

BALANCE SHEETS

AS AT 31 DECEMBER 2005

		Group		Company	
	Note	2005 RM	2004 RM	2005 RM	2004 RM
NON-CURRENT ASSETS					
Property, plant and equipment	4	208,908,378	209,064,803	-	-
Land held for property development	5(a)	184,710,111	176,869,362	-	-
Investments in subsidiary companies	6(a)	-	-	1,137,020,596	1,077,596,431
Investments in associated companies	7(a)	141,324,404	3,813,549	1,987,550	1,987,550
Other long term investments	8	24,867,470	69,312,145	9,617,750	9,649,731
Security deposits	9	2,380,048	1,000,000	-	-
Development cost	10	2,987,698	3,983,598	-	-
Deferred tax assets	11(a)	530,000	449,555	-	-
Intangible assets	12	166,572,677	175,961,766	-	-
		<u>732,280,786</u>	<u>640,454,778</u>	<u>1,148,625,896</u>	<u>1,089,233,712</u>
CURRENT ASSETS					
Property development costs	5(b)	63,703,182	69,399,349	-	-
Trade receivables	13	560,434,918	625,097,241	-	-
Other receivables, deposits and prepayments	14	20,309,011	38,255,682	58,235	121,293
Tax recoverable		21,161,413	4,605,881	1,883,627	1,511,211
Amounts due from subsidiary companies	6(b)	-	-	20,541,847	103,864,112
Amount due from an associated company	7(b)	-	30,390	-	30,390
Short term investments	15	161,252,145	376,045,853	3,844,896	2,512,309
Fund manager's stocks	16	802,323	1,557,410	-	-
Cash, bank balances and deposits					
- General accounts	17(a)	313,634,315	383,600,845	1,218,535	62,723,851
- Segregated accounts	17(b)	216,052,267	149,780,330	-	-
		<u>1,357,349,574</u>	<u>1,648,372,981</u>	<u>27,547,140</u>	<u>170,763,166</u>

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2005 (CONT'D)

		Group		Company	
	Note	2005 RM	2004 RM	2005 RM	2004 RM
CURRENT LIABILITIES					
Trade payables	18	306,029,181	228,031,495	-	-
Progress billings		26,237,604	23,905,026	-	-
Other payables, deposits and accruals	19	122,617,606	130,546,327	173,285	3,165,972
Amounts due to subsidiary companies	6(c)	-	-	53,088,031	61,860,674
Short term borrowings	20	173,892,993	489,649,712	-	101,423,995
Tax payable		2,493,494	9,854,783	-	-
		<u>631,270,878</u>	<u>881,987,343</u>	<u>53,261,316</u>	<u>166,450,641</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>726,078,696</u>	<u>766,385,638</u>	<u>(25,714,176)</u>	<u>4,312,525</u>
		<u>1,458,359,482</u>	<u>1,406,840,416</u>	<u>1,122,911,720</u>	<u>1,093,546,237</u>
FINANCED BY:					
Share capital	21	625,307,579	584,777,720	625,307,579	584,777,720
Reserves	22	543,140,556	464,366,110	514,196,949	437,986,308
Less: Treasury shares	23	(16,592,808)	(21,449,891)	(16,592,808)	(21,449,891)
SHAREHOLDERS' FUNDS		<u>1,151,855,327</u>	<u>1,027,693,939</u>	<u>1,122,911,720</u>	<u>1,001,314,137</u>
Minority interests		<u>208,975,272</u>	<u>210,915,752</u>	<u>-</u>	<u>-</u>
		<u>1,360,830,599</u>	<u>1,238,609,691</u>	<u>1,122,911,720</u>	<u>1,001,314,137</u>
LONG TERM LIABILITIES					
6% Irredeemable Convertible					
Unsecured Loan Stocks 2000/2005	24	-	92,232,100	-	92,232,100
Seven(7)-Year Serial Al-Bai'					
Bithaman Ajil Islamic Debt Securities	25	68,228,168	46,681,342	-	-
Deferred tax liabilities	11(b)	29,300,715	29,317,283	-	-
		<u>1,458,359,482</u>	<u>1,406,840,416</u>	<u>1,122,911,720</u>	<u>1,093,546,237</u>

The accompanying notes form an integral part of these financial statements.

CASH FLOW STATEMENT - GROUP

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005 (CONT'D)

	Note	2005 RM	2004 RM
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)			
Increase in development costs		(2,077,090)	(11,404,023)
Increase in investment in securities		(2,441,397)	(26,283,540)
Decrease in fund manager's stocks		758,426	1,895,755
Decrease in trade and other receivables		92,403,827	94,775,028
Decrease/(Increase) in amount due from associated company		30,390	(30,390)
Increase in cash held in segregated accounts		(66,271,937)	(33,670,969)
Increase in trade and other payables		58,745,429	38,788,631
Increase in progress billings		2,332,578	-
Cash generated from operations		116,885,737	137,904,606
Income tax paid		(33,859,067)	(27,820,532)
Interest paid		(9,106,916)	(18,109,214)
Interest received		42,675,132	49,270,413
Refund of income tax		-	5,534,974
Net cash from operating activities		116,594,886	146,780,247
Cash Flows From Investing Activities			
Acquisition of additional shares in subsidiary companies	35	(6,662,421)	(6,267,888)
Acquisition of intangible asset		(432,933)	-
Net cash (outflow)/inflow from acquisition of subsidiary companies	6(a)	(3,218,309)	13,823
Capital distribution from share consolidation of Bursa Malaysia Berhad		13,636,363	-
Dividend received		1,308,089	162,400
Dividend received from associated company		-	172,800
Interest received		9,837,550	8,306,601
Increase in security deposit		(1,380,048)	-
Proceeds from disposal of property, plant and equipment		695,581	121,053
Proceeds from disposal of securities in equity and futures markets and fixed income instruments		53,587,122	61,934,784
Proceeds from disposal of shares in Bursa Malaysia Berhad		22,912,821	-
Purchase of property, plant and equipment		(12,375,598)	(20,516,240)
Additional investment in associated company		(108,986,432)	(887,550)
Purchase of securities in equity and futures markets and fixed income instruments		(27,831,290)	(72,684,464)
Refund from MESDAQ Berhad		65,201	-
Proceeds from/(Subscription for) private debt securities		216,963,174	(369,465,837)
Net cash from/(used in) investing activities		158,118,870	(399,110,518)

The accompanying notes form an integral part of these financial statements.

CASH FLOW STATEMENT - GROUP

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005 (COUNT'D)

	Note	2005 RM	2004 RM
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid to minority interest		(1,831,534)	(4,202,220)
Dividend paid to shareholders		(10,996,999)	(41,841,397)
Expenses for extension of Warrant B 2000/2010		(19,900)	-
Expenses for conversion of ICULS		(21,000)	-
(Repayment)/Drawdown of revolving credit		(279,824,926)	278,400,000
Repayment of RUB		(101,423,995)	-
Proceeds from issuance of BaIDS		-	45,214,130
Proceeds from exercise of Warrant A 1994/2004		-	117,897,847
Proceeds from conversion of ICULS		8,400	-
Proceeds from exercise of ESOS		97,755	3,365,445
Purchase of own shares		(16,035,754)	(32,087,117)
Proceeds from initial public offering by OSKVI		-	175,500,000
Professional fees paid for extension of warrants		-	(58,000)
Listing expenses paid by OSKVI		-	(2,462,578)
Net cash (used in)/from financing activities		(410,047,953)	539,726,110
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
		(135,334,197)	287,395,839
EFFECTS OF EXCHANGE RATE CHANGES			
		(124,535)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR			
		381,275,128	93,879,289
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR			
		245,816,396	381,275,128
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR COMPRISED:			
Cash, bank balances and deposits-General accounts	17	313,634,315	383,600,845
Bank overdrafts	20	(67,817,919)	(2,325,717)
		245,816,396	381,275,128

The accompanying notes form an integral part of these financial statements.

5. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land Held for Property Development, at cost

	Group	
	2005	2004
	RM	RM
Freehold land		
At beginning of financial year	125,463,784	125,532,995
Costs incurred during the financial year	2,800,574	6,240,933
Transfer to property development costs	(2,054,610)	(6,310,144)
At end of financial year	126,209,748	125,463,784
Development costs		
At beginning of financial year	51,405,578	41,781,994
Costs incurred during the financial year	8,537,553	11,365,788
Transfer to amount due to a joint venture project	(49,040)	(206,798)
Transfer to property development costs	(1,393,728)	(1,535,406)
At end of financial year	58,500,363	51,405,578
Total land held for property development	184,710,111	176,869,362

(b) Property Development Costs

	Group	
	2005	2004
	RM	RM
Freehold land		
At beginning of financial year	27,750,728	21,440,584
Costs incurred during the financial year	221,821	-
Transfer from land held for property development	2,054,610	6,310,144
Reversal of development expenditure for completed projects	(2,832,723)	-
At end of financial year	27,194,436	27,750,728
Development costs		
At beginning of financial year	297,102,471	251,208,340
Cost incurred during the financial year	45,673,110	46,582,203
Transfer from land held for property development	1,393,728	1,535,406
Transfer to amount due to a joint venture project	(8,344,071)	(2,223,478)
Reversal of development expenditure for completed projects	(90,941,150)	-
At end of financial year	244,884,088	297,102,471
Total property development costs incurred to date	272,078,524	324,853,199
Costs recognised in income statement:		
At beginning of financial year	(255,453,850)	(206,667,760)
Recognised during the financial year (Note 27)	(46,695,365)	(48,786,090)
Reversal of development expenditure for completed projects	93,773,873	-
At end of financial year	(208,375,342)	(255,453,850)
Total property development costs	63,703,182	69,399,349

17. CASH, BANK BALANCES AND DEPOSITS

		Group		Company	
	Note	2005 RM	2004 RM	2005 RM	2004 RM
(a) General accounts					
Cash and bank balances		24,852,444	23,380,859	28,535	60,919
Housing Development Accounts	(a)	6,945,350	22,919,318	-	-
Short-term placements with:					
- licensed banks in Malaysia		149,100,328	38,480,519	1,190,000	-
- licensed banks outside Malaysia		3,951,280	-	-	-
- licensed discount houses		14,626,091	15,524,844	-	-
- licensed finance companies in Malaysia		1,000,000	-	-	-
Fixed deposits with:					
- licensed banks in Malaysia		106,672,773	209,078,934	-	-
- licensed banks outside Malaysia		1,736,049	-	-	-
- licensed finance companies		-	6,803,439	-	-
Sinking Fund:					
- fixed deposits with licensed financial institutions	(b)	-	62,662,932	-	62,662,932
Profit Service Reserve and Reserve Accounts	(c)	4,750,000	4,750,000	-	-
		<u>313,634,315</u>	<u>383,600,845</u>	<u>1,218,535</u>	<u>62,723,851</u>
(b) Segregated accounts	(d)				
Bank balances		87,857,252	18,748,092	-	-
Short-term placements with licensed banks		128,195,015	96,224,048	-	-
Fixed deposits with licensed banks		-	34,808,190	-	-
		<u>216,052,267</u>	<u>149,780,330</u>	<u>-</u>	<u>-</u>
		<u>529,686,582</u>	<u>533,381,175</u>	<u>1,218,535</u>	<u>62,723,851</u>

Note a

Cash held under the Housing Development Accounts represents monies received from purchasers of properties less payments or withdrawals pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1966 and are therefore restricted from use in other operations.

Note b

Fixed deposits held in Sinking Fund in previous financial year represent monies received from exercise of Warrant B and/or internally generated funds set aside for redemption of 3.5% Redeemable Unsecured Bonds 2000/2005 that has been fully redeemed during the current financial year [Note 20(c)].

Note c

The reserve accounts are designated pursuant to the requirements under the BaIDS issued by OSKPH and for redemption of the Secondary Bonds.

Note d

Segregated accounts represent monies held in trust accounts and dividend accounts for clients and dealer's representatives. Trust accounts are maintained with licensed financial institutions in accordance with the rules of the relevant authorities.

17. CASH, BANK BALANCES AND DEPOSITS (CONT'D)

The effective interest rates of short term placements and fixed deposits at the balance sheet date are as follows:

	Group		Company	
	2005	2004	2005	2004
	%	%	%	%
General accounts	2.75 to 3.00	1.70 to 3.70	2.75	2.65 to 3.00
Segregated accounts	2.75 to 2.85	2.55 to 4.00	-	-

The average maturities of short term placements and fixed deposits at the balance sheet date are as follows:

	Group		Company	
	2005	2004	2005	2004
	Days	Days	Days	Days
General accounts	21	29	3	10
Segregated accounts	4	9	-	-

The carrying amounts of cash, bank balances and deposits are denominated in the following currencies:

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
RM	518,611,302	531,793,375	1,218,535	62,723,851
HKD	4,154,883	-	-	-
USD	6,920,397	1,587,800	-	-
	<u>529,686,582</u>	<u>533,381,175</u>	<u>1,218,535</u>	<u>62,723,851</u>

20. SHORT TERM BORROWINGS

		Group		Company	
	Note	2005 RM	2004 RM	2005 RM	2004 RM
Unsecured:					
Bank overdrafts	(a)	67,817,919	2,325,717	-	-
Revolving credits	(b)	106,075,074	385,900,000	-	-
3.5% Redeemable Unsecured Bonds 2000/2005 ("RUB")	(c)	-	101,423,995	-	101,423,995
		<u>173,892,993</u>	<u>489,649,712</u>	<u>-</u>	<u>101,423,995</u>

Note a

The bank overdrafts are supported by corporate guarantees from the Company. Interest is charged at 1.0% (2004: 1.0% to 2.0%) per annum above the banks' base lending rate.

Note b

The revolving credits are supported by corporate guarantees from the Company. Interest is charged at 1.5% (2004: 1.0% to 1.5%) per annum above the banks' cost of funds.

	Group	
	2005 RM	2004 RM
Repayment schedules of the revolving credits are as follows:		
- Rollover on daily basis	106,075,074	355,900,000
- Rollover on weekly basis	-	30,000,000
	<u>106,075,074</u>	<u>385,900,000</u>

Note c

On 2 March 2000, the Company made a rights issue of RM101,423,995 nominal value of RUB at 100% nominal value and RM101,423,995 nominal value of ICULS at 100% nominal value together with 101,423,995 detachable Warrant B on the basis of RM1 nominal value of RUB and RM1 nominal value of ICULS with 1 Warrant B for every 3 existing ordinary shares of RM1 each held prior to the Bonus Issue. The RUB were constituted under a Trust Deed dated 6 January 2000.

In accordance with the Trust Deed, a Sinking Fund was set up in Year 2001 under the legal control of the Trustee for the redemption of RUB. The contribution to the Sinking Fund comprised proceeds receivable from the exercise of Warrant B and/or internally generated funds at the following percentages at each anniversary of the issue date:

		Contribution of nominal value of RUB		
		Per annum	Amount	Accumulated
Year	Date	(%)	RM	amount RM
1	2 March 2001	10	10,142,400	10,142,400
2	2 March 2002	10	10,142,400	20,284,800
3	2 March 2003	20	20,284,799	40,569,599
4	2 March 2004	20	20,284,799	60,854,398
5	2 March 2005	40	40,569,597	101,423,995
		<u>100</u>	<u>101,423,995</u>	

20. SHORT TERM BORROWINGS (CONT'D)

The RUB matured on 1 March 2005. Pursuant to the Trust Deed, the outstanding 101,423,995 RUB of RM1 each as at the maturity date were fully redeemed by the Company on 2 March 2005 for cash at 100% nominal value amounting to RM101,423,995 together with the interest of RM577,057 accrued thereon.

The carrying amounts of borrowings are denominated in the following currencies:

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
RM	172,917,919	489,649,712	-	101,423,995
HKD	975,074	-	-	-
	<u>173,892,993</u>	<u>489,649,712</u>	<u>-</u>	<u>101,423,995</u>

21. SHARE CAPITAL

	Group/Company			
	Number of share		Amount	
	2005	2004	2005	2004
			RM	RM
Authorised:				
1,500,000,000 ordinary shares of RM1 each				
At beginning/end of financial year	<u>1,500,000,000</u>	<u>1,500,000,000</u>	<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued and fully paid:				
Ordinary shares of RM1 each				
At beginning of financial year	584,777,720	518,097,855	584,777,720	518,097,855
Cancellation of shares repurchased (Note 23)	-	(35,482,600)	-	(35,482,600)
Conversion of ICULS	40,456,359	1,418,159	40,456,359	1,418,159
Exercise of ESOS	73,500	2,496,100	73,500	2,496,100
Exercise of Warrant A 1994/2004	-	98,248,206	-	98,248,206
At end of financial year	<u>625,307,579</u>	<u>584,777,720</u>	<u>625,307,579</u>	<u>584,777,720</u>

Warrant A

The detachable Warrant A which were issued pursuant to the issuance of RUB in the prior year were extended by an additional period of 5 years and had expired on 22 March 2004.

Warrant B

On 1 October 2004, the Adviser of the Company, OSKS, announced on behalf of the Board of Directors of the Company that the Securities Commission had approved the extension of the duration and exercise period of the Company's outstanding Warrant B 2000/2005 by five years from 1 March 2005 up to and including 1 March 2010 ("the Extension of Warrant B"). Subsequently, the shareholders and warrant holders of the Company approved the Special Resolution pertaining to the Extension of Warrant B at the Extraordinary General Meeting of Warrant holders on 9 November 2004.

Each Warrant B carries the right to subscribe for 1 new ordinary share of RM1 each at a subscription price of RM2.28 per share by cash at any time on or before 1 March 2010. The subscription price and the number of outstanding Warrant B are subject to adjustments in accordance with the provisions as set out in a Deed Poll dated 6 January 2000. (On 13 August 2002, pursuant to the capital distribution by the Company of 46,085,664 shares of OSKPH, the subscription price of Warrant B was adjusted from RM2.80 to RM2.28). At the end of the current financial year, the total number of Warrant B remaining unexercised is 101,423,826 (2004: 101,423,826).

On 9 May 2005, the subscription price of Warrant B has been revised from RM2.28 per share to RM2.23 per share pursuant to the distribution of share dividend as final dividend for the previous financial year ended 31 December 2004 on 19 May 2005 (Notes 23 and 34).

38. SEGMENT INFORMATION - GROUP (CONT'D)

(a) Business segments (Cont'd)

Financial Year Ended 31 December 2005

	Universal broker RM'000	Venture capital RM'000	Property deve- lopment RM'000	Financing RM'000	Property investment RM'000	Unit trust RM'000	Futures and options RM'000	Invest- ment bank RM'000	Holding entities RM'000	Others RM'000	Elimina- tions RM'000	Conso- lidated RM'000
Other information												
Tangible assets	853,767	87,808	287,214	162,133	168,060	30,976	44,580	10,143	91,109	45,943	-	1,781,733
Intangible assets	117,996	2,470	43,140	-	-	-	-	-	2,031	936	-	166,573
Investment in associated companies	-	137,175	-	-	-	-	-	-	-	4,149	-	141,324
Total segment assets	971,763	227,453	330,354	162,133	168,060	30,976	44,580	10,143	93,140	51,028	-	2,089,630
Segment liabilities	419,517	2,253	67,173	111,148	2,160	7,924	34,113	14	70,080	14,418	-	728,800
Capital expenditure	8,186	390	1,139	4	71	746	481	7	-	1,352	-	12,376
Non-cash expenses												
Allowance for bad and doubtful debts	4,707	-	-	-	-	-	-	-	-	-	-	4,707
Allowance for diminution in value of marketable securities	406	-	-	-	-	-	-	-	166	-	-	572
Amortisation	7,932	1,389	-	-	-	-	-	-	2,000	18	-	11,339
Bad debts written off	88	-	-	239	-	-	-	-	16	-	-	343
Depreciation	8,205	482	375	18	1,821	364	128	-	-	73	-	11,466
MESDAQ admission fee written off	154	-	-	-	-	-	-	-	-	-	-	154
Plant and equipment written off	841	-	-	-	-	-	-	-	-	-	-	841
Pre-operating expenses written off	-	3	-	-	-	-	-	-	13	-	-	16
Provision for legal suit	2,159	-	-	-	-	-	-	-	-	-	-	2,159
	24,492	1,874	375	257	1,821	364	128	-	2,195	91	-	31,597

OSK HOLDINGS BERHAD

COMPANY NO. 207075-U
(INCORPORATED IN MALAYSIA)

To the Shareholders of OSK Holdings Berhad:

ERRATA TO ANNUAL REPORT 2005

We refer to the Annual Report 2005 of OSK Holdings Berhad, which was dispatched to the members earlier and wish to inform that there are some classification errors on the pages as indicated below:

		After Amendment Group 2005 RM	Before Amendment Group 2005 RM	After Amendment Group 2004 RM	Before Amendment Group 2004 RM
BALANCE SHEETS - GROUP					
Page 50	Cash, bank balances and deposits				
	- General accounts	313,634,315	313,887,735		
	- Segregated accounts	216,052,267	150,167,201		
Page 51	Short term borrowings	173,892,993	108,261,347		
CASH FLOW STATEMENT - GROUP					
Page 56	Increase in cash held in segregated accounts	(66,271,937)	(386,871)		
Page 57	CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	245,816,396	311,701,462		
	CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR COMPRISED:				
	Cash, bank balances and deposits				
	- General accounts	313,634,315	313,887,735		
	Bank overdrafts	(67,817,919)	(2,186,273)		
		<u>245,816,396</u>	<u>311,701,462</u>		
NOTES TO FINANCIAL STATEMENTS					
Page 75	5. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS				
	(a) Land Held for Property Development				
	Total land held for property development	184,710,111	191,222,824	176,869,362	188,808,165
	(b) Property Development Costs				
	Total property development costs	63,703,182	57,190,469	69,399,349	57,460,546
Page 89	17. CASH, BANK BALANCES AND DEPOSITS				
	(a) General accounts				
	Cash and bank balances	24,852,444	25,105,864		
	(b) Segregated accounts				
	Bank balances	87,857,252	21,972,186		
Page 90	The carrying amounts of cash, bank balances and deposits are denominated in the following currencies:				
	RM	518,611,302	452,979,656		
Page 93	20. SHORT TERM BORROWINGS				
	Bank overdrafts	67,817,919	2,186,273		
Page 94	The carrying amounts of borrowings are denominated in the following currencies:				
	RM	172,917,919	107,286,273		
Page 113	38. SEGMENT INFORMATION - GROUP				
	Other information (RM'000)				
	Tangible assets (Universal broker)	853,767	788,136		
	Segment liabilities (Universal broker)	419,517	353,886		

OSK HOLDINGS BERHAD

COMPANY NO. 207075-U
(INCORPORATED IN MALAYSIA)

Should you require a printed copy of the amended pages, please complete the form below and return it to us by mail or by hand or fax to us at (603) 2175 3338. We shall forward to you the amended pages upon receipt of this form.

We regret on any inconvenience caused.

By order of the Board

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WONG CHONG KIM
DIRECTOR
31 March 2006

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