

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2012 AUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current quarter ended 30/06/2012 RM'000	Comparative quarter ended 30/06/2011 RM'000	Current year to date ended 30/06/2012 RM'000	Preceding year to date ended 30/06/2011 RM'000
Revenue	52,710	77,289	103,753	138,446
Cost of sales	(35,249)	(47,262)	(63,061)	(94,042)
Gross profit	17,461	30,027	40,692	44,404
Other income	1,527	2,630	2,600	5,148
Selling and marketing expenses	(4,806)	(1,652)	(7,495)	(3,517)
Administrative expenses	(2,922)	(2,181)	(5,149)	(5,142)
Finance costs	(526)	(410)	(558)	(433)
Profit before taxation	10,734	28,414	30,090	40,460
Income tax expense	(2,569)	(7,070)	(7,671)	(10,388)
Profit for the period	8,165	21,344	22,419	30,072
Profit attributable to:				
Equity owners of the Company	6,458	11,578	18,509	15,975
Non-controlling interests	1,707	9,766	3,910	14,097
	8,165	21,344	22,419	30,072
Earnings per share (sen) attributable to equity owners of the Company (Note B15):				
Basic	3.45	6.18	9.88	8.53
Diluted	3.45	6.18	9.88	8.53

(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 2012
AUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME**

	Current quarter ended 30/06/2012 RM'000	Comparative quarter ended 30/06/2011 RM'000	Current year to date ended 30/06/2012 RM'000	Preceding year to date ended 30/06/2011 RM'000
Profit after tax for the period	8,165	21,344	22,419	30,072
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period, net of tax	8,165	21,344	22,419	30,072
Total comprehensive income attributable to:				
Equity owners of the Company	6,458	11,578	18,509	15,975
Non-controlling interests	1,707	9,766	3,910	14,097
	8,165	21,344	22,419	30,072

(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 2012 AUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION

	As at 30/06/2012	As at 30/06/2011	As at 31/12/2011
	RM'000	RM'000	RM'000
ASSETS			
Non-current assets			
Property and equipment	2,713	2,371	2,519
Investment properties	96,160	70,873	79,767
Land held for property development	288,789	314,196	304,504
Intangible assets	512	507	533
Deferred tax assets	8,446	7,119	8,549
Trade receivables	1,746	1,899	1,721
Other receivables, deposits and prepayments	1,739	1,420	1,716
	400,105	398,385	399,309
Current assets			
Property development costs	156,487	135,319	144,203
Inventories	162	284	162
Trade receivables	66,491	43,108	48,826
Accrued billings	24,479	27,298	36,827
Other receivables, deposits and prepayments	49,151	2,254	2,093
Tax recoverable	2,526	790	287
Cash, bank balances and deposits	81,327	77,946	100,766
	380,623	286,999	333,164
TOTAL ASSETS	780,728	685,384	732,473

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2012 AUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	As at 30/06/2012 RM'000	As at 30/06/2011 RM'000	As at 31/12/2011 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	(4)	(2)	(3)
	187,376	187,378	187,377
Reserves	163,202	150,206	151,827
	350,578	337,584	339,204
Non-controlling interests	26,832	24,888	30,072
Total equity	377,410	362,472	369,276
Non-current liabilities			
Term loans	200,784	95,929	165,989
Trade payables	5,142	3,716	5,024
Other payables, deposits and accruals	4,510	11,333	4,150
Deferred tax liabilities	33,290	35,656	34,249
	243,726	146,634	209,412
Current liabilities			
Trade payables	34,978	28,778	25,694
Progress billings	65,257	18,607	27,421
Other payables, deposits and accruals	33,846	98,096	55,746
Short term borrowings	20,760	23,038	38,500
Tax payable	4,751	7,759	2,014
Dividend payables	-	-	4,410
	159,592	176,278	153,785
Total liabilities	403,318	322,912	363,197
TOTAL EQUITY AND LIABILITIES	780,728	685,384	732,473
Net asset per share (RM) attributable to equity owners of the Company	1.87	1.80	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 SECOND QUARTER ENDED 30 JUNE 2012
AUDITED 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		Total		
				Redemption Reserve	Retained profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Current year to date ended 30 June 2012</u>								
At 1 January 2012	187,380	(3)	6,984	12,622	132,221	339,204	30,072	369,276
Total comprehensive income	-	-	-	-	18,509	18,509	3,910	22,419
Dividend paid	-	-	-	-	(7,027)	(7,027)	-	(7,027)
Dividends to non-controlling interests	-	-	-	-	-	-	(7,150)	(7,150)
Shares buyback of the Company	-	(1)	-	-	-	(1)	-	(1)
Share issues expenses	-	-	(107)	-	-	(107)	-	(107)
At 30 June 2012	187,380	(4)	6,877	12,622	143,703	350,578	26,832	377,410
<u>Preceding year to date ended 30 June 2011</u>								
At 1 January 2011	187,380	(1)	6,984	12,622	114,625	321,610	10,791	332,401
Total comprehensive income	-	-	-	-	15,975	15,975	14,097	30,072
Shares buyback of the Company	-	(1)	-	-	-	(1)	-	(1)
At 30 June 2011	187,380	(2)	6,984	12,622	130,600	337,584	24,888	362,472

(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 2012 AUDITED CONDENSED STATEMENT OF CASH FLOWS

	Current year to date ended 30/06/2012 RM'000	Preceding year to date ended 30/06/2011 RM'000	Preceding year ended 31/12/2011 RM'000
Cash Flows From Operating Activities			
Profit before taxation	30,090	40,460	66,857
Adjustments for:			
Allowance for impairment	-	-	126
Amortisation of intangible assets	20	20	45
Depreciation	309	297	601
Gain on disposal of property, plant and equipment	(6)	(86)	(70)
Gain on disposal of development land	(917)	-	-
Property, plant and equipment written off	108	4	29
Interest income	(1,458)	(660)	(1,779)
Unwinding of discount	428	389	926
Operating profit before working capital changes	28,574	40,424	66,735
Changes in working capital :-			
Net change in inventories	-	(122)	-
Net change in property development costs	8,516	6,499	11,407
Net change in receivables	(64,730)	(14,330)	(20,325)
Net change in payables	(11,031)	20,762	(34,048)
Net change in accrued/progress billings	50,184	(30,450)	(31,164)
Net cash generated from operations	11,513	22,783	(7,395)
Interest paid	(5,742)	(3,343)	(7,918)
Interest received	1,462	659	1,778
Tax paid	(8,274)	(4,518)	(20,292)
Tax refunded	247	328	355
Net cash (used in)/generated from operating activities	(794)	15,909	(33,472)
Cash Flows From Investing Activities			
Proceeds from disposal of plant and equipment	18	129	133
Purchase of property and equipment	(561)	(279)	(735)
Purchase of intangible assets	-	(439)	(489)
Subsequent expenditure on investment properties	(16,462)	-	(5,302)
Net cash used in investing activities	(17,005)	(589)	(6,393)

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2012 AUDITED CONDENSED STATEMENT OF CASH FLOWS (CONT'D)

	Current year to date ended 30/06/2012 RM'000	Preceding year to date ended 30/06/2011 RM'000	Preceding year ended 31/12/2011 RM'000
Cash Flows From Financing Activities			
Payment of share issue expenses	(107)	-	-
Shares buyback	(1)	(1)	(2)
Net drawdown of term loans	39,555	4,841	73,863
Net (repayment)/drawdown of revolving credits	(22,500)	4,500	21,000
Dividends paid to non-controlling interests	(11,560)	-	(490)
Dividends paid	(7,027)	-	(7,026)
Net cash (used in)/generated from financing activities	<u>(1,640)</u>	9,340	87,345
Net change in cash and cash equivalents	(19,439)	24,660	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>81,327</u>	<u>77,946</u>	<u>100,766</u>
 Cash and cash equivalents at end of the year comprised:			
Cash on hand and at banks	7,187	2,264	5,080
Housing Development Accounts	37,267	33,034	31,921
Short term placement with licensed bank	3,973	26,727	53,899
Short term placements with licensed investment bank	32,900	15,921	9,866
	<u>81,327</u>	<u>77,946</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 SECOND QUARTER ENDED 30 JUNE 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 of OSK Property Holdings Berhad (“OSKPH” or “Company”) and its subsidiaries (OSKPH and its subsidiaries are collectively referred to as the “Group”) is audited 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

1 January 2014

Malaysian Financial Reporting Standards (MFRS Framework)

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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.

On 4 July 2012, MASB has decided to allow the Transitioning Entities to defer the adoption of the MFRS Framework for another year. MFRS Framework will therefore be mandated for all companies for annual period beginning on or after 1 January 2014.

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 2014. 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 SECOND QUARTER ENDED 30 JUNE 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 223 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 RM278.75. 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
13 April 2012	50	50	Exercise of Warrants B 2007/2012 at RM1.25 per share
23 April 2012	44	44	Exercise of Warrants B 2007/2012 at RM1.25 per share
Total	223	223	

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 187,379,719 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

During the current year to date, the Company has purchased 1,000 ordinary shares for a total cash consideration of RM1,292 from open market at an average price of RM1.29 per share. The shares repurchased are being held as treasury shares and treated in accordance with the requirements of Section 67A of the Companies Act, 1965. Details of the shares buyback for 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 31 March 2012	4,000	0.92	0.54	0.75	3,015
May 2012	1,000	1.25	1.25	1.29	1,292
As at 30 June 2012	5,000	1.25	0.54	0.86	4,307

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

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2012

A6. Dividends paid

A final dividend of 5 sen per share less 25% income tax amounting to RM7,026,539 in respect of preceding financial year ended 31 December 2011 was paid on 18 June 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>30 June 2012 (audited)</u>	Property development	Property investment & management	Holding entity	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	103,371	-	382	-	103,753
Inter-segment revenue	-	11,825	7,939	(19,764)	-
Total	103,371	11,825	8,321	(19,764)	103,753

Results

Profit before finance costs	18,813	11,854	7,750	(7,770)	30,647
Less: Finance costs	(1,696)	-	-	1,139	(557)
Profit before taxation	17,117	11,854	7,750	(6,631)	30,090
Income tax expense					(7,671)
Profit after taxation					22,419
Non-controlling interests					(3,910)
Profit attributable to equity owners of the Company					18,509

<u>Preceding year to date ended</u> <u>30 June 2011 (audited)</u>	Property development	Property investment & management	Holding entity	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	138,338	-	108	-	138,446
Inter-segment revenue	-	606	982	(1,588)	-
Total	138,338	606	1,090	(1,588)	138,446

Results

Profit before finance costs	40,920	907	692	(1,626)	40,893
Less: Finance costs	(1,415)	-	-	982	(433)
Profit before taxation	39,505	907	692	(644)	40,460
Income tax expense					(10,388)
Profit after taxation					30,072
Non-controlling interests					(14,097)
Profit attributable to equity owners of the Company					15,975

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2012

A8. Valuations of property, plant and equipment

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

A12. Significant related party transactions

Current year to
date ended
30/06/2012
RM'000

Significant transactions with companies related to a director and a major shareholders of the Company:-

(i)	Construction works/building materials for project development & office renovation and maintenance	23,693
(ii)	Interior design works and renovation works	1,227
(iii)	Insurance premium	161
(iv)	Brokerage fees and professional fees	140
(v)	Rental expenses and parking fees	198
(vi)	Short term placement interest income	(436)
(vii)	Share registrars	26

Significant transactions with directors (and/or persons connected to directors) of the Company and of the subsidiary companies

(i)	Sale of developed properties	<u>3,909</u>
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OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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)

In the current quarter ended 30 June 2012, the Group recorded a profit after tax and minority interest (“PATAMI”) of RM6.5 million on revenue of RM52.7 million, compared to PATAMI of RM11.6 million on revenue of RM77.3 million recorded in the preceding year’s corresponding quarter. The lower PATAMI for the current quarter is because the majority of the Group’s current projects; such as Paragon of Pan’gaea in Cyberjaya, Atria SOFO Suites in Damansara Jaya, Mirage Residence in Kuala Lumpur and Mirage by the Lake in Cyberjaya are in their early stages of construction, resulting in relatively lower percentage of work done. The cessation of The Atria shopping complex operations since July 2011 has also contributed to the lower profit attained in the current quarter compared to the preceding year’s corresponding quarter.

For the six months ended 30 June 2012, the Group’s PATAMI of RM18.5 million is 15.8% higher than the corresponding period’s PATAMI of RM16.0 million in 2011. Sales for the period under review amounted to RM348 million compared to RM223 million achieved in the preceding year’s corresponding period.

B2. Material changes in the quarterly results

(Comparison on current quarter with the immediate preceding quarter)

The Group’s PATAMI for the current quarter of RM6.5 million is 46.4% lower than the PATAMI for the immediate preceding quarter of RM12.1 million. The higher profit recorded in the preceding quarter was due to the completion of sales and construction of certain phases of the project in Sutera Damansara in Sungai Buloh and Bangi Lakehill Villas in Bangi.

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

(a) Prospects for 2012

(Commentary on the remaining year 2012)

Global market conditions are expected to be challenging in the near to medium term in view of the ongoing Eurozone sovereign debt crisis and concerns of a possible economic slowdown in China and India, in addition to weaker economy in advanced countries.

Amid the uncertain external environment, the Malaysian economy is expected to grow at a steady pace of 4% to 5% in the year 2012, supported by domestic demand, the country’s resilient economic and business fundamentals and various Government initiatives. The continued rollout of the Economic Transformation Programme projects are expected to support economic growth while major infrastructure improvements in the Klang Valley such as My Rapid Transit, river rehabilitation and covered walkway projects are expected to further enhance demand and property values.

The Group having won a total of 14 local and international awards, will continue its efforts to enhance its competitiveness, further improve its well-received products and improve on effective cost saving measures.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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)

Although the Group registered lower revenue in the current quarter, continued demands and sales achieved during the quarter will contribute towards the Group's performance for 2012. The Group is optimistic that it will be able to maintain its positive performance for the remaining year.

(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 30/06/2012 RM'000	Current year to date ended 30/06/2012 RM'000
In respect of the current quarter/year to date		
- Malaysian income tax	2,741	8,526
- Deferred tax	(172)	(855)
	<u>2,569</u>	<u>7,671</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.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2012

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

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

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”);
- (a) 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 renounee(s) pursuant to the proposed Rights Issue with Warrants (“Proposed Bonus Issue”); and
- (b) 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”).

(Collectively referred to as the “Proposals”)

The approvals from Bursa Malaysia Securities Berhad, the shareholders and warrant holders of the Company and other relevant authorities have been obtained in relation to the above Proposals. The Proposals are now pending implementation.

B10. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 30 June 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 30/06/2012 RM'000	Group 31/12/2011 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	295,656	288,612
- Unrealised	8,474	8,589
	304,130	297,201
Less: Consolidation adjustments	(160,427)	(164,980)
Total Group retained profits as per consolidated accounts	143,703	132,221

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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	190,966
Bridging loan	9,818
	<u>200,784</u>
(b) Short term borrowings:	
Secured	
Term loan	8,760
Revolving credit	12,000
	<u>20,760</u>
Total	<u>221,544</u>

B12. Off balance sheet financial instruments

As at 9 August 2012, the Group did not enter into any contract involving financial instruments with off balance sheet risk.

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 proceedings pending or threatened against the Group or any facts likely to give rise to any proceedings 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 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 has been fixed for trial on 8 and 9 of October 2012.

ADSB has also filed an application for security for costs and the application was allowed on 29 June 2012 wherein the Court ordered MCSB to deposit a sum of RM100,000 as security for costs with ADSB's solicitors as stakeholder. MCSB has paid the said sum to the stakeholder as ordered.

B14. Dividends

The Board of Directors has recommended an interim dividend of 5.0 sen per share less 25% income tax for the current year to date ended 30 June 2012 (Comparative period ended 30 June 2011: Interim dividend of 2.5 sen per share less 25% income tax). The said dividend shall be paid on a date to be announced.

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B15. Earnings Per Share (“EPS”)

	Current quarter ended <u>30/06/2012</u>	Comparative quarter ended <u>30/06/2011</u>	Current year to date ended <u>30/06/2012</u>	Preceding year to date ended <u>30/06/2011</u>
Basic EPS				
Profit attributable to equity owners of the Company (RM'000)	6,458	11,578	18,509	15,975
Weighted average number of ordinary shares in issue ('000 shares)	187,375	187,377	187,375	187,377
Basic EPS (sen)	3.45	6.18	9.88	8.53
Diluted EPS				
Profit attributable to equity owners of the Company (RM'000)	6,458	11,578	18,509	15,975
Weighted average number of ordinary shares in issue ('000 shares)	187,375	187,377	187,375	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)	187,375	187,377	187,375	187,377
Diluted EPS (sen)	3.45	6.18	9.88	8.53

* For the current quarter and current year to date ended 30 June 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.

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B17. Profit before taxation

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

	Current quarter ended <u>30/06/2012</u> RM'000	Current year to date ended <u>30/06/2012</u> RM'000
(a) Interest income	618	1,486
(b) Other income including investment income	99	381
(c) Interest expense	(526)	(558)
(d) Depreciation and amortisation	(129)	(249)
(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 August 2012