

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current quarter ended 31/03/2013 RM'000	Comparative quarter ended 31/03/2012 RM'000	Current year to date ended 31/03/2013 RM'000	Preceding year to date ended 31/03/2012 RM'000
Revenue	56,886	51,043	56,886	51,043
Cost of sales	(41,231)	(27,812)	(41,231)	(27,812)
Gross profit	15,655	23,231	15,655	23,231
Other income	657	1,073	657	1,073
Selling and marketing expenses	(4,608)	(2,689)	(4,608)	(2,689)
Administrative expenses	(3,089)	(2,227)	(3,089)	(2,227)
Finance costs	(74)	(32)	(74)	(32)
Profit before taxation	8,541	19,356	8,541	19,356
Income tax expense	(1,990)	(5,102)	(1,990)	(5,102)
Profit for the period	6,551	14,254	6,551	14,254
Profit attributable to:				
Owners of the Company	6,344	12,051	6,344	12,051
Non-controlling interests	207	2,203	207	2,203
	6,551	14,254	6,551	14,254
Earnings per share (sen) attributable to owners of the Company (Note B15):				
Basic	2.64	6.43	2.64	6.43
Diluted	2.62	6.43	2.62	6.43

(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 2013
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME**

	Current quarter ended 31/03/2013 RM'000	Comparative quarter ended 31/03/2012 RM'000	Current year to date ended 31/03/2013 RM'000	Preceding year to date ended 31/03/2012 RM'000
Profit after tax for the period	6,551	14,254	6,551	14,254
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period, net of tax	6,551	14,254	6,551	14,254
Total comprehensive income attributable to:				
Owners of the Company	6,344	12,051	6,344	12,051
Non-controlling interests	207	2,203	207	2,203
	6,551	14,254	6,551	14,254

(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 2013 UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION

	As at 31/03/2013	As at 31/03/2012	(Audited) As at 31/12/2012
	RM'000	RM'000	RM'000
ASSETS			
Non-current assets			
Property and equipment	2,937	2,672	2,854
Investment properties	124,074	85,209	114,009
Land held for property development	281,025	287,020	278,847
Intangible assets	629	521	601
Deferred tax assets	11,751	8,774	11,424
Trade receivables	1,398	4,542	1,398
Other receivables, deposits and prepayments	2,445	1,716	2,445
	424,259	390,454	411,578
Current assets			
Property development costs	245,239	140,440	243,129
Inventories	162	162	162
Trade receivables	58,739	68,293	73,011
Accrued billings	22,770	18,815	23,490
Other receivables, deposits and prepayments	2,639	9,201	3,091
Tax recoverable	4,889	1,437	3,032
Cash, bank balances and deposits	94,100	94,674	132,233
	428,538	333,022	478,148
TOTAL ASSETS	852,797	723,476	889,726

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013 UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	(Audited)		
	As at		
	31/03/2013		
	RM'000		
	As at		
	31/03/2012		
	RM'000		
	As at		
	31/12/2012		
	RM'000		
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	243,687	187,380	243,686
Less: Treasury shares, at cost	(3,239)	(3)	(1,916)
	<u>240,448</u>	<u>187,377</u>	<u>241,770</u>
Reserves	135,817	163,786	129,503
	<u>376,265</u>	<u>351,163</u>	<u>371,273</u>
Non-controlling interests	<u>16,735</u>	<u>25,125</u>	<u>16,528</u>
Total equity	<u>393,000</u>	<u>376,288</u>	<u>387,801</u>
Non-current liabilities			
Long term borrowings	173,540	168,279	190,939
Trade payables	6,423	5,024	6,423
Other payables, deposits and accruals	13,089	4,150	11,668
Deferred tax liabilities	32,178	33,787	32,452
	<u>225,230</u>	<u>211,240</u>	<u>241,482</u>
Current liabilities			
Trade payables	38,300	27,108	44,905
Progress billings	150,716	40,511	148,116
Other payables, deposits and accruals	29,742	42,107	34,757
Short term borrowings	14,542	20,500	30,219
Tax payable	1,267	5,722	2,446
	<u>234,567</u>	<u>135,948</u>	<u>260,443</u>
Total liabilities	<u>459,797</u>	<u>347,188</u>	<u>501,925</u>
TOTAL EQUITY AND LIABILITIES	<u>852,797</u>	<u>723,476</u>	<u>889,726</u>
Net asset per share (RM) attributable to owners of the Company	<u>1.56</u>	<u>1.87</u>	<u>1.54</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 2013
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to owners of the Company							Non-controlling interests	Total equity
	Capital								
	Share capital	Treasury shares	Share premium	Share 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	
Current year to date ended 31 March 2013									
At 1 January 2013	243,686	(1,916)	30	-	10,485	118,988	371,273	16,528	387,801
Total comprehensive income	-	-	-	-	-	6,344	6,344	207	6,551
Shares buyback of the Company	-	(1,323)	-	-	-	-	(1,323)	-	(1,323)
Share issued pursuant to the exercise of Warrants C	1	-	-	-	-	-	1	-	1
Rights issues expenses	-	-	(30)	-	-	-	(30)	-	(30)
At 31 March 2013	243,687	(3,239)	-	-	10,485	125,332	376,265	16,735	393,000
Preceding year to date ended 31 March 2012									
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

(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 2013 UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Current year to date ended 31/03/2013 RM'000	Preceding year to date ended 31/03/2012 RM'000	(Audited) Preceding year ended 31/12/2012 RM'000
Cash Flows From Operating Activities			
Profit before taxation	8,541	19,356	50,368
Adjustments for:			
Allowance for doubtful debts written back	-	-	(126)
Amortisation of intangible assets	15	11	42
Depreciation	173	146	629
Gain on disposal of property, plant and equipment	-	-	(14)
Gain on disposal of development land	-	-	(917)
Property, plant and equipment written off	-	108	108
Interest income	(582)	(868)	(2,975)
Unwinding of discount	-	-	(1,158)
Operating profit before working capital changes	8,147	18,753	45,957
Changes in working capital :-			
Net change in property development costs	(1,834)	24,358	(63,038)
Net change in receivables	14,723	(29,401)	(25,532)
Net change in payables	(9,948)	(11,327)	10,806
Net change in accrued/progress billings	3,320	31,102	134,032
Net cash generated from operations	14,408	33,485	102,225
Interest paid	(2,701)	(3,006)	(11,742)
Interest received	583	872	2,975
Tax paid	(5,651)	(4,230)	(21,150)
Tax refunded	23	1	525
Net cash generated from operating activities	6,662	27,122	72,833
Cash Flows From Investing Activities			
Proceeds from disposal of plant and equipment	-	-	26
Purchase of property and equipment	(226)	(379)	(966)
Purchase of intangible assets	(43)	-	(112)
Subsequent expenditure on investment properties	(10,098)	(5,473)	(34,372)
Net cash used in investing activities	(10,367)	(5,852)	(35,424)

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013 UNAUDITED CONDENSED STATEMENT OF CASH FLOWS (CONT'D)

	(Audited)		
	Current	Preceding	Preceding
	year to date	year to date	year
	ended	ended	ended
	<u>31/03/2013</u>	<u>31/03/2012</u>	<u>31/12/2012</u>
	RM'000	RM'000	RM'000
Cash Flows From Financing Activities			
Payment of share issue expenses	(30)	(92)	(708)
Proceeds from rights issue	-	-	18,745
Proceeds from exercise of warrants	1	-	91
Proceeds from restricted issue of warrants	-	-	499
Shares buyback	(1,323)	-	(1,913)
Net (repayment)/drawdown of term loans/bridging loans	(21,976)	2,290	29,669
Net repayment of revolving credits	(11,100)	(18,000)	(13,000)
Dividends paid to non-controlling interests	-	(11,560)	(23,160)
Dividends paid	-	-	(16,165)
Net cash used in financing activities	<u>(34,428)</u>	<u>(27,362)</u>	<u>(5,942)</u>
Net change in cash and cash equivalents	(38,133)	(6,092)	31,467
Cash and cash equivalents at beginning of the period/year	132,233	100,766	100,766
Cash and cash equivalents at end of the period/year	<u>94,100</u>	<u>94,674</u>	<u>132,233</u>

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

Cash on hand and at banks	7,475	4,216	9,097
Housing Development Accounts	47,298	26,513	56,174
Short term placement with licensed bank	10,573	1,016	34,012
Short term placements with licensed investment bank	28,754	62,929	32,950
	<u>94,100</u>	<u>94,674</u>	<u>132,233</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 2013

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 2012 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 2012.

The significant accounting policies and methods of computation adopted by the Group in this quarterly report are consistent with those in the annual financial statements for the year ended 31 December 2012 except as follows:

On 1 January 2013, the Group adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2013.

Amendments to FRS 1	Government Loans
Amendments to FRS 7	Disclosure – Offsetting Financial Assets and Financial Liabilities
FRS 10	Consolidated Financial Statements
Amendments to FRS 10, FRS 11 and FRS 12	Consolidated Financial Statement, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interest in Other Entities
FRS 13	Fair Value Measurement
Amendments to FRS 101	Presentation of items of Other Comprehensive Income
Amendments to FRS 116	Property, plant and equipment
FRS 119	Employee Benefits (Revised)
FRS 127	Separate Financial Statements (Revised)
FRS 128	Investment in Associates and Joint Ventures (Revised)
Amendments to FRS 134	Interim Financial Reporting

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 January 2014

Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

A1. Accounting policies (contd.)

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

1 January 2014

Malaysian Financial Reporting Standards (MFRS Framework)

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').

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 FIRST QUARTER ENDED 31 MARCH 2013

A5. Changes in debt and equity securities

(a) Exercise of Warrants C 2012/2017

During the current year to date, the Company has issued 651 new ordinary shares of RM1.00 each for cash at RM1.00 each pursuant to the exercise of Warrants C 2012/2017 and the total cash proceeds arising from the exercise of Warrants C amounted to RM651.00. The details of the Warrants C exercised during the current year to date are as follows:

Allotment Date	No. of Warrants C exercised	No. of shares allotted	Type of issue
29 January 2013	597	597	Exercise of Warrants C 2012/2017 at RM1.00 per share
26 March 2013	54	54	Exercise of Warrants C 2012/2017 at RM1.00 per share
Total	651	651	

As a result of the exercise of the Warrants C mentioned above, the total number of issued and paid up shares of RM1.00 each of the Company has increased from 243,686,148 shares to 243,686,799 shares. The new ordinary shares issued arising from the exercise of Warrants C 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 C 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 1,270,800 ordinary shares for a total cash consideration of RM1,322,894 from open market at an average price of RM1.04 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 <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 1 January 2013	1,899,000	1.25	0.54	1.01	1,916,274
January 2013	1,270,800	1.05	0.99	1.04	1,322,894
As at 31 March 2013	3,169,800	1.25	0.54	1.02	3,239,168

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 2013.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

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 2013 (unaudited)</u>	Property development	Property investment & management	Holding entity	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	56,679	-	207	-	56,886
Inter-segment revenue	-	-	12	(12)	-
Total	56,679	-	219	(12)	56,886

Results

Profit/(loss) before finance costs	8,489	(254)	(95)	475	8,615
Less: Finance costs	(86)	-	-	12	(74)
Profit/(loss) before taxation	8,403	(254)	(95)	487	8,541
Income tax expense					(1,990)
Profit after taxation					6,551
Non-controlling interests					(207)
Profit attributable to owners of the Company					6,344

<u>Preceding 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 owners of the Company					12,051

A8. Valuations of property, plant and equipment

There were no revalued property, plant and equipment as at 31 March 2013.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

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
31/03/2013
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	6,687
(ii)	Interior design and renovation works	665
(iii)	Insurance premium	106
(iv)	Professional fees	144
(v)	Rental expenses	111

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

(i)	Sale of development properties	<u>4,554</u>
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OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

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 quarter ended 31 March 2013, the Group recorded a profit after tax and minority interest (“PATAMI”) of RM6.3 million on revenue of RM56.9 million, compared to PATAMI of RM12.1 million on revenue of RM51.0 million recorded in the preceding year’s corresponding quarter.

The decrease in PATAMI for the current quarter is mainly due to lower profit contributions recorded from the Sutera Damansara in Sungai Buloh and Bandar Puteri Jaya in Sungai Petani projects as new phases along with new projects launched have yet to achieve advanced stages of construction. In addition, the recognition of losses arising from the proposed development of affordable homes has moderated the profitability of the Sutera Damansara project. Higher marketing and promotional expenses were also incurred for the launching of new projects.

The Group’s latest launches, Solstice, Phase 2 of Pan’gaea in Cyberjaya and The Vale in Sutera Damansara have been very well received. Solstice, which comprises 946 units of contemporary lifestyle service apartments, has been 98% sold while The Vale, a low density guarded development comprising 98 units of Townhouses has achieved 100% sales.

Unbilled sales of the Group as at 31 March 2013 stood at approximately RM1.0 billion.

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 RM6.3 million is 31.3% higher than the PATAMI for the immediate preceding quarter of RM4.8 million. The higher profit recorded in the quarter under review was mainly due to higher contribution from the Mirage by the Lake in Cyberjaya project as a result of increased construction activities carried out during the period.

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

(a) Prospects for 2013

(Commentary on the financial year 2013)

Property market in Malaysia in general is expected to moderate as a result of measures introduced by Bank Negara to stabilise the market. Notwithstanding, our products continue to receive good response. Strong buying activity was evident in our recently launched projects which are nearly fully sold.

The Group will continue to leverage on its branding and successful product innovations coupled with attractive promotional packages to market affordably priced products in this increasingly competitive environment.

All the Group’s projects in progress are expected to contribute positively to the earnings of the Group in the future.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

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

(a) Prospects for 2013 (contd.)

(Commentary on the financial year 2013)

The Group will continue to source for prime and strategic development lands and explore viable joint venture opportunities to further enhance its performance and to provide sustainable growth.

The Board is optimistic that the Group will achieve satisfactory performance in 2013.

(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>31/03/2013</u> RM'000	Current year to date ended <u>31/03/2013</u> RM'000
In respect of the current quarter/year to date		
- Malaysian income tax	2,592	2,592
- Deferred tax	(602)	(602)
	<u>1,990</u>	<u>1,990</u>

For the current year to date, the effective tax rate of the Group is lower than the statutory tax rate of 25% mainly due to utilisation of certain subsidiary companies' business losses brought forward from prior years.

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 FIRST QUARTER ENDED 31 MARCH 2013

B9. Status of corporate proposals announced but not completed as at 3 May 2013 and utilisation of proceeds from the Rights Issue and Restricted Issue of Warrants

There were no corporate proposals previously announced but not completed as at 3 May 2013 save for the below:-

- (a) On 2 May 2013, Ribuan Ekuiti Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement (“SPA”) with Kuala Dimensi Sdn Bhd for the acquisition of two (2) pieces of leasehold commercial lands measuring approximately 6,535 square metres (or 70,342.15 square feet) and 5,225 square metres (or 56,241.43 square feet) which are held under two (2) separate titles at PN 73006, Lot 2435, Seksyen 13 (formerly known as H.S.(D) 214600 No. PT 1617), Bandar Shah Alam, Daerah Petaling, Negeri Selangor Darul Ehsan and PN 73005, Lot 2434, Seksyen 13 (formerly known as H.S.(D) 214599 No. PT 1616), Bandar Shah Alam, Daerah Petaling, Negeri Selangor Darul Ehsan respectively for a total purchase consideration of RM15,190,029.60, subject to the terms and conditions as contained in the SPA.
- (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 previous year. The status of utilisation of proceeds from the Rights Issue as at 31 March 2013 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	(800)	-
	<u>18,745</u>	<u>(18,627)</u>	<u>-</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 previous year. The status of utilisation of proceeds from the Restricted Issue of Warrants as at 31 March 2013 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>

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

B10. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 31 March 2013 into realised and unrealised 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 31/03/2013 RM'000	Group 31/12/2012 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	268,681	263,506
- Unrealised	11,775	11,454
	280,456	274,960
Less: Consolidation adjustments	(155,124)	(155,972)
Total Group retained profits as per consolidated accounts	125,332	118,988

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	148,797
Bridging loan	24,743
	<u>173,540</u>
(b) Short term borrowings:	
Secured	
Term loan	4,142
Revolving credit	10,400
	<u>14,542</u>
Total	<u>188,082</u>

B12. Off balance sheet financial instruments

As at 3 May 2013, the Group did not enter into any contract involving financial instruments with off balance sheet risk.

B13. Material litigation

As at 3 May 2013, 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:-

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

B13. Material litigation (Contd.)

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

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

The Plaintiff, a former tenant of the Atria Shopping Complex (“the Atria”) had on 21 July 2011 commenced legal action against the Defendant, 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, the Plaintiff had claimed for damages arising from the alleged wrongful termination. Case management was held on 18 December 2012 and the List of Witnesses has been submitted to Court. The matter is now fixed for trial on 18 and 19 of June 2013, which was adjourned from the previous trial dates of 27 and 28 of February 2013.

The Defendant had earlier filed an application for security for costs and the application was allowed on 29 June 2012 wherein the Court ordered the Plaintiff to deposit a sum of RM100,000 as security for costs with the Defendant’s solicitors as stakeholder. The Plaintiff has paid the said sum to the stakeholder as ordered.

B14. Dividends

No dividend has been declared or paid for the current year to date ended 31 March 2013 (Comparative quarter ended 31 March 2012: Nil)

B15. Earnings Per Share (“EPS”)

	Current quarter ended <u>31/03/2013</u>	Comparative quarter ended <u>31/03/2012</u>	Current year to date ended <u>31/03/2013</u>	Preceding year to date ended <u>31/03/2012</u>
Basic EPS				
Profit attributable to owners of the Company (RM’000)	6,344	12,051	6,344	12,051
Weighted average number of ordinary shares in issue (‘000 shares)	240,626	187,376	240,626	187,376
Basic EPS (sen)	2.64	6.43	2.64	6.43
Diluted EPS				
Profit attributable to owners of the Company (RM’000)	6,344	12,051	6,344	12,051
Weighted average number of ordinary shares in issue (‘000 shares)	240,626	187,376	240,626	187,376
Effect of dilution on assumed exercise of warrants (‘000 shares)	1,051	- *	1,051	- *
Adjusted weighted average number of ordinary shares in issue and issuable (‘000 shares)	241,677	187,376	241,677	187,376
Diluted EPS (sen)	2.62	6.43	2.62	6.43

* For the comparative quarter and preceding year to date ended 31 March 2012, the outstanding warrants have been excluded from the computation as their effect would be anti-dilutive.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

B16. Auditors' report of preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2012 was not qualified.

B17. Profit before taxation

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

	Current quarter ended 31/03/2013 RM'000	Current year to date ended 31/03/2013 RM'000
(a) Interest income	582	582
(b) Other income including investment income	282	282
(c) Interest expense	(74)	(74)
(d) Depreciation and amortisation	(142)	(142)
(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
Chairman

Kuala Lumpur
10 May 2013