

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current quarter ended 30/09/2013 RM'000	Comparative quarter ended 30/09/2012 RM'000	Current year to date ended 30/09/2013 RM'000	Preceding year to date ended 30/09/2012 RM'000
Revenue	149,059	57,149	309,657	160,902
Cost of sales	(101,764)	(38,181)	(214,959)	(101,242)
Gross profit	47,295	18,968	94,698	59,660
Other income	814	701	2,441	3,301
Selling and marketing expenses	(13,010)	(3,994)	(26,631)	(11,489)
Administrative expenses	(4,989)	(3,265)	(13,265)	(8,414)
Finance costs	(60)	(60)	(2,127)	(618)
Profit before taxation	30,050	12,350	55,116	42,440
Income tax expense	(8,378)	(4,096)	(15,339)	(11,767)
Profit for the period	21,672	8,254	39,777	30,673
Profit attributable to:				
Owners of the Company	20,086	8,215	37,666	26,724
Non-controlling interests	1,586	39	2,111	3,949
	21,672	8,254	39,777	30,673
Earnings per share (sen) attributable to owners of the Company (Note B11):				
Basic	8.35	4.03	15.66	13.85
Diluted	7.51	3.92	14.59	13.35

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

OSK PROPERTY HOLDINGS BERHAD (201666-D)**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME**

	Current quarter ended 30/09/2013	Comparative quarter ended 30/09/2012	Current year to date ended 30/09/2013	Preceding year to date ended 30/09/2012
	RM'000	RM'000	RM'000	RM'000
Profit after tax for the period	21,672	8,254	39,777	30,673
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period, net of tax	21,672	8,254	39,777	30,673
Total comprehensive income attributable to:				
Owners of the Company	20,086	8,215	37,666	26,724
Non-controlling interests	1,586	39	2,111	3,949
	21,672	8,254	39,777	30,673

(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 2013 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30/09/2013 RM'000	As at 30/09/2012 RM'000	As at 31/12/2012 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	2,993	2,654	2,854
Investment properties	152,979	102,525	114,009
Land held for property development	267,941	288,095	278,847
Intangible assets	709	524	601
Deferred tax assets	14,328	8,560	11,424
Trade receivables	1,463	1,746	1,398
Other receivables, deposits and prepayments	2,481	1,739	2,445
	442,894	405,843	411,578
Current assets			
Property development costs	229,725	205,639	243,129
Inventories	162	162	162
Trade receivables	108,761	76,638	73,011
Accrued billings	39,516	24,562	23,490
Other receivables, deposits and prepayments	4,303	5,402	3,091
Tax recoverable	4,748	5,605	3,032
Cash, bank balances and deposits	89,333	132,306	132,233
	476,548	450,314	478,148
TOTAL ASSETS	919,442	856,157	889,726

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	As at 30/09/2013 RM'000	As at 30/09/2012 RM'000	As at 31/12/2012 RM'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	243,704	243,686	243,686
Less: Treasury shares, at cost	(3,240)	(4)	(1,916)
	<u>240,464</u>	<u>243,682</u>	<u>241,770</u>
Reserves	153,609	133,924	129,503
	<u>394,073</u>	<u>377,606</u>	<u>371,273</u>
Non-controlling interests	17,610	26,871	16,528
Total equity	<u>411,683</u>	<u>404,477</u>	<u>387,801</u>
Non-current liabilities			
Long term borrowings	142,068	197,624	190,939
Trade payables	6,571	5,142	6,423
Other payables, accruals and provision	13,122	4,510	11,668
Deferred tax liabilities	31,356	32,782	32,452
	<u>193,117</u>	<u>240,058</u>	<u>241,482</u>
Current liabilities			
Trade payables	66,556	34,008	44,905
Progress billings	170,694	121,002	148,116
Other payables, accruals and provision	39,096	32,788	34,757
Short term borrowings	29,191	17,363	30,219
Tax payable	9,105	6,461	2,446
	<u>314,642</u>	<u>211,622</u>	<u>260,443</u>
Total liabilities	<u>507,759</u>	<u>451,680</u>	<u>501,925</u>
TOTAL EQUITY AND LIABILITIES	<u>919,442</u>	<u>856,157</u>	<u>889,726</u>
Net asset per share (RM) attributable to owners of the Company	<u>1.64</u>	<u>1.55</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 THIRD QUARTER ENDED 30 SEPTEMBER 2013
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company						Non-controlling interests	Total equity	
	Share capital	Treasury shares	Capital redemption reserve	Warrant reserve	Share premium	Retained profits			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			RM'000
<u>Current year to date ended 30 September 2013</u>									
At 1 January 2013	243,686	(1,916)	-	10,485	30	118,988	371,273	16,528	387,801
Total comprehensive income	-	-	-	-	-	37,666	37,666	2,111	39,777
Dividend paid	-	-	-	-	-	(13,530)	(13,530)	-	(13,530)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(1,029)	(1,029)
Shares buyback of the Company	-	(1,324)	-	-	-	-	(1,324)	-	(1,324)
Share issued pursuant to the exercise of Warrants C	18	-	-	(3)	-	3	18	-	18
Rights issues expenses	-	-	-	-	(30)	-	(30)	-	(30)
At 30 September 2013	243,704	(3,240)	-	10,482	-	143,127	394,073	17,610	411,683
<u>Preceding year to date ended 30 September 2012</u>									
At 1 January 2012	187,380	(3)	12,622	-	6,984	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 paid 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	-	(12,622)	-	(6,264)	(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)	-	10,485	110	123,329	377,606	26,871	404,477

(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 2013 UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Audited)		
	Current	Preceding	Preceding
	year to date	year to date	year
	ended	ended	ended
	<u>30/09/2013</u>	<u>30/09/2012</u>	<u>31/12/2012</u>
	RM'000	RM'000	RM'000
Cash Flows From Operating Activities			
Profit before taxation	55,116	42,440	50,368
Adjustments for:			
Allowance for doubtful debts written back	-	-	(126)
Amortisation of intangible assets	48	30	42
Depreciation	553	463	629
Gain on disposal of property, plant and equipment	-	(6)	(14)
Gain on disposal of development land	-	(917)	(917)
Property, plant and equipment written off	-	108	108
Interest income	(1,693)	(2,109)	(2,975)
Unwinding of discount	1,790	428	(1,158)
Operating profit before working capital changes	<u>55,814</u>	40,437	45,957
Changes in working capital :-			
Net change in property development costs	31,180	(37,326)	(63,038)
Net change in receivables	(36,953)	(31,129)	(25,532)
Net change in payables	26,013	(12,716)	10,806
Net change in accrued/progress billings	6,552	105,846	134,032
Net cash generated from operations	<u>82,606</u>	65,112	102,225
Interest paid	(7,183)	(8,699)	(11,742)
Interest received	1,692	2,114	2,975
Tax paid	(14,422)	(14,361)	(21,150)
Tax refunded	26	247	525
Net cash generated from operating activities	<u>62,719</u>	44,413	72,833
Cash Flows From Investing Activities			
Proceeds from disposal of property, plant and equipment	1	18	26
Purchase of property, plant and equipment	(601)	(631)	(966)
Purchase of intangible assets	(157)	(22)	(112)
Subsequent expenditure on investment properties	(39,068)	(22,855)	(34,372)
Net cash used in investing activities	<u>(39,825)</u>	(23,490)	(35,424)

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Current year to date ended 30/09/2013 RM'000	Preceding year to date ended 30/09/2012 RM'000	(Audited) Preceding year ended 31/12/2012 RM'000
Cash Flows From Financing Activities			
Payment of share issue expenses	(30)	(628)	(708)
Proceeds from rights issue	-	18,745	18,745
Proceeds from exercise of warrants	18	90	91
Proceeds from restricted issue of warrants	-	499	499
Shares buyback	(1,324)	(1)	(1,913)
Net (repayment)/drawdown of term loans/bridging loans	(48,899)	34,999	29,669
Net repayment of revolving credits	(1,000)	(24,500)	(13,000)
Dividends paid to non-controlling interests	(1,029)	(11,560)	(23,160)
Dividends paid	(13,530)	(7,027)	(16,165)
Net cash (used in)/generated from financing activities	(65,794)	10,617	(5,942)
Net change in cash and cash equivalents	(42,900)	31,540	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	89,333	132,306	132,233

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

Cash on hand and at banks	10,225	7,047	9,097
Housing Development Accounts	53,348	44,137	56,174
Short term placement with licensed bank	16,181	9,628	34,012
Short term placements with licensed investment bank	9,579	71,494	32,950
	89,333	132,306	132,233

(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 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 132	Financial Instruments: Presentation
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 THIRD QUARTER ENDED 30 SEPTEMBER 2013

A1. Accounting policies (contd.)

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

1 January 2014

Amendments to FRS 136	Recoverable Amount Disclosure for Non-financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

1 January 2015

FRS 9	Financial Instruments
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 8 August 2013, MASB has decided to allow Transitioning Entities to defer the adoption of the MFRS Framework to annual periods beginning on or after 1 January 2015.

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 2015. 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 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 17,775 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 RM17,775.00. 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
15 April 2013	12,000	12,000	Exercise of Warrants C 2012/2017 at RM1.00 per share
19 April 2013	243	243	Exercise of Warrants C 2012/2017 at RM1.00 per share
23 May 2013	411	411	Exercise of Warrants C 2012/2017 at RM1.00 per share
12 June 2013	432	432	Exercise of Warrants C 2012/2017 at RM1.00 per share
21 June 2013	300	300	Exercise of Warrants C 2012/2017 at RM1.00 per share
24 July 2013	480	480	Exercise of Warrants C 2012/2017 at RM1.00 per share
31 July 2013	47	47	Exercise of Warrants C 2012/2017 at RM1.00 per share
14 August 2013	813	813	Exercise of Warrants C 2012/2017 at RM1.00 per share
3 September 2013	2,008	2,008	Exercise of Warrants C 2012/2017 at RM1.00 per share
6 September 2013	171	171	Exercise of Warrants C 2012/2017 at RM1.00 per share
24 September 2013	219	219	Exercise of Warrants C 2012/2017 at RM1.00 per share
Total	17,775	17,775	

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

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

(a) Exercise of Warrants C 2012/2017 (contd.)

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 243,703,923 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 1,271,800 ordinary shares for a total cash consideration of RM1,324,076 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
		<u>Highest</u> <u>price</u> RM	<u>Lowest</u> <u>price</u> RM	<u>Average</u> <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
May 2013	1,000	1.14	1.14	1.18	1,182
As at 30 September 2013	3,170,800	1.25	0.54	1.02	3,240,350

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) A final dividend of 2.5 sen per share less 25% income tax amounting to RM4,509,959 in respect of preceding financial year ended 31 December 2012 was paid on 15 May 2013.

(b) An interim dividend of 5.0 sen per share less 25% income tax amounting to RM9,020,033 in respect of current financial year ending 31 December 2013 was paid on 27 September 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

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

A7. Segmental information (contd.)

<u>Current year to date ended</u> <u>30 September 2013</u> <u>(unaudited)</u>	Property development RM'000	Property investment & management RM'000	Holding entity RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External revenue	309,167	-	490	-	309,657
Inter-segment revenue	-	1,995	1,121	(3,116)	-
Total	309,167	1,995	1,611	(3,116)	309,657
Results					
Profit before finance costs	58,231	163	295	(1,446)	57,243
Less: Finance costs	(3,790)	-	-	1,663	(2,127)
Profit before taxation	54,441	163	295	217	55,116
Income tax expense					(15,339)
Profit after taxation					39,777
Non-controlling interests					(2,111)
Profit attributable to owners of the Company					<u>37,666</u>

<u>Preceding year to date ended</u> <u>30 September 2012</u> <u>(unaudited)</u>	Property development RM'000	Property investment & management RM'000	Holding entity RM'000	Elimination RM'000	Consolidated 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	11,637	7,937	(7,807)	43,058
Less: Finance costs	(1,757)	-	-	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 owners of the Company					<u>26,724</u>

A8. Valuations of property, plant and equipment

There were no revalued property, plant and equipment as at 30 September 2013.

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 2013

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 Atria Shopping Gallery Sdn. Bhd. and Atria Parking Management Sdn. Bhd.

On 29 July 2013, the Company acquired one (1) ordinary share of RM1.00 each in each of the share capitals of Atria Shopping Gallery Sdn. Bhd. (“ASGSB”) and Atria Parking Management Sdn. Bhd. (“APMSB”) (collectively known as “the new companies”) for a total consideration of RM1.00 per share (“the Acquisition”). Subsequent to the Acquisition, the new companies become wholly-owned subsidiaries of the Company.

ASGSB and APMSB were incorporated in Malaysia under the Companies Act 1965 on 4 July 2013 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. ASGSB and APMSB are presently dormant companies and ASGSB’s intended principal business activity is to carry on mall operations and management whereas APMSB’s intended principal business activity is to carry on car park operations and 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
30/09/2013
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	27,763
(ii)	Interior design and renovation works	665
(iii)	Insurance premium	325
(iv)	Rental expenses	322

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>4,871</u>
-----	--------------------------------	--------------

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 30 September 2013, the Group recorded a profit after tax and minority interest (“PATAMI”) of RM20.1 million on revenue of RM149.1 million, compared to PATAMI of RM8.2 million on revenue of RM57.1 million recorded in the preceding year’s corresponding quarter. PATAMI for the quarter under review was higher by RM11.9 million, representing an increase of 145% when compared to PATAMI reported in the preceding year’s corresponding quarter. This is mainly attributable to good take-up rates as well as more advanced construction progress achieved for current projects such as Mirage by the Lake and Pan’gaea in Cyberjaya, Mirage Residence in Kuala Lumpur, and Bandar Puteri Jaya in Sungai Petani.

For the 9 months ended 30 September 2013, the Group achieved PATAMI of RM37.7 million on revenue of RM309.7 million, compared to PATAMI of RM26.7 million on revenue of RM160.9 million recorded in previous year’s corresponding period. The increase in PATAMI of RM11.0 million registered in the nine months ended 30 September 2013 is 41% higher than the PATAMI recorded in the previous year’s corresponding period. The improvement in PATAMI is mainly derived from higher contributions from Mirage by the Lake and Pan’gaea in Cyberjaya, Mirage Residence in Kuala Lumpur and Bandar Puteri Jaya in Sungai Petani projects.

The Group achieved sales amounting to RM607 million from its on-going projects for the current year-to-date. This represents an increase of 29% as compared to sales registered in the previous year’s corresponding period of RM470 million.

Apart from an encouraging financial performance for the period thus far we are pleased to note that the Group’s Mirage by the Lake project was accorded another 4 awards in November 2013 for Best Condo Malaysia, Best Landscape Architectural Design, Best Residential Interior Design Highly Commended and Best Villa Development Malaysia Highly Commended in the South East Asia Property Awards 2013. These awards were attained in addition to the 7 awards received in the past two years.

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 RM20.1 million is 79% higher than the PATAMI for the immediate preceding quarter of RM11.2 million. The higher profit recorded in the quarter under review was mainly due to higher sales achieved and more advanced stages of construction for the Group’s on-going projects.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

B3. Current year prospects and progress on previously announced revenue

(a) Prospects for 2013

(Commentary on the financial year 2013)

For the remaining year 2013, the Group expects its on-going projects to continue to contribute to its financial performance. The Group will also leverage on its well-received products to maintain the sales momentum while ensuring construction work progresses on a timely basis.

The Group is actively sourcing 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 commendable results for the year 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. Taxation

	Current quarter ended <u>30/09/2013</u> RM'000	Current year to date ended <u>30/09/2013</u> RM'000
In respect of the current quarter/year to date		
- Malaysian income tax	12,597	19,339
- Deferred tax	(4,219)	(4,000)
	<u>8,378</u>	<u>15,339</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.

B6. Status of corporate proposals announced but not completed

There were no corporate proposals previously announced but not completed as at 11 November 2013.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

B7. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 30 September 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 <u>30/09/2013</u> RM'000	Group <u>31/12/2012</u> RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	216,366	263,506
- Unrealised	14,307	11,454
	<u>230,673</u>	<u>274,960</u>
Less: Consolidation adjustments	(87,546)	(155,972)
Total Group retained profits as per consolidated accounts	<u>143,127</u>	<u>118,988</u>

B8. 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	134,852
Bridging loan	7,216
	<u>142,068</u>
(b) Short term borrowings:	
Secured	
Term loan	5,250
Bridging loan	3,441
Revolving credit	20,500
	<u>29,191</u>
Total	<u>171,259</u>

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

B9. Material litigation

As at 11 November 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 nor 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”)

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. The Defendant had earlier filed an application for security for costs and on 29 June 2012, 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 had paid the said sum to the stakeholder as ordered. Case management was held on 18 December 2012 and proceeded to trial on 18 June 2013. Post-trial submissions was heard on 8 October 2013 whereby the solicitors for the parties submitted to Court on the issues raised during the proceedings and trial.

On 30 October 2013, the Court delivered its decision in favour of the Defendant and dismissed the Plaintiff's claim with costs of RM15,000 to be paid to the Defendant.

B10. Dividends

No dividend has been proposed for the current quarter ended 30 September 2013.

OSK PROPERTY HOLDINGS BERHAD (201666-D)**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013****B11. Earnings Per Share (“EPS”)**

	Current quarter ended <u>30/09/2013</u>	Comparative quarter ended <u>30/09/2012</u>	Current year to date ended <u>30/09/2013</u>	Preceding year to date ended <u>30/09/2012</u>
Basic EPS				
Profit attributable to owners of the Company (RM'000)	20,086	8,215	37,666	26,724
Weighted average number of ordinary shares in issue ('000 shares)	240,531	203,939	240,561	192,937
Basic EPS (sen)	8.35	4.03	15.66	13.85

Diluted EPS

Profit attributable to owners of the Company (RM'000)	20,086	8,215	37,666	26,724
Weighted average number of ordinary shares in issue ('000 shares)	240,531	203,939	240,561	192,937
Effect of dilution on assumed exercise of warrants ('000 shares)	26,932	5,744	17,690	7,254
Adjusted weighted average number of ordinary shares in issue and issuable (‘000 shares)	267,463	209,683	258,251	200,191
Diluted EPS (sen)	7.51	3.92	14.59	13.35

B12. Auditors’ report of preceding annual financial statements

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

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

B13. Profit before taxation

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

	Current quarter ended <u>30/09/2013</u> RM'000	Current year to date ended <u>30/09/2013</u> RM'000
(a) Interest income	572	1,706
(b) Other income including investment income	348	1,225
(c) Interest expense	(60)	(165)
(d) Depreciation and amortisation	(179)	(461)
(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
18 November 2013