

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Current quarter ended 30/09/2014 RM'000	Comparative quarter ended 30/09/2013 RM'000	Current year to date ended 30/09/2014 RM'000	Preceding year to date ended 30/09/2013 RM'000
Revenue	138,625	149,059	462,373	309,657
Cost of sales	(96,517)	(101,764)	(319,117)	(214,959)
Gross profit	42,108	47,295	143,256	94,698
Other income	1,231	814	3,600	2,441
Selling and marketing expenses	(10,914)	(13,010)	(35,983)	(26,631)
Administrative expenses	(5,187)	(4,989)	(15,931)	(13,265)
Finance costs	(47)	(60)	(762)	(2,127)
Profit before taxation	27,191	30,050	94,180	55,116
Income tax expense	(5,969)	(8,378)	(20,648)	(15,339)
Profit for the period	21,222	21,672	73,532	39,777
Profit attributable to:				
Owners of the Company	21,549	20,086	71,736	37,666
Non-controlling interests	(327)	1,586	1,796	2,111
	21,222	21,672	73,532	39,777
Earnings per share (sen) attributable to owners of the Company (Note B11):				
Basic	8.95	8.35	29.81	15.66
Diluted	7.08	7.51	24.18	14.59

(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 2014
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME**

	Current quarter ended 30/09/2014 RM'000	Comparative quarter ended 30/09/2013 RM'000	Current year to date ended 30/09/2014 RM'000	Preceding year to date ended 30/09/2013 RM'000
Profit after tax for the period	21,222	21,672	73,532	39,777
Other comprehensive income				
Total comprehensive income for the period, net of tax	21,222	21,672	73,532	39,777
Total comprehensive income attributable to:				
Owners of the Company	21,549	20,086	71,736	37,666
Non-controlling interests	(327)	1,586	1,796	2,111
	21,222	21,672	73,532	39,777

(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 2014 UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION

	As at 30/09/2014	As at 30/09/2013	(Audited) As at 31/12/2013
	RM'000	RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	3,362	2,993	3,296
Investment properties	227,632	152,979	169,559
Land held for property development	273,281	267,941	266,278
Intangible assets	854	709	689
Deferred tax assets	23,219	14,328	17,591
Trade receivables	1,256	1,463	1,256
Other receivables, deposits and prepayments	3,395	2,481	3,327
	532,999	442,894	461,996
Current assets			
Property development costs	158,879	229,725	203,088
Inventories	162	162	162
Trade receivables	40,979	108,761	85,121
Accrued billings	97,788	39,516	56,056
Other receivables, deposits and prepayments	7,465	4,303	5,876
Tax recoverable	3,028	4,748	1,352
Cash, bank balances and deposits	143,353	89,333	150,229
	451,654	476,548	501,884
TOTAL ASSETS	984,653	919,442	963,880

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	As at 30/09/2014 RM'000	As at 30/09/2013 RM'000	(Audited) As at 31/12/2013 RM'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	244,387	243,704	243,704
Less: Treasury shares, at cost	(3,244)	(3,240)	(3,242)
	<u>241,143</u>	<u>240,464</u>	<u>240,462</u>
Reserves	231,116	153,609	171,407
	<u>472,259</u>	<u>394,073</u>	<u>411,869</u>
Non-controlling interests	18,126	17,610	16,330
Total equity	<u>490,385</u>	<u>411,683</u>	<u>428,199</u>
Non-current liabilities			
Long term borrowings	153,479	142,068	130,192
Trade payables	17,838	6,571	17,500
Other payables, accruals and provisions	7,592	13,122	7,592
Deferred tax liabilities	29,738	31,356	30,866
	<u>208,647</u>	<u>193,117</u>	<u>186,150</u>
Current liabilities			
Trade payables	80,243	66,556	61,271
Progress billings	108,284	170,694	167,040
Other payables, accruals and provisions	39,869	39,096	58,127
Short term borrowings	46,316	29,191	53,953
Tax payable	10,909	9,105	9,140
	<u>494,268</u>	<u>507,759</u>	<u>535,681</u>
TOTAL EQUITY AND LIABILITIES	<u>984,653</u>	<u>919,442</u>	<u>963,880</u>
Net asset per share (RM) attributable to owners of the Company	<u>1.96</u>	1.64	<u>1.71</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 2014
UNAUDITED 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	
<u>Current year to date ended 30 September 2014</u>								
At 1 January 2014	243,704	(3,242)	-	10,482	160,925	411,869	16,330	428,199
Total comprehensive income	-	-	-	-	71,736	71,736	1,796	73,532
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	683	-	-	(123)	123	683	-	683
At 30 September 2014	244,387	(3,244)	-	10,359	220,757	472,259	18,126	490,385
<u>Preceding year to date ended 30 September 2013</u>								
At 1 January 2013	243,686	(1,916)	30	10,485	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

(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 2014 UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Current year to date ended 30/09/2014 RM'000	Preceding year to date ended 30/09/2013 RM'000	(Audited) Preceding year ended 31/12/2013 RM'000
Cash Flows From Operating Activities			
Profit before taxation	94,180	55,116	83,215
Adjustments for:			
Amortisation of intangible assets	59	48	68
Depreciation	593	553	745
Interest income	(2,523)	(1,693)	(2,347)
Unwinding of discount	513	1,790	896
Operating profit before working capital changes	92,822	55,814	82,577
Changes in working capital :-			
Net change in property development costs	43,699	31,180	61,434
Net change in receivables	42,563	(36,953)	(15,619)
Net change in payables	475	26,013	46,126
Net change in accrued/progress billings	(100,488)	6,552	(13,642)
Net cash generated from operations	79,071	82,606	160,876
Interest paid	(6,500)	(7,183)	(9,119)
Interest received	2,521	1,692	2,348
Tax paid	(27,312)	(14,422)	(28,185)
Tax refunded	-	26	1,885
Net cash generated from operating activities	47,780	62,719	127,805
Cash Flows From Investing Activities			
Proceeds from disposal of property, plant and equipment	-	1	1
Purchase of property, plant and equipment	(563)	(601)	(1,064)
Purchase of intangible assets	(226)	(157)	(157)
Subsequent expenditure on investment properties	(58,171)	(39,068)	(55,680)
Net cash used in investing activities	(58,960)	(39,825)	(56,900)

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 UNAUDITED CONDENSED STATEMENT OF CASH FLOWS (CONT'D)

	Current year to date ended 30/09/2014 RM'000	Preceding year to date ended 30/09/2013 RM'000	(Audited) Preceding year ended 31/12/2013 RM'000
Cash Flows From Financing Activities			
Proceeds from exercise of warrants	683	18	18
Shares buyback	(2)	(1,324)	(1,325)
Net drawdown/(repayment) of term loans/bridging loans	13,950	(48,899)	(53,513)
Net drawdown/(repayment) of revolving credits	1,700	(1,000)	16,500
Dividends paid to non-controlling interests	-	(1,029)	(1,029)
Dividends paid	(12,027)	(13,530)	(13,530)
Net cash generated from/(used in) financing activities	4,304	(65,794)	(52,909)
Net change in cash and cash equivalents	(6,876)	(42,900)	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	143,353	89,333	150,229
 Cash and cash equivalents at end of the period/year comprised:			
Cash on hand and at banks	27,377	10,225	25,469
Housing Development Accounts	77,043	53,348	66,759
Short term placement with licensed bank	22,242	16,181	34,063
Short term placements with licensed investment bank	16,691	9,579	23,938
	143,353	89,333	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 THIRD QUARTER ENDED 30 SEPTEMBER 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 3	Business Combination
Amendments to FRS 8	Operating Segments
Amendments to FRS 119	Defined Benefit Plans: Employee Contributions
Amendments to FRS 124	Related Party Disclosures
Amendments to FRS 140	Investment Property

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

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 2016

Amendments to FRS 11	Accounting For Acquisitions of Interests in Joint Operations
FRS 14	Regulatory Deferral Accounts
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation

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 2 September 2014, MASB has decided to allow Transitioning Entities to defer the adoption of the MFRS Framework to annual periods beginning on or after 1 January 2017.

On 2 September 2014, MASB has also issued MFRS 15 Revenue from Contracts with Customers. The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. For the real estate industry, MFRS 15 is expected to enable property developers to recognise revenue progressively. MFRS 15 includes new disclosures (quantitative and/or qualitative information) to help investors better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. The new comprehensive disclosures are in response to investor' comments that companies present revenue in isolation which made it difficult for them to relate to the company's financial position.

MFRS 15 is effective for annual periods beginning on or after 1 January 2017, with earlier application being permitted. An entity may choose to adopt MFRS 15 retrospectively or through a cumulative effect adjustment as of the start of the first period for which it first applies the Standard. The retrospective application would provide investors and analysts trend information about an entity's revenue.

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 2017. 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.

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

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.

A5. Changes in debt and equity securities

(a) Exercise of Warrants C 2012/2017

During the current year to date, the Company has issued 682,718 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 RM682,718.00. 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	
13 March 2014	311	311	
16 April 2014	1,200	1,200	
22 May 2014	4,362	4,362	
12 June 2014	162	162	
27 June 2014	3,435	3,435	
4 July 2014	342	342	
23 July 2014	1,104	1,104	
12 August 2014	540	540	
25 August 2014	26,488	26,488	
29 August 2014	631,776	631,776	
11 September 2014	504	504	
23 September 2014	12,165	12,165	
Total	682,718	682,718	

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 244,387,238 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.

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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

<u>Current year to date ended</u> <u>30 September 2014</u> <u>(unaudited)</u>	Property development	Property investment & management	Holding entity	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	462,062	-	311	-	462,373
Inter-segment revenue	-	1,382	1	(1,383)	-
Total	462,062	1,382	312	(1,383)	462,373
Results					
Profit/(loss) before finance costs	94,845	1,233	(641)	(495)	94,942
Less: Finance costs	(2,211)	-	-	1,449	(762)
Profit/(loss) before taxation	92,634	1,233	(641)	954	94,180
Income tax expense					(20,648)
Profit after taxation					73,532
Non-controlling interests					(1,796)
Profit attributable to owners of the Company					71,736

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

A7. Segmental information (Contd.)

<u>Preceding year to date ended</u> <u>30 September 2013</u> <u>(unaudited)</u>	Property development	Property investment & management	Holding entity	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	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					37,666

A8. Valuations of property, plant and equipment

There were no revalued property, plant and equipment as at 30 September 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
30/09/2014
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	21,319
(ii) Insurance premium	322
(iii) Rental expenses	480
(iv) Provision of information technology services	51
(v) Short term placement interest income	(311)

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2014, the Group recorded a profit after tax and non-controlling interest (“PATANCI”) of RM21.5 million on revenue of RM138.6 million, compared to PATANCI of RM20.1 million on revenue of RM149.1 million recorded in the preceding year’s corresponding quarter. PATANCI for the quarter under review was higher by RM1.4 million, representing an increase of 7% when compared to PATANCI reported in the preceding year’s corresponding quarter.

For the nine months ended 30 September 2014, the Group achieved PATANCI of RM71.7 million on revenue of RM462.4 million, compared to PATANCI of RM37.7 million on revenue of RM309.7 million recorded in previous year’s corresponding period. The increase in PATANCI of RM34.0 million registered in the nine months ended 30 September 2014 was higher by 90% when compared to PATANCI reported in the preceding year’s corresponding period. This is mainly due to 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 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 PATANCI for the quarter under review of RM21.5 million is 21% lower than the PATANCI for the immediate preceding quarter of RM27.3 million. The lower PATANCI recorded in the quarter under review was mainly due to lower contributions from the Mirage by the Lake project as Phase 1 nears completion while 2 phases in Bandar Puteri Jaya were completed during the quarter under review.

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

(a) Prospects for 2014

(Commentary on the financial year 2014)

The property market in general is expected to continue to be challenging. Despite this the Group’s recent launches, Eclipse, Phase 3 of the Pan’gaea project and Emira Residence in Shah Alam have achieved sales of 70% and 60% respectively. Moving forward, the Group will focus on delivery of its on-going projects, continue to source for prime and strategic development lands and explore viable joint venture opportunities. 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 Board is optimistic that the Group will achieve satisfactory results for the remaining year.

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 30/09/2014 RM'000	Current year to date ended 30/09/2014 RM'000
In respect of the current quarter/year to date		
- Malaysian income tax	9,115	27,405
- Deferred tax	(3,146)	(6,757)
	<u>5,969</u>	<u>20,648</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 30 October 2014 save for the below:-

On 28 August 2014, OSK Properties Sdn Bhd ("OSKP"), a wholly-owned subsidiary of the Company, entered into a Master En-Bloc Purchase Agreement ("Agreement") with PR1MA Corporation Malaysia ("PR1MA") for the disposal of all that portion of freehold land forming part of the Bandar Puteri Jaya township located in Daerah Kuala Muda, Bandar Sungai Petani, Negeri Kedah Darul Aman and measuring approximately 108 acres in gross area ("Land") for a total cash consideration of RM56 million, subject to the terms and conditions as contained in the Agreement (hereinafter referred to as ("Proposed Disposal")).

Ancillary to the Proposed Disposal and subject to the Agreement, PR1MA shall appoint OSKP as its turnkey contractor to construct and complete the construction of 1,395 units of residential houses on the Land in accordance with the design, quality, requirement, specification and standard prescribed by PR1MA together with all the necessary amenities, utilities, facilities and infrastructure on the Land.

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

B7. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 30 September 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 30/09/2014 RM'000	Group 31/12/2013 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	279,746	229,360
- Unrealised	23,219	17,560
	<u>302,965</u>	<u>246,920</u>
Less: Consolidation adjustments	(82,208)	(85,995)
Total Group retained profits as per consolidated accounts	<u>220,757</u>	<u>160,925</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	167,763
Bridging loan	(14,284)
	<u>153,479</u>
(b) Short term borrowings:	
Secured	
Term loan	6,500
Bridging loan	116
Revolving credit	39,700
	<u>46,316</u>
Total	<u>199,795</u>

B9. Material litigation

As at 30 October 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

No dividend has been proposed for the quarter ended 30 September 2014. (Comparative quarter ended 30 September 2013: Nil).

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

B11. Earnings Per Share (“EPS”)

	Current quarter ended <u>30/09/2014</u>	Comparative quarter ended <u>30/09/2013</u>	Current year to date ended <u>30/09/2014</u>	Preceding year to date ended <u>30/09/2013</u>
Basic EPS				
Profit attributable to owners of the Company (RM'000)	21,549	20,086	71,736	37,666
Weighted average number of ordinary shares in issue ('000 shares)	240,781	240,531	240,618	240,561
Basic EPS (sen)	8.95	8.35	29.81	15.66

Diluted EPS

Profit attributable to owners of the Company (RM'000)	21,549	20,086	71,736	37,666
Weighted average number of ordinary shares in issue ('000 shares)	240,781	240,531	240,618	240,561
Effect of dilution on assumed exercise of warrants ('000 shares)	63,434	26,932	56,049	17,690
Adjusted weighted average number of ordinary shares in issue and issuable ('000 shares)	304,215	267,463	296,667	258,251
Diluted EPS (sen)	7.08	7.51	24.18	14.59

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 THIRD QUARTER ENDED 30 SEPTEMBER 2014

B13. Profit before taxation

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

	Current quarter ended <u>30/09/2014</u> RM'000	Current year to date ended <u>30/09/2014</u> RM'000
(a) Interest income	883	2,523
(b) Other income including investment income	468	1,389
(c) Interest expense	(46)	(172)
(d) Depreciation and amortisation	(170)	(508)
(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
6 November 2014