

# OSK PROPERTY HOLDINGS BERHAD (201666-D)

## QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	<b>Current quarter ended 30/06/2014 RM'000</b>	Comparative quarter ended 30/06/2013 RM'000	<b>Current year to date ended 30/06/2014 RM'000</b>	Preceding year to date ended 30/06/2013 RM'000
Revenue	<b>184,026</b>	103,712	<b>323,748</b>	160,598
Cost of sales	<b>(126,034)</b>	(71,964)	<b>(222,600)</b>	(113,195)
Gross profit	<b>57,992</b>	31,748	<b>101,148</b>	47,403
Other income	<b>1,348</b>	970	<b>2,369</b>	1,627
Selling and marketing expenses	<b>(13,502)</b>	(9,013)	<b>(25,069)</b>	(13,621)
Administrative expenses	<b>(7,271)</b>	(5,187)	<b>(10,744)</b>	(8,276)
Finance costs	<b>(649)</b>	(1,993)	<b>(715)</b>	(2,067)
<b>Profit before taxation</b>	<b>37,918</b>	16,525	<b>66,989</b>	25,066
Income tax expense	<b>(9,659)</b>	(4,971)	<b>(14,679)</b>	(6,961)
<b>Profit for the period</b>	<b>28,259</b>	11,554	<b>52,310</b>	18,105
<b>Profit attributable to:</b>				
<b>Owners of the Company</b>	<b>27,322</b>	11,236	<b>50,187</b>	17,580
<b>Non-controlling interests</b>	<b>937</b>	318	<b>2,123</b>	525
	<b>28,259</b>	11,554	<b>52,310</b>	18,105
<b>Earnings per share (sen) attributable to owners of the Company (Note B11):</b>				
Basic	<b>11.36</b>	4.67	<b>20.86</b>	7.31
Diluted	<b>9.44</b>	4.43	<b>17.63</b>	7.00

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

**OSK PROPERTY HOLDINGS BERHAD (201666-D)****QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014  
AUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE  
INCOME**

	<b>Current quarter ended 30/06/2014 RM'000</b>	<b>Comparative quarter ended 30/06/2013 RM'000</b>	<b>Current year to date ended 30/06/2014 RM'000</b>	<b>Preceding year to date ended 30/06/2013 RM'000</b>
<b>Profit after tax for the period</b>	<b>28,259</b>	11,554	<b>52,310</b>	18,105
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	-
<b>Total comprehensive income for the period, net of tax</b>	<b>28,259</b>	11,554	<b>52,310</b>	18,105
Total comprehensive income attributable to:				
Owners of the Company	<b>27,322</b>	11,236	<b>50,187</b>	17,580
Non-controlling interests	<b>937</b>	318	<b>2,123</b>	525
	<b>28,259</b>	11,554	<b>52,310</b>	18,105

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

# OSK PROPERTY HOLDINGS BERHAD (201666-D)

## QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014 AUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION

	As at 30/06/2014 RM'000	As at 30/06/2013 RM'000	As at 31/12/2013 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3,336	2,906	3,296
Investment properties	209,192	138,985	169,559
Land held for property development	265,792	267,226	266,278
Intangible assets	846	617	689
Deferred tax assets	20,363	10,560	17,591
Trade receivables	1,277	1,463	1,256
Other receivables, deposits and prepayments	3,401	2,481	3,327
	<b>504,207</b>	<b>424,238</b>	<b>461,996</b>
<b>Current assets</b>			
Property development costs	170,019	253,829	203,088
Inventories	162	162	162
Trade receivables	67,477	64,246	85,121
Accrued billings	102,812	30,211	56,056
Other receivables, deposits and prepayments	10,845	3,856	5,876
Tax recoverable	1,541	6,086	1,352
Cash, bank balances and deposits	148,315	104,536	150,229
	<b>501,171</b>	<b>462,926</b>	<b>501,884</b>
<b>TOTAL ASSETS</b>	<b>1,005,378</b>	<b>887,164</b>	<b>963,880</b>

# OSK PROPERTY HOLDINGS BERHAD (201666-D)

## QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014 AUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	As at 30/06/2014 RM'000	As at 30/06/2013 RM'000	As at 31/12/2013 RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	243,714	243,700	243,704
Less: Treasury shares, at cost	(3,244)	(3,240)	(3,242)
	<b>240,470</b>	240,460	240,462
Reserves	209,567	142,543	171,407
	<b>450,037</b>	383,003	411,869
<b>Non-controlling interests</b>	<b>18,453</b>	16,024	16,330
<b>Total equity</b>	<b>468,490</b>	399,027	428,199
<b>Non-current liabilities</b>			
Long term borrowings	142,143	148,702	130,192
Trade payables	17,897	6,571	17,500
Other payables, accruals and provisions	7,785	13,122	7,592
Deferred tax liabilities	30,028	31,808	30,866
	<b>197,853</b>	200,203	186,150
<b>Current liabilities</b>			
Trade payables	99,710	60,274	61,271
Progress billings	131,057	155,075	167,040
Other payables, accruals and provisions	47,839	32,095	58,127
Short term borrowings	48,091	37,394	53,953
Tax payable	12,338	3,096	9,140
	<b>339,035</b>	287,934	349,531
<b>Total liabilities</b>	<b>536,888</b>	488,137	535,681
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,005,378</b>	887,164	963,880
Net asset per share (RM) attributable to owners of the Company	<b>1.87</b>	1.59	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 SECOND QUARTER ENDED 30 JUNE 2014  
AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to owners of the Company					Non-controlling interests	Total equity	
	Share capital	Treasury shares	Share premium	Warrant reserve	Retained profits			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b><u>Current year to date ended 30 June 2014</u></b>								
At 1 January 2014	243,704	(3,242)	-	10,482	160,925	411,869	16,330	428,199
Total comprehensive income	-	-	-	-	50,187	50,187	2,123	52,310
Dividend paid	-	-	-	-	(12,027)	(12,027)	-	(12,027)
Shares buyback of the Company	-	(2)	-	-	-	(2)	-	(2)
Share issued pursuant to the exercise of Warrants C	10	-	-	(2)	2	10	-	10
At 30 June 2014	<b>243,714</b>	<b>(3,244)</b>	-	<b>10,480</b>	<b>199,087</b>	<b>450,037</b>	<b>18,453</b>	<b>468,490</b>
<b><u>Preceding year to date ended 30 June 2013</u></b>								
At 1 January 2013	243,686	(1,916)	30	10,485	118,988	371,273	16,528	387,801
Total comprehensive income	-	-	-	-	17,580	17,580	525	18,105
Dividend paid	-	-	-	-	(4,510)	(4,510)	-	(4,510)
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	14	-	-	(3)	3	14	-	14
Rights issues expenses	-	-	(30)	-	-	(30)	-	(30)
At 30 June 2013	<b>243,700</b>	<b>(3,240)</b>	-	<b>10,482</b>	<b>132,061</b>	<b>383,003</b>	<b>16,024</b>	<b>399,027</b>

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

## OSK PROPERTY HOLDINGS BERHAD (201666-D)

### QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014 AUDITED CONDENSED STATEMENT OF CASH FLOWS

	<b>Current year to date ended 30/06/2014 RM'000</b>	Preceding year to date ended 30/06/2013 RM'000	Preceding year ended 31/12/2013 RM'000
<b>Cash Flows From Operating Activities</b>			
Profit before taxation	<b>66,989</b>	25,066	83,215
Adjustments for:			
Amortisation of intangible assets	<b>39</b>	31	68
Depreciation	<b>395</b>	344	745
Interest income	<b>(1,640)</b>	(1,134)	(2,347)
Unwinding of discount	<b>513</b>	1,790	896
Operating profit before working capital changes	<b>66,296</b>	26,097	82,577
Changes in working capital :-			
Net change in property development costs	<b>37,607</b>	5,708	61,434
Net change in receivables	<b>12,659</b>	8,006	(15,619)
Net change in payables	<b>28,045</b>	12,671	46,126
Net change in accrued/progress billings	<b>(82,739)</b>	238	(13,642)
Net cash generated from operations	<b>61,868</b>	52,720	160,876
Interest paid	<b>(3,944)</b>	(5,043)	(9,119)
Interest received	<b>1,638</b>	1,135	2,348
Tax paid	<b>(15,281)</b>	(9,168)	(28,185)
Tax refunded	<b>-</b>	23	1,885
Net cash generated from operating activities	<b>44,281</b>	39,667	127,805
<b>Cash Flows From Investing Activities</b>			
Proceeds from disposal of property, plant and equipment	<b>-</b>	1	1
Purchase of property, plant and equipment	<b>(371)</b>	(336)	(1,064)
Purchase of intangible assets	<b>(196)</b>	(47)	(157)
Subsequent expenditure on investment properties	<b>(39,698)</b>	(25,041)	(55,680)
Net cash used in investing activities	<b>(40,265)</b>	(25,423)	(56,900)

## OSK PROPERTY HOLDINGS BERHAD (201666-D)

### QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014 AUDITED CONDENSED STATEMENT OF CASH FLOWS (CONT'D)

	<b>Current year to date ended 30/06/2014 RM'000</b>	Preceding year to date ended 30/06/2013 RM'000	Preceding year ended 31/12/2013 RM'000
<b>Cash Flows From Financing Activities</b>			
Payment of share issue expenses	-	(30)	(30)
Proceeds from exercise of warrants	<b>10</b>	14	18
Shares buyback	<b>(2)</b>	(1,324)	(1,325)
Net drawdown/(repayment) of term loans/bridging loans	<b>9,389</b>	(29,862)	(53,513)
Net (repayment)/drawdown of revolving credits	<b>(3,300)</b>	(5,200)	16,500
Dividends paid to non-controlling interests	-	(1,029)	(1,029)
Dividends paid	<b>(12,027)</b>	(4,510)	(13,530)
Net cash used in financing activities	<b>(5,930)</b>	(41,941)	(52,909)
<b>Net change in cash and cash equivalents</b>	<b>(1,914)</b>	(27,697)	17,996
<b>Cash and cash equivalents at beginning of the period/year</b>	<b>150,229</b>	132,233	132,233
<b>Cash and cash equivalents at end of the period/year</b>	<b>148,315</b>	104,536	150,229
Cash and cash equivalents at end of the period/year comprised:			
Cash on hand and at banks	<b>33,655</b>	13,089	25,469
Housing Development Accounts	<b>70,026</b>	55,279	66,759
Short term placement with licensed bank	<b>28,510</b>	12,254	34,063
Short term placements with licensed investment bank	<b>16,124</b>	23,914	23,938
	<b>148,315</b>	104,536	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 SECOND QUARTER ENDED 30 JUNE 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 audited and has been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 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 SECOND QUARTER ENDED 30 JUNE 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 SECOND QUARTER ENDED 30 JUNE 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 9,799 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 RM9,799.00. 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
16 April 2014	1,200	1,200	Exercise of Warrants C 2012/2017 at RM1.00 per share
22 May 2014	4,362	4,362	Exercise of Warrants C 2012/2017 at RM1.00 per share
12 Jun 2014	162	162	Exercise of Warrants C 2012/2017 at RM1.00 per share
27 June 2014	3,435	3,435	Exercise of Warrants C 2012/2017 at RM1.00 per share
Total	9,799	9,799	

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 243,714,319 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.

# OSK PROPERTY HOLDINGS BERHAD (201666-D)

## QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014

### A5. Changes in debt and equity securities (Contd.)

#### (b) Shares buyback / Treasury shares

During the current year to date, the Company has purchased 1,000 ordinary shares for a total cash consideration of RM1,943 from open market at an average price of RM1.90 per share. The shares repurchased are being held as treasury shares and treated in accordance with the requirements of Section 67A of the Companies Act, 1965. Details of the shares buyback for the current year to date are as follows:

	Number of shares	Purchase Price			Cost RM
		Highest price RM	Lowest price RM	Average cost RM	
As at 1 January 2014	3,171,800	1.36	0.54	1.02	3,241,753
May 2014	1,000	1.90	1.90	1.94	1,943
As at 30 June 2014	3,172,800	1.90	0.54	1.02	3,243,696

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

### A6. Dividends paid

A final tax exempt (single-tier) dividend of 5.0 sen per share amounting to RM12,026,728 in respect of preceding financial year ended 31 December 2013 was paid on 15 May 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

<b><u>Current year to date ended</u></b> <b><u>30 June 2014 (audited)</u></b>	Property development	Property investment & management	Holding entity	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>					
External revenue	323,557	-	191	-	323,748
Inter-segment revenue	-	850	1	(851)	-
Total	323,557	850	191	(851)	323,748
<b>Results</b>					
Profit/(loss) before finance costs	67,343	981	(393)	(227)	67,704
Less: Finance costs	(2,164)	-	-	1,449	(715)
Profit/(loss) before taxation	65,179	981	(393)	(275)	66,989
Income tax expense					(14,679)
Profit after taxation					52,310
Non-controlling interests					(2,123)
Profit attributable to owners of the Company					50,187

**OSK PROPERTY HOLDINGS BERHAD (201666-D)**

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014**

**A7. Segmental information (Contd.)**

<b><u>Preceding year to date ended</u></b> <b><u>30 June 2013 (audited)</u></b>	Property development RM'000	Property investment & management RM'000	Holding entity RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>					
External revenue	160,214	-	384	-	160,598
Inter-segment revenue	-	1,116	1,100	(2,216)	-
<b>Total</b>	<b>160,214</b>	<b>1,116</b>	<b>1,484</b>	<b>(2,216)</b>	<b>160,598</b>
<b>Results</b>					
Profit before finance costs	26,995	476	897	(1,235)	27,133
Less: Finance costs	(3,708)	-	-	1,641	(2,067)
Profit before taxation	23,287	476	897	406	25,066
Income tax expense					(6,961)
Profit after taxation					18,105
Non-controlling interests					(525)
Profit attributable to owners of the Company					<u>17,580</u>

**A8. Valuations of property, plant and equipment**

There were no revalued property, plant and equipment as at 30 June 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  
30/06/2014  
**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	15,862
(ii) Insurance premium	290
(iii) Rental expenses	311
(iv) Provision of information technology services	36
(v) Short term placement interest income	<u>(191)</u>

## **OSK PROPERTY HOLDINGS BERHAD (201666-D)**

### **QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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 30 June 2014, the Group recorded a profit after tax and non-controlling interest (“PATAMI”) of RM27.3 million on revenue of RM184.0 million, compared to PATAMI of RM11.2 million on revenue of RM103.7 million recorded in the preceding year’s corresponding quarter. PATAMI for the quarter under review was higher by RM16.1 million, representing an increase of 144% 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, Atria SOFO Suites in Damansara Jaya, Sutera Damansara in Sungai Buloh and Bandar Puteri Jaya in Sungai Petani.

For the first half year of 2014, the Group achieved PATAMI of RM50.2 million on revenue of RM323.7 million, compared to PATAMI of RM17.6 million on revenue of RM160.6 million recorded in previous year’s corresponding period. PATAMI for the first half of the year 2014 was higher by RM32.6 million, representing an increase of 185% when compared to PATAMI reported in the preceding year’s corresponding period. This is mainly due to significantly higher level of construction work carried out during the current period for on-going projects such as Mirage by the Lake and Pan’gaea in Cyberjaya, Mirage Residence in Kuala Lumpur, Atria SOFO Suites in Damansara Jaya, Sutera Damansara in Sungai Buloh and Bandar Puteri Jaya in Sungai Petani.

##### **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 RM27.3 million is 19% higher than the PATAMI for the immediate preceding quarter of RM22.9 million. The higher profit recorded in the quarter under review was mainly due to higher contributions from the Mirage by the Lake, Mirage Residence, Sutera Damansara, Atria SOFO Suites in Damansara Jaya and Bandar Puteri Jaya projects as a result of increased construction activities 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)*

While the property market in general is expected to continue to be challenging, all of the Group’s projects which are in progress are expected to contribute positively to the earnings of the Group for the remainder of the year.

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

The Board is optimistic that the Group will continue to achieve satisfactory performance for the remaining 2014.

# OSK PROPERTY HOLDINGS BERHAD (201666-D)

## QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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 30/06/2014 RM'000	Current year to date ended 30/06/2014 RM'000
In respect of the current quarter/year to date		
- Malaysian income tax	10,681	18,290
- Deferred tax	(1,022)	(3,611)
	<u>9,659</u>	<u>14,679</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 7 August 2014.

### B7. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 30 June 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 30/06/2014 RM'000	Group 31/12/2013 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	262,070	229,360
- Unrealised	20,363	17,560
	<u>282,433</u>	<u>246,920</u>
Less: Consolidation adjustments	(83,346)	(85,995)
Total Group retained profits as per consolidated accounts	<u>199,087</u>	<u>160,925</u>

## OSK PROPERTY HOLDINGS BERHAD (201666-D)

### QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014

#### B8. Borrowings

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

	<b>RM'000</b>
<b>(a) Long term borrowings:</b>	
<b>Secured</b>	
Term loan	<u>142,143</u>
<b>(b) Short term borrowings:</b>	
<b>Secured</b>	
Term loan	6,000
Bridging loan	7,391
Revolving credit	<u>34,700</u>
	<u>48,091</u>
<b>Total</b>	<u>190,234</u>

#### B9. Material litigation

As at 7 August 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.

#### B10. Dividends

The Board of Directors has declared an interim tax exempt (single-tier) dividend of 5.0 sen per share in respect of the financial year ending 31 December 2014, the date of entitlement and payment of the interim dividend is to be determined at a later date (Comparative quarter ended 30 June 2013: Interim dividend of 5.0 sen per share less 25% income tax).

**OSK PROPERTY HOLDINGS BERHAD (201666-D)****QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014****B11. Earnings Per Share (“EPS”)**

	<b>Current quarter ended <u>30/06/2014</u></b>	<b>Comparative quarter ended <u>30/06/2013</u></b>	<b>Current year to date ended <u>30/06/2014</u></b>	<b>Preceding year to date ended <u>30/06/2013</u></b>
<b>Basic EPS</b>				
Profit attributable to owners of the Company (RM'000)	<b>27,322</b>	11,236	<b>50,187</b>	17,580
Weighted average number of ordinary shares in issue ('000 shares)	<b>240,536</b>	240,527	<b>240,535</b>	240,576
Basic EPS (sen)	<b>11.36</b>	4.67	<b>20.86</b>	7.31

**Diluted EPS**

Profit attributable to owners of the Company (RM'000)	<b>27,322</b>	11,236	<b>50,187</b>	17,580
Weighted average number of ordinary shares in issue ('000 shares)	<b>240,536</b>	240,527	<b>240,535</b>	240,576
Effect of dilution on assumed exercise of warrants ('000 shares)	<b>48,763</b>	13,036	<b>44,067</b>	10,519
Adjusted weighted average number of ordinary shares in issue and issuable ( '000 shares)	<b>289,300</b>	253,563	<b>284,601</b>	251,095
Diluted EPS (sen)	<b>9.44</b>	4.43	<b>17.63</b>	7.00

**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 SECOND QUARTER ENDED 30 JUNE 2014

### B13. Profit before taxation

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

	Current quarter ended <u>30/06/2014</u> RM'000	Current year to date ended <u>30/06/2014</u> RM'000
(a) Interest income	822	1,640
(b) Other income including investment income	623	921
(c) Interest expense	(60)	(126)
(d) Depreciation and amortisation	(172)	(338)
(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**

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**DATO' NIK MOHAMED DIN BIN DATUK NIK YUSOFF**  
**Chairman**

Kuala Lumpur  
14 August 2014