

# OSK PROPERTY HOLDINGS BERHAD (201666-D)

## QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	<b>Current quarter ended 31/12/2014 RM'000</b>	<b>Comparative quarter ended 31/12/2013 RM'000</b>	<b>Current year to date ended 31/12/2014 RM'000</b>	<b>Preceding year to date ended 31/12/2013 RM'000</b>
Revenue	<b>206,176</b>	146,042	<b>668,549</b>	455,699
Cost of sales	<b>(141,287)</b>	(95,617)	<b>(460,404)</b>	(310,576)
Gross profit	<b>64,889</b>	50,425	<b>208,145</b>	145,123
Other income	<b>8,311</b>	2,514	<b>11,911</b>	4,955
Selling and marketing expenses	<b>(19,909)</b>	(16,554)	<b>(55,892)</b>	(43,185)
Administrative expenses	<b>(9,845)</b>	(7,832)	<b>(25,776)</b>	(21,097)
Finance costs	<b>(1,123)</b>	(454)	<b>(1,885)</b>	(2,581)
<b>Profit before taxation</b>	<b>42,323</b>	28,099	<b>136,503</b>	83,215
Income tax expense	<b>(11,044)</b>	(11,581)	<b>(31,692)</b>	(26,920)
<b>Profit for the period</b>	<b>31,279</b>	16,518	<b>104,811</b>	56,295
<b>Profit attributable to:</b>				
<b>Owners of the Company</b>	<b>30,108</b>	17,798	<b>101,844</b>	55,464
<b>Non-controlling interests</b>	<b>1,171</b>	(1,280)	<b>2,967</b>	831
	<b>31,279</b>	16,518	<b>104,811</b>	56,295
<b>Earnings per share (sen) attributable to owners of the Company (Note B11):</b>				
Basic	<b>12.29</b>	7.40	<b>42.24</b>	23.06
Diluted	<b>10.08</b>	6.65	<b>34.46</b>	21.42

(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 FOURTH QUARTER ENDED 31 DECEMBER 2014  
AUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE  
INCOME**

	<b>Current quarter ended 31/12/2014 RM'000</b>	<b>Comparative quarter ended 31/12/2013 RM'000</b>	<b>Current year to date ended 31/12/2014 RM'000</b>	<b>Preceding year to date ended 31/12/2013 RM'000</b>
<b>Profit after tax for the period</b>	<b>31,279</b>	16,518	<b>104,811</b>	56,295
<b>Other comprehensive income</b>	-	-	-	-
<b>Total comprehensive income for the period, net of tax</b>	<b>31,279</b>	16,518	<b>104,811</b>	56,295
Total comprehensive income attributable to:				
Owners of the Company	<b>30,108</b>	17,798	<b>101,844</b>	55,464
Non-controlling interests	<b>1,171</b>	(1,280)	<b>2,967</b>	831
	<b>31,279</b>	16,518	<b>104,811</b>	56,295

(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 FOURTH QUARTER ENDED 31 DECEMBER 2014 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31/12/2014 RM'000	As at 31/12/2013 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,372	3,296
Investment properties	257,027	169,559
Land held for property development	308,003	266,278
Intangible assets	852	689
Deferred tax assets	25,463	17,591
Trade receivables	9,864	1,256
Other receivables, deposits and prepayments	3,189	3,327
	<b>607,770</b>	<b>461,996</b>
<b>Current assets</b>		
Property development costs	129,559	203,088
Inventories	4,229	162
Trade receivables	72,697	85,121
Accrued billings	87,011	56,056
Other receivables, deposits and prepayments	9,291	5,876
Tax recoverable	3,019	1,352
Cash, bank balances and deposits	177,471	150,229
	<b>483,277</b>	<b>501,884</b>
<b>TOTAL ASSETS</b>	<b>1,091,047</b>	<b>963,880</b>

# OSK PROPERTY HOLDINGS BERHAD (201666-D)

## QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	As at 31/12/2014 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	246,764	243,704
Less: Treasury shares, at cost	(3,244)	(3,242)
	<u>243,520</u>	<u>240,462</u>
Reserves	249,158	171,407
	<u>492,678</u>	<u>411,869</u>
<b>Non-controlling interests</b>	<u>17,867</u>	<u>16,330</u>
<b>Total equity</b>	<u>510,545</u>	<u>428,199</u>
<b>Non-current liabilities</b>		
Long term borrowings	176,689	130,192
Trade payables	31,858	17,500
Other payables, accruals and provisions	4,346	7,592
Deferred tax liabilities	29,066	30,866
	<u>241,959</u>	<u>186,150</u>
<b>Current liabilities</b>		
Trade payables	93,325	61,271
Progress billings	75,516	167,040
Other payables, accruals and provisions	95,311	58,127
Short term borrowings	71,600	53,953
Tax payable	2,791	9,140
	<u>338,543</u>	<u>349,531</u>
<b>Total liabilities</b>	<u>580,502</u>	<u>535,681</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,091,047</u>	<u>963,880</u>
Net asset per share (RM) attributable to owners of the Company	<u>2.02</u>	<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 FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 2014</u></b>								
At 1 January 2014	243,704	(3,242)	-	10,482	160,925	411,869	16,330	428,199
Total comprehensive income	-	-	-	-	101,844	101,844	2,967	104,811
Dividends paid	-	-	-	-	(24,093)	(24,093)	-	(24,093)
Dividends to non-controlling interests	-	-	-	-	-	-	(1,430)	(1,430)
Shares buyback of the Company	-	(2)	-	-	-	(2)	-	(2)
Share issued pursuant to the exercise of Warrants C	3,060	-	-	(551)	551	3,060	-	3,060
At 31 December 2014	<b>246,764</b>	<b>(3,244)</b>	<b>-</b>	<b>9,931</b>	<b>239,227</b>	<b>492,678</b>	<b>17,867</b>	<b>510,545</b>
<b><u>Preceding year to date ended 31 December 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	-	-	-	-	55,464	55,464	831	56,295
Dividends paid	-	-	-	-	(13,530)	(13,530)	-	(13,530)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(1,029)	(1,029)
Shares buyback of the Company	-	(1,326)	-	-	-	(1,326)	-	(1,326)
Share issued pursuant to the exercise of Warrants C	18	-	-	(3)	3	18	-	18
Rights issues expenses	-	-	(30)	-	-	(30)	-	(30)
At 31 December 2013	<b>243,704</b>	<b>(3,242)</b>	<b>-</b>	<b>10,482</b>	<b>160,925</b>	<b>411,869</b>	<b>16,330</b>	<b>428,199</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 FOURTH QUARTER ENDED 31 DECEMBER 2014 AUDITED CONDENSED STATEMENT OF CASH FLOWS

	Current year to date ended 31/12/2014 RM'000	Preceding year ended 31/12/2013 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	136,503	83,215
Adjustments for:		
Amortisation of intangible assets	83	68
Depreciation	790	745
Gain on disposal of property, plant and equipment	(124)	-
Property, plant and equipment written off	(1)	-
Interest income	(3,681)	(2,347)
Unwinding of discount	(897)	896
Operating profit before working capital changes	<u>132,673</u>	<u>82,577</u>
Changes in working capital :-		
Net change in property development costs	47,692	61,434
Net change in inventories	(4,067)	-
Net change in receivables	363	(15,619)
Net change in payables	81,370	46,126
Net change in accrued/progress billings	(122,479)	(13,642)
Net cash generated from operations	<u>135,552</u>	<u>160,876</u>
Interest paid	(9,364)	(9,119)
Interest received	3,681	2,348
Tax paid	(49,618)	(28,185)
Tax refunded	239	1,885
Net cash generated from operating activities	<u>80,490</u>	<u>127,805</u>
<b>Cash Flows From Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	137	1
Purchase of property, plant and equipment	(738)	(1,064)
Purchase of intangible assets	(247)	(157)
Subsequent expenditure on investment properties	(94,079)	(55,680)
Net cash used in investing activities	<u>(94,927)</u>	<u>(56,900)</u>

## OSK PROPERTY HOLDINGS BERHAD (201666-D)

### QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014 AUDITED CONDENSED STATEMENT OF CASH FLOWS (CONT'D)

	<b>Current year to date ended 31/12/2014 RM'000</b>	<b>Preceding year ended 31/12/2013 RM'000</b>
<b>Cash Flows From Financing Activities</b>		
Payment of share issue expenses	-	(30)
Proceeds from exercise of warrants	<b>3,060</b>	18
Shares buyback	<b>(2)</b>	(1,325)
Net drawdown/(repayment) of term loans/bridging loans	<b>47,144</b>	(53,513)
Net drawdown of revolving credits	<b>17,000</b>	16,500
Dividends paid to non-controlling interests	<b>(1,430)</b>	(1,029)
Dividends paid	<b>(24,093)</b>	(13,530)
Net cash generated from/(used in) financing activities	<b>41,679</b>	(52,909)
<b>Net change in cash and cash equivalents</b>	<b>27,242</b>	17,996
<b>Cash and cash equivalents at beginning of the year</b>	<b>150,229</b>	132,233
<b>Cash and cash equivalents at end of the year</b>	<b>177,471</b>	150,229
Cash and cash equivalents at end of the year comprised:		
Cash on hand and at banks	<b>34,216</b>	25,469
Housing Development Accounts	<b>116,426</b>	66,759
Short term placement with licensed bank	<b>22,914</b>	34,063
Short term placements with licensed investment bank	<b>3,915</b>	23,938
	<b>177,471</b>	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 FOURTH QUARTER ENDED 31 DECEMBER 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 2	Share-based Payment
Amendments to FRS 3	Business Combination
Amendments to FRS 8	Operating Segments
Amendments to FRS 13	Fair Value Measurement
Amendments to FRS 116	Property, Plant and Equipment
Amendments to FRS 119	Defined Benefit Plans: Employee Contributions
Amendments to FRS 124	Related Party Disclosures
Amendments to FRS 138	Intangible Assets
Amendments to FRS 140	Investment Property



## OSK PROPERTY HOLDINGS BERHAD (201666-D)

### QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 10, 128	Sale or Contribution of Assets between an Investor and its Associates or Joint Venture
Amendments to FRS 10, 12, 128	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 11	Accounting For Acquisitions of Interests in Joint Operations
Amendments to FRS 101	Disclosure Initiative
FRS 14	Regulatory Deferral Accounts
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 116, 141	Agriculture: Bearer Plants
Amendments to FRS 119	Employee Benefits
Amendments to FRS 127	Equity Method in Separate Financial Statements
Amendments to FRS 134	Interim Financial Reporting

##### 1 January 2017

FRS 15	Revenue from Contracts with Customers
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##### 1 January 2018

FRS 9	Financial Instruments
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#### 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.

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

### **QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014**

#### **A1. Accounting policies (Contd.)**

##### **Malaysian Financial Reporting Standards (MFRS Framework) (contd.)**

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.

#### **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 FOURTH QUARTER ENDED 31 DECEMBER 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 3,059,593 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 RM3,059,593. 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	
03 October 2014	58,641	58,641	
13 October 2014	50,000	50,000	
24 October 2014	966	966	
05 November 2014	1,361,000	1,361,000	
11 November 2014	152,408	152,408	
19 November 2014	650,000	650,000	
04 December 2014	70,000	70,000	
15 December 2014	360	360	
18 December 2014	33,500	33,500	
Total	3,059,593	3,059,593	

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 246,764,113 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 FOURTH QUARTER ENDED 31 DECEMBER 2014

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

(a) 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 31 December 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) 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.
- (b) An Interim tax exempt (single-tier) dividend of 5.0 sen per share amounting to RM12,066,154 in respect of current financial year ended 31 December 2014 was paid on 30 October 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

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

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014**

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

<b><u>Current year to date ended</u></b> <b><u>31 December 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	668,145	-	404	-	668,549
Inter-segment revenue	-	1,860	35,171	(37,031)	-
<b>Total</b>	<b>668,145</b>	<b>1,860</b>	<b>35,575</b>	<b>(37,031)</b>	<b>668,549</b>
<b>Results</b>					
Profit/(loss) before finance costs	138,388	1,012	34,406	(35,418)	138,388
Less: Finance costs	(5,162)	-	-	3,277	(1,885)
Profit/(loss) before taxation	133,226	1,012	34,406	(32,141)	136,503
Income tax expense					(31,692)
Profit after taxation					104,811
Non-controlling interests					(2,967)
Profit attributable to owners of the Company					<b>101,844</b>

<b><u>Preceding year to date ended</u></b> <b><u>31 December 2013 (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	455,124	-	575	-	455,699
Inter-segment revenue	-	2,443	33,135	(35,578)	-
<b>Total</b>	<b>455,124</b>	<b>2,443</b>	<b>33,710</b>	<b>(35,578)</b>	<b>455,699</b>
<b>Results</b>					
Profit before finance costs	98,039	(652)	32,203	(43,794)	85,796
Less: Finance costs	(6,414)	-	-	3,833	(2,581)
Profit before taxation	91,625	(652)	32,203	(39,961)	83,215
Income tax expense					(26,920)
Profit after taxation					56,295
Non-controlling interests					(831)
Profit attributable to owners of the Company					<b>55,464</b>

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

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

**A9. Material events subsequent to the end of the quarter**

There were no material events subsequent to the end of the quarter.

## OSK PROPERTY HOLDINGS BERHAD (201666-D)

### QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

#### 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:

##### Subscription of additional new ordinary shares in Ribuan Ekuiti Sdn. Bhd.

On 8 April 2014, the Company subscribed for additional 249,998 new ordinary shares of RM1.00 each in Ribuan Ekuiti Sdn. Bhd. (“RESB”) for a total cash consideration of RM249,998. The equity stake of the Company in RESB remained at 100%.

#### 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  
31/12/2014  
**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	27,340
(ii)	Insurance premium	741
(iii)	Rental expenses	649
(iv)	Provision of information technology services	51
(v)	Short term placement interest income	<u>(415)</u>

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

### **QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 December 2014, the Group recorded a profit after tax and non-controlling interest (“PATANCI”) of RM30.1 million on revenue of RM206.2 million, compared to PATANCI of RM17.8 million on revenue of RM146.0 million recorded in the preceding year’s corresponding quarter. PATANCI for the quarter under review was higher by RM12.3 million, representing an increase of 69% when compared to PATANCI reported in the preceding year’s corresponding quarter.

For the twelve months ended 31 December 2014, the Group achieved PATANCI of RM101.8 million on revenue of RM668.5 million, compared to PATANCI of RM55.5 million on revenue of RM455.7 million recorded in previous year’s corresponding period. The increase in PATANCI of RM46.4 million registered in the twelve months ended 31 December 2014 was higher by 84% 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 RM30.1 million is 40% higher than the PATANCI for the immediate preceding quarter of RM21.5 million. The higher PATANCI recorded in the quarter under review was mainly due to higher contributions from the Mirage Residence, Atria SOFO Suites in Damansara Jaya as well as due to the completion of Phase 1 Mirage by the Lake project.

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

###### **(a) Prospects for 2015**

*(Commentary on the financial year 2015)*

Having achieved commendable results for the year 2014 the Group expects its strong sales performance in the recent 2 years to continue to contribute positively for the year 2015 as construction progress of launched projects reaches advanced stages of completion. In the current year the Group will also see the opening of its Atria Shopping Gallery in Damansara Jaya which would contribute recurring income to enhance its earnings in the near future. However as the overall property market is expected to moderate in the near term the Group will focus on delivery of its on-going projects and source for new landbank while exploring viable joint venture opportunities.

The year 2015 is expected to be challenging for the property development industry especially with the continued tightening of banks’ lending policies and the introduction of the Goods & Services Tax on 1 April 2015. The Board however, is optimistic that with the Group’s sound financial position, it is well prepared for the challenges and will capitalised on any good opportunities should it arise.

## OSK PROPERTY HOLDINGS BERHAD (201666-D)

### QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 <u>31/12/2014</u> RM'000	Current year to date ended <u>31/12/2014</u> RM'000
In respect of the current quarter/year to date		
- Malaysian income tax	13,959	41,364
- Deferred tax	(2,915)	(9,672)
	<u>11,044</u>	<u>31,692</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 5 February 2015 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.

On 27 January 2015 all the Conditions Precedent as contained in the Agreement have been fulfilled and as such the Agreement has become unconditional as of that date.



## OSK PROPERTY HOLDINGS BERHAD (201666-D)

### QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

#### B7. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 31 December 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.

	<b>As at 31/12/2014 RM'000</b>	<b>As at 31/12/2013 RM'000</b>
Total retained profits of the Company and its subsidiaries		
- Realised	<b>294,205</b>	229,360
- Unrealised	<b>25,463</b>	17,560
	<b>319,668</b>	246,920
Less: Consolidation adjustments	<b>(80,441)</b>	(85,995)
Total Group retained profits as per consolidated accounts	<b>239,227</b>	160,925

#### 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>	
Secured	
Term loan	<u>176,689</u>
<b>(b) Short term borrowings:</b>	
Secured	
Term loan	16,600
Revolving credit	<u>55,000</u>
	<u>71,600</u>
<b>Total</b>	<u>248,289</u>

#### B9. Material litigation

As at 5 February 2015, 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.

## OSK PROPERTY HOLDINGS BERHAD (201666-D)

### QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

#### B10. Dividends

- (a) The Board has recommended a final tax exempt (single-tier) dividend of 5.0 sen per share for the year ended 31 December 2014 (2013: single-tier dividend 5.0 sen per share). The proposed dividend is subject to Shareholders' approval at the forthcoming Annual General Meeting. The entitlement date to the final dividends shall be determined by the Board at a subsequent stage.
- (b) Subject to shareholders' approval on the final dividend, total tax exempt (single-tier) dividend for the current year is 10.0 sen per share. (2013: 10.0 sen per share).

#### B11. Earnings Per Share ("EPS")

	<b>Current quarter ended <u>31/12/2014</u></b>	Comparative quarter ended <u>31/12/2013</u>	<b>Current year to date ended <u>31/12/2014</u></b>	Preceding year to date ended <u>31/12/2013</u>
<b>Basic EPS</b>				
Profit attributable to owners of the Company (RM'000)	<b>30,108</b>	17,798	<b>101,844</b>	55,464
Weighted average number of ordinary shares in issue ('000 shares)	<b>244,953</b>	240,533	<b>241,111</b>	240,554
Basic EPS (sen)	<b>12.29</b>	7.40	<b>42.24</b>	23.06
<b>Diluted EPS</b>				
Profit attributable to owners of the Company (RM'000)	<b>30,108</b>	17,798	<b>101,844</b>	55,464
Weighted average number of ordinary shares in issue ('000 shares)	<b>244,953</b>	240,533	<b>241,111</b>	240,554
Effect of dilution on assumed exercise of warrants ('000 shares)	<b>53,827</b>	26,931	<b>54,459</b>	18,421
Adjusted weighted average number of ordinary shares in issue and issuable ( '000 shares)	<b>298,780</b>	267,464	<b>295,570</b>	258,975
Diluted EPS (sen)	<b>10.08</b>	6.65	<b>34.46</b>	21.42

#### B12. Auditors' report of preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2014 was not qualified.

## OSK PROPERTY HOLDINGS BERHAD (201666-D)

### QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

#### B13. Profit before taxation

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

	Current quarter ended <u>31/12/2014</u> RM'000	Current year to date ended <u>31/12/2014</u> RM'000
(a) Interest income	1,158	3,681
(b) Other income including investment income	7,245	8,634
(c) Interest expense	(42)	(214)
(d) Depreciation and amortisation	(171)	(679)
(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  
12 February 2015