

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current quarter ended 30/09/2012 RM'000	Comparative quarter ended 30/09/2011 RM'000	Current year to date ended 30/09/2012 RM'000	Preceding year to date ended 30/09/2011 RM'000
Revenue	57,149	77,235	160,902	215,681
Cost of sales	(38,181)	(55,888)	(101,242)	(149,930)
Gross profit	18,968	21,347	59,660	65,751
Other income	701	1,058	3,301	6,206
Selling and marketing expenses	(3,994)	(2,972)	(11,489)	(6,489)
Administrative expenses	(3,265)	(3,578)	(8,414)	(8,720)
Finance costs	(60)	12	(618)	(421)
Profit before taxation	12,350	15,867	42,440	56,327
Income tax expense	(4,096)	(5,075)	(11,767)	(15,463)
Profit for the period	8,254	10,792	30,673	40,864
Profit attributable to:				
Equity owners of the Company	8,215	4,391	26,724	20,366
Non-controlling interests	39	6,401	3,949	20,498
	8,254	10,792	30,673	40,864
Earnings per share (sen) attributable to equity owners of the Company (Note B15):				
Basic	4.03	2.34	13.85	10.87
Diluted	3.92	2.34	13.35	10.87

(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 2012
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME**

	Current quarter ended 30/09/2012 RM'000	Comparative quarter ended 30/09/2011 RM'000	Current year to date ended 30/09/2012 RM'000	Preceding year to date ended 30/09/2011 RM'000
Profit after tax for the period	8,254	10,792	30,673	40,864
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period, net of tax	8,254	10,792	30,673	40,864
Total comprehensive income attributable to:				
Equity owners of the Company	8,215	4,391	26,724	20,366
Non-controlling interests	39	6,401	3,949	20,498
	8,254	10,792	30,673	40,864

(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 2012 UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION

	As at 30/09/2012	As at 30/09/2011	(Audited) As at 31/12/2011
	RM'000	RM'000	RM'000
ASSETS			
Non-current assets			
Property and equipment	2,654	2,299	2,519
Investment properties	102,525	72,713	79,767
Land held for property development	288,095	317,437	304,504
Intangible assets	524	517	533
Deferred tax assets	8,560	7,118	8,549
Trade receivables	1,746	1,899	1,721
Other receivables, deposits and prepayments	1,739	1,420	1,716
	405,843	403,403	399,309
Current assets			
Property development costs	205,639	113,374	144,203
Inventories	162	284	162
Trade receivables	76,638	53,767	48,826
Accrued billings	24,562	27,188	36,827
Other receivables, deposits and prepayments	5,402	2,715	2,093
Tax recoverable	5,605	897	287
Cash, bank balances and deposits	132,306	90,590	100,766
	450,314	288,815	333,164
TOTAL ASSETS	856,157	692,218	732,473

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012 UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	As at 30/09/2012 RM'000	As at 30/09/2011 RM'000	(Audited) As at 31/12/2011 RM'000
EQUITY AND LIABILITIES			
Equity attributable to equity owners of the Company			
Share capital	243,686	187,380	187,380
Less: Treasury shares, at cost	(4)	(2)	(3)
	<u>243,682</u>	<u>187,378</u>	<u>187,377</u>
Reserves	133,924	151,084	151,827
	<u>377,606</u>	<u>338,462</u>	<u>339,204</u>
Non-controlling interests	<u>26,871</u>	<u>30,799</u>	<u>30,072</u>
Total equity	<u>404,477</u>	<u>369,261</u>	<u>369,276</u>
Non-current liabilities			
Term loans	197,624	164,736	165,989
Trade payables	5,142	3,716	5,024
Other payables, deposits and accruals	4,510	11,333	4,150
Deferred tax liabilities	32,782	34,825	34,249
	<u>240,058</u>	<u>214,610</u>	<u>209,412</u>
Current liabilities			
Trade payables	34,008	31,416	25,694
Progress billings	121,002	19,908	27,421
Other payables, deposits and accruals	32,788	21,966	55,746
Short term borrowings	17,363	23,200	38,500
Tax payable	6,461	11,857	2,014
Dividend payables	-	-	4,410
	<u>211,622</u>	<u>108,347</u>	<u>153,785</u>
Total liabilities	<u>451,680</u>	<u>322,957</u>	<u>363,197</u>
TOTAL EQUITY AND LIABILITIES	<u>856,157</u>	<u>692,218</u>	<u>732,473</u>
Net asset per share (RM) attributable to equity owners of the Company	<u>1.55</u>	<u>1.81</u>	<u>1.81</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 THIRD QUARTER ENDED 30 SEPTEMBER 2012
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to equity owners of the Company							Non-controlling interests	Total equity
	Capital								
	Share capital	Treasury shares	Share premium	Redemption Reserve	Warrant Reserve	Retained profits	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Current year to date ended 30 September 2012</u>									
At 1 January 2012	187,380	(3)	6,984	12,622	-	132,221	339,204	30,072	369,276
Total comprehensive income	-	-	-	-	-	26,724	26,724	3,949	30,673
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)
Warrants issued pursuant to the Restricted Issue of Warrants	-	-	-	-	499	-	499	-	499
Share issued pursuant to the Rights Issue	18,745	-	-	-	9,986	(9,986)	18,745	-	18,745
Share issued pursuant to the Bonus Issue	37,489	-	(6,264)	(12,622)	-	(18,603)	-	-	-
Share issued pursuant to the exercise of Warrants B	72	-	18	-	-	-	90	-	90
Share issues expenses	-	-	(628)	-	-	-	(628)	-	(628)
At 30 September 2012	243,686	(4)	110	-	10,485	123,329	377,606	26,871	404,477
<u>Preceding 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 non-controlling interests	-	-	-	-	-	-	-	(490)	(490)
Shares buyback of the Company	-	(1)	-	-	-	-	(1)	-	(1)
At 30 June 2011	187,380	(2)	6,984	12,622	-	131,478	338,462	30,799	369,261

(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 2012 UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Current year to date ended 30/09/2012 RM'000	Preceding year to date ended 30/09/2011 RM'000	(Audited) Preceding year ended 31/12/2011 RM'000
Cash Flows From Operating Activities			
Profit before taxation	42,440	56,327	66,857
Adjustments for:			
Allowance for impairment	-	-	126
Amortisation of intangible assets	30	33	45
Depreciation	463	437	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	(2,109)	(1,315)	(1,779)
Unwinding of discount	428	434	926
Operating profit before working capital changes	40,437	55,834	66,735
Changes in working capital :-			
Net change in inventories	-	(122)	-
Net change in property development costs	(37,326)	(43,950)	11,407
Net change in receivables	(31,129)	(25,450)	(20,325)
Net change in payables	(12,716)	18,234	(34,048)
Net change in accrued/progress billings	105,846	(29,038)	(31,164)
Net cash generated from operations	65,112	(24,492)	(7,395)
Interest paid	(8,699)	(5,194)	(7,918)
Interest received	2,114	1,314	1,778
Tax paid	(14,361)	(6,434)	(20,292)
Tax refunded	247	328	355
Net cash (used in)/generated from operating activities	44,413	(34,478)	(33,472)
Cash Flows From Investing Activities			
Proceeds from disposal of plant and equipment	18	129	133
Purchase of property and equipment	(631)	(331)	(735)
Purchase of intangible assets	(22)	(461)	(489)
Subsequent expenditure on investment properties	(22,855)	(1,861)	(5,302)
Net cash used in investing activities	(23,490)	(2,524)	(6,393)

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012 UNAUDITED CONDENSED STATEMENT OF CASH FLOWS (CONT'D)

	Current year to date ended 30/09/2012 RM'000	Preceding year to date ended 30/09/2011 RM'000	(Audited) Preceding year ended 31/12/2011 RM'000
Cash Flows From Financing Activities			
Payment of share issue expenses	(628)	-	-
Proceeds from rights issue	18,745	-	-
Proceeds from exercise of warrants	90	-	-
Proceeds from restricted issue of warrants	499	-	-
Shares buyback	(1)	(1)	(2)
Net drawdown of term loans	34,999	73,810	73,863
Net (repayment)/drawdown of revolving credits	(24,500)	4,500	21,000
Dividends paid to non-controlling interests	(11,560)	(490)	(490)
Dividends paid	(7,027)	(3,513)	(7,026)
Net cash (used in)/generated from financing activities	<u>10,617</u>	74,306	87,345
Net change in cash and cash equivalents	31,540	37,304	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>132,306</u>	<u>90,590</u>	<u>100,766</u>

Cash and cash equivalents at end of the period/year comprised:

Cash on hand and at banks	7,047	3,962	5,080
Housing Development Accounts	44,137	42,356	31,921
Short term placement with licensed bank	9,628	36,507	53,899
Short term placements with licensed investment bank	71,494	7,765	9,866
	<u>132,306</u>	<u>90,590</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 THIRD QUARTER ENDED 30 SEPTEMBER 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 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

1 January 2014

Malaysian Financial Reporting Standards (MFRS Framework)

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 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 Transitioning Entities to defer the adoption of the MFRS Framework for an additional one year. MFRS Framework will therefore be mandated for all Transitioning Entities for annual periods 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 72,543 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 RM90,678.75. The details of the Warrants B exercised during the current year to date are as follows:

Allotment Date	No. of Warrants B 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
9 July 2012	18,378	18,378	Exercise of Warrants B 2007/2012 at RM1.25 per share
12 July 2012	8,073	8,073	Exercise of Warrants B 2007/2012 at RM1.25 per share
18 July 2012	45,869	45,869	Exercise of Warrants B 2007/2012 at RM1.25 per share
Total	72,543	72,543	

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 increased from 187,379,496 shares to 187,452,039 shares as at 18 July 2012. 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.

Pursuant to the Notice to Warranholders in relation to the expiry and final exercise of the Warrants B 2007/2012 dated 14 June 2012, Warrants B expired on 16 July 2012. The total number of Warrants B which remained unexercised and has lapsed was 49,926,258.

On 4 September 2012, 106,160,367 Warrants C was issued and granted listing and quotation on the Main Market on Bursa Securities pursuant to the Rights Issue with Warrants and Restricted Issue of Warrants.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

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

(b) Issuance of shares

During the year, the Company issued 18,744,703 new ordinary shares and 37,489,406 bonus shares of RM1.00 each pursuant to the Rights Issue with Warrants and Bonus Issue of the Company at an issue price of RM1.00 per ordinary share for cash with 56,234,109 free detachable Warrants C. The said shares were granted listing and quotation on the Main Market of Bursa Securities on 4 September 2012. The total cash proceeds of RM18,744,703 raised from the rights issue are to be utilised for working capital and rights issue expenses. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

(c) 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 1 January 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 September 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.

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

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

A7. Segmental information (contd.)

<u>Current year to date ended</u> <u>30 September 2012</u>	Property development	Property investment & management	Holding entity	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	160,198	-	704	-	160,902
Inter-segment revenue	-	12,420	7,939	(20,359)	-
Total	160,198	12,420	8,643	(20,359)	160,902

Results

Profit before finance costs	31,291		7,937	(7,807)	43,058
Less: Finance costs	(1,757)	11,637	-	1,139	(618)
		-			
Profit before taxation	29,534	11,637	7,937	(6,668)	42,440
Income tax expense					(11,767)
Profit after taxation					30,673
Non-controlling interests					(3,949)
Profit attributable to equity owners of the Company					26,724

<u>Preceding year to date ended</u> <u>30 September 2011</u>	Property development	Property investment & management	Holding entity	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	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

A8. Valuations of property, plant and equipment

There were no revalued property, plant and equipment as at 30 September 2012.

A9. Material events subsequent to the end of the period

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

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

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:

Acquisition of OSKP Facilities Management Sdn. Bhd.

On 25 September 2012, the Company acquired one (1) ordinary share of RM1.00 each in the share capital of OSKP Facilities Management Sdn. Bhd. (“OSKPFM”) for a total consideration of RM1.00 (“Acquisition”). Subsequent to the Acquisition, OSKPFM become a wholly-owned subsidiary of the Company.

OSKPFM was incorporated in Malaysia under the Companies Act 1965 on 18 September 2012 with an authorised share capital of RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each and paid-up share capital of RM2.00 divided into 2 ordinary shares of RM1.00 each. OSKPFM is presently a dormant company and its intended principal business activity is property management.

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
30/09/2012
RM’000

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

(i)	Construction works/building materials for project development & office renovation and maintenance	33,733
(ii)	Interior design works and renovation works	1,641
(iii)	Insurance premium	206
(iv)	Professional fees	230
(v)	Rental expenses and parking fees	295
(vi)	Short term placement interest income	(759)
(vii)	Share registrars	106

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

(i)	Sale of development properties	<u>8,446</u>
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OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2012, the Group recorded a profit after tax and minority interest (“PATAMI”) of RM8.3 million on revenue of RM57.1 million, compared to PATAMI of RM4.4 million on revenue of RM77.2 million recorded in the preceding year’s corresponding quarter. For the nine months ended 30 September 2012, the Group’s PATAMI of RM26.7 million is 31.2% higher than the corresponding period’s PATAMI of RM20.4 million in 2011.

The improved PATAMI for the current quarter and year to date is due to higher profit contributions from the current projects wholly-owned by the Group.

The Group recorded sales totalling RM147 million from all its current projects in the third quarter. Cumulative sales recorded for the nine months period ended 30 September 2012 amounted to RM470 million compared to RM337 million achieved in the preceding year’s corresponding period.

In October 2012, the Group won another award to add on to the 12 local and international awards attained in the past 2 years. Our Pan’gaea project in Cyberjaya won the Best Eco Development Award at the Overseas Property Professional (OPP) Awards for Excellence 2012 held in London on 10 October 2012 for its elaborate master plan and diverse components that integrates in a modern and sustainable environment.

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 RM8.3 million is 27.2% higher than the PATAMI for the immediate preceding quarter of RM6.5 million. The higher profit recorded in the current quarter was mainly derived from higher sales and construction progress achieved for the current projects.

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

(a) Prospects for 2012

(Commentary on the remaining year 2012)

At the recent Budget 2013 announcement, the Malaysian Government has emphasized its commitment to ensure that the nation’s economic growth continues to improve amid the challenging and uncertain global economy. Growth is expected to be driven by growing vibrancy in domestic investment particularly with the continued implementation of the Economic Transformation Programme.

The Board is optimistic that it will be able to maintain its performance for the remaining year.

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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 30/09/2012 RM'000	Current year to date ended 30/09/2012 RM'000
In respect of the current quarter/year to date		
- Malaysian income tax	4,718	13,244
- Deferred tax	(622)	(1,477)
	<u>4,096</u>	<u>11,767</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 announced but not completed as at 1 November 2012 and utilisation of proceeds from the rights issue and Restricted Issue of Warrants

(a) There were no corporate proposals previously announced but not completed as at 1 November 2012 save for the below:-

On 25 September 2012, Warisan Rajawali Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement ("SPA") with United Accomplishment Sdn Bhd for the acquisition of a parcel of freehold commercial land measuring approximately 46,407 square feet, held under H.S.(D) 72939, PT No. 21777, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor Darul Ehsan for a total purchase consideration of RM12,000,000, subject to the terms and conditions as contained in the SPA.

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B9. Status of corporate proposals announced and completed as at 1 November 2012 and utilisation of proceeds from the rights issue and Restricted Issue of Warrants (Contd.)

- (b) The Group raised RM18,744,703 from the rights issue of 18,744,703 new ordinary shares of RM1.00 each at an issue price of RM1.00 each in the current year to date. The status of utilisation of proceeds from the rights issue as at 30 September 2012 are summarised below:

<u>Purpose</u>	<u>Proposed utilisation</u> RM'000	<u>Utilisation to date</u> RM'000	<u>Balance</u> RM'000
Working capital	17,945	-	17,945
Rights issue expenses	800	(602)	198
	<u>18,745</u>	<u>(602)</u>	<u>18,143</u>

- (c) The Group raised RM499,263 from the Restricted Issue of Warrants of 49,926,258 new Warrant C at an issue price of RM0.01 each in the current year. The status of utilisation of proceeds from the Restricted Issue of Warrants as at 30 September 2012 are summarised below:

<u>Purpose</u>	<u>Proposed utilisation</u> RM'000	<u>Utilisation to date</u> RM'000	<u>Balance</u> RM'000
Working capital	500	(500)	-
	<u>500</u>	<u>(500)</u>	<u>-</u>

B10. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 30 September 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 30/09/2012 RM'000	Group 31/12/2011 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	272,563	288,612
- Unrealised	8,592	8,589
	<u>281,155</u>	<u>297,201</u>
Less: Consolidation adjustments	(157,826)	(164,980)
Total Group retained profits as per consolidated accounts	<u>123,329</u>	<u>132,221</u>

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B11. Borrowings

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

	RM'000
(a) Long term borrowings:	
Secured	
Term loan	181,894
Bridging loan	15,730
	<u>197,624</u>
(b) Short term borrowings:	
Secured	
Term loan	4,875
Bridging loan	2,488
Revolving credit	10,000
	<u>17,363</u>
Total	<u>214,987</u>

B12. Off balance sheet financial instruments

As at 1 November 2012, the Group did not enter into any contract involving financial instruments with off balance sheet risk.

B13. Material litigation

As at 1 November 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 and the matter has been fixed for trial on 27 and 28 of February 2013. The Judge has also fixed the matter for case management on 18 December 2012 on which date a formal list of witnesses have to be filed.

ADSB has earlier 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.

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B14. Dividends

The Board had on 16 August 2012 declared and announced an interim dividend of 5 sen per share less 25% income tax amounting to RM9,138,029.70 in respect of the financial year ending 31 December 2012. The said dividend was paid on 5 October 2012. (2011: 2.5 sen per share less 25% income tax).

B15. Earnings Per Share (“EPS”)

	Current quarter ended <u>30/09/2012</u>	Comparative quarter ended <u>30/09/2011</u>	Current year to date ended <u>30/09/2012</u>	Preceding year to date ended <u>30/09/2011</u>
Basic EPS				
Profit attributable to equity owners of the Company (RM'000)	8,215	4,391	26,724	20,366
Weighted average number of ordinary shares in issue ('000 shares)	203,939	187,377	192,937	187,377
Basic EPS (sen)	4.03	2.34	13.85	10.87
Diluted EPS				
Profit attributable to equity owners of the Company (RM'000)	8,244	4,391	26,724	20,366
Weighted average number of ordinary shares in issue ('000 shares)	203,939	187,377	192,937	187,377
Effect of dilution on assumed exercise of warrants ('000 shares)	5,744	- *	7,254	- *
Adjusted weighted average number of ordinary shares in issue and issuable ('000 shares)	209,683	187,377	200,191	187,377
Diluted EPS (sen)	3.92	2.34	13.35	10.87

* For the preceding year corresponding quarter 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 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>30/09/2012</u> RM'000	Current year to date ended <u>30/09/2012</u> RM'000
(a) Interest income	682	2,168
(b) Other income including investment income	340	1,836
(c) Interest expense	(60)	(144)
(d) Depreciation and amortisation	(119)	(368)
(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
8 November 2012