

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current quarter ended 31/03/2008 RM'000	Comparative quarter ended 31/03/2007 RM'000	Current year to date ended 31/03/2008 RM'000	Preceding year to date ended 31/03/2007 RM'000
Revenue	18,182	16,359	18,182	16,359
Cost of sales	(14,594)	(13,201)	(14,594)	(13,201)
Gross profit	3,588	3,158	3,588	3,158
Other income	2,620	331	2,620	331
Administrative expenses	(3,167)	(1,700)	(3,167)	(1,700)
Finance costs	(2,285)	(1,433)	(2,285)	(1,433)
Profit before taxation	756	356	756	356
Income tax expense	(100)	(433)	(100)	(433)
Profit/(loss) after taxation for the period	656	(77)	656	(77)
Profit/(loss) attributable to:				
Equity holders of the Company	716	(77)	716	(77)
Minority interests	(60)	-	(60)	-
	656	(77)	656	(77)
Earnings/(loss) per share (sen) attributable to equity holders of the Company (Note B14):				
Basic	0.36	(0.08)	0.36	(0.08)
Diluted	0.36	(0.08)	0.36	(0.08)

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

OSK PROPERTY HOLDINGS BERHAD (201666-D)**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

	As at 31/03/2008	As at 31/03/2007	(Audited) As at 31/12/2007
	RM'000	RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	1,843	5,003	1,663
Investment properties	4,728	4,523	4,746
Prepaid land lease payments	-	1,729	-
Land held for property development	345,452	233,822	342,721
Intangible assets	59	-	62
Deferred tax assets	1,248	434	759
	353,330	245,511	349,951
Current assets			
Property development costs	97,051	92,643	96,170
Trade receivables	32,977	23,224	32,156
Accrued billings	5,905	2,826	11,974
Other receivables, deposits and prepayments	2,642	15,206	1,924
Tax recoverable	3,809	4,467	3,222
Cash, bank balances and deposits	66,739	11,543	67,815
	209,123	149,909	213,261
Non-current assets classified as held for sale	-	-	6,211
	209,123	149,909	219,472
TOTAL ASSETS	562,453	395,420	569,423

OSK PROPERTY HOLDINGS BERHAD (201666-D)**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS (CONT'D)**

	As at 31/03/2008 RM'000	As at 31/03/2007 RM'000	(Audited) As at 31/12/2007 RM'000
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	200,001	99,997	200,001
Less: Treasury shares	-	(5,388)	-
	200,001	94,609	200,001
Warrants A	14,998	14,998	14,998
Reserves	103,522	101,933	102,806
	318,521	211,540	317,805
Minority interests	56	-	116
Total equity	318,577	211,540	317,921
Non-current liabilities			
Seven (7)-Year Serial Al-Bai' Bithaman Ajil Islamic Debt Securities ("BaIDS")	47,524	70,253	47,153
Term loans	69,610	-	69,600
Deferred tax liabilities	42,432	39,415	42,622
	159,566	109,668	159,375
Current liabilities			
Trade payables	15,015	21,789	21,664
Progress billings	12,720	8,913	12,254
Other payables, deposits and accruals	17,987	6,360	14,243
Short term borrowings	36,593	37,150	43,395
Tax payable	1,995	-	571
	84,310	74,212	92,127
Total liabilities	243,876	183,880	251,502
TOTAL EQUITY AND LIABILITIES	562,453	395,420	569,423
Net asset per share (RM) attributable to equity holders of the Company	1.59	2.22	1.59

(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 FIRST QUARTER ENDED 31 MARCH 2008
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to equity holders of the Company					Minority interests	Total equity	
	Share capital	Treasury shares	Warrants A	Share premium	Retained profits			Total
	RM'000	RM'000	RM'000	RM'000	RM'000			RM'000
<u>Current year to date ended</u>								
<u>31 March 2008 (unaudited)</u>								
At 1 January 2008	200,001	-	14,998	15,385	87,421	317,805	116	317,921
Profit/(loss) for the period	-	-	-	-	716	716	(60)	656
Total income recognised for the period	-	-	-	-	716	716	(60)	656
At 31 March 2008	200,001	-	14,998	15,385	88,137	318,521	56	318,577
<u>Preceding year to date ended</u>								
<u>31 March 2007 (unaudited)</u>								
At 1 January 2007	99,996	(7,935)	14,999	15,458	86,466	208,984	-	208,984
Loss for the period	-	-	-	-	(77)	(77)	-	(77)
Total expense recognised for the period	-	-	-	-	(77)	(77)	-	(77)
Shares issued pursuant to exercise of Warrants A	1	-	(1)	-	-	-	-	-
Resale of treasury shares	-	2,547	-	86	-	2,633	-	2,633
At 31 March 2007	99,997	(5,388)	14,998	15,544	86,389	211,540	-	211,540
<u>Preceding year ended</u>								
<u>31 December 2007 (audited)</u>								
At 1 January 2007	99,996	(7,935)	14,999	15,458	86,466	208,984	-	208,984
Expense recognised in relation to exercise of Warrants A	-	-	-	(1)	-	(1)	-	(1)
Rights issue expenses	-	-	-	(943)	-	(943)	-	(943)
Total expense recognised directly in equity	-	-	-	(944)	-	(944)	-	(944)
Profit/(loss) for the year	-	-	-	-	4,441	4,441	(12)	4,429
Total (expense)/income recognised for the year	-	-	-	(944)	4,441	3,497	(12)	3,485
Dividend paid	-	-	-	-	(3,486)	(3,486)	-	(3,486)
Shares issued pursuant to exercise of Warrants A	5	-	(1)	2	-	6	-	6
Shares issued pursuant to the rights issue	100,000	-	-	-	-	100,000	-	100,000
Resale of treasury shares	-	7,935	-	869	-	8,804	-	8,804
Loss recouped from minority interests	-	-	-	-	-	-	(19)	(19)
Subscription of shares by minority interest	-	-	-	-	-	-	147	147
At 31 December 2007	200,001	-	14,998	15,385	87,421	317,805	116	317,921

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

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008 UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Current year to date ended 31/03/2008 RM'000	Preceding year to date ended 31/03/2007 RM'000	(Audited) Preceding year ended 31/12/2007 RM'000
Cash Flows From Operating Activities			
Profit before taxation	756	356	6,587
Adjustments for non-cash and non-operating items	1,468	6,399	6,679
Operating profit before working capital changes	2,224	6,755	13,266
Changes in working capital :-			
Net change in property development costs	(3,331)	(3,438)	(94,974)
Net change in receivables	(1,339)	(8,387)	(4,245)
Net change in payables	(3,774)	585	13,536
Net change in accrued/progress billings	6,533	(1,363)	(7,170)
Net cash generated from/(used in) operations	313	(5,848)	(79,587)
Income tax paid	(979)	(1,088)	(3,207)
Income tax refunded	1,038	-	1,116
Interest received	310	47	905
Interest paid	(1,004)	(410)	(2,743)
Net cash used in operating activities	(322)	(7,299)	(83,516)
Cash Flows From Investing Activities			
Proceeds from disposal of plant and equipment	30	-	-
Proceeds from disposal of investment properties and leasehold land and building	6,500	-	-
Purchase of plant and equipment	(284)	(1,280)	(159)
Purchase of investment properties	-	-	(2,837)
Net cash outflow on acquisition of subsidiary companies	-	-	(15,167)
Purchase of intangible assets	-	-	(67)
Net cash generated from/(used in) investing activities	6,246	(1,280)	(18,230)

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008 UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (CONT'D)

	Current year to date ended 31/03/2008 RM'000	Preceding year to date ended 31/03/2007 RM'000	(Audited) Preceding year ended 31/12/2007 RM'000
Cash Flows From Financing Activities			
Dividends paid	-	-	(3,486)
Payment of BaIDS expenses	-	(47)	(80)
Payment of BaIDS profits	-	-	(3,500)
Payment of borrowing expenses	-	-	(421)
Payment of rights issue expenses	-	-	(944)
Proceeds from rights issue	-	-	100,000
Proceeds from disposal of treasury shares	-	2,633	8,804
Proceeds from conversion of Warrants A	-	1	6
Proceeds from subscription of additional shares by minority shareholders	-	-	147
Drawdown of term loans	-	-	70,000
Drawdown of revolving credits	-	18,200	66,800
Repayment of revolving credits	(7,000)	(10,700)	(77,800)
Net cash (used in)/generated from financing activities	(7,000)	10,087	159,526
Net change in cash and cash equivalents	(1,076)	1,508	57,780
Cash and cash equivalents at beginning of the period/year	67,815	10,035	10,035
Cash and cash equivalents at end of the period/year	66,739	11,543	67,815

Cash and cash equivalents at end of the period/year comprised:

Cash on hand and at banks	3,114	944	2,806
Sinking Fund Account - Cash at bank	4	-	4
Sinking Fund Account - Short term placements with licensed bank	25,000	-	12,750
Short term placements with licensed bank	1,750	-	-
Short term placements with licensed investment bank	21,237	-	39,304
Housing Development Accounts	12,134	4,099	9,451
Fixed deposit for Profit Service Reserve and Reserve Accounts	3,500	6,500	3,500
	66,739	11,543	67,815

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

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

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

The quarterly report 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”). The interim financial reporting should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2007 and the 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 2007.

The significant accounting policies and methods of computation adopted by the Group in this quarterly report are consistent with those of the annual financial statements for the year ended 31 December 2007 except for the adoption of the following new and revised Financial Reporting Standards, Amendments and interpretations issued by MASB that are effective for financial statements beginning on or after 1 July 2007: -

FRS 107	Cash Flow Statements	
FRS 111	Construction Contracts	
FRS 112	Income Taxes	Interim Financial Reporting
	FRS 137	Provisions, Contingent Liabilities and Contingent
	IC Interpretation 1	Changes in Existing Decommissioning, Restorati
		Liabilities
	IC Interpretation 2	Members’ Shares in Co-operative Entities and Sin
	IC Interpretation 5	Rights to Interests arising from Decommissioning
		Environmental Rehabilitation Funds
	IC Interpretation 6	Liabilities arising from Participating in a Specific
		- Waste Electrical and Electronic Equipment
	IC Interpretation 7	Applying the Restatement Approach under FRS 1

2004

	Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

FRS 120 and 129 are not applicable to the Group’s operations. The adoption of the other FRSs and the interpretations are not expected to have any significant financial impact on the financial statements of the Group.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

A2. Seasonal or cyclical factors

There were no significant seasonal or cyclical factors that will materially affect 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

Share buybacks / 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 treasury shares held in hand as at 31 March 2008 are as follows:

	Number of shares	Purchase Price			Cost RM
		Highest price RM	Lowest price RM	Average price RM	
31 March 2008	100	1.20	0.99	1.12	112

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

A6. Dividends paid

There were no payments of dividend during the current quarter ended 31 March 2008.

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 FIRST QUARTER ENDED 31 MARCH 2008

A7. Segmental information (Cont'd)

<u>Current year to date ended</u> <u>31 March 2008 (unaudited)</u>	Property development	Property investment & management	Holding entity	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	17,980	-	202	-	18,182
Inter segment revenue	-	-	627	(627)	-
Total	17,980	-	829	(627)	18,182
Results					
Profit before finance costs	3,008	57	622	(646)	3,041
Less: Finance costs	(2,912)	-	-	627	(2,285)
Profit before taxation	96	57	622	(19)	756
Income tax expense					(100)
Profit after taxation					656
Minority interest					60
Profit attributable to equity holders of the Company					716

<u>Preceding year to date ended</u> <u>31 March 2007 (unaudited)</u>	Property development	Property investment & management	Holding entity	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	16,358	-	1	-	16,359
Inter segment revenue	-	-	390	(390)	-
Total	16,358	-	391	(390)	16,359
Results					
Profit before finance costs	2,743	74	220	(1,248)	1,789
Less: Finance costs	(1,823)	-	-	390	(1,433)
Profit before taxation	920	74	220	(858)	356
Income tax expense					(433)
Loss after taxation					(77)
Minority interest					-
Loss attributable to equity holders of the Company					(77)

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

A8. Valuations of property, plant and equipment

There were no revalued property, plant and equipment as at 31 March 2008.

A9. Material events subsequent to the end of the quarter

Acquisition of Perspektif Pertama Sdn. Bhd.

On 30 April 2008, the Company acquired the entire issued and paid-up capital of Perspektif Pertama Sdn. Bhd. ("PPSB") comprising two (2) ordinary shares of RM1.00 each for a cash consideration of RM2.

PPSB was incorporated in Malaysia under the Companies Act, 1965 on 9 April 2008 with an authorised share capital of RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each. PPSB is presently a dormant company and its intended principal business activities are property management and development.

Effectively, PPSB has become a wholly-owned subsidiary company of the Company.

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 contingent liabilities or contingent assets as at the end of current year to date.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

PART B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”)

B1. Review of the performance of the Company and its principal subsidiaries

(Commentary on current quarter and current year to date)

The Group’s revenue and pre-tax profit increased by 11% and 112% to RM18.18 million and RM0.76 million respectively for the current quarter as compared to the Group’s revenue of RM16.36 million and pre-tax profit of RM0.36 million reported in the corresponding quarter last year. The improved results were mainly driven by higher revenue recognised from the development progress of Phase 3 of Bandar Puteri Jaya, Sungai Petani, Kedah and Phase 1 of Mon’t Jade, Seremban.

B2. Material changes in the quarterly results

(Comparison on current quarter with the immediate preceding quarter)

The Group recorded a pre-tax profit of RM0.76 million for the current quarter as compared to pre-tax profit of RM4.59 million in the immediate preceding quarter. The decrease was mainly due to the lower revenue recognised.

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

(a) Current year prospects

(Commentary on the remaining year)

The Group will continue to improve in sales and marketing efforts for its existing ongoing projects together with the upcoming projects in Klang Valley. The Group will also continue to actively source for new land bank and projects in strategic locations for future developments. The Board expects the Group to perform better for the remaining financial year 2008.

(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. Profit forecast / profit guarantee

There was no profit forecast or profit guarantee issued by the Group.

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

B6. Taxation

	Current quarter ended 31/03/2008 RM'000	Current year to date ended 31/03/2008 RM'000
In respect of the current quarter / year to date		
- Malaysian income tax	779	779
- Deferred tax	(679)	(679)
	<u>100</u>	<u>100</u>

For the current year to date, the effective tax rate of the Group is lower than the statutory tax rate of 26% mainly due to the recognition of deferred tax assets for certain subsidiaries.

B7. Sale of unquoted investments and/or properties

On 3 January 2008, OSK Properties Sdn Bhd, a subsidiary company, completed the disposal of three (3) properties which consists of five (5) parcels of land together with the buildings erected thereon as listed below to KE-ZAN Holdings Berhad, a subsidiary company of OSK Holdings Berhad, holding company of the Company, for a total cash consideration of RM6,500,000.

- (a) Two (2) parcels of leasehold land measuring 1,104.037 square meters held under master title no. PN33134, Lot 59059 (formerly known as PN30372 Lot 57745) together with a three (3) storey shop office erected thereon located in the Mukim Batu, District of Kuala Lumpur;
- (b) One (1) parcel of freehold land measuring 153.2992 square meters held under H.S. (D) 26998 for Lot No. PTD 8462 together with a four (4) storey shop office erected thereon located in the Mukim Sungai Segamat, Negeri Johor; and
- (c) Two (2) parcels of freehold land measuring 260 square meters held under title no. H.S. (D) 10883, Lot PT 32834 and H.S. (D) 10822, Lot PT 32833 together with a three (3) storey shop office erected thereon located in Bandar Kuantan, Daerah Kuantan, Negeri Pahang.

There was no sale of unquoted investments during the current year to date.

B8. Quoted securities

There were no purchases or sales of quoted securities during the current year to date.

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

B9. Status of corporate proposals announced but not completed as at 21 May 2008 and utilisation of proceeds from the rights issue

- (a) There were no corporate proposals announced but not completed as at 21 May 2008.
- (b) The Group raised RM99,999,493 from the rights issue of 99,999,493 new ordinary shares of RM1.00 each at an issue price of RM1.00 each in the previous year. The status of utilisation of proceeds from the rights issue as at 31 March 2008 are summarised below:

<u>Purpose</u>	<u>Proposed utilisation</u> RM'000	<u>Utilisation to date</u> RM'000	<u>Balance</u> RM'000
Working capital	73,543	57,365	16,178
Redemption of BaIDS - 1 st Tranche	25,000	25,000*	-
Rights issue expenses	1,456	934	522
	<u>99,999</u>	<u>83,299</u>	<u>16,700</u>

* The funds have been transferred to the Sinking Fund Account for the redemption of BaIDS pursuant to the terms as prescribed in the Trust Deed dated 2 April 2004.

B10. Borrowings and debt securities

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

	RM'000
(a) Long term borrowings:	
Secured	
Class A BaIDS	50,000
Class B BaIDS	25,000
	<u>75,000</u>
Less: Unaccredited discount on BaIDS	(2,270)
Expenses incurred for issuance of BaIDS	<u>(263)</u>
	72,467
Less: payable within 12 months	<u>(24,943)</u>
	47,524
Term loans	69,610
	<u>117,134</u>
	RM'000
(b) Short term borrowings:	
Secured	
BaIDS	24,943
Revolving credit	5,250
	<u>30,193</u>
Unsecured	
Revolving credits	6,400
	<u>36,593</u>

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

B11. Off balance sheet financial instruments

As at 21 May 2008, the Group did not enter into any contract involving financial instruments with off balance sheet risk.

B12. Material litigation

As at 21 May 2008, the Group was not engaged in any material litigation either as plaintiff or defendant and the directors are not aware of any proceeding pending or threatened against the Group or any facts likely to give rise to any proceeding which might materially and adversely affect the financial position or business operations of the Group.

B13. Dividends

No dividend has been declared or paid for the current year to date ended 31 March 2008 (Comparative quarter ended 31 March 2007: Nil).

OSK PROPERTY HOLDINGS BERHAD (201666-D)**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008****B14. Earnings Per Share (“EPS”) / (Loss Per Share) (“LPS”)**

	Current quarter ended <u>31/03/2008</u>	Comparative quarter ended <u>31/03/2007</u>	Current year to date ended <u>31/03/2008</u>	Preceding year to date ended <u>31/03/2007</u>
Basic EPS/(LPS)				
Profit/(loss) attributable to equity holders of the Company (RM'000)	716	(77)	716	(77)
Weighted average number of ordinary shares in issue ('000 shares)	200,001	93,940	200,001	93,940
Basic EPS/(LPS) (sen)	0.36	(0.08)	0.36	(0.08)
Diluted EPS/(LPS)				
Profit/(loss) attributable to equity holders of the Company (RM'000)	716	(77)	716	(77)
Weighted average number of ordinary shares in issue ('000 shares)	200,001	93,940	200,001	93,940
Effect of dilution on assumed exercise of Warrants ('000 shares)	- *	6,692	- *	6,692
Adjusted weighted average number of ordinary shares in issue and issuable ('000 shares)	200,001	100,632	200,001	100,632
Diluted EPS/(LPS) (sen)	0.36	(0.08)	0.36	(0.08)

* For the current quarter ended 31 March 2008, the outstanding warrants have been excluded from the computation of fully diluted earnings per ordinary share as their conversion to ordinary shares would be anti-dilutive.

B15. Auditors' report of preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2007 was not qualified.

By Order of the Board

DATO' NIK MOHAMED DIN BIN DATUK NIK YUSOFF
Executive Chairman

Kuala Lumpur
28 May 2008