

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current quarter ended 31/03/2012 RM'000	Comparative quarter ended 31/03/2011 RM'000	Current year to date ended 31/03/2012 RM'000	Preceding year to date ended 31/03/2011 RM'000
Revenue	51,043	61,157	51,043	61,157
Cost of sales	(27,812)	(46,780)	(27,812)	(46,780)
Gross profit	23,231	14,377	23,231	14,377
Other income	1,073	2,518	1,073	2,518
Selling and marketing expenses	(2,689)	(1,865)	(2,689)	(1,865)
Administrative expenses	(2,227)	(2,961)	(2,227)	(2,961)
Finance costs	(32)	(23)	(32)	(23)
Profit before taxation	19,356	12,046	19,356	12,046
Income tax expense	(5,102)	(3,318)	(5,102)	(3,318)
Profit for the period	14,254	8,728	14,254	8,728
Profit attributable to:				
Equity owners of the Company	12,051	4,397	12,051	4,397
Non-controlling interests	2,203	4,331	2,203	4,331
	14,254	8,728	14,254	8,728
Earnings per share (sen) attributable to equity owners of the Company (Note B15):				
Basic	6.43	2.35	6.43	2.35
Diluted	6.43	2.35	6.43	2.35

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

OSK PROPERTY HOLDINGS BERHAD (201666-D)**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME**

	Current quarter ended 31/03/2012 RM'000	Comparative quarter ended 31/03/2011 RM'000	Current year to date ended 31/03/2012 RM'000	Preceding year to date ended 31/03/2011 RM'000
Profit after tax for the period	14,254	8,728	14,254	8,728
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period, net of tax	14,254	8,728	14,254	8,728
Total comprehensive income attributable to:				
Equity owners of the Company	12,051	4,397	12,051	4,397
Non-controlling interests	2,203	4,331	2,203	4,331
	14,254	8,728	14,254	8,728

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

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012 UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION

	(Audited)		
	As at	As at	As at
	31/03/2012	31/03/2011	31/12/2011
	RM'000	RM'000	RM'000
ASSETS			
Non-current assets			
Property and equipment	2,672	4,210	2,519
Investment properties	85,209	8,624	79,767
Land held for property development	287,020	329,808	304,504
Intangible assets	521	156	533
Deferred tax assets	8,774	6,566	8,549
Trade receivables	4,542	-	1,721
Other receivables, deposits and prepayments	1,716	86	1,716
	390,454	349,450	399,309
Current assets			
Property development costs	140,440	84,109	144,203
Inventories	162	162	162
Trade receivables	68,293	40,488	48,826
Accrued billings	18,815	8,375	36,827
Other receivables, deposits and prepayments	9,201	12,105	2,093
Tax recoverable	1,437	1,136	287
Cash, bank balances and deposits	94,674	63,366	100,766
	333,022	209,741	333,164
TOTAL ASSETS	723,476	559,191	732,473

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012 UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	(Audited)		
	As at	As at	As at
	31/03/2012	31/03/2011	31/12/2011
	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	(3)	(1)	(3)
	187,377	187,379	187,377
Reserves	163,786	138,628	151,827
	351,163	326,007	339,204
Non-controlling interests	25,125	15,122	30,072
Total equity	376,288	341,129	369,276
Non-current liabilities			
Term loans	168,279	92,944	165,989
Trade payables	5,024	2,572	5,024
Other payables, deposits and accruals	4,150	4,151	4,150
Deferred tax liabilities	33,787	36,190	34,249
	211,240	135,857	209,412
Current liabilities			
Trade payables	27,108	24,173	25,694
Progress billings	40,511	11,721	27,421
Other payables, deposits and accruals	42,107	20,977	55,746
Short term borrowings	20,500	22,700	38,500
Tax payable	5,722	2,634	2,014
Dividend payables	-		4,410
	135,948	82,205	153,785
Total liabilities	347,188	218,062	363,197
TOTAL EQUITY AND LIABILITIES	723,476	559,191	732,473
Net asset per share (RM) attributable to equity owners of the Company	1.87	1.74	1.81

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

OSK PROPERTY HOLDINGS BERHAD (201666-D)

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012
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	RM'000	
<u>Current year to date ended 31 March 2012</u>								
At 1 January 2012	187,380	(3)	6,984	12,622	132,221	339,204	30,072	369,276
Total comprehensive income	-	-	-	-	12,051	12,051	2,203	14,254
Dividends to non-controlling interests	-	-	-	-	-	-	(7,150)	(7,150)
Share issues expenses	-	-	(92)	-	-	(92)	-	(92)
At 31 March 2012	187,380	(3)	6,892	12,622	144,272	351,163	25,125	376,288
<u>Preceding year to date ended 31 March 2011</u>								
At 1 January 2011	187,380	(1)	6,984	12,622	114,625	321,610	10,791	332,401
Total comprehensive income	-	-	-	-	4,397	4,397	4,331	8,728
At 31 March 2011	187,380	(1)	6,984	12,622	119,022	326,007	15,122	341,129

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

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012 UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	(Audited)		
	Current	Preceding	Preceding
	year to date	year to date	year
	ended	ended	ended
	31/03/2012	31/03/2011	31/12/2011
	RM'000	RM'000	RM'000
Cash Flows From Operating Activities			
Profit before taxation	19,356	12,046	66,857
Adjustments for:			
Allowance for impairment	-	-	126
Amortisation of intangible assets	11	8	45
Depreciation	146	157	601
Gain on disposal of property, plant and equipment	-	-	(70)
Loan legal fee charged out	-	95	-
Property, plant and equipment written off	108	-	29
Interest income	(868)	(294)	(1,779)
Unwinding of discount	-	-	926
Operating profit before working capital changes	18,753	12,012	66,735
Changes in working capital :-			
Net change in inventories	-	-	-
Net change in property development costs	24,358	29,306	11,407
Net change in receivables	(29,401)	(18,348)	(20,325)
Net change in payables	(11,327)	2,558	(34,048)
Net change in accrued/progress billings	31,102	(18,412)	(31,164)
Net cash generated from operations	33,485	7,116	(7,395)
Interest paid	(3,006)	(1,612)	(7,918)
Interest received	872	293	1,778
Tax paid	(4,230)	(1,834)	(20,292)
Tax refunded	1	328	355
Net cash generated from/(used in) operating activities	27,122	4,291	(33,472)
Cash Flows From Investing Activities			
Proceeds from disposal of plant and equipment	-	-	133
Purchase of property and equipment	(379)	(56)	(735)
Purchase of intangible assets	-	(77)	(489)
Subsequent expenditure on investment properties	(5,473)	-	(5,302)
Net cash used in investing activities	(5,852)	(133)	(6,393)

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012 UNAUDITED CONDENSED STATEMENT OF CASH FLOWS (CONT'D)

	Current year to date ended 31/03/2012 RM'000	Preceding year to date ended 31/03/2011 RM'000	(Audited) Preceding year ended 31/12/2011 RM'000
Cash Flows From Financing Activities			
Payment of share issue expenses	(92)	-	-
Payment of borrowing expenses	-	(95)	-
Shares buyback	-	-	(2)
Net drawdown of term loans	2,290	17	73,863
Net (repayment)/drawdown of revolving credits	(18,000)	6,000	21,000
Dividends paid to non-controlling interests	(11,560)	-	(490)
Dividends paid	-	-	(7,026)
Net cash (used in)/generated from financing activities	<u>(27,362)</u>	5,922	87,345
Net change in cash and cash equivalents	(6,092)	10,080	47,480
Cash and cash equivalents at beginning of the period/year	100,766	53,286	53,286
Cash and cash equivalents at end of the period/year	<u>94,674</u>	<u>63,366</u>	<u>100,766</u>
 Cash and cash equivalents at end of the year comprised:			
Cash on hand and at banks	4,216	5,173	5,080
Housing Development Accounts	26,513	36,879	31,921
Short term placement with licensed bank	1,016	13,713	53,899
Short term placements with licensed investment bank	62,929	7,601	9,866
	<u>94,674</u>	<u>63,366</u>	<u>100,766</u>

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

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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 2011 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 2011.

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 2011 except as follows:

On 1 January 2012, the Group adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2012.

FRS 124	Related Party Disclosures (Revised)
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Disclosure - Transfer of Financial Assets
Amendments to FRS 112	Deferred Tax Recovery of Underlying Assets

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group.

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

1 July 2012

Amendments to FRS 101	Presentation of Items of Other Comprehensive Income
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1 January 2013

FRS 9	Financial Instruments (IFRS 9 issued by IASB in Nov 2009)
FRS 9	Financial Instruments (IFRS 9 issued by IASB in Oct 2010)
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interest in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits (Revised)
FRS 127	Separate Financial Statements (Revised)
FRS 128	Investment in Associates and Joint Ventures (Revised)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Malaysian Financial Reporting Standards (MFRS Framework)	

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

A1. Accounting policies (contd.)

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

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.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

A5. Changes in debt and equity securities

(a) Exercise of Warrants B 2007/2012

During the current year to date, the Company has issued 129 new ordinary shares of RM1.00 each for cash at RM1.25 each pursuant to the exercise of Warrants B 2007/2012 and the total cash proceeds arising from the exercise of Warrants B amounted to RM161.25. The details of the Warrants B exercised during the current year to date are as follows:

Date	No. of Warrants exercised	No. of shares allotted	Type of issue
15 February 2012	129	129	Exercise of Warrants B 2007/2012 at RM1.25 per share

As a result of the exercise of the Warrants B mentioned above, the total number of issued and paid up shares of RM1.00 each of the Company has been increased from 187,379,496 shares to 187,379,625 shares. The new ordinary shares issued arising from the exercise of Warrants B 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 Warrant B is effected before the book closure of the share registers for determination of the entitlement to such rights or distributions.

(b) Shares buyback / Treasury shares

There were no share buybacks during the current year to date. 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 31 March 2012 are as follows:

	Number of <u>shares</u>	Purchase Price			<u>Cost</u> RM
		Highest <u>price</u> RM	Lowest <u>price</u> RM	Average <u>cost</u> RM	
As at 31 March 2012	4,000	0.92	0.54	0.75	3,015

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

There were no payments of dividend during the current quarter ended 31 March 2012.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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>31 March 2012 (unaudited)</u>	Property development	Property investment & management	Holding entity	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	50,967	-	76	-	51,043
Inter-segment revenue	-	10,252	7,939	(18,191)	-
Total	50,967	10,252	8,015	(18,191)	51,043

Results

Profit before finance costs	8,346	10,866	7,826	(7,650)	19,388
Less: Finance costs	(120)	-	-	88	(32)
Profit before taxation	8,226	10,866	7,826	(7,562)	19,356
Income tax expense					(5,102)
Profit after taxation					14,254
Non-controlling interests					(2,203)
Profit attributable to equity owners of the Company					12,051

<u>Preceding year to date ended</u> <u>31 March 2011 (unaudited)</u>	Property development	Property investment & management	Holding entity	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	61,107	-	50	-	61,157
Inter-segment revenue	-	218	472	(690)	-
Total	61,107	218	522	(690)	61,157

Results

Profit before finance costs	12,067	363	342	(703)	12,069
Less: Finance costs	(489)	-	-	466	(23)
Profit before taxation	11,578	363	342	(237)	12,046
Income tax expense					(3,318)
Profit after taxation					8,728
Non-controlling interests					(4,331)
Profit attributable to equity owners of the Company					4,397

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

A8. Valuations of property, plant and equipment

There were no revalued property, plant and equipment as at 31 March 2012.

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.

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 FIRST QUARTER ENDED 31 MARCH 2012

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 current quarter ended 31 March 2012, the Group recorded a pre-tax profit of RM19.36 million on revenue of RM51.04 million, compared to pre-tax profit of RM12.05 million on RM61.16 million in revenue achieved in the preceding year’s corresponding quarter.

The improved pre-tax profit for the current quarter is mainly attributable to higher sales achieved for its Bandar Puteri Jaya, Sungai Petani project and higher contributions from its Sutera Damansara, Sungai Buloh project. In addition, certain phases of these projects have reached advanced stages of construction, thus resulting in increased percentage of profit recognition.

The Group’s latest launch, Pan’gaea in Cyberjaya, located amid various multinational corporations, educational institutions and high-end residential developments is a mixed development that includes service apartments, boutique shop offices, office suites, street malls, shopping mall and a boutique hotel with a total estimated gross development value of RM1.2 billion. Phase 1 of Pan’gaea, Paragon, a pair of iconic 16-storey and 22-storey towers comprising 196 exclusive SOFO suites, and 49 lifestyle boutique retail offices ranging from 650-1,400 sq ft was launched in April 2012. Response has been encouraging with take up rate of over 70% upon launching.

B2. Material changes in the quarterly results

(Comparison on current quarter with the immediate preceding quarter)

The Group recorded pre-tax profit of RM19.36 million on revenue of RM51.04 million in the quarter under review against pre-tax profit of RM10.53 million on revenue of RM57.03 million in the immediate preceding quarter. The higher pre-tax profit in the current quarter was mainly due to higher sales achieved for the Bandar Puteri Jaya, Sungai Petani project and completion of the earlier phases in the Sutera Damansara, Sungai Buloh project.

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

(a) Prospects for 2012

(Commentary on the remaining year 2012)

The recovery of global economy remained uncertain in some developed economies with expectations of slower growth in emerging economies in 2012.

The Malaysian economy is expected to remain stable. The Malaysian Institute of Economic Research is predicting a growth of 4.2% in 2012, an upward revision from its previous forecast of 3.7%. This is to take into account the increase in both consumer and business confidence in the first quarter.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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

(a) Prospects for 2012 (contd.)

(Commentary on the remaining year 2012)

With the Government's aim towards encouraging home ownership among first time buyers and its commitment in the implementation of the Economic Transformation Programme the Group's diverse range of properties is expected to be in demand.

In March 2012, the Group acquired two parcels of adjoining industrial land measuring approximately 13.73 acres or 598,408 square feet for a total purchase consideration of RM45,419,167. The land is located within a matured industrial area in Shah Alam. The Group proposes to undertake industrial development of small to medium sized industrial factories on the land. This project would enable the Group to diversify its development portfolio to include small medium industrial factories and to expand its geographical coverage to Shah Alam.

The Group will continue to focus on its goals to enhance its performance level while continuously improving customer service as well as keeping with its efforts towards effective cost saving measures. The Board is of the view that with the strong sales achieved so far, the performance for financial year ending 2012 is expected to be satisfactory.

(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 <u>31/03/2012</u> RM'000	Current year to date ended <u>31/03/2012</u> RM'000
In respect of the current quarter/year to date		
- Malaysian income tax	5,785	5,785
- Deferred tax	(683)	(683)
	<u>5,102</u>	<u>5,102</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.

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

B8. Quoted securities

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

B9. Status of corporate proposals announced but not completed as at 9 May 2012

There were no corporate proposals previously announced but not completed as at 9 May 2012 save for the below:-

1. The Company had on 16 March 2012 announced that it proposes to undertake the following proposals:
 - (a) Proposed Renounceable Rights Issue of up to 23,737,830 new Ordinary Shares of RM1.00 each in OSK Property Holdings Berhad (“OSKP shares”) (“Rights Shares”) on the basis of one (1) Rights Share for every ten (10) existing shares held together with up to 71,213,489 free detachable Warrants (“Warrants”) on the basis of three (3) free Warrants for every one (1) Rights Share subscribed for, on an entitlement date to be determined later (“Proposed Rights Issue with Warrants”);
 - (b) Proposed Bonus Issue of up to 47,475,659 OSKP shares to be credited as fully paid-up on the basis of two (2) new OSKP shares for every one (1) Rights Share subscribed by the existing shareholders of OSKP and/or their renouncee(s) pursuant to the proposed Rights Issue with Warrants (“Proposed Bonus Issue”); and
 - (c) Proposed Restricted Issue of up to 49,998,672 new Warrants in OSKP to the holders of unexercised 2007/2012 Warrant B (“Warrant B”) on the basis of one (1) new warrant for every one (1) existing Warrant B held on an entitlement date to be determined later (“Proposed Restricted Issue of Warrants”).
2. On 7 March 2012, Potensi Rajawali Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a conditional Sale and Purchase Agreement (“SPA”) with Perniagaan Sri Mujur Maju Sdn Bhd for the acquisition of two parcels of land held under Geran 307507, Lot 10376, Seksyen 23, Mukim Damansara, Daerah Petaling measuring approximately 9.97 acres and P.N. 92138, Lot 82162, Bandar Shah Alam, Daerah Klang measuring approximately 3.76 acres for a total purchase consideration of RM45,419,167.00. The condition precedent to the SPA was fulfilled on 5 April 2012.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

B10. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 31 March 2012 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 31/03/2012 RM'000	Group 31/12/2011 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	298,602	288,612
- Unrealised	8,784	8,589
	307,386	297,201
Less: Consolidation adjustments	(163,114)	(164,980)
Total Group retained profits as per consolidated accounts	144,272	132,221

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	160,917
Bridging loan	7,362
	<u>168,279</u>
(b) Short term borrowings:	
Secured	
Term loan	4,000
Revolving credit	16,500
	<u>20,500</u>
Total	<u>188,779</u>

B12. Off balance sheet financial instruments

As at 9 May 2012, 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 FIRST QUARTER ENDED 31 MARCH 2012

B13. Material litigation

As at 9 May 2012, 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 save for the below:-

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

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

Metroprime Corporation Sdn Bhd (“MCSB”), a former tenant of the Atria Shopping Complex (“the Atria”) has on 21 July 2011 commenced a legal action against Atria Damansara Sdn Bhd (“ADSB”), a wholly owned subsidiary of the Company, seeking amongst others, a declaration that the termination of its tenancy in the Atria, was allegedly null and void. In the alternative, MCSB is also claiming for damages arising from the alleged wrongful termination. ADSB has filed its Defence on 16 August 2011 and the matter is now fixed for trial on 8 and 9 of October 2012.

ADSB has also filed an application for security for costs and the same is fixed for hearing on 29 May 2012.

B14. Dividends

No dividend has been declared or paid for the current year to date ended 31 March 2012 (Comparative quarter ended 31 March 2011: Nil)

B15. Earnings Per Share (“EPS”)

	Current quarter ended <u>31/03/2012</u>	Comparative quarter ended <u>31/03/2011</u>	Current year to date ended <u>31/03/2012</u>	Preceding year to date ended <u>31/03/2011</u>
Basic EPS				
Profit attributable to equity owners of the Company (RM'000)	12,051	4,397	12,051	4,397
Weighted average number of ordinary shares in issue ('000 shares)	187,376	187,377	187,376	187,377
Basic EPS (sen)	6.43	2.35	6.43	2.35
Diluted EPS				
Profit attributable to equity owners of the Company (RM'000)	12,051	4,397	12,051	4,397
Weighted average number of ordinary shares in issue ('000 shares)	187,376	187,377	187,376	187,377
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	187,377	187,377	187,377
Diluted EPS (sen)	6.43	2.35	6.43	2.35

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B15. Earnings Per Share (“EPS”) (contd.)

* For the current quarter and current year to date ended 31 March 2012, 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 2011 was not qualified.

B17. Profit before taxation

Profit before taxation is arrived at after crediting/(charging) the following income/(expenses):

	Current quarter ended <u>31/03/2012</u> RM’000	Current year to date ended <u>31/03/2012</u> RM’000
(a) Interest income	868	868
(b) Other income including investment income	282	282
(c) Interest expense	(32)	(32)
(d) Depreciation and amortisation	(120)	(120)
(e) Provision for and write off of receivables	-	-
(f) Provision for and write off of inventories	-	-
(g) Gain/(Loss) on disposal of quoted and unquoted investments or properties	-	-
(h) Impairment of assets	-	-
(i) Foreign exchange gain/(loss)	-	-
(j) Gain/(Loss) on derivatives *	-	-
(k) Exceptional items *	-	-

* These items are not applicable to the Group.

By Order of the Board

DATO’ NIK MOHAMED DIN BIN DATUK NIK YUSOFF
Executive Chairman

Kuala Lumpur
16 May 2012