

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current quarter ended 30/09/2011	Comparative quarter ended 30/09/2010	Current year to date ended 30/09/2011	Preceding year to date ended 30/09/2010
	RM'000	RM'000	RM'000	RM'000
Revenue	77,235	42,364	215,681	102,527
Cost of sales	(55,888)	(31,145)	(149,930)	(75,901)
Gross profit	21,347	11,219	65,751	26,626
Other income	1,058	2,506	6,206	7,857
Selling and marketing expenses	(2,972)	(981)	(6,489)	(4,347)
Administrative expenses	(3,578)	(3,397)	(8,720)	(8,966)
Finance costs	12	(689)	(421)	(2,200)
Profit before taxation	15,867	8,658	56,327	18,970
Income tax expense	(5,075)	(2,955)	(15,463)	(5,567)
Profit for the period	10,792	5,703	40,864	13,403
Profit attributable to:				
Equity owners of the Company	4,391	4,089	20,366	9,100
Non-controlling interests	6,401	1,614	20,498	4,303
	10,792	5,703	40,864	13,403
Earnings per share (sen) attributable to equity owners of the Company (Note B15):				
Basic	2.34	2.18	10.87	4.86
Diluted	2.34	2.18	10.87	4.86

(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 2011
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME**

	Current quarter ended 30/09/2011 RM'000	Comparative quarter ended 30/09/2010 RM'000	Current year to date ended 30/09/2011 RM'000	Preceding year to date ended 30/09/2010 RM'000
Profit after tax for the period	10,792	5,703	40,864	13,403
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period, net of tax	10,792	5,703	40,864	13,403
Total comprehensive income/(loss) attributable to:				
Equity owners of the Company	4,391	4,089	20,366	9,100
Non-controlling interests	6,401	1,614	20,498	4,303
	10,792	5,703	40,864	13,403

(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 2011 UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION

	As at 30/09/2011	As at 30/09/2010	(Audited) As at 31/12/2010
	RM'000	RM'000	RM'000
ASSETS			
Non-current assets			
Property and equipment	2,299	4,034	4,291
Investment properties	72,713	8,667	8,645
Land held for property development	317,437	332,383	328,063
Intangible assets	517	82	89
Deferred tax assets	7,118	5,218	6,566
Trade receivables	1,899	-	1,899
Other receivables, deposits and prepayments	1,420	-	1,423
	403,403	350,384	350,976
Current assets			
Property development costs	113,374	97,026	113,546
Inventories	284	284	162
Trade receivables	53,767	24,876	29,320
Accrued billings	27,188	4,685	3,344
Other receivables, deposits and prepayments	2,715	3,236	1,687
Tax recoverable	897	713	1,234
Cash, bank balances and deposits	90,590	49,034	53,286
	288,815	179,854	202,579
TOTAL ASSETS	692,218	530,238	553,555

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011 UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	(Audited)		
	As at	As at	As at
	30/09/2011	30/09/2010	31/12/2010
	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES			
Equity attributable to equity owners of the Company			
Share capital	187,380	187,380	187,380
Less: Treasury shares, at cost	(2)	(1)	(1)
	187,378	187,379	187,379
Reserves	151,084	134,224	134,231
	338,462	321,603	321,610
Non-controlling interests	30,799	6,902	10,791
Total equity	369,261	328,505	332,401
Non-current liabilities			
Term loans	164,736	81,804	91,676
Trade payables	3,716	-	3,669
Other payables, deposits and accruals	11,333	-	11,333
Deferred tax liabilities	34,825	37,344	36,810
	214,610	119,148	143,488
Current liabilities			
Trade payables	31,416	22,324	18,930
Progress billings	19,908	12,645	25,103
Other payables, deposits and accruals	21,966	25,682	15,385
Short term borrowings	23,200	18,501	17,950
Tax payable	11,857	3,433	298
	108,347	82,585	77,666
Total liabilities	322,957	201,733	221,154
TOTAL EQUITY AND LIABILITIES	692,218	530,238	553,555
Net asset per share (RM) attributable to equity owners of the Company	1.81	1.72	1.72

(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 2011
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to equity owners of the Company						Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium	Capital Redemption Reserve	Retained profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<u>Current year to date ended 30 September 2011</u>								
At 1 January 2011	187,380	(1)	6,984	12,622	114,625	321,610	10,791	332,401
Total comprehensive income	-	-	-	-	20,366	20,366	20,498	40,864
Dividend paid	-	-	-	-	(3,513)	(3,513)	-	(3,513)
Dividends to minority interest	-	-	-	-	-	-	(490)	(490)
Shares buyback of the Company	-	(1)	-	-	-	(1)	-	(1)
At 30 September 2011	187,380	(2)	6,984	12,622	131,478	338,462	30,799	369,261
<u>Preceding year to date ended 30 September 2010</u>								
At 1 January 2010								
As previously reported	200,002	(8,261)	15,245	-	108,540	315,526	2,580	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	-	109,031	316,017	2,647	318,664
Total comprehensive income	-	-	-	-	9,100	9,100	4,303	13,403
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 September 2010	187,380	(1)	6,984	12,622	114,618	321,603	6,902	328,505

(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 2011 UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Current	Preceding	(Audited)
	year to date	year to date	Preceding
	ended	ended	year
	30/09/2011	30/09/2010	ended
	RM'000	RM'000	RM'000
Cash Flows From Operating Activities			
Profit before taxation	56,327	18,970	26,712
Adjustments for non-cash and non-operating items	(493)	2,650	3,168
Operating profit before working capital changes	55,834	21,620	29,880
Changes in working capital :-			
Net change in inventories	(122)	-	122
Net change in property development costs	(43,950)	(1,446)	(24,763)
Net change in receivables	(25,450)	(1,786)	(8,008)
Net change in payables	18,234	3,815	18,868
Net change in accrued/progress billings	(29,038)	7,215	21,013
Net cash generated from operations	(24,492)	29,418	37,112
Interest paid	(5,194)	(2,860)	(4,256)
Interest received	1,314	600	864
Tax paid	(6,434)	(6,271)	(13,640)
Tax refunded	328	1,126	1,159
Net cash (used in)/generated from operating activities	(34,478)	22,013	21,239
Cash Flows From Investing Activities			
Proceeds from disposal of plant and equipment	129	2	8
Purchase of property and equipment	(331)	(1,238)	(1,769)
Purchase of intangible assets	(461)	(39)	(50)
Purchase of investment properties	(1,861)	-	-
Net cash used in investing activities	(2,524)	(1,275)	(1,811)

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011 UNAUDITED CONDENSED STATEMENT OF CASH FLOWS (CONT'D)

	Current year to date ended 30/09/2011	Preceding year to date ended 30/09/2010	(Audited) Preceding year ended 31/12/2010
	RM'000	RM'000	RM'000
Cash Flows From Financing Activities			
Payment of BaIDS expenses	-	(3)	(3)
Payment of BaIDS profits	-	(438)	(438)
Payment of Primary Bonds	-	(17,500)	(17,500)
Payment of borrowing expenses	-	(40)	-
Shares buyback	(1)	-	(1)
Drawdown/(repayment) of term loans	73,810	18,413	29,201
Drawdown/(repayment) of revolving credits	4,500	(13,349)	(15,100)
Dividends paid to minority interest	(490)	-	-
Dividends paid	(3,513)	(3,513)	(7,027)
Net cash generated from/(used in) financing activities	74,306	(16,430)	(10,868)
Net change in cash and cash equivalents	37,304	4,308	8,560
Cash and cash equivalents at beginning of the period/year	53,286	44,726	44,726
Cash and cash equivalents at end of the period/year	90,590	49,034	53,286
Cash and cash equivalents at end of the period/year comprised:			
Cash on hand and at banks	3,962	5,278	4,469
Housing Development Accounts	42,356	13,179	26,891
Short term placement with licensed bank	36,507	-	7,209
Short term placements with licensed investment bank	7,765	30,577	14,717
	90,590	49,034	53,286

(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 2011

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

This 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”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2010 and the accompanying explanatory notes. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2010.

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 2010 except for the adoption of the following FRSs, amendments to FRSs, Issues Committee (“IC”) Interpretations and Technical Releases (“TR”), which are effective for annual periods beginning on and after:

1 March 2010

Amendments to FRS 132 Financial Instruments: Presentation – Classification of Rights Issues

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
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 Reassessment of Embedded Derivatives
Interpretation 9

31 December 2010

TR 3 Guidance on Disclosures of Transition to IFRSs

1 January 2011

Amendments to FRS 1 Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1 Additional Exemptions for First-time Adopters
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

A1. Accounting policies (contd.)

1 January 2011

Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 3	Business Combinations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 101	Presentation of Financial Statements
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates
Amendments to FRS 128	Investments in Associates
Amendments to FRS 131	Interests in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 13	Customer Loyalty Programmes
TR i-4	Shariah Compliant Sale Contracts

The adoption of Amendments to FRS 7 which promotes enhanced disclosures on fair value measurement of financial instruments via the introduction of the concept of fair value hierarchy, will only affect disclosures and will not have any impact on the results of the Group. The adoption of other FRSs, amendments to FRSs, IC Interpretations and TR did not have any significant effect on the financial performance or position of the Group. The adoption of FRSs and amendments to FRS are discussed below:

(a) FRS 3 Business Combination (Revised)

The revised FRS 3 introduces changes in the accounting for business combination occurring after 1 July 2010 and it is applied prospectively. The FRS establishes principles for recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in acquiree. Each identifiable asset and liability is measured at its acquisition-date fair value. Any non-controlling interest in an acquiree is measured at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Goodwill is measured as the difference between the aggregate of the consideration transferred, any non-controlling interest in the acquiree and, in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree, and the net identifiable assets acquired. If the acquirer has made a gain from a bargain purchase, that gain is recognised in the profit or loss. The FRS also provides accounting requirements for reacquired rights, contingent liabilities, contingent consideration and indemnification assets.

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

A1. Accounting policies (contd.)

(b) FRS 127 Consolidated and Separate Financial Statements

The main changes include the accounting for changes in ownership interest in a subsidiary, where changes in ownership which do not result in the loss of control are now accounted for within equity instead of the statement of comprehensive income. Where an entity loses control of a subsidiary, any remaining investment is remeasured at fair value and a gain or loss is recognised in the income statement. The term minority interests were replaced by the term non-controlling interests, with a new definition. Total comprehensive income attributed to the owners of the parent and to the non-controlling interests, even if it results in the non-controlling interest having a deficit balance.

The revised FRS 127 requires retrospective application with certain exceptions as permitted under this standard.

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 July 2011

Amendments to IC Interpretation 14	Prepayment of a Minimum Funding Requirement
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

1 January 2012

FRS 124	Related Party Disclosures
IC Interpretation 15	Agreements for the Construction of Real Estate

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.

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

A5. Changes in debt and equity securities

Shares buyback / Treasury shares

During the current year to date, the Company has repurchased 1,000 ordinary shares for a total cash consideration of RM781 from open market at an average price of RM0.78 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 treasury shares held in hand as at 30 September 2011 are as follows:

	Number of shares	Purchase Price			Cost RM
		Highest price RM	Lowest price RM	Average cost RM	
As at 1 January 2011	2,000	0.66	0.54	0.65	1,272
May 2011	1,000	0.74	0.74	0.78	781
As at 30 September 2011	3,000	0.74	0.54	0.68	2,053

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 RM3,513,355 was paid on 15 July 2011 in respect of the financial year ended 31 December 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

<u>Current year to date ended</u> <u>30 September 2011</u>	Property development RM'000	Property investment & management RM'000	Holding entity RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External revenue	215,519	-	162	-	215,681
Inter-segment revenue	-	942	1,982	(2,924)	-
Total	215,519	942	2,144	(2,924)	215,681
Results					
Profit before finance costs	57,131	1,348	1,244	(2,975)	56,748
Less: Finance costs	(1,887)	-	-	1,466	(421)
Profit before taxation	55,244	1,348	1,244	(1,509)	56,327
Income tax expense					(15,463)
Profit after taxation					40,864
Non-controlling interests					(20,498)
Profit attributable to equity owners of the Company					20,366

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

A7. Segmental information (contd.)

<u>Preceding year to date ended</u> <u>30 September 2010</u>	Property development	Property investment & management	Holding entity	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	102,389	-	138	-	102,527
Inter-segment revenue	-	162	1,104	(1,266)	-
Total	<u>102,389</u>	<u>162</u>	<u>1,242</u>	<u>(1,266)</u>	<u>102,527</u>
Results					
Profit before finance costs	20,919	481	706	(936)	21,170
Less: Finance costs	<u>(2,918)</u>	<u>-</u>	<u>-</u>	<u>718</u>	<u>(2,200)</u>
Profit before taxation	18,001	481	706	(218)	18,970
Income tax expense					<u>(5,567)</u>
Profit after taxation					13,403
Non-controlling interests					<u>(4,303)</u>
Profit attributable to equity owners of the Company					<u>9,100</u>

A8. Valuations of property, plant and equipment

There were no revalued property, plant and equipment as at 30 September 2011.

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

There were no changes in the composition of the Group during the current year to date except for the following:

(a) Subscription of additional new ordinary shares in Perspektif Vista Sdn. Bhd.

On 7 March 2011, the Company subscribed for additional 499,998 new ordinary shares of RM1.00 each in Perspektif Vista Sdn. Bhd. ("PVSB") for a total cash consideration of RM499,998. The equity stake of the Company in PVSB remained at 100%.

(b) Subscription of additional new ordinary shares in Wawasan Rajawali Sdn. Bhd.

On 10 May 2011, the Company subscribed for additional 249,998 new ordinary shares of RM1.00 each in Wawasan Rajawali Sdn. Bhd. ("WWRSB") for a total cash consideration of RM249,998. The equity stake of the Company in WWRSB remained at 100%.

(c) Subscription of additional new ordinary shares in Atria Damansara Sdn. Bhd.

On 23 June 2011, the Company subscribed for additional 249,998 new ordinary shares of RM1.00 each in Atria Damansara Sdn. Bhd. ("ADSB") for a total cash consideration of RM249,998. The equity stake of the Company in ADSB remained at 100%.

A11. Changes in contingent liabilities or contingent assets

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

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

PART B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”)

B1. Review of the performance

(Commentary on current quarter and current year to date)

For the year-to-date ended 30 September 2011, the Group’s revenue and pre-tax profit surged to RM215.68 million and RM56.33 million respectively, representing 110% increase in revenue and 197% in profits over the results recorded in the preceding year with revenue and pre-tax profit of RM102.53 million and RM18.97 million respectively.

During the current quarter, the Group launched its low density luxury condominium project, Mirage Residence, KLCC, which drew encouraging sales of over RM70 million or 50% sold over two weekends. The Group also added a new product, a modern 2 ½ storey super link house, Zaria to its existing range of semi-detached and link houses in Sutera Damansara, Sungai Buloh project.

The Group has garnered strong sales totalling RM155 million from all its projects in the Klang Valley, Seremban and Sungai Petani, Kedah in the third quarter. Cumulative sales recorded for the nine months period ended 30 September 2011 amounted to RM370 million.

B2. Material changes in the quarterly results

(Comparison on current quarter with the immediate preceding quarter)

The Group recorded pre-tax profit of RM15.87 million on revenue of RM77.24 million in the current quarter against pre-tax profit of RM28.41 million on revenue of RM77.29 million in the immediate preceding quarter. The lower pre-tax profit for the current quarter was mainly due to the cessation of the Atria Shopping Mall’s operations in July 2011 and higher expenses incurred due to new launches in the current quarter. Further, the higher profit recognised in the second quarter was attributed to the completion of a parcel of double storey terrace house in Sutera Damansara.

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

(a) Current year prospects

(Commentary on the remaining year 2011)

The fourth quarter will continue to be exciting for the Group with the launch of the much awaited Atria Small Office Flexible Office (“SOFO”) suites. The redeveloped Atria will become the single largest mixed commercial development taking place in Damansara Jaya comprising of a 5-storey shopping mall and two 19-storey SOFO suites.

The Group is positive about the fundamental prospects of the local property market despite growing uncertainties in the global economic landscape. Domestic economy is expected to continue to be resilient supported by government spending and strong private investments.

The Board remains committed to continue driving the Group’s performance and is optimistic that its brand building initiatives as evidenced by its double award winning Mirage by the Lake, increased product range and presence in the Klang Valley will continue to contribute positively towards its profit performance.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

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

(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.

B6. Taxation

	Current quarter ended 30/09/2011 RM'000	Current year to date ended 30/09/2011 RM'000
In respect of the current quarter/year to date		
- Malaysian income tax	5,907	18,001
- Deferred tax	(832)	(2,538)
	<u>5,075</u>	<u>15,463</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 8 November 2011.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

B10. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 30 September 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group 30/09/2011 RM'000	Group 31/12/2010 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	223,093	213,683
- Unrealised	7,118	6,562
	<u>230,211</u>	<u>220,245</u>
Less: Consolidation adjustments	(98,733)	(105,620)
Total Group retained profits as per consolidated accounts	<u>131,478</u>	<u>114,625</u>

B11. 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
(a) Long term borrowings:	
Secured	
Term loan	163,775
Bridging loan	961
	<u>164,736</u>
(b) Short term borrowings:	
Secured	
Term loan	5,200
Revolving credit	18,000
	<u>23,200</u>
Total	<u>187,936</u>

B12. Off balance sheet financial instruments

As at 8 November 2011, 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 THIRD QUARTER ENDED 30 SEPTEMBER 2011

B13. Material litigation

Shah Alam High Court Suit No. 22NCVC-845-2011

Metroprime Corporation Sdn Bhd (“Plaintiff”) v Atria Damansara Sdn Bhd (“Defendant”)

The Plaintiff filed an interlocutory injunction (“Injunction”) against the Defendant, a wholly owned subsidiary of OSK Property Holdings Bhd on 21 July 2011 to prevent the Defendant, inter alia -

- a. from terminating the tenancy agreement dated 5.8.2005 (“Tenancy Agreement”) and/or to evict the Plaintiff from the demised premises known as Lot 3.16, 3rd floor Block A of the Atria Shopping Complex (“Demised Premises”);
- b. its agents or employees from causing nuisance; and
- c. from fencing up/hoarding up the area and access to the Demised Premises and causing any compromise to the safety of the Language House’s (a school set up by the Plaintiff) students and visitors until the claim is adjudicated.

The Injunction was heard on 5.8.2011 whereby a consent judgement (“Consent Order”) was recorded between the parties, terms amongst others:-

- a. Plaintiff withdrew the injunction application with no order as to costs and without liberty to file afresh;
- b. Plaintiff to commence vacating the Demised Premises in August 2011 and to complete moving out of the Demised Premises by 15.11.2011;
- c. The Defendant can put up hoarding at the construction site of 2 adjoining lands (Lot 32183 and Lot 32184) where the Demised Premises is currently located based on the plan approved by both parties to facilitate the Plaintiff’s removal process; and
- d. The Defendant is allowed to carry out demolition and salvage works firstly on the car parks then on the Lot 32183 land which is adjoining to the Lot 32184 land where the Demised Premises is situated.

The Plaintiff vacated the Demised Premises on 25.10.2011 (“Handover Date”) and the Defendant has issued a handover letter on even date to the Plaintiff whereby by mutual consent, and without prejudice to either party’s rights under the ongoing suit, the Defendant is amongst others, entitled to cease electricity and water supply to the Demised Premises to commence the demolition works on the Handover Date.

Concurrently, the Plaintiff also served an unsealed copy of the Summons of Statement of Claim against the Defendant on 25 July 2011 seeking the following declaration:-

- a. That the option to renew the tenancy exercised by the Plaintiff on 3.3.2011 is valid and lawful and that the said tenancy shall continue until 2014;
- b. the termination letter dated 26.4.2011 issued by the Defendant is unlawful and therefore unenforceable against the Plaintiff;
- c. the termination of the tenancy via Clause 7.5 of the Tenancy Agreement is invalid.

The Defendant filed its Statement of Defence on 16.8.2011. This matter is now fixed for trial on 23 & 24.4.2012.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

B14. Dividends

The Board had on 16 August 2011 declared and announced an interim dividend of 2.5 sen per share less 25% income tax amounting to RM3,513,348.60 in respect of the financial year ending 31 December 2011. The said dividend was paid on 4 November 2011. (2010: 2.5 sen per share less 25% income tax).

B15. Earnings Per Share (“EPS”)

	Current quarter ended <u>30/09/2011</u>	Comparative quarter ended <u>30/09/2010</u>	Current year to date ended <u>30/09/2011</u>	Preceding year to date ended <u>30/09/2010</u>
Basic EPS				
Profit attributable to equity owners of the Company (RM'000)	4,391	4,089	20,366	9,100
Weighted average number of ordinary shares in issue ('000 shares)	187,377	187,379	187,377	187,379
Basic EPS (sen)	2.34	2.18	10.87	4.86
Diluted EPS				
Profit attributable to equity owners of the Company (RM'000)	4,391	4,089	20,366	9,100
Weighted average number of ordinary shares in issue ('000 shares)	187,377	187,379	187,377	187,379
Effect of dilution on assumed exercise of warrants ('000 shares)	- *	- *	- *	- *
Adjusted weighted average number of ordinary shares in issue and issuable (‘000 shares)	187,377	187,379	187,377	187,379
Diluted EPS (sen)	2.34	2.18	10.87	4.86

* For the current quarter and current year to date ended 30 September 2011, the outstanding warrants have been excluded from the computation of fully diluted earnings per ordinary share as their effect would be anti-dilutive.

B16. Auditors' report of preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2010 was not qualified.

By Order of the Board

DATO' NIK MOHAMED DIN BIN DATUK NIK YUSOFF
Executive Chairman

Kuala Lumpur
15 November 2011