            |            |
| Trade payables  | 18,213         | 19,397     | 19,591     |
| Progress billings   | 4,062          | 28,197     | 3,483      |
| Other payables, deposits and accruals                                 | 40,603         | 8,703      | 12,900     |
| Short term borrowings   | 30,000         | 52,597     | 52,373     |
| Tax payable   | 805            | 1,958      | 830        |
|   | <b>93,683</b>  | 110,852    | 89,177     |
| <b>Total liabilities</b>  | <b>192,904</b> | 212,970    | 187,059    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                   | <b>515,706</b> | 528,207    | 505,165    |
| Net asset per share (RM) attributable to equity owners of the Company | <b>1.69</b>    | 1.68       | 1.68       |

(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 SECOND QUARTER ENDED 30 JUNE 2010  
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

|   | Attributable to equity owners of the Company |                 |            |               |                            |                  | Minority interests | Total equity |         |
|---|--|-----------------|------------|---------------|----------------------------|------------------|--------------------|--------------|---------|
|   | Share capital                                | Treasury shares | Warrants A | Share premium | Capital Redemption Reserve | Retained profits |                    |              | Total   |
|   | RM'000                                       | RM'000          | RM'000     | RM'000        | RM'000                     | RM'000           |                    |              | RM'000  |
| <b><u>Current year to date ended</u></b>  |  |                 |            |               |                            |                  |                    |              |         |
| <b><u>30 June 2010 (unaudited)</u></b>  |  |                 |            |               |                            |                  |                    |              |         |
| At 1 January 2010   |  |                 |            |               |                            |                  |                    |              |         |
| As previously reported  | 200,002                                      | (8,261)         | -          | 15,245        | -                          | 108,539          | 315,525            | 2,581        | 318,106 |
| Effect of first adoption of FRS 139 - net impact arising from initial measurement of Other Financial Liability and Loans & Receivables at fair value less transaction costs | -  | -               | -          | -             | -                          | 491              | 491                | 67           | 558     |
| As restated   | 200,002                                      | (8,261)         | -          | 15,245        | -                          | 109,030          | 316,016            | 2,648        | 318,664 |
| Total comprehensive income  | -  | -               | -          | -             | -                          | 5,011            | 5,011              | 2,689        | 7,700   |
| Dividend paid   | -  | -               | -          | -             | -                          | (3,513)          | (3,513)            | -            | (3,513) |
| Cancellation of treasury shares   | -  | 8,261           | -          | (8,261)       | -                          | -                | -                  | -            | -       |
| Transfer to capital redemption reserve  | (12,622)                                     | -               | -          | -             | 12,622                     | -                | -                  | -            | -       |
| Shares buyback of the Company   | -  | (1)             | -          | -             | -                          | -                | (1)                | -            | (1)     |
| Acquisition of additional shares in a subsidiary company  | -  | -               | -          | -             | -                          | -                | -                  | (48)         | (48)    |
| At 30 June 2010   | 187,380                                      | (1)             | -          | 6,984         | 12,622                     | 110,528          | 317,513            | 5,289        | 322,802 |
| <b><u>Preceding year to date ended</u></b>  |  |                 |            |               |                            |                  |                    |              |         |
| <b><u>30 June 2009 (unaudited)</u></b>  |  |                 |            |               |                            |                  |                    |              |         |
| At 1 January 2009   | 200,001                                      | (7,949)         | 14,998     | 15,245        | -                          | 91,290           | 313,585            | 473          | 314,058 |
| Total comprehensive income  | -  | -               | (14,998)   | -             | -                          | 19,013           | 4,015              | 285          | 4,300   |
| Dividend paid   | -  | -               | -          | -             | -                          | (2,811)          | (2,811)            | -            | (2,811) |
| Shares buyback of the Company   | -  | (311)           | -          | -             | -                          | -                | (311)              | -            | (311)   |
| Shares issued pursuant to exercise of Warrants A  | 1  | -               | -          | -             | -                          | -                | 1                  | -            | 1       |
| At 30 June 2009   | 200,002                                      | (8,260)         | -          | 15,245        | -                          | 107,492          | 314,479            | 758          | 315,237 |

(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 SECOND QUARTER ENDED 30 JUNE 2010 UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

|  | <b>Current<br/>year to date<br/>ended<br/>30/06/2010</b> | Preceding<br>year to date<br>ended<br>30/06/2009 | (Audited)<br>Preceding<br>year<br>ended<br>31/12/2009 |
|--|--|--|---|
|  | <b>RM'000</b>  | RM'000   | RM'000  |
| <b>Cash Flows From Operating Activities</b>      |  |  |   |
| Profit before taxation                           | <b>10,312</b>  | 6,030  | 11,923  |
| Adjustments for non-cash and non-operating items | <b>1,473</b>   | 2,714  | 4,936   |
| Operating profit before working capital changes  | <b>11,785</b>  | 8,744  | 16,859  |
| Changes in working capital :-                    |  |  |   |
| Net change in property development costs         | <b>7,711</b>   | 7,523  | 37,699  |
| Net change in receivables                        | <b>2,875</b>   | (802)  | 2,397   |
| Net change in payables                           | <b>(2,044)</b>   | (2,983)  | 1,302   |
| Net change in accrued/progress billings          | <b>1,686</b>   | 18,129   | (4,579)   |
| Net cash generated from operations               | <b>22,013</b>  | 30,611   | 53,678  |
| Interest paid                                    | <b>(1,693)</b>   | (1,806)  | (3,449)   |
| Interest received                                | <b>360</b>   | 310  | 637   |
| Tax paid   | <b>(2,983)</b>   | (2,258)  | (7,969)   |
| Tax refunded                                     | <b>-</b>   | -  | 924   |
| Net cash generated from operating activities     | <b>17,697</b>  | 26,857   | 43,821  |
| <b>Cash Flows From Investing Activities</b>      |  |  |   |
| Proceeds from disposal of plant and equipment    | <b>2</b>   | 1  | 1   |
| Purchase of property and equipment               | <b>(896)</b>   | (1,449)  | (1,503)   |
| Purchase of intangible assets                    | <b>(15)</b>  | (36)   | (16)  |
| Purchase of investment properties                | <b>-</b>   | (41)   | (41)  |
| Net cash used in investing activities            | <b>(909)</b>   | (1,525)  | (1,559)   |

# OSK PROPERTY HOLDINGS BERHAD (201666-D)

## QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010 UNAUDITED CONDENSED STATEMENT OF CASH FLOWS (CONT'D)

|   | <b>Current<br/>year to date<br/>ended<br/>30/06/2010</b> | Preceding<br>year to date<br>ended<br>30/06/2009 | (Audited)<br>Preceding<br>year<br>ended<br>31/12/2009 |
|---|--|--|---|
|   | <b>RM'000</b>  | RM'000   | RM'000  |
| <b>Cash Flows From Financing Activities</b>                           |  |  |   |
| Payment of BaIDS expenses   | (3)  | (30)   | (30)  |
| Payment of BaIDS profits  | (438)  | (1,188)  | (1,750)   |
| Payment of Primary Bonds  | (17,500)   | (25,000)   | (32,475)  |
| Payment of borrowing expenses   | (40)   | (686)  | (686)   |
| Payment of share issue expenses                                       | -  | -  | (1)   |
| Proceeds from conversion of Warrants A                                | -  | 1  | 1   |
| Shares buyback  | -  | (310)  | (312)   |
| Drawdown/(repayment) of term loans                                    | (794)  | (1,250)  | (3,075)   |
| (Repayment)/drawdown of revolving credits                             | (3,100)  | 6,450  | 11,750  |
| Dividends paid  | (3,513)  | (2,811)  | (2,811)   |
| Net cash used in financing activities                                 | <b>(25,388)</b>  | (24,824)   | (29,389)  |
| <b>Net change in cash and cash equivalents</b>                        | <b>(8,600)</b>   | 508  | 12,873  |
| <b>Cash and cash equivalents at beginning of the period/year</b>      | <b>44,726</b>  | 31,853   | 31,853  |
| <b>Cash and cash equivalents at end of the period/year</b>            | <b>36,126</b>  | 32,361   | 44,726  |
| <b>Cash and cash equivalents at end of the period/year comprised:</b> |  |  |   |
| Cash on hand and at banks   | 1,847  | 4,648  | 3,402   |
| Sinking Fund Account  |  |  |   |
| - Cash at bank  | 1  | 1  | 1   |
| - Short term placements with licensed investment bank                 | -  | -  | 8,941   |
| Fixed deposit for Profit Service Reserve<br>and Reserve Accounts      | 438  | 1,255  | 873   |
| Housing Development Accounts  | 26,663   | 20,042   | 25,003  |
| Short term placements with licensed investment bank                   | 7,177  | 6,415  | 6,506   |
|   | <b>36,126</b>  | 32,361   | 44,726  |

(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 SECOND QUARTER ENDED 30 JUNE 2010

### A1. Accounting policies (contd.)

#### 1 January 2010 (cont'd)

|                       |  |
|-----------------------|--|
| Amendments to FRS 128 | Investments in Associates  |
| Amendments to FRS 129 | Financial Reporting in Hyperinflationary Economies   |
| Amendments to FRS 132 | Financial Instruments: Presentation – paragraphs 95A, 97AA and 97AB                                |
| Amendments to FRS 134 | Interim Financial Reporting  |
| Amendments to FRS 136 | Impairment of Assets   |
| Amendments to FRS 138 | Intangible Assets  |
| Amendments to FRS 139 | Financial Instruments: Recognition and Measurement   |
| Amendments to FRS 140 | Investment Property  |
| IC Interpretation 9   | Reassessment of Embedded Derivatives   |
| IC Interpretation 10  | Interim Financial Reporting and Impairment   |
| IC Interpretation 11  | FRS 2 – Group and Treasury Share Transactions  |
| IC Interpretation 13  | Customer Loyalty Programmes  |
| IC Interpretation 14  | FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |
| TR i-3                | Presentation of Financial Statements of Islamic Financial Institutions                             |

FRS 4, Amendments to FRS 120 and FRS 129 and IC Interpretations 13 and 14 are not applicable to the Group. The adoption of amendments to FRSs and IC Interpretations did not have any significant effect on the financial performance or position of the Group. The adoption of FRSs are discussed below:

- (a) FRS 8 requires disclosure of information about the Group's operating segments and replaced the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group. The Group concluded that the operating segments determined in accordance with FRS 8 are the same as the business segments previously adopted. Adoption of FRS 8 did not have any effect on the financial position or performance of the Group.
- (b) FRS 7 requires disclosures in financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance, and the nature and extent of risks arising from financial instruments to which an entity is exposed during the period and at the reporting date, and how the entity manages those risks. The principles in this FRS complement the principles for recognising, measuring and presenting financial assets and financial liabilities in FRS 132 Financial Instruments: Presentation and FRS 139 Financial Instruments: Recognition and Measurement.

FRS 7 requires disclosures on the significance of financial instruments for financial position (i.e. Categories of financial assets and financial liabilities, financial assets or financial liabilities at fair value through profit or loss, reclassification, derecognition, collateral, allowance account for credit losses, compound financial instruments with multiple embedded derivatives and defaults and breaches); performance (i.e. Items of income, expense, gains or losses); and other disclosures (i.e. Accounting policies, Hedge accounting and Fair value).

# OSK PROPERTY HOLDINGS BERHAD (201666-D)

## QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010

### A1. Accounting policies (contd.)

FRS 7 also requires disclosures on the risks that arise from financial instruments and how they have been managed. These risks typically include, but are not limited to, credit risk, liquidity risk and market risk. The adoption of FRS 7 did not impact the financial position or results of the Group.

- (c) FRS 101 requires the Group to present all owner changes in equity and all non-owner changes be presented in either in one statement of comprehensive income or in two separate statements of income and comprehensive income. FRS 101 also requires that the income tax effect of each component of comprehensive income be disclosed. FRS 101 requires retrospective restatement of comparative statement of financial position as at the beginning of the earliest comparative period.

The Group has adopted to present the comprehensive income in two separate statements of income and comprehensive income where the individual components of comprehensive income and the related tax effects have been disclosed therein. The Group has not provided a restated comparative set of financial position for the earliest comparative period, as it has not adopted any new accounting policies retrospectively, or has made a retrospective restatement, or retrospectively reclassified items in the financial statements. The adoption of FRS 101 did not impact the financial position or results of the Group as the changes introduced are presentational in nature.

- (d) FRS 139 establishes the principles for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. The adoption of FRS 139 has resulted in change in accounting policies. Retrospective application of FRS 139 is not permitted and financial effects for the current year to date are shown in financial statements and prior year effects are reflected as restatement of opening reserves as disclosed in statement of changes in equity for the current year to date.

FRS 139 requires that financial assets classified as held-to-maturity, available-for-sale and loans and receivables are measured at amortised cost using the effective interest method. Interest income from loans and receivables of the Group continued to be recognised based on contractual interest rates. With adoption of FRS 139, interest income is recognised using effective interest rates. This change in accounting policy has been accounted for prospectively.

The Group has yet to adopt the following FRSs, Amendments to FRSs, IC Interpretations and TRs which are effective for annual periods beginning on and after:

#### **1 March 2010**

Amendments to FRS 132 Financial Instruments: Presentation – paragraphs 11, 16 and 97E

#### **1 July 2010**

|                       |  |
|-----------------------|--|
| FRS 1                 | First-time Adoption of Financial Reporting Standards         |
| FRS 3                 | Business Combinations  |
| FRS 127               | Consolidated and Separate Financial Statements               |
| Amendments to FRS 2   | Share-based Payment  |
| Amendments to FRS 5   | Non-current Assets Held for Sale and Discontinued Operations |
| Amendments to FRS 138 | Intangible Assets  |
| IC Interpretation 12  | Service Concession Arrangements                              |

# OSK PROPERTY HOLDINGS BERHAD (201666-D)

## QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010

### A1. Accounting policies (contd.)

#### 1 July 2010 (contd.)

|                                   |   |
|-----------------------------------|---|
| IC Interpretation 15              | Agreements for the Construction of Real Estate    |
| IC Interpretation 16              | Hedges of a Net Investment in a Foreign Operation |
| IC Interpretation 17              | Distributions of Non-cash Assets to Owners        |
| Amendments to IC Interpretation 9 | Reassessment of Embedded Derivatives              |

#### 1 January 2011

|                      |   |
|----------------------|---|
| Amendments to FRS 1  | Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters |
| Amendments to FRS 1  | Additional Exemptions for First-time Adopters                               |
| Amendments to FRS 2  | Group Cash-settled Share-based Payment Transactions                         |
| Amendments to FRS 7  | Improving Disclosures about Financial Instruments                           |
| IC Interpretation 4  | Determining whether an Arrangement contains a Lease                         |
| IC Interpretation 18 | Transfers of Assets from Customers  |
| TR 3                 | Guidance on Disclosures of Transition to IFRSs                              |
| TR i-4               | Shariah Compliant Sale Contracts  |

FRS 1 and IC Interpretations 12 and 16 are not applicable to the Group. The other FRSs, amendments to FRSs, IC Interpretations above are expected to have no significant impact on the financial statements upon their initial application.

### A2. Seasonal or cyclical factors

There were no significant seasonal or cyclical factors that materially affected 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

#### Shares buyback / Cancellation of Treasury shares

In March 2010, 12,622,200 ordinary shares repurchased representing the cumulative treasury shares held as at 2 March 2010 were cancelled in accordance with Section 67A of the Companies Act, 1965, at a total value of RM8,260,790. The issued and paid-up share capital of the Company is reduced by the shares cancelled and the same amount of which is transferred to the Capital Redemption Reserve.

## OSK PROPERTY HOLDINGS BERHAD (201666-D)

### QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010

#### A5. Changes in debt and equity securities (contd.)

Details of the shares repurchased and cancelled during the current year to date are as follows:

|                      | Number of shares | Purchase Price   |                 |                 | Cost RM     |
|----------------------|------------------|------------------|-----------------|-----------------|-------------|
|                      |                  | Highest price RM | Lowest price RM | Average cost RM |             |
| As at 1 January 2010 | 12,622,200       | 1.20             | 0.28            | 0.65            | 8,260,790   |
| Cancelled            | (12,622,200)     | 1.20             | 0.28            | 0.65            | (8,260,790) |
| May 2010             | 1,000            | 0.54             | 0.54            | 0.58            | 576         |
| As at 30 June 2010   | 1,000            | 0.54             | 0.54            | 0.58            | 576         |

#### Shares buyback / Cancellation of Treasury shares (contd.)

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 2.5 sen per share less 25% income tax amounting to RM3,513,368 in respect of preceding financial year ended 31 December 2009 was paid on 18 May 2010.

#### 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

| <b><u>Current year to date ended</u></b><br><b><u>30 June 2010 (unaudited)</u></b> | Property development<br>RM'000 | Property investment & management<br>RM'000 | Holding entity<br>RM'000 | Elimination<br>RM'000 | Consolidated<br>RM'000 |
|--|--------------------------------|--|--------------------------|-----------------------|------------------------|
| <b>Revenue</b>   |                                |  |                          |                       |                        |
| External revenue   | 59,829                         | -  | 334                      | -                     | 60,163                 |
| Inter-segment revenue  | -                              | -  | 477                      | (477)                 | -                      |
| Total  | 59,829                         | -  | 811                      | (477)                 | 60,163                 |
| <b>Results</b>   |                                |  |                          |                       |                        |
| Profit before finance costs  | 11,633                         | 208  | 496                      | (514)                 | 11,823                 |
| Less: Finance costs  | (1,988)                        | -  | -                        | 477                   | (1,511)                |
| Profit before taxation   | 9,645                          | 208  | 496                      | (37)                  | 10,312                 |
| Income tax expense   |                                |  |                          |                       | (2,612)                |
| Profit after taxation  |                                |  |                          |                       | 7,700                  |
| Minority interest  |                                |  |                          |                       | (2,689)                |
| Profit attributable to equity owners of the Company                                |                                |  |                          |                       | 5,011                  |

# OSK PROPERTY HOLDINGS BERHAD (201666-D)

## QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010

### A7. Segmental information (contd.)

| <b><u>Preceding year to date ended</u></b><br><b><u>30 June 2009</u></b><br><b><u>(unaudited)</u></b> | Property<br><u>development</u><br>RM'000 | Property<br>investment &<br><u>management</u><br>RM'000 | Holding<br>entity<br>RM'000 | <u>Elimination</u><br>RM'000 | <u>Consolidated</u><br>RM'000 |
|---|--|---|-----------------------------|------------------------------|-------------------------------|
| <b>Revenue</b>  |  |   |                             |                              |                               |
| External revenue  | 46,190                                   | -   | 39                          | -                            | 46,229                        |
| Inter-segment revenue   | -  | -   | 1,391                       | (1,391)                      | -                             |
| Total   | <u>46,190</u>                            | <u>-</u>  | <u>1,430</u>                | <u>(1,391)</u>               | <u>46,229</u>                 |
| <b>Results</b>  |  |   |                             |                              |                               |
| Profit before finance costs   | 8,402                                    | 168   | 948                         | (740)                        | 8,778                         |
| Less: Finance costs   | <u>(3,451)</u>                           | <u>-</u>  | <u>-</u>                    | <u>703</u>                   | <u>(2,748)</u>                |
| Profit before taxation  | 4,951                                    | 168   | 948                         | (37)                         | 6,030                         |
| Income tax expense  |  |   |                             |                              | <u>(1,730)</u>                |
| Profit after taxation   |  |   |                             |                              | 4,300                         |
| Minority interest   |  |   |                             |                              | <u>(285)</u>                  |
| Profit attributable to equity owners of the Company   |  |   |                             |                              | <u>4,015</u>                  |

### A8. Valuations of property, plant and equipment

There were no revalued property, plant and equipment as at 30 June 2010.

### A9. Material events subsequent to the end of the period

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

### A10. Changes in the composition of the Group

#### (a) Acquisition and subscription of additional new ordinary shares in Jelang Vista Sdn. Bhd.

On 17 March 2010, the Company acquired the entire issued and paid-up share capital of Jelang Vista Sdn. Bhd. ("JVSB") comprising two (2) ordinary shares of RM1.00 each for a total cash consideration of RM2.00.

JVSB was incorporated in Malaysia under the Companies Act, 1965 on 8 February 2010 with an authorised share capital of RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each. JVSB is presently a dormant company and its intended principal business activities are property development and property management.

On 18 June 2010, the Company subscribed for additional 249,998 new ordinary shares of RM1.00 each in JVSB for a total cash consideration of RM249,998. The equity stake of the Company in JVSB remained at 100%.

## **OSK PROPERTY HOLDINGS BERHAD (201666-D)**

### **QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**

#### **A10. Changes in the composition of the Group (contd.)**

##### **(b) Acquisition of additional new ordinary shares in Rimulia Sdn. Bhd.**

On 1 June 2010, the Company acquired additional 40,000 ordinary shares of RM1.00 each in Rimulia Sdn. Bhd. ("RSB") from Encik Mohamed Nazari bin Noordin, representing 4% of the issued and paid-up share capital of RSB for a total cash consideration of RM1.00.

Effectively, the Company's equity interest in RSB has increased to 55% as at 30 June 2010 from 51% as of 31 December 2009.

#### **A11. Changes in contingent liabilities or contingent assets**

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

# **OSK PROPERTY HOLDINGS BERHAD (201666-D)**

## **QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**

### **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)*

For the year-to-date ended 30 June 2010, the Group achieved pre-tax profit of RM10.31 million on revenue of RM60.16 million, compared to a pre-tax profit of RM6.03 million on revenue of RM46.23 million recorded in the preceding year. The higher revenue achieved in the current period under review is contributed by improved sales registered for the Group’s residential projects in the Klang Valley, namely Sutera Damansara, Bangi Lakehill Villas and Taman Sri Banyan; projects in Seremban namely Mon’t Jade and Seremban 3 and project in the northern region, Bandar Puteri Jaya.

#### **B2. Material changes in the quarterly results**

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

For the current quarter, the Group recorded pre-tax profit of RM6.65 million against RM3.66 million recorded in the immediate preceding quarter. The 81% increase in pre-tax profit is mainly due to higher sales and advance stages of completion for certain phases in Sutera Damansara, Bandar Puteri Jaya and Bangi Lakehill Villas projects.

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

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

*(Commentary on the remaining year)*

Improvements in domestic statistical data and increased property transactions are indicating that the general conditions and sentiments surrounding the local property market is optimistic, despite the increase in OPR by Bank Negara. As at 30 June 2010, the Group has secured unbilled sales amounting to RM137.49 million, which will be recognized progressively in the Group’s financial statements over the construction period.

The Board is confident of the Group’s prospects given the success of its various projects. The Group has in its pipeline a few new high-end residential and commercial projects which will be launched in the near future.

##### **(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.

# OSK PROPERTY HOLDINGS BERHAD (201666-D)

## QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010

### B6. Taxation

|  | Current quarter<br>ended<br>30/06/2010<br>RM'000 | Current year to<br>date ended<br>30/06/2010<br>RM'000 |
|--|--|---|
| In respect of the current quarter/year to date |  |   |
| - Malaysian income tax                         | 2,088  | 3,383   |
| - Deferred tax                                 | (590)  | (771)   |
|  | <u>1,498</u>                                     | <u>2,612</u>  |

For the current year to date, the effective tax rate of the Group is higher than the statutory tax rate of 25% mainly due to non-deductible 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

There were no corporate proposals previously announced but not completed as at 19 August 2010.

### B10. Borrowings and debt securities

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

|                                   | RM'000        |
|-----------------------------------|---------------|
| <b>(a) Long term borrowings:</b>  |               |
| <b>Secured</b>                    |               |
| Bridging loan                     | 7,458         |
| Term loans                        | 53,878        |
|                                   | <u>61,336</u> |
| <b>(b) Short term borrowings:</b> |               |
| <b>Secured</b>                    |               |
| Term loan                         | 4,500         |
| Revolving credit                  | 16,000        |
|                                   | <u>20,500</u> |
| <b>Unsecured</b>                  |               |
| Revolving credit                  | 9,500         |
|                                   | <u>30,000</u> |
| <b>Total</b>                      | <u>91,336</u> |

### B11. Off balance sheet financial instruments

As at 19 August 2010, the Group did not enter into any contract involving financial instruments with off balance sheet risk.

## **OSK PROPERTY HOLDINGS BERHAD (201666-D)**

### **QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**

#### **B12. Material litigation**

As at 19 August 2010, 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 for the current period ended 30 June 2010 (Comparative quarter ended 30 June 2009: Nil)

# OSK PROPERTY HOLDINGS BERHAD (201666-D)

## QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010

### B14. Earnings Per Share (“EPS”)

|   | <b>Current<br/>quarter<br/>ended<br/><u>30/06/2010</u></b> | Comparative<br>quarter<br>ended<br><u>30/06/2009</u> | <b>Current<br/>year to date<br/>ended<br/><u>30/06/2010</u></b> | Preceding<br>year to date<br>ended<br><u>30/06/2009</u> |
|---|--|--|---|---|
| <b>Basic EPS</b>  |  |  |   |   |
| Profit attributable to equity owners of the Company (RM'000)                            | <b>3,129</b>   | 1,355  | <b>5,011</b>  | 4,015   |
| Weighted average number of ordinary shares in issue ('000 shares)                       | <b>187,379</b>   | 187,381  | <b>187,379</b>  | 187,402   |
| Basic EPS (sen)   | <b>1.67</b>  | 0.72   | <b>2.67</b>   | 2.14  |
| <b>Diluted EPS</b>  |  |  |   |   |
| Profit attributable to equity owners of the Company (RM'000)                            | <b>3,129</b>   | 1,355  | <b>5,011</b>  | 4,015   |
| Weighted average number of ordinary shares in issue ('000 shares)                       | <b>187,379</b>   | 187,381  | <b>187,379</b>  | 187,402   |
| Effect of dilution on assumed exercise of warrants ('000 shares)                        | - *  | - *  | - *   | - *   |
| Adjusted weighted average number of ordinary shares in issue and issuable ('000 shares) | <b>187,379</b>   | 187,381  | <b>187,379</b>  | 187,402   |
| Diluted EPS (sen)   | <b>1.67</b>  | 0.72   | <b>2.67</b>   | 2.14  |

\* For the current quarter and current year to date ended 30 June 2010, the outstanding warrants have been excluded from the computation of fully diluted earnings per ordinary share as their effect 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 2009 was not qualified.

**By Order of the Board**

**DATO' NIK MOHAMED DIN BIN DATUK NIK YUSOFF**  
**Executive Chairman**

Kuala Lumpur  
26 August 2010