

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current quarter ended 30/09/2009 RM'000	Comparative quarter ended 30/09/2008 RM'000	Current year to date ended 30/09/2009 RM'000	Preceding year to date ended 30/09/2008 RM'000
Revenue	39,718	31,814	85,947	78,369
Cost of sales	(36,322)	(25,743)	(72,809)	(61,399)
Gross profit	3,396	6,071	13,138	16,970
Other income	2,344	2,516	7,172	7,483
Administrative expenses	(2,767)	(2,938)	(8,559)	(8,958)
Finance costs	(1,170)	(1,867)	(3,918)	(6,010)
Profit before taxation	1,803	3,782	7,833	9,485
Income tax expense	(883)	(1,962)	(2,613)	(3,318)
Profit for the period	920	1,820	5,220	6,167
(Loss)/profit attributable to:				
Equity holders of the Company	(182)	1,796	3,833	6,289
Minority interests	1,102	24	1,387	(122)
	920	1,820	5,220	6,167
Earnings per share (sen) attributable to equity holders of the Company (Note B14):				
Basic	(0.10)	0.93	2.05	3.20
Diluted	(0.10)	0.93	2.05	3.20

(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 2009
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

	As at 30/09/2009	As at 30/09/2008	(Audited) As at 31/12/2008
	RM'000	RM'000	RM'000
ASSETS			
Non-current assets			
Property and equipment	3,130	1,749	1,964
Investment properties	8,753	4,553	8,776
Land held for property development	358,726	361,788	355,089
Intangible assets	92	67	64
Deferred tax assets	2,661	1,611	2,161
	373,362	369,768	368,054
Current assets			
Property development costs	67,794	98,645	95,631
Inventories	284	-	556
Trade receivables	23,099	29,845	26,027
Accrued billings	2,019	6,196	7,539
Other receivables, deposits and prepayments	4,223	5,127	2,817
Tax recoverable	3,405	2,014	2,380
Cash, bank balances and deposits	41,211	43,821	31,853
	142,035	185,648	166,803
TOTAL ASSETS	515,397	555,416	534,857

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009 UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS (CONT'D)

	As at 30/09/2009 RM'000	As at 30/09/2008 RM'000	(Audited) As at 31/12/2008 RM'000
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	200,002	200,001	200,001
Less: Treasury shares	(8,260)	(6,535)	(7,949)
	191,742	193,466	192,052
Warrants A	-	14,998	14,998
Reserves	122,555	104,515	106,535
	314,297	312,979	313,585
Minority interests	1,860	478	473
Total equity	316,157	313,457	314,058
Non-current liabilities			
Seven (7)-Year Serial Al-Bai' Bithaman Ajil Islamic Debt Securities ("BaIDS")	-	23,699	23,889
Term loans	67,618	67,131	65,892
Deferred tax liabilities	39,023	41,915	40,197
	106,641	132,745	129,978
Current liabilities			
Trade payables	16,078	25,786	19,718
Progress billings	16,593	17,347	12,863
Other payables, deposits and accruals	9,294	16,182	11,711
Short term borrowings	49,225	48,211	45,365
Tax payable	1,409	1,688	1,164
	92,599	109,214	90,821
Total liabilities	199,240	241,959	220,799
TOTAL EQUITY AND LIABILITIES	515,397	555,416	534,857
Net asset per share (RM) attributable to equity holders of the Company	1.68	1.62	1.67

(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 2009
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>30 September 2009 (unaudited)</u>								
At 1 January 2009	200,001	(7,949)	14,998	15,245	91,290	313,585	473	314,058
Reversal of expired Warrants A	-	-	(14,998)	-	14,998	-	-	-
Total expense recognised directly in equity	-	-	(14,998)	-	14,998	-	-	-
Profit for the period	-	-	-	-	3,833	3,833	1,387	5,220
Total income recognised for the period	-	-	(14,998)	-	18,831	3,833	1,387	5,220
Dividend paid	-	-	-	-	(2,811)	(2,811)	-	(2,811)
Shares issued pursuant to exercise of Warrants A	1	-	-	-	-	1	-	1
Shares buyback of the Company	-	(311)	-	-	-	(311)	-	(311)
At 30 September 2009	200,002	(8,260)	-	15,245	107,310	314,297	1,860	316,157
<u>Preceding year to date ended</u>								
<u>30 September 2008 (unaudited)</u>								
At 1 January 2008	200,001	-	14,998	15,385	87,421	317,805	116	317,921
Share issue expenses	-	-	-	(4)	-	(4)	-	(4)
Rights issue expenses	-	-	-	(136)	-	(136)	-	(136)
Total expense recognised directly in equity	-	-	-	(140)	-	(140)	-	(140)
Profit/(loss) for the period	-	-	-	-	6,289	6,289	(122)	6,167
Total (expense)/income recognised for the period	-	-	-	(140)	6,289	6,149	(122)	6,027
Dividend paid	-	-	-	-	(4,440)	(4,440)	-	(4,440)
Shares buyback of the Company	-	(6,535)	-	-	-	(6,535)	-	(6,535)
Acquisition of subsidiary company	-	-	-	-	-	-	484	484
At 30 September 2008	200,001	(6,535)	14,998	15,245	89,270	312,979	478	313,457
<u>Preceding year ended</u>								
<u>31 December 2008 (audited)</u>								
At 1 January 2008	200,001	-	14,998	15,385	87,421	317,805	116	317,921
Share issue expenses	-	-	-	(4)	-	(4)	-	(4)
Rights issue expenses	-	-	-	(136)	-	(136)	-	(136)
Total expense recognised directly in equity	-	-	-	(140)	-	(140)	-	(140)
Profit for the year	-	-	-	-	8,309	8,309	(127)	8,182
Total (expense)/income recognised for the year	-	-	-	(140)	8,309	8,169	(127)	8,042
Dividend paid	-	-	-	-	(4,440)	(4,440)	-	(4,440)
Shares buyback of the Company	-	(7,949)	-	-	-	(7,949)	-	(7,949)
Acquisition of subsidiary company	-	-	-	-	-	-	484	484
At 31 December 2008	200,001	(7,949)	14,998	15,245	91,290	313,585	473	314,058

(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 2009 UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Current year to date ended 30/09/2009 RM'000	Preceding year to date ended 30/09/2008 RM'000	(Audited) Preceding year ended 31/12/2008 RM'000
Cash Flows From Operating Activities			
Profit before taxation	7,833	9,485	11,677
Adjustments for non-cash and non-operating items	3,853	4,666	6,040
Operating profit before working capital changes	11,686	14,151	17,717
Changes in working capital :-			
Net change in property development costs	25,180	(20,606)	(12,290)
Net change in receivables	1,510	1,474	7,602
Net change in payables	(6,016)	3,873	(5,384)
Net change in accrued/progress billings	9,251	10,871	5,043
Net cash generated from operations	41,611	9,763	12,688
Interest paid	(2,644)	(3,100)	(5,058)
Interest received	460	1,167	1,588
Tax paid	(4,963)	(3,593)	(5,429)
Tax refunded	-	1,038	1,038
Net cash generated from operating activities	34,464	5,275	4,827
Cash Flows From Investing Activities			
Acquisition of subsidiary companies	-	1	(519)
Cash and cash equivalents of subsidiary companies acquired	-	-	511
Proceeds from disposal of plant and equipment	1	95	95
Proceeds from disposal of non-current asset held for sale	-	6,500	6,500
Purchase of property and equipment	(1,460)	(455)	(769)
Purchase of intangible assets	(42)	(14)	(14)
Purchase of investment properties	(41)	-	(4,246)
Net cash (used in)/generated from investing activities	(1,542)	6,127	1,558

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009 UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (CONT'D)

	Current year to date ended 30/09/2009	Preceding year to date ended 30/09/2008	(Audited) Preceding year ended 31/12/2008
	RM'000	RM'000	RM'000
Cash Flows From Financing Activities			
Payment of BaIDS expenses	(50)	(31)	(80)
Payment of BaIDS profits	(1,313)	(1,750)	(2,938)
Payment of Primary Bonds	(32,475)	(25,000)	(25,000)
Payment of borrowing expenses	(686)	-	-
Payment of rights issue expenses	-	(140)	(136)
Payment of share issue expenses	-	-	(4)
Proceeds from conversion of Warrants A	1	-	-
Shares buyback	(310)	(6,535)	(7,949)
Drawdown of term loans	3,630	-	-
Drawdown/(repayment) of revolving credits	10,450	2,500	(1,800)
Dividends paid	(2,811)	(4,440)	(4,440)
Net cash used in financing activities	(23,564)	(35,396)	(42,347)
Net change in cash and cash equivalents	9,358	(23,994)	(35,962)
Cash and cash equivalents at beginning of the period/year	31,853	67,815	67,815
Cash and cash equivalents at end of the period/year	41,211	43,821	31,853
Cash and cash equivalents at end of the period/year comprised:			
Cash on hand and at banks	5,500	2,173	7,194
Sinking Fund Account			
- Cash at bank	1	4,254	4
- Short term placements with licensed investment bank	-	-	12,788
Fixed deposit for Profit Service Reserve and Reserve Accounts	1,255	2,438	2,375
Housing Development Accounts	23,010	13,905	9,492
Short term placements with licensed investment bank	11,445	21,051	-
	41,211	43,821	31,853

(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 2009

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 2008 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 2008.

The significant accounting policies and methods of computation adopted by the Group in this

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

A1. Accounting policies (contd.)

FRS 4 is not applicable to the Group. The other FRSs, Amendments to FRSs and Interpretations above are expected to have no significant impact on the financial statements upon their initial application. The Group is exempted from disclosing the possible impact to the financial statements upon the initial application of FRS 7 and FRS 139.

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 A 2004/2009

During the current year to date, the Company has issued 872 new ordinary shares of RM1.00 each for cash at RM1.00 each pursuant to the exercise of Warrants A 2004/2009 and the total cash proceeds arising from the exercise of Warrants A amounted to RM872. The details of the Warrants A exercised during the current year to date are as follows:

Date	No. of Warrants exercised	No. of shares allotted	Type of issue
25 Mar 2009	73	73	Exercise of Warrants A 2004/2009 at RM1.00 per share
31 Mar 2009	612	612	Exercise of Warrants A 2004/2009 at RM1.00 per share
2 Apr 2009	187	187	Exercise of Warrants A 2004/2009 at RM1.00 per share
Total	872	872	

As a result of the exercise of the Warrants A mentioned above, the total number of issued and paid up shares of RM1.00 each of the Company has been increased from 200,000,824 shares to 200,001,696 shares. The new ordinary shares issued arising from the exercise of Warrants A 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 Warrants A is effected before the book closure of the share registers for determination of the entitlement to such rights or distributions.

The Warrants A 2004/2009 expired on 5 April 2009. As at 5 April 2009, the total number of Warrants A which remained unexercised was 49,991,797.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

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

(b) Shares buyback / Treasury shares

During the current year to date, the Company has purchased 777,200 ordinary shares for a total cash consideration of RM310,915 from open market at an average price of RM0.40 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 2009	11,844,000	1.20	0.28	0.67	7,949,259
January 2009	776,200	0.41	0.39	0.40	310,329
May 2009	1,000	0.55	0.55	0.59	586
As at 30 September 2009	12,621,200	1.20	0.28	0.65	8,260,174

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 dividend of 2 sen per share less 25% income tax amounting to RM2,810,643 in respect of preceding financial year ended 31 December 2008 was paid on 17 June 2009.

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 2009</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	85,876	-	71	-	85,947
Inter-segment revenue	-	-	1,844	(1,844)	-
Total	85,876	-	1,915	(1,844)	85,947
Results					
Profit before finance costs	11,293	266	1,218	(1,026)	11,751
Less: Finance costs	(4,903)	-	-	985	(3,918)
Profit before taxation	6,390	266	1,218	(41)	7,833
Income tax expense					(2,613)
Profit after taxation					5,220
Minority interest					(1,387)
Profit attributable to equity holders of the Company					3,833

OSK PROPERTY HOLDINGS BERHAD (201666-D)**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009****A7. Segmental information (contd.)**

<u>Preceding year to date ended</u> <u>30 September 2008</u> <u>(unaudited)</u>	Property development RM'000	Property investment & management RM'000	Holding entity RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External revenue	77,908	-	461	-	78,369
Inter-segment revenue	-	-	2,162	(2,162)	-
Total	77,908	-	2,623	(2,162)	78,369
Results					
Profit before finance costs	14,959	265	1,988	(1,717)	15,495
Less: Finance costs	(7,671)	-	-	1,661	(6,010)
Profit before taxation	7,288	265	1,988	(56)	9,485
Income tax expense					(3,318)
Profit after taxation					6,167
Minority interest					122
Profit attributable to equity holders of the Company					6,289

A8. Valuations of property, plant and equipment

There were no revalued property, plant and equipment as at 30 September 2009.

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 current year to date.

OSK PROPERTY HOLDINGS BERHAD (201666-D)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

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 for the current quarter was RM39.72 million with the resultant pre-tax profit of RM1.80 million as compared to the revenue of RM31.81 million and pre-tax profit of RM3.78 million reported in the corresponding quarter last year.

The increase in revenue was mainly attributed to higher sales recorded for the Sutera Damansara project. The Sutera Damansara Project achieved encouraging sales with a take up rate of approximately 98% for Phase 1A and almost 60% for Phase 1B1 which will be proportionately reflected in the Group’s financial statements according to its respective construction progress.

B2. Material changes in the quarterly results

(Comparison on current quarter with the immediate preceding quarter)

The Group recorded a pre-tax profit of RM1.80 million for the current quarter as compared to pre-tax profit of RM2.10 million in the immediate preceding quarter.

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

(a) Current year prospects

(Commentary on the remaining year)

Improvements in domestic statistical data is indicating that the general conditions and sentiments surrounding the local property market had improved, which saw the Group secure sales of approximately RM41 million for the current quarter as compared to RM30 million in the previous quarter. The Board is confident of the Group’s prospects given the success of the Sutera Damansara project which generated locked-in sales of approximately RM66 million for the current financial period. The Group is also planning strategic launches of new high-end residential and commercial projects within the Klang Valley in the near future to sustain longer term profitability and growth.

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2009

B6. Taxation

	Current quarter ended 30/09/2009 RM'000	Current year to date ended 30/09/2009 RM'000
In respect of the current quarter/year to date		
- Malaysian income tax	1,252	4,183
- Deferred tax	(369)	(1,570)
	<u>883</u>	<u>2,613</u>

For the current year to date, the effective tax rate of the Group is higher than the statutory tax rate of 25% mainly due to non-deductible expenses for tax purposes.

B7. Sale of unquoted investments and/or properties

There were no sales of unquoted investment or properties during the current year to date.

B8. Quoted securities

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

B9. Status of corporate proposals

There were no corporate proposals previously announced but not completed as at 11 November 2009.

B10. Borrowings and debt securities

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

	RM'000
(a) Long term borrowings:	
Secured	
Term loans	<u>67,618</u>
(b) Short term borrowings:	
Secured	
BaIDS	16,925
Term loan	5,000
Revolving credit	<u>17,800</u>
	<u>39,725</u>
Unsecured	
Revolving credit	<u>9,500</u>
	<u>49,225</u>
Total	<u>116,843</u>

B11. Off balance sheet financial instruments

As at 11 November 2009, the Group did not enter into any contract involving financial instruments with off balance sheet risk.

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

B12. Material litigation

As at 11 November 2009, 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 proposed or declared for the current year to date ended 30 September 2009 (Comparative quarter ended 30 September 2008: Nil)

OSK PROPERTY HOLDINGS BERHAD (201666-D)**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009****B14. Loss Per Share (“LPS”)/Earnings Per Share (“EPS”)**

	Current quarter ended <u>30/09/2009</u>	Comparative quarter ended <u>30/09/2008</u>	Current year to date ended <u>30/09/2009</u>	Preceding year to date ended <u>30/09/2008</u>
Basic (LPS)/EPS				
(Loss)/profit attributable to equity holders of the Company (RM'000)	(182)	1,796	3,833	6,289
Weighted average number of ordinary shares in issue ('000 shares)	187,380	192,644	187,395	196,776
Basic (LPS)/EPS (sen)	(0.10)	0.93	2.05	3.20
Diluted (LPS)/EPS				
(Loss)/profit attributable to equity holders of the Company (RM'000)	(182)	1,796	3,833	6,289
Weighted average number of ordinary shares in issue ('000 shares)	187,380	192,644	187,395	196,776
Effect of dilution on assumed exercise of warrants ('000 shares)	- *	- *	- *	- *
Adjusted weighted average number of ordinary shares in issue and issuable ('000 shares)	187,380	192,644	187,395	196,776
Diluted (LPS)/EPS (sen)	(0.10)	0.93	2.05	3.20

* For the current quarter and current year to date ended 30 September 2009, the outstanding warrants have been excluded from the computation of fully diluted earnings per ordinary share as their effect 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 2008 was not qualified.

By Order of the Board

DATO' NIK MOHAMED DIN BIN DATUK NIK YUSOFF
Executive Chairman

Kuala Lumpur
18 November 2009