

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Current quarter ended 30/6/2015 RM'000	Comparative quarter ended 30/6/2014 RM'000	Current year to date ended 30/6/2015 RM'000	Preceding year to date ended 30/6/2014 RM'000
Revenue	163,149	184,026	447,165	323,748
Cost of sales	(100,040)	(126,034)	(311,925)	(222,600)
Gross profit	63,109	57,992	135,240	101,148
Other income	5,781	1,348	7,161	2,369
Selling and marketing expenses	(11,639)	(13,502)	(20,333)	(25,069)
Administrative expenses	(10,998)	(7,271)	(19,162)	(10,744)
Finance costs	(1,802)	(649)	(1,859)	(715)
Profit before taxation	44,451	37,918	101,047	66,989
Income tax expense	(10,491)	(9,659)	(25,660)	(14,679)
Profit for the period	33,960	28,259	75,387	52,310
Profit attributable to:				
Owners of the Company	24,119	27,322	72,462	50,187
Non-controlling interests	9,841	937	2,925	2,123
	33,960	28,259	75,387	52,310
Earnings per share (sen) attributable to owners of the Company (Note B11):				
Basic	9.83	11.36	29.64	20.86
Diluted	8.22	9.44	24.78	17.63

(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 2015
AUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME

	Current quarter ended 30/6/2015 RM'000	Comparative quarter ended 30/6/2014 RM'000	Current year to date ended 30/6/2015 RM'000	Preceding year to date ended 30/6/2014 RM'000
Profit after tax for the period	33,960	28,259	75,387	52,310
Other comprehensive income	-	-	-	-
Total comprehensive income for the period, net of tax	33,960	28,259	75,387	52,310
Total comprehensive income attributable to:				
Owners of the Company	24,119	27,322	72,462	50,187
Non-controlling interests	9,841	937	2,925	2,123
	33,960	28,259	75,387	52,310

(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 2015 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30/6/2015 RM'000	As at 30/6/2014 RM'000	As at 31/12/2014 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	8,258	3,336	3,372
Investment properties	303,559	209,192	257,027
Land held for property development	245,606	265,792	308,003
Intangible assets	1,068	846	852
Deferred tax assets	27,870	20,363	25,463
Trade receivables	10,043	1,277	9,864
Other receivables, deposits and prepayments	3,247	3,401	3,189
	599,651	504,207	607,770
Current assets			
Property development costs	187,564	170,019	129,559
Inventories	4,229	162	4,229
Trade receivables	123,480	67,477	72,697
Accrued billings	117,720	102,812	87,011
Other receivables, deposits and prepayments	19,082	10,845	9,291
Tax recoverable	6,501	1,541	3,019
Cash, bank balances and deposits	201,018	148,315	177,471
	659,594	501,171	483,277
TOTAL ASSETS	1,259,245	1,005,378	1,091,047

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	As at 30/6/2015 RM'000	As at 30/6/2014 RM'000	As at 31/12/2014 RM'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	248,681	243,714	246,764
Less: Treasury shares, at cost	(3,244)	(3,244)	(3,244)
	<u>245,437</u>	<u>240,470</u>	<u>243,520</u>
Reserves	309,345	209,567	249,158
	<u>554,782</u>	<u>450,037</u>	<u>492,678</u>
Non-controlling interests	<u>20,792</u>	<u>18,453</u>	<u>17,867</u>
Total equity	<u>575,574</u>	<u>468,490</u>	<u>510,545</u>
Non-current liabilities			
Long term borrowings	205,369	142,143	176,689
Trade payables	32,634	17,897	31,858
Other payables, accruals and provision	10,942	7,785	4,346
Deferred tax liabilities	23,575	30,028	29,066
	<u>272,520</u>	<u>197,853</u>	<u>241,959</u>
Current liabilities			
Trade payables	110,738	99,710	93,325
Amount due to contract customers	24,292	-	-
Progress billings	100,693	131,057	75,516
Other payables, accruals and provision	113,501	47,839	95,311
Short term borrowings	40,032	48,091	71,600
Tax payable	21,895	12,338	2,791
	<u>411,151</u>	<u>339,035</u>	<u>338,543</u>
Total liabilities	<u>683,671</u>	<u>536,888</u>	<u>580,502</u>
TOTAL EQUITY AND LIABILITIES	<u>1,259,245</u>	<u>1,005,378</u>	<u>1,091,047</u>
Net asset per share (RM) attributable to owners of the Company	<u>2.26</u>	<u>1.87</u>	<u>2.02</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 SECOND QUARTER ENDED 30 JUNE 2015
AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to owners of the Company					Non- controlling interests	Total equity
	Share capital	Treasury shares	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 June 2015</u>							
At 1 January 2015	246,764	(3,244)	9,931	239,227	492,678	17,867	510,545
Total comprehensive income	-	-	-	72,462	72,462	2,925	75,387
Dividends paid	-	-	-	(12,275)	(12,275)	-	(12,275)
Share issued pursuant to the exercise of Warrants C	1,917	-	(345)	345	1,917	-	1,917
At 30 June 2015	248,681	(3,244)	9,586	299,759	554,782	20,792	575,574
<u>Preceding year to date ended 30 June 2014</u>							
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
Dividends 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	243,714	(3,244)	10,480	199,087	450,037	18,453	468,490

(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 2015 AUDITED CONDENSED STATEMENT OF CASH FLOWS

	Current year to date ended 30/6/2015 RM'000	Preceding year to date ended 30/6/2014 RM'000	Preceding year ended 31/12/2014 RM'000
Cash Flows From Operating Activities			
Profit before taxation	101,047	66,989	136,503
Adjustments for:			
Amortisation of intangible assets	54	39	83
Depreciation	1,253	395	790
Gain on disposal of property, plant and equipment	-	-	(124)
Property, plant and equipment written off	-	-	(1)
Interest income	(2,028)	(1,640)	(3,681)
Unwinding of discount	775	513	(897)
Operating profit before working capital changes	101,101	66,296	132,673
Changes in working capital :-			
Net change in property development costs	9,341	37,607	47,692
Net change in inventories	-	-	(4,067)
Net change in receivables	(60,576)	12,659	363
Net change in payables	66,256	28,045	81,370
Net change in accrued/progress billings	(5,532)	(82,739)	(122,479)
Net cash generated from operations	110,590	61,868	135,552
Interest paid	(6,294)	(3,944)	(9,364)
Interest received	2,028	1,638	3,681
Tax paid	(18,144)	(15,281)	(49,618)
Tax refunded	1,553	-	239
Net cash generated from operating activities	89,733	44,281	80,490
Cash Flows From Investing Activities			
Proceeds from disposal of property, plant and equipment	-	-	137
Purchase of property, plant and equipment	(6,074)	(371)	(738)
Purchase of intangible assets	(270)	(196)	(247)
Subsequent expenditure on investment properties	(46,597)	(39,698)	(94,079)
Net cash used in investing activities	(52,941)	(40,265)	(94,927)

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015 AUDITED CONDENSED STATEMENT OF CASH FLOWS (CONT'D)

	Current year to date ended 30/6/2015 RM'000	Preceding year to date ended 30/06/2014 RM'000	Preceding year ended 31/12/2014 RM'000
Cash Flows From Financing Activities			
Proceeds from exercise of warrants	1,917	10	3,060
Shares buyback	-	(2)	(2)
Net drawdown of term loans/bridging loans	31,113	9,389	47,144
Net (repayment)/drawdown of revolving credits	(34,000)	(3,300)	17,000
Dividends paid to non-controlling interests	-	-	(1,430)
Dividends paid	(12,275)	(12,027)	(24,093)
Net cash (used in)/generated from financing activities	<u>(13,245)</u>	<u>(5,930)</u>	<u>41,679</u>
Net change in cash and cash equivalents	23,547	(1,914)	27,242
Cash and cash equivalents at beginning of the period/year	177,471	150,229	150,229
Cash and cash equivalents at end of the period/year	<u>201,018</u>	<u>148,315</u>	<u>177,471</u>
 Cash and cash equivalents at end of the period/year comprised:			
Cash on hand and at banks	25,148	33,655	34,216
Housing Development Accounts	159,375	70,026	116,426
Short term placement with licensed bank	14	28,510	22,914
Short term placements with licensed investment bank	16,481	16,124	3,915
	<u>201,018</u>	<u>148,315</u>	<u>177,471</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 SECOND QUARTER ENDED 30 JUNE 2015

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 2014 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 2014.

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 2014 except as follows:

On 1 January 2015, the Group adopted the following amended FRS mandatory for annual financial periods beginning on or after 1 January 2015:

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

Adoption of the above amended standards did not have any material effect on the financial performance or position of the Group.

The Group has not adopted the following new standard and amendments to standards that have been issued but not yet effective:

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

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015

A1. Accounting policies (Contd.)

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

1 January 2016

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 2018

FRS 9	Financial Instruments
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The adoption of the above amendment to FRSs and interpretation is not expected to have any significant impact to the Group.

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.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015

A1. Accounting policies (Contd.)

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

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.

A5. Changes in debt and equity securities

(a) Exercise of Warrants C 2012/2017

During the current year to date, the Company has issued 1,916,871 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 RM1,916,871. 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
26 March 2015	928	928	Exercise of Warrants C 2012/2017 at RM1.00 per share
09 April 2015	1,843,970	1,843,970	
15 April 2015	56,470	56,470	
22 May 2015	7,003	7,003	
04 June 2015	6,500	6,500	
24 June 2015	2,000	2,000	
Total	1,916,871	1,916,871	

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 246,764,113 shares to 248,680,984 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 2015

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

(b) Shares buyback / Treasury shares

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

	Number of shares	Purchase Price			Cost RM
		Highest price RM	Lowest price RM	Average cost RM	
As at 30 June 2015	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 RM12,274,634 in respect of preceding financial year ended 31 December 2014 was paid on 8 May 2015.

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 & construction - the development & construction of residential, commercial and industrial properties
- (ii) Property investment and management
- (iii) Holding entity

<u>Current year to date ended</u> <u>30 June 2015</u>	Property development & construction RM'000	Property investment & management RM'000	Holding entity RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External revenue	445,036	1,762	367	-	447,165
Inter-segment revenue	-	1,144	-	(1,144)	-
Total	445,036	2,906	367	(1,144)	447,165
Results					
Profit/(loss) before finance costs	105,975	(3,456)	(197)	584	102,906
Less: Finance costs	(2,575)	(1,240)	-	1,956	(1,858)
Profit/(loss) before taxation	103,400	(4,696)	(197)	2,540	101,047
Income tax expense					(25,660)
Profit after taxation					75,387
Non-controlling interests					(2,925)
Profit attributable to owners of the Company					72,462

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015

A7. Segmental information (Contd.)

<u>Preceding year to date ended</u> <u>30 June 2014</u>	Property development & construction RM'000	Property investment & management RM'000	Holding entity RM'000	<u>Elimination</u> RM'000	<u>Consolidated</u> RM'000
Revenue					
External revenue	323,557	-	191	-	323,748
Inter-segment revenue	-	850	1	(851)	-
Total	<u>323,557</u>	<u>850</u>	<u>192</u>	<u>(851)</u>	<u>323,748</u>
Results					
Profit/(loss) before finance costs	67,343	981	(393)	(227)	67,704
Less: Finance costs	(2,164)	-	-	1,449	(715)
Profit/(loss) before taxation	<u>65,179</u>	<u>981</u>	<u>(393)</u>	<u>1,222</u>	<u>66,989</u>
Income tax expense					<u>(14,679)</u>
Profit after taxation					<u>52,310</u>
Non-controlling interests					<u>(2,123)</u>
Profit attributable to owners of the Company					<u>50,187</u>

A8. Valuations of property, plant and equipment

There were no revalued property, plant and equipment as at 30 June 2015.

A9. Material events subsequent to the end of the quarter

Pursuant to the announcement made by OSK Holdings Berhad ("OSKH") on 15 October 2014 on the Proposed Acquisition of OSK Property Holdings Berhad via a Conditional Share Sale Agreement with Tan Sri Ong Leong Huat and Land Management Sdn. Bhd. and the parties acting in concert with them (collectively known as "OSKP Vendors"), the Company has become a subsidiary company of OSKH with effect from 23 July 2015, upon the transfer of the shares from the OSKP Vendors to OSKH. As at 25 August 2015, OSKH's equity interest in the Company stood at 61.0%.

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.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015

A12. Significant related party transactions

Current year to
date ended
30/6/2015
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	11,083
(ii)	Insurance premium	272
(iii)	Rental expenses	317
(iv)	Provision of information technology services	14
(v)	Short term placement interest income	<u>(367)</u>

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015

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 2015, the Group recorded a profit after tax and non-controlling interest (“PATANCI”) of RM24.1 million on revenue of RM163.1 million, compared to PATANCI of RM27.3 million on revenue of RM184.0 million recorded in the preceding year’s corresponding quarter. The decrease in PATANCI for the current quarter is mainly due to lower profit contributions recorded from the Mirage by the Lake in Cyberjaya project as it nears its completion as well as initial operating costs incurred upon the opening of the Atria Shopping Gallery.

For the first half year of 2015, the Group achieved PATANCI of RM72.5 million on revenue of RM447.2 million, compared to PATANCI of RM50.2 million on revenue of RM323.7 million recorded in previous year’s corresponding period. PATANCI for the first half of the year 2015 was higher by RM22.3 million. This is mainly due to the disposal of freehold land to PR1MA Corporation Malaysia (“PR1MA”) and higher level of construction work carried out during the period under review for on-going projects such as 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 period under review of RM24.1 million is 50% lower than the PATANCI for the immediate preceding quarter of RM48.3 million. This is mainly due to the disposal of the freehold land to PR1MA which was recognised in the immediate preceding quarter.

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

(a) Prospects for 2015

(Commentary on the financial year 2015)

Prospects of the local property market is anticipated to remain trying in the coming months. However, all of the Group’s projects are progressing well and are expected to contribute positively to the earnings of the Group on the back of the strong sales achieved in the past 2 years.

The Group’s first shopping mall, the Atria Shopping Gallery (“Atria”) opened on 28 May 2015 with approximately 80% occupancy and is expected to boost the Group’s income stream moving forward.

We expect the Malaysian economy to be challenging and anticipate growth to be moderate for the remaining year. However, the Board expects that the Group will achieve satisfactory results for the year 2015.

(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.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015

B4. Statement of the Board of Directors' opinion on achievability of revenue or profit estimate, forecast, projection and internal targets previously announced

There was no revenue or profit forecast announced by the Group.

B5. Taxation

	Current quarter ended <u>30/6/2015</u> RM'000	Current year to date ended <u>30/6/2015</u> RM'000
In respect of the current quarter/year to date		
- Malaysian income tax	9,209	32,212
- Deferred tax	1,282	(6,552)
	<u>10,491</u>	<u>25,660</u>

For the current year to date, the effective tax rate of the Group is higher than the statutory tax rate of 24% due to recomputation of opening deferred tax arising from changes in statutory tax rate and non-deductible expenses for tax purposes.

B6. Status of corporate proposals announced but not completed

There were no corporate proposals previously announced but not completed as at 21 August 2015.

B7. Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 30 June 2015 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.

	<u>As at</u> <u>30/6/2015</u> RM'000	<u>As at</u> <u>31/12/2014</u> RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	339,786	294,205
- Unrealised	27,870	25,463
	<u>367,656</u>	<u>319,668</u>
Less: Consolidation adjustments	(67,897)	(80,441)
Total Group retained profits as per consolidated accounts	<u>299,759</u>	<u>239,227</u>

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015

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	202,865
Bridging loan	<u>2,504</u>
	<u>205,369</u>
(b) Short term borrowings:	
Secured	
Term loan	19,032
Revolving credit	<u>21,000</u>
	<u>40,032</u>
Total	<u>245,401</u>

B9. Material litigation

As at 21 August 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.

B10. Dividends

No dividend has been declared or paid for the current year to date ended 30 June 2015 (Comparative period ended 30 June 2014: Interim tax exempt (single-tier) dividend of 5.0 sen per share).

OSK PROPERTY HOLDINGS BERHAD (201666-D)**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015****B11. Earnings Per Share (“EPS”)**

	Current quarter ended <u>30/6/2015</u>	Comparative quarter ended <u>30/6/2014</u>	Current year to date ended <u>30/6/2015</u>	Preceding year to date ended <u>30/6/2014</u>
Basic EPS				
Profit attributable to owners of the Company (RM'000)	24,119	27,322	72,462	50,187
Weighted average number of ordinary shares in issue ('000 shares)	245,327	240,536	244,464	240,535
Basic EPS (sen)	9.83	11.36	29.64	20.86
Diluted EPS				
Profit attributable to owners of the Company (RM'000)	24,119	27,322	72,462	50,187
Weighted average number of ordinary shares in issue ('000 shares)	245,327	240,536	244,464	240,535
Effect of dilution on assumed exercise of warrants ('000 shares)	48,141	48,763	47,921	44,067
Adjusted weighted average number of ordinary shares in issue and issuable ('000 shares)	293,468	289,300	292,385	284,601
Diluted EPS (sen)	8.22	9.44	24.78	17.63

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.

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B13. Profit before taxation

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

	Current quarter ended <u>30/6/2015</u> RM'000	Current year to date ended <u>30/6/2015</u> RM'000
(a) Interest income	1,031	2,028
(b) Other income including investment income	4,985	5,500
(c) Interest expense	(791)	(848)
(d) Depreciation and amortisation	(1,037)	(1,212)
(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

TAN SRI ONG LEONG HUAT @ WONG JOO HWA
Chief Executive Officer

Kuala Lumpur
28 August 2015