

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Current quarter ended 31/03/2014 RM'000	Comparative quarter ended 31/03/2013 RM'000	Current year to date ended 31/03/2014 RM'000	Preceding year to date ended 31/03/2013 RM'000
Revenue	139,722	56,886	139,722	56,886
Cost of sales	(96,566)	(41,231)	(96,566)	(41,231)
Gross profit	43,156	15,655	43,156	15,655
Other income	1,021	657	1,021	657
Selling and marketing expenses	(11,567)	(4,608)	(11,567)	(4,608)
Administrative expenses	(3,473)	(3,089)	(3,473)	(3,089)
Finance costs	(66)	(74)	(66)	(74)
Profit before taxation	29,071	8,541	29,071	8,541
Income tax expense	(5,020)	(1,990)	(5,020)	(1,990)
Profit for the period	24,051	6,551	24,051	6,551
Profit attributable to:				
Owners of the Company	22,865	6,344	22,865	6,344
Non-controlling interests	1,186	207	1,186	207
	24,051	6,551	24,051	6,551
Earnings per share (sen) attributable to owners of the Company (Note B11):				
Basic	9.51	2.64	9.51	2.64
Diluted	8.21	2.62	8.21	2.62

(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 2014
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME**

	Current quarter ended 31/03/2014	Comparative quarter ended 31/03/2013	Current year to date ended 31/03/2014	Preceding year to date ended 31/03/2013
	RM'000	RM'000	RM'000	RM'000
Profit after tax for the period	24,051	6,551	24,051	6,551
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period, net of tax	24,051	6,551	24,051	6,551
Total comprehensive income attributable to:				
Owners of the Company	22,865	6,344	22,865	6,344
Non-controlling interests	1,186	207	1,186	207
	24,051	6,551	24,051	6,551

(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 2014 UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION

	As at 31/03/2014	As at 31/03/2013	(Audited) As at 31/12/2013
	RM'000	RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	3,422	2,937	3,296
Investment properties	169,526	124,074	169,559
Land held for property development	264,811	281,025	266,278
Intangible assets	699	629	689
Deferred tax assets	19,843	11,751	17,591
Trade receivables	1,256	1,398	1,256
Other receivables, deposits and prepayments	3,327	2,445	3,327
	462,884	424,259	461,996
Current assets			
Property development costs	192,218	245,239	203,088
Inventories	162	162	162
Trade receivables	45,598	58,739	85,121
Accrued billings	78,956	22,770	56,056
Other receivables, deposits and prepayments	3,919	2,639	5,876
Tax recoverable	1,648	4,889	1,352
Cash, bank balances and deposits	124,502	94,100	150,229
	447,003	428,538	501,884
TOTAL ASSETS	909,887	852,797	963,880

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014 UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	(Audited)		
	As at		
	31/03/2014		
	RM'000		
	As at		
	31/03/2013		
	RM'000		
	As at		
	31/12/2013		
	RM'000		
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	243,705	243,687	243,704
Less: Treasury shares, at cost	(3,242)	(3,239)	(3,242)
	<u>240,463</u>	240,448	240,462
Reserves	194,272	135,817	171,407
	<u>434,735</u>	376,265	411,869
Non-controlling interests	<u>17,516</u>	16,735	16,330
Total equity	<u>452,251</u>	393,000	428,199
Non-current liabilities			
Long term borrowings	136,174	173,540	130,192
Trade payables	17,500	6,423	17,500
Other payables, accruals and provisions	7,592	13,089	7,592
Deferred tax liabilities	30,529	32,178	30,866
	<u>191,795</u>	225,230	186,150
Current liabilities			
Trade payables	68,298	38,300	61,271
Progress billings	149,205	150,716	167,040
Other payables, accruals and provisions	14,087	29,742	58,127
Short term borrowings	26,059	14,542	53,953
Tax payable	8,192	1,267	9,140
	<u>265,841</u>	234,567	349,531
Total liabilities	<u>457,636</u>	459,797	535,681
TOTAL EQUITY AND LIABILITIES	<u>909,887</u>	852,797	963,880
Net asset per share (RM) attributable to owners of the Company	<u>1.81</u>	1.56	1.71

(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 2014
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to owners of the Company					Non-	Total equity
	Share capital	Treasury shares	Share premium	Warrant reserve	Retained profits	controlling interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Current year to date ended 31 March 2014</u>							
At 1 January 2014	243,704	(3,242)	-	10,482	160,925	411,869	428,199
Total comprehensive income	-	-	-	-	22,865	22,865	24,051
Share issued pursuant to the exercise of Warrants C	1	-	-	-	-	1	1
At 31 March 2014	243,705	(3,242)	-	10,482	183,790	434,735	452,251
<u>Preceding year to date ended 31 March 2013</u>							
At 1 January 2013	243,686	(1,916)	30	10,485	118,988	371,273	387,801
Total comprehensive income	-	-	-	-	6,344	6,344	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	393,000

(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 2014 UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Current year to date ended 31/03/2014 RM'000	Preceding year to date ended 31/03/2013 RM'000	(Audited) Preceding year ended 31/12/2013 RM'000
Cash Flows From Operating Activities			
Profit before taxation	29,071	8,541	83,215
Adjustments for:			
Amortisation of intangible assets	20	15	68
Depreciation	194	173	745
Interest income	(818)	(582)	(2,347)
Unwinding of discount	-	-	896
Operating profit before working capital changes	28,467	8,147	82,577
Changes in working capital :-			
Net change in property development costs	14,329	(1,834)	61,434
Net change in receivables	41,482	14,723	(15,619)
Net change in payables	(36,915)	(9,948)	46,126
Net change in accrued/progress billings	(40,735)	3,320	(13,642)
Net cash generated from operations	6,628	14,408	160,876
Interest paid	(2,089)	(2,701)	(9,119)
Interest received	816	583	2,348
Tax paid	(8,853)	(5,651)	(28,185)
Tax refunded	-	23	1,885
Net cash generated from operating activities	(3,498)	6,662	127,805
Cash Flows From Investing Activities			
Proceeds from disposal of property, plant and equipment	-	-	1
Purchase of property, plant and equipment	(288)	(226)	(1,064)
Purchase of intangible assets	(30)	(43)	(157)
Subsequent expenditure on investment properties	-	(10,098)	(55,680)
Net cash used in investing activities	(318)	(10,367)	(56,900)

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014 UNAUDITED CONDENSED STATEMENT OF CASH FLOWS (CONT'D)

	Current year to date ended 31/03/2014 RM'000	Preceding year to date ended 31/03/2013 RM'000	(Audited) Preceding year ended 31/12/2013 RM'000
Cash Flows From Financing Activities			
Payment of share issue expenses	-	(30)	(30)
Proceeds from exercise of warrants	1	1	18
Shares buyback	-	(1,323)	(1,325)
Net (repayment)/drawdown of term loans/bridging loans	(10,912)	(21,976)	(53,513)
Net repayment of revolving credits	(11,000)	(11,100)	16,500
Dividends paid to non-controlling interests	-	-	(1,029)
Dividends paid	-	-	(13,530)
Net cash used in financing activities	(21,911)	(34,428)	(52,909)
Net change in cash and cash equivalents	(25,727)	(38,133)	17,996
Cash and cash equivalents at beginning of the period/year	150,229	132,233	132,233
Cash and cash equivalents at end of the period/year	124,502	94,100	150,229
Cash and cash equivalents at end of the period/year comprised:			
Cash on hand and at banks	19,328	7,475	25,469
Housing Development Accounts	73,589	47,298	66,759
Short term placement with licensed bank	22,388	10,573	34,063
Short term placements with licensed investment bank	9,197	28,754	23,938
	124,502	94,100	150,229

(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 2014

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 2013 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 2013.

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 2013 except as follows:

On 1 January 2014, the Group adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2014:

Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

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 2014

Amendments to FRS 119 Defined Benefit Plans: Employee Contributions

1 January 2015

Amendments to FRS 132 Offsetting Financial Assets and Financial Liabilities
Malaysian Financial Reporting Standards (MFRS Framework)

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014

A1. Accounting policies (contd.)

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

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 FIRST QUARTER ENDED 31 MARCH 2014

A5. Changes in debt and equity securities

(a) Exercise of Warrants C 2012/2017

During the current year to date, the Company has issued 640 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 RM640.00. 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 2014	312	312	Exercise of Warrants C 2012/2017 at RM1.00 per share
5 March 2014	17	17	Exercise of Warrants C 2012/2017 at RM1.00 per share
13 March 2014	311	311	Exercise of Warrants C 2012/2017 at RM1.00 per share
Total	640	640	

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 243,704,520 shares to 243,705,160 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

There were no share buybacks during the current year to date. The shares repurchased are being held as treasury shares and treated in accordance with the requirements of Section 67A of the Companies Act, 1965. Details of the shares buyback for the current year to date are as follows:

	Number of shares	Purchase Price			Cost RM
		Highest price RM	Lowest price RM	Average cost RM	
As at 31 March 2014	3,171,800	1.36	0.54	1.02	3,241,753

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 quarter ended 31 March 2014.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014

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 2014 (unaudited)</u>	Property development	Property investment & management	Holding entity	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	139,627	-	95	-	139,722
Inter-segment revenue	-	250	1	(251)	-
Total	139,627	250	96	(251)	139,722

Results

Profit/(loss) before finance costs	28,726	795	(108)	(276)	29,137
Less: Finance costs	(67)	-	-	1	(66)
Profit/(loss) before taxation	28,659	795	(108)	(275)	29,071
Income tax expense					(5,020)
Profit after taxation					24,051
Non-controlling interests					(1,186)
Profit attributable to owners of the Company					22,865

<u>Preceding 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 before finance costs	8,489	(254)	(95)	475	8,615
Less: Finance costs	(86)	-	-	12	(74)
Profit 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

A8. Valuations of property, plant and equipment

There were no revalued property, plant and equipment as at 31 March 2014.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014

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
31/03/2014
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	7,331
(ii)	Insurance premium	205
(iii)	Rental expenses	141
(iv)	Short term placement interest income	<u>(95)</u>

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014

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 2014, the Group recorded a profit after tax and non-controlling interest (“PATAMI”) of RM22.9 million on revenue of RM139.7 million, compared to PATAMI of RM6.3 million on revenue of RM56.9 million recorded in the preceding year’s corresponding quarter. PATAMI for the quarter under review was higher by RM16.6 million, representing an increase of 263% when compared to PATAMI reported in the preceding year’s corresponding quarter. This is mainly attributable to the Group achieving more advanced construction progress for its on-going projects such as Mirage by the Lake and Pan’gaea in Cyberjaya, Mirage Residence in Kuala Lumpur, Sutera Damansara in Sungai Buloh and Bandar Puteri Jaya in Sungai Petani.

The Group’s latest launch, Eclipse Residence, Phase 3 of Pan’gaea comprising 666 units of fully furnished serviced apartments have been encouraging, registering sales of 70% to-date. Unbilled sales of the Group as at 31 March 2014 stood at approximately RM938 million.

In addition to its good financial performance, the Group’s commitment to excellence has won another 4 awards to add on to the various local and international awards received in the past 3 years. In May 2014 the Group was recognised at the Asia Pacific Property Awards 2014-2015 for Highly Commended Apartment Malaysia (Solstice), Highly Commended Interior Design Show Home Malaysia (The Vale), Highly Commended Mixed-Use Architecture Malaysia (Atria) and Highly Commended Residential Landscape Architecture Malaysia (Mirage by the Lake).

B2. Material changes in the quarterly results

(Comparison on current quarter with the immediate preceding quarter)

The Group’s PATAMI for the quarter under review of RM22.9 million is 28% higher than the PATAMI for the immediate preceding quarter of RM17.8 million. The higher profit recorded in the quarter under review was mainly due to higher contributions from the Mirage by the Lake, Mirage Residence and Pan’gaea projects 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 2014

(Commentary on the financial year 2014)

For the year 2014, we will continue to realise profits from our locked-in sales and also leverage on our brand to launch new projects. In addition, with a low net gearing position as a result of prudent management, the Group has the capability to source for new land to increase its landbank to ensure sustainability of future earnings.

The Board is optimistic that the Group will achieve satisfactory results for the year 2014.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014

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. Taxation

	Current quarter ended 31/03/2014 RM'000	Current year to date ended 31/03/2014 RM'000
In respect of the current quarter/year to date		
- Malaysian income tax	7,609	7,609
- Deferred tax	(2,589)	(2,589)
	<u>5,020</u>	<u>5,020</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 certain subsidiary companies' utilisation of business losses brought forward from prior years to offset its taxable income.

B6. Status of corporate proposals announced but not completed

There were no corporate proposals previously announced but not completed as at 15 May 2014.

B7. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 31 March 2014 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 31/03/2014 RM'000	Group 31/12/2013 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	248,697	229,360
- Unrealised	19,816	17,560
	<u>268,513</u>	<u>246,920</u>
Less: Consolidation adjustments	(84,723)	(85,995)
Total Group retained profits as per consolidated accounts	<u>183,790</u>	<u>160,925</u>

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014

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	134,840
Bridging loan	1,334
	<u>136,174</u>
(b) Short term borrowings:	
Secured	
Term loan	4,274
Bridging loan	(5,215)
Revolving credit	27,000
	<u>26,059</u>
Total	<u>162,233</u>

B9. Material litigation

As at 22 May 2014, 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”)

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 to which the Court ordered the Plaintiff to deposit a sum of RM100,000 as security for costs with the Defendant's solicitors as stakeholder. 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 and on 30 October 2013, the Court ruled in favour of the Defendant, and the Plaintiff was ordered to pay costs in the sum of RM15,000 to the Defendant. On 29 November 2013, the Plaintiff filed an appeal against the decision of the High Court, and Plaintiff's appeal was heard on 20 May 2014. Upon the parties' submission, the Court of Appeal dismissed the Plaintiff's appeal with costs of RM20,000.00 to the Defendant.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014

B10. Dividends

No dividend has been declared or paid for the current year to date ended 31 March 2014 (Comparative quarter ended 31 March 2013: Nil)

B11. Earnings Per Share (“EPS”)

	Current quarter ended <u>31/03/2014</u>	Comparative quarter ended <u>31/03/2013</u>	Current year to date ended <u>31/03/2014</u>	Preceding year to date ended <u>31/03/2013</u>
Basic EPS				
Profit attributable to owners of the Company (RM'000)	22,865	6,344	22,865	6,344
Weighted average number of ordinary shares in issue ('000 shares)	240,533	240,626	240,533	240,626
Basic EPS (sen)	9.51	2.64	9.51	2.64

Diluted EPS

Profit attributable to owners of the Company (RM'000)	22,865	6,344	22,865	6,344
Weighted average number of ordinary shares in issue ('000 shares)	240,533	240,626	240,533	240,626
Effect of dilution on assumed exercise of warrants ('000 shares)	38,102	1,051	38,102	1,051
Adjusted weighted average number of ordinary shares in issue and issuable (‘000 shares)	278,635	241,677	278,635	241,677
Diluted EPS (sen)	8.21	2.62	8.21	2.62

B12. Auditors' report of preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2013 was not qualified.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014

B13. Profit before taxation

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

	Current quarter ended <u>31/03/2014</u> RM'000	Current year to date ended <u>31/03/2014</u> RM'000
(a) Interest income	818	818
(b) Other income including investment income	298	298
(c) Interest expense	(66)	(66)
(d) Depreciation and amortisation	(166)	(166)
(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
22 May 2014