

**1. CORPORATE DIRECTORY****BOARD OF DIRECTORS**

| <b>Name</b>   | <b>Address</b>   | <b>Occupation</b> | <b>Nationality</b> |
|---|--|-------------------|--------------------|
| Dato' Nik Mohamed Din bin Datuk Nik Yusoff ( <i>Executive Chairman</i> )              | No. 48, Taman Hillview<br>Off Jalan Ulu Kelang<br>68000 Ampang<br>Selangor Darul Ehsan | Company Director  | Malaysian          |
| Ong Leong Huat @ Wong Joo Hwa ( <i>Group Managing Director/CEO</i> )                  | 21, Persiaran Basong<br>Damansara Heights<br>50490 Kuala Lumpur                        | Company Director  | Malaysian          |
| Wong Chong Kim ( <i>Executive Director</i> )  | 9, Jalan Sri Petaling 7<br>Sri Petaling<br>57000 Kuala Lumpur.                         | Company Director  | Malaysian          |
| Yap Yuh Foh, Eddie ( <i>Executive Director/Chief Operating Officer</i> )              | 12, Jalan 21/5<br>46300 Petaling Jaya<br>Selangor Darul Ehsan                          | Company Director  | Malaysian          |
| Tan Sri Datuk Dr. Omar bin Abdul Rahman ( <i>Independent Non-Executive Director</i> ) | No. 34, Jalan Tualang<br>Bukit Bandaraya<br>59100 Kuala Lumpur                         | Company Director  | Malaysian          |
| Dato' Abdul Azim bin Mohd. Zabidi ( <i>Independent Non-Executive Director</i> )       | No 1, Jalan Setiabudi<br>Damansara Heights<br>50490 Kuala Lumpur                       | Company Director  | Malaysian          |
| Foo San Kan ( <i>Independent Non-Executive Director</i> )                             | 5-10, Anjung Damai, Jalan Murni, Off Jalan Ampang<br>55000 Kuala Lumpur                | Company Director  | Malaysian          |

**AUDIT COMMITTEE**

| <b>Name</b>                             | <b>Designation</b> | <b>Directorship</b>                        |
|---|--------------------|--|
| Foo San Kan                             | Chairman           | Independent Non-Executive Director         |
| Tan Sri Datuk Dr. Omar bin Abdul Rahman | Member             | Independent Non-Executive Director         |
| Dato' Abdul Azim bin Mohd. Zabidi       | Member             | Independent Non-Executive Director         |
| Yap Yuh Foh, Eddie                      | Member             | Executive Director/Chief Operating Officer |

**COMPANY SECRETARIES**

: Tan Mui Lian (MAICSA: 7003356)  
62A, Jalan Rotan  
Off Jalan Kampung Attap  
50460 Kuala Lumpur

Chew Swee Inn (MAICSA: 7008403)  
54, Kampung Rajah  
48000 Rawang  
Selangor Darul Ehsan

**1. CORPORATE DIRECTORY (CONT'D)**

- REGISTERED OFFICE** : 20<sup>th</sup> Floor, Plaza OSK  
 Jalan Ampang  
 50450 Kuala Lumpur  
 Ph: 03-2162 4388  
 Fax: 03-2161 8254
- HEAD OFFICE** : 15<sup>th</sup> Floor, Plaza OSK  
 Jalan Ampang  
 50450 Kuala Lumpur  
 Ph: 03-2162 4388  
 Fax: 03-2733 5987
- REGISTRAR AND TRANSFER OFFICE** : Symphony Share Registrars Sdn Bhd (formerly known as Malaysian Share Registration Services Sdn Bhd)  
 Level 26, Menara Multi-Purpose  
 Capital Square  
 No.8, Jalan Munshi Abdullah  
 50100 Kuala Lumpur  
 Ph: 03-2721 2222  
 Fax: 03-2721 2530/31
- PRINCIPAL BANKER** : RHB Bank Berhad  
 Level 1, Tower Two  
 RHB Centre  
 Jalan Tun Razak,  
 50400 Kuala Lumpur
- AUDITORS AND REPORTING ACCOUNTANTS** : Ernst & Young (AF: 0039)  
 Level 23A, Menara Milenium  
 Jalan Damanlela  
 Pusat Bandar Damansara  
 50490 Kuala Lumpur
- SOLICITORS FOR THE LISTING EXERCISE** : Cheang & Ariff  
 39 Court  
 39, Jalan Yap Kwan Seng  
 50450 Kuala Lumpur
- ADVISER, SPONSOR, MANAGING UNDERWRITER AND PLACEMENT AGENT** : OSK Securities Berhad  
 20<sup>th</sup> Floor, Plaza OSK  
 Jalan Ampang  
 50450 Kuala Lumpur
- INDEPENDENT ADVISER** : Public Merchant Bank Berhad  
 25th Floor, Menara Public Bank,  
 146 Jalan Ampang  
 50450 Kuala Lumpur

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**1. CORPORATE DIRECTORY (CONT'D)**

- UNDERWRITERS**
- : AmMerchant Bank Berhad  
22nd Floor, Bangunan AmBank Group  
55 Jalan Raja Chulan  
50200 Kuala Lumpur
  - Commerce International Merchant Bankers Berhad  
10th Floor, Bangunan CIMB  
Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur
  - OSK Securities Berhad  
20<sup>th</sup> Floor, Plaza OSK  
Jalan Ampang  
50450 Kuala Lumpur
  - Public Merchant Bank Berhad  
25th Floor, Menara Public Bank,  
146 Jalan Ampang  
50450 Kuala Lumpur
- ISSUING HOUSE**
- : Malaysian Issuing House Sdn. Bhd.  
27<sup>th</sup> Floor, Menara Multi-Purpose  
Capital Square  
No. 8, Jalan Munshi Abdullah  
P.O Box 13269, 50804 Kuala Lumpur
- LISTING SOUGHT**
- : MESDAQ Market of Bursa Securities

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## 2. PROSPECTUS SUMMARY

The following is a summary of the salient information about the OSKVI Group and the Public Issue and should be read in conjunction with the more detailed information and financial statements appearing elsewhere in this Prospectus. Investors should read and understand the whole Prospectus prior to deciding whether to invest in OSKVI.

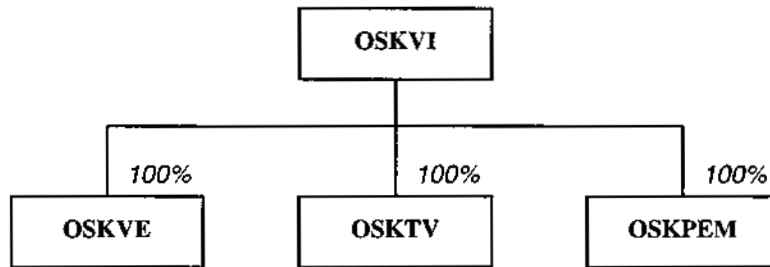
### 2.1 History, Principal Activities and Group Structure

OSKVI was incorporated in Malaysia on 5 December 2003 under the Act as a public limited company with the name of OSK Ventures International Berhad. The present authorised share capital of OSKVI is RM500,000,000 comprising 5,000,000,000 OSKVI Shares. The issued and fully paid up share capital of OSKVI is RM82,500,000 comprising 825,000,000 OSKVI Shares.

The OSKVI Group consists of four (4) companies whose principal activities are venture capital and the management of investments in securities of venture companies. OSKVI is an investment holding company. Its subsidiaries, OSKVE and OSKTV are principally involved in venture capital business, including incubating high technology and high growth companies, while OSKPEM is principally involved in the management of investments in securities of venture companies.

The OSKVI Group invests and incubates, amongst others, high technology and high growth companies within the 12 technology priority areas on the MESDAQ Market, with specific focus in the ICT, advanced manufacturing, biotechnology and life sciences industries.

A diagrammatic illustration of OSKVI Group is shown below:



#### ***OSKVE***

OSKVE was incorporated in Malaysia on 18 February 2000 under the Act as a private limited company with the name O.S.K. Venture Equities Sdn. Bhd. It subsequently changed its name to its present name on 24 November 2000. The present authorised share capital of OSKVE is RM250,000,000 comprising 250,000,000 ordinary shares of RM1.00 each. The issued and fully paid up share capital is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each.

The principal activity of OSKVE is the venture capital business, which includes incubating high technology and high growth companies.

OSKVE was registered as a VCC on 18 November 2002, under the SC Guidelines.

OSKVE has no subsidiary or associated company\*.

\* OSKVE is a venture capital company and as part of its business has shareholdings in various entities. However, for the purposes of the consolidated accounts, these investments are not deemed to be subsidiaries or associated companies because the investments were acquired with the objective of achieving capital appreciation through the subsequent disposal of investments.

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**2. PROSPECTUS SUMMARY (CONT'D)**

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***OSKTV***

OSKTV was incorporated in Malaysia on 12 October 1994 under the Act as a public limited company with the name Blossom Property Management Berhad. Subsequently, it changed its name to O.S.K. Property Management Berhad on 26 June 1996 and to OSK Property Management Berhad on 27 November 2000. On 8 October 2002, it changed its status from a public limited company to a private limited company with the name OSK Property Management Sdn Bhd. It subsequently changed its name to its present name on 16 October 2002. The present authorised share capital of OSKTV is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each. The issued and fully paid up share capital is RM150,000 comprising 150,000 ordinary shares of RM1.00 each.

The principal activity of OSKTV is the provision of venture capital business, which includes incubating high technology and high growth companies.

OSKTV was registered as a VCC on 18 November 2002, under the SC Guidelines. OSKTV commenced operations on 18 November 2002.

OSKTV has no subsidiary or associated company\*.

***OSKPEM***

OSKPEM was incorporated in Malaysia on 23 April 1997 under the Act as a public limited company with the name M.V.F. Berhad. It subsequently changed its name to MVF Berhad on 24 November 2000 and then changed its status to a private limited company on 8 October 2002 before changing to its present name on 16 October 2002. The present authorised share capital of OSKPEM is RM500,000 comprising 500,000 ordinary shares of RM1.00 each. The issued and fully paid up share capital is RM150,000 comprising 150,000 ordinary shares of RM1.00 each.

The principal activity of OSKPEM is the management of investments in securities of venture companies. OSKPEM was registered as VCMC on 18 November 2002, under the SC Guidelines. OSKPEM commenced operations on 18 November 2002.

OSKPEM has no subsidiary or associated company.

Further details of the Group's history, principal activities and group structure are set out in Section 6 of this Prospectus.

**2.2 Services Offered**

The Group invests and incubates amongst others, in high technology and high growth companies within the 12 technology priority areas on the MESDAQ Market, with specific focus in ICT, advanced manufacturing and biotechnology and life sciences industries.

Further information on the above services is disclosed in Section 6.4 of this Prospectus.

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\* OSKTV is a venture capital company and as part of its business has shareholdings in various entities. However, for the purposes of the consolidated accounts, these investments are not deemed to be subsidiaries or associated companies because the investments were acquired with the objective of achieving capital appreciation through the subsequent disposal of investments.

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**2. PROSPECTUS SUMMARY (CONT'D)**

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**2.3 Future Plans**

In line with the business objectives of OSKVI Group, the Group will continue to conduct strategic reviews for its existing investments and search for potential new investments. The proposed activities are detailed in the following sections:

**(a) Expansion of the Group's Core Investment and Business Activities**

In light of the competitive and dynamic environment, the Group intends to intensify its involvement in the ICT, advanced manufacturing and biotechnology and life sciences areas by exploiting new technologies and to optimise risk-reward profiles of its investments. The Group will also broaden its sectorial investments to cover, amongst others, electronics/optics, nanotechnology and alternative technologies.

The Group's plan includes sourcing for those investments via its own network as well as to form strategic alliances and/or joint ventures with other technology incubators/ venture capitalists. Nonetheless, to accelerate the growth as well as to increase investment returns, the Group intends to also acquire other established technology incubators and/or to form specialised funds with them on a co-managed fund basis.

**(b) Continuous Development of Expertise**

The Group has identified the following strategies to develop the expertise of its investment personnel:

- (i) Increase the number of technical expertise via direct employment and/or outsourced technical services in line with the expansion of the investment business;
- (ii) Expand the staff training and development programmes to enhance its investment personnel's technical skills, knowledge and capabilities; and
- (iii) Increase the exposure and create "shared experience" programmes via strategic alliances with other technology incubators either through direct investment in investee companies or through co-managed fund basis.

**(c) Geographical Expansion**

The Group intends to expand its geographical coverage and increase its investment and incubation activities across the Asia Pacific region. In the medium term, the Group shall be pursuing the markets in Australia, China and India. The Group will form strategic alliances with foreign technology incubators and venture capitalists to establish its market presence in these countries. The mode of investments will include, inter-alia, direct investments in technology companies, acquisition of established technology incubators and formation of co-managed fund management companies. In the long term, the Group intends to pursue its business beyond the Asia Pacific region.

**(d) Image and Brand Enhancement**

Over the past 3 (three) years, the Group has contributed to the development of the local venture capital industry and the Malaysian capital markets. The Group has achieved significant milestones over this short period of time, which enhanced the image and brand name of the Group. The Group is today recognised as one of the venture capital companies with market presence in the local technology incubator and venture capital industry in Malaysia.

Moving forward, the Group will actively improve its market position to enhance its image in the technology incubator and venture capital industry.

Further details of the Group's future plans are set out in Section 7.6 of this Prospectus.

## 2. PROSPECTUS SUMMARY (CONT'D)

### 2.4 Shareholdings of Promoters, Directors, Substantial Shareholders and Key Management

The direct and indirect interests of the promoter, directors, substantial shareholders, key management and technical personnel in the issued share capital of the Company before and after the Public Issue (assuming full subscription of the Issue Shares reserved for them under the preferential share allocation scheme pursuant to the Public Issue and excluding the subscription of the Issue Shares reserved for shareholders of OSKH) are as follows:-

| Name  | Designation  | Before Public Issue        |       |                              |                      | After Public Issue         |      |                              |                     |
|---|--|----------------------------|-------|------------------------------|----------------------|----------------------------|------|------------------------------|---------------------|
|   |  | Direct<br>No. of<br>Shares | %     | Indirect<br>No. of<br>Shares | %                    | Direct<br>No. of<br>Shares | %    | Indirect<br>No. of<br>Shares | %                   |
| OSKH  | Promoter,<br>Substantial<br>Shareholder  | 825,000,000                | 100.0 | -                            | -                    | 825,000,000                | 55.0 | -                            | -                   |
| Dato' Nik<br>Mohamed Din<br>bin Datuk Nik<br>Yusoff | Executive<br>Chairman  | -                          | -     | -                            | -                    | 3,000,000                  | 0.2  | -                            | -                   |
| Ong Leong Huat<br>@ Wong Joo<br>Hwa                 | Substantial<br>Shareholder,<br>Group<br>Managing<br>Director/CEO,<br>Key<br>Management           | -                          | -     | 825,000,000                  | 100.0 <sup>(a)</sup> | 3,000,000                  | 0.2  | 825,000,000                  | 55.0 <sup>(a)</sup> |
| Wong Chong<br>Kim                                   | Executive<br>Director, Key<br>Management   | -                          | -     | -                            | -                    | 3,000,000                  | 0.2  | -                            | -                   |
| Yap Yuh Foh,<br>Eddie                               | Executive<br>Director/Chief<br>Operating<br>Officer, Key<br>Management<br>Technical<br>Personnel | -                          | -     | -                            | -                    | 375,000                    | ^    | -                            | -                   |
| Tan Sri Datuk<br>Dr. Omar bin<br>Abdul<br>Rahman    | Independent<br>Non-Executive<br>Director   | -                          | -     | -                            | -                    | -                          | -    | -                            | -                   |
| Dato' Abdul<br>Azim bin<br>Mohd. Zabidi             | Independent<br>Non-Executive<br>Director   | -                          | -     | -                            | -                    | -                          | -    | -                            | -                   |
| Foo San Kan   | Independent<br>Non-Executive<br>Director   | -                          | -     | -                            | -                    | -                          | -    | -                            | -                   |
| Lim Ee-Jin  | Key<br>Management,<br>Technical<br>Personnel   | -                          | -     | -                            | -                    | 127,500                    | ^    | -                            | -                   |
| Lim Khar Ee @<br>Lim Chia Ee                        | Key<br>Management,<br>Technical<br>Personnel   | -                          | -     | -                            | -                    | 22,500                     | ^    | -                            | -                   |

**2. PROSPECTUS SUMMARY (CONT'D)***Notes:*

(a) *Deemed interested pursuant to Section 6A of the Act, by virtue of his substantial interest held through OSKH*

^ *Negligible*

A description of the promoters, directors, substantial shareholders and key management and technical personnel, and their direct and indirect shareholdings in the Company, is disclosed in Sections 9.1, 9.4 and 9.6 of this Prospectus.

**2.5 Financial Highlights****Income Statement**

The financial highlights of the Group for the five (5) financial years ended 31 December 2003 and three (3)-month period ended 31 March 2004 are provided below for illustrative purposes and is based on the audited financial statements of OSKVI and its subsidiary companies and on the assumption that the current structure of the Group had been in existence throughout the period under review:-

|  | Year Ended 31 December |         |         |         |         | 1.1.2004 to |
|--|------------------------|---------|---------|---------|---------|-------------|
|  | 1999                   | 2000    | 2001    | 2002    | 2003    | 31.3.2004   |
|  | RM'000                 | RM'000  | RM'000  | RM'000  | RM'000  | RM'000      |
| Revenue  | -                      | 2,360   | 1,747   | 2,454   | 5,780   | 2,049       |
| Profit before interest, depreciation, tax and amortisation               | -                      | 1,912   | 1,429   | 1,913   | 4,868   | 1,781       |
| Net interest expense   | -                      | -       | (776)   | (1,748) | (446)   | -           |
| Depreciation   | -                      | -       | -       | -       | -       | -           |
| Amortisation of goodwill   | -                      | -       | -       | -       | -       | -           |
| Exceptional items  | -                      | -       | -       | -       | -       | -           |
| Share of profits and losses of associate corporations and joint ventures | -                      | -       | -       | -       | -       | -           |
| PBT  | -                      | 1,912   | 653     | 165     | 4,422   | 1,781       |
| Taxation   | -                      | (586)   | (190)   | (75)    | (110)   | -           |
| PAT  | -                      | 1,326   | 463     | 90      | 4,312   | 1,781       |
| Minority Interest ("MI")   | -                      | -       | -       | -       | -       | -           |
| PAT and MI   | -                      | 1,326   | 463     | 90      | 4,312   | 1,781       |
| Extraordinary items  | -                      | -       | -       | -       | -       | -           |
| Net profit for the year  | -                      | 1,326   | 463     | 90      | 4,312   | 1,781       |
| No. of shares assumed in issue to form the Group <sup>*1</sup> ('000)    | 28,008                 | 159,448 | 159,448 | 159,448 | 159,448 | 159,448     |
| Net EPS (sen) <sup>*2</sup>  | -                      | 0.8     | 0.3     | 0.1     | 2.7     | 4.5*        |

*Notes:-*

\*1 *The number of OSKVI Shares assumed in issue to form the Group represents the OSKVI Shares after the Acquisitions. As at 1999, excludes shares issued to acquire OSKVE as OSKVE was not incorporated then.*

\*2 *The net EPS have been calculated by dividing the PAT, respectively, for the financial years/period by the number of shares assumed in issue to form the Group*



**2. PROSPECTUS SUMMARY (CONT'D)**\* *Annualised*

There were no exceptional or extraordinary items in the relevant financial periods under review. There were no items relating to the share of profits and losses of associated corporations and joint ventures and minority interest in the relevant financial periods under review. There were also no audit qualifications for the financial period/years under review.

Further information on the above Group's financial position is disclosed in Sections 5 and 13 of this Prospectus.

**Balance Sheet**

The following is a summary of the proforma consolidated balance sheets of OSKVI Group as at 31 March 2004, prepared for illustration purposes only to show the effects of the Public Issue and proposed utilisation of proceeds from the Public Issue on the assumption that the transactions were completed on 31 March 2004. The proforma consolidated balance sheets have been extracted from and should be read in conjunction with the accompanying notes and assumptions included in the proforma consolidated balance sheets set out in Section 14 of this Prospectus:

|   | As at 31 March<br>2004<br>RM'000 | I<br>After<br>Acquisitions<br>RM'000 | II<br>After I and<br>Special Issue<br>RM'000 | III<br>After II and<br>Public Issue<br>RM'000 |
|---|----------------------------------|--------------------------------------|--|---|
| <b>NON CURRENT ASSETS</b>                 |                                  |                                      |  |   |
| PLANT AND EQUIPMENT                       | -                                | 78                                   | 78   | 78  |
| <b>CURRENT ASSETS</b>                     |                                  |                                      |  |   |
| Investments                               |                                  | 31,313                               | 31,313                                       | 31,313  |
| Other receivables                         | 409                              | 476                                  | 476  | 67  |
| Tax recoverable                           | -                                | 571                                  | 571  | 571   |
| Cash and bank balances                    | -                                | 25,444                               | 52,944                                       | 223,343                                       |
|   | 409                              | 57,804                               | 85,304                                       | 255,294                                       |
| <b>CURRENT LIABILITIES</b>                |                                  |                                      |  |   |
| Other payables                            | 410                              | 59                                   | 59   | 49  |
| <b>NET CURRENT (LIABILITIES) / ASSETS</b> |                                  |                                      |  |   |
|   | (1)                              | 57,745                               | 85,245                                       | 255,245                                       |
|   | (1)                              | 57,823                               | 85,323                                       | 255,323                                       |
| <b>FINANCED BY:</b>                       |                                  |                                      |  |   |
| SHARE CAPITAL                             | -                                | 15,945                               | 82,500                                       | 150,000                                       |
| SHARE PREMIUM                             | -                                | -                                    | 645  | 103,145                                       |
| RESERVES                                  | (1)                              | 2,178                                | 2,178  | 2,178   |
| SHAREHOLDERS' EQUITY                      | (1)                              | 18,123                               | 85,323                                       | 255,323                                       |
| Due to holding company                    | -                                | 39,700                               | -  | -   |
|   | (1)                              | 57,823                               | 85,323                                       | 255,323                                       |

**2. PROSPECTUS SUMMARY (CONT'D)***Note:*

^ Represents twenty (20) subscribers' shares of RM0.10 each.

**2.6 Principal Statistics Relating to the Public Issue**

The following statistics relating to the Public Issue are derived from the full text of this Prospectus and should be read in conjunction with that text.

**(i) Share Capital**

|  | RM          |
|--|-------------|
| <i>Authorised share capital</i>                  |             |
| 5,000,000,000 ordinary shares of RM0.10 each     | 500,000,000 |
| <i>Issued and fully paid-up share capital</i>    |             |
| 825,000,000 ordinary shares of RM0.10 each       | 82,500,000  |
| <i>To be issued pursuant to the Public Issue</i> |             |
| 675,000,000 ordinary shares of RM0.10 each       | 67,500,000  |
| <i>Enlarged capital upon listing</i>             |             |
| 1,500,000,000 ordinary shares of RM0.10 each     | 150,000,000 |

**(ii) Issue Price per OSKVI Share** 0.26

**(iii) Market capitalisation upon listing based on the Issue Price** 390,000,000

**(iv) Classes of shares and ranking**

There is only one (1) class of shares in the Company, namely ordinary shares of RM0.10 each. The Issue Shares shall rank *pari passu* in all respects with the existing issued Shares of the Company, including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of allotment thereof.

The Public Issue will be made available for application by the following parties by way of public offering and private placement:

- (i) eligible directors and employees of the OSKVI Group and OSKH Group and persons who have contributed to the success of the Group;
  - (ii) Malaysian public, companies, societies, co-operatives and institutions and
  - (iii) the shareholders of OSKH.
- (v) Proforma NTA based on the Proforma Balance Sheet as at 31 March 2004:-**

|   |           |
|---|-----------|
| Proforma NTA upon listing <sup>*1</sup> ('000)    | RM255,323 |
| Proforma NTA per share upon listing <sup>*2</sup> | RM0.17    |

**Notes:-**

<sup>\*1</sup> After taking into account the Public Issue of 675,000,000 new OSKVI Shares at an Issue Price of RM0.26 per Issue Share and after deducting estimated listing expenses of RM5,500,000.

<sup>\*2</sup> Based on the enlarged issued and paid-up share capital after the Public Issue of 1,500,000,000 OSKVI Shares.

Further details of the Public Issue are disclosed in Section 3 of this Prospectus.

## 2. PROSPECTUS SUMMARY (CONT'D)

### 2.7 Proceeds of Issue and Proposed Utilisation

The gross proceeds of the Public Issue amounting to RM175,500,000 will accrue entirely to the Group and will be utilised as follows:-

| Details of Utilisation               | Amount<br>RM'000 |
|--------------------------------------|------------------|
| Investment and incubation activities | 165,000          |
| Working capital                      | 5,000            |
| Estimated listing expenses           | <u>5,500</u>     |
|                                      | <u>175,500</u>   |

Further details are disclosed in Section 3.9 of this Prospectus.

### 2.8 Material Litigation, Commitments and Contingent Liabilities

As at 27 July 2004, being the last practicable date prior to the printing of this Prospectus, there does not exist any material litigation, capital commitment or contingent liability which may materially affect the Group. Further details are disclosed in Sections 5.5 and 15.7 of this Prospectus.

### 2.9 Risk Factors

An investment in shares listed or to be listed on Bursa Securities involves a number of risks. Therefore notwithstanding the prospects of the Group as outlined in this Prospectus, investors should rely on their own evaluations and carefully consider the following risk factors (which may not be exhaustive) that may have a significant impact on the future performance of the Group, in addition to the other information contained elsewhere in this Prospectus, before applying for any of the Issue Shares, which are the subject of this Prospectus.

The major risk factors that may affect the Group's future profitability are not limited to financial risks, market risks and industry risks, and include the following:-

- no prior market for OSKVI Shares;
- limited operating history;
- ownership and control by the substantial shareholder;
- future sales of OSKVI Shares by the substantial shareholders;
- dependence on performance of investee companies;
- competition;
- rapid technological changes;
- unpredictability of results;
- management of growth;
- intellectual property issues;
- dependence on directors and key personnel;
- acquisitions and joint ventures;
- general industry risk;
- future capital injections;
- foreign exchange risk;
- political, economic and regulatory factors;
- forward-looking statements; and
- underwriting.

For a more detailed commentary on the risk factors, please refer to Section 4 of this Prospectus.

### 3. INTRODUCTION AND DETAILS OF THE PUBLIC ISSUE

#### 3.1 Introduction

This Prospectus is dated 10 August 2004.

Approval has been obtained from the SC on 18 May 2004 for the proposed listing of the Group on the MESDAQ Market. Approval has also been obtained from Bursa Securities on 18 May 2004 for the proposed listing of the Group and admission to the Official List of the MESDAQ Market and for permission to deal in and for quotation of the entire issued and paid-up share capital of OSKVI including the Issue Shares which are the subject of this Prospectus.

A copy of this Prospectus has been registered by the SC who assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. A copy of this Prospectus, together with the form of application, has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

The OSKVI Shares will be admitted to the Official List of the MESDAQ Market and official quotation will commence upon receipt of confirmation from Bursa Depository that all the CDS Accounts of successful applicants have been duly credited and notices of allotment have been despatched to all the successful applicants. Bursa Securities assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. Admission to the MESDAQ Market is not to be taken as an indication of the merits of the Company and its subsidiary companies or of its shares.

Pursuant to Section 14(1) of the Central Depositories Act, Bursa Securities has prescribed the shares of the Group as a prescribed security. In consequence thereof, the Issue Shares offered through this Prospectus will be deposited directly with the Bursa Depository and any dealings in these shares will be carried out in accordance with the aforesaid Act and the Rules of the Bursa Depository.

Only an applicant who has a CDS account can make an application by way of an application form. In the case of an application by way of application form, an applicant should state his/her CDS account number in the space provided in the application form only if he/she presently has such an account and he/she shall be deemed to have authorised Bursa Depository to disclose information pertaining to the CDS account to the issuing house/Company for the purpose of crediting the Issue Shares allotted to him/her to his/her CDS account. Where an applicant does not presently have a CDS account, he/she should open a CDS account at an ADA prior to making an application for the Issue Shares. In the case of an application by way of Electronic Share Application, only an applicant who is an individual and has a CDS account can make an Electronic Share Application and the applicant shall furnish his/her CDS account number to the participating financial institution by way of keying in his/her CDS account number if the instructions on the ATM screen at which he/she enters his/her Electronic Share Application requires him to do so. A corporation or institution cannot apply for the Issue Shares by way of Electronic Share Application.

The written consents of the Adviser, Sponsor, Managing Underwriter and Placement Agent, Independent Adviser and Underwriter, Underwriters, Auditors, Solicitors, Principal Banker, Registrar, Issuing House and the Company Secretaries to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Reporting Accountants to the inclusion in this Prospectus of their name, Accountants Report, and letter relating to the proforma consolidated balance sheets as at 31 March 2004 in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

No person is authorised to give any information or to make any representation not contained herein in connection with the Public Issue and if given or made, such information or representation must not be relied upon as having been authorised by OSKVI. Neither the delivery of this Prospectus or any offer made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Group since the date hereof.

**3. INTRODUCTION AND DETAILS OF THE PUBLIC ISSUE (CONT'D)**

The distribution of this Prospectus and the sale of the Issue Shares in certain other jurisdictions may be restricted by law. Persons who may come into possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an invitation to subscribe for the Issue in any jurisdiction in which such invitation is not authorised or lawful, or to any person to whom it is unlawful to make such an invitation.

Acceptance of applications will be conditional upon permission being granted to deal in, and quotation for all of the Issue Shares. Monies paid in respect of any application accepted will be returned if the said permission is not granted.

Under Bursa Securities's trading rules, effective from the date of listing, trading in all Bursa Securities listed securities can only be executed through an ADA who is also a Bursa Securities member.

**If you are unsure of any information contained in this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.**

**3.2 Purposes of the Public Issue**

The purposes of the Issue are as follows:-

- (a) To raise funds for the Company's continued operation and expansion, details of which are elaborated in Section 3.9 below;
- (b) To obtain the listing of and quotation for the entire enlarged issued and paid-up capital of OSKVI on the MESDAQ Market, which is expected to enhance the business, profile and future prospects of the Company;
- (c) To enable the Company to have access to the capital market for its future expansion and growth; and
- (d) To provide an opportunity for the Directors and employees of the Company and its subsidiaries, and the directors and employees of OSKH Group to participate in the equity growth of the Company.

**3.3 Share capital**

|  | RM          |
|--|-------------|
| <b><i>Issued and fully paid-up share capital:</i></b>    |             |
| 825,000,000 ordinary shares of RM0.10 each               | 82,500,000  |
| <b><i>To be issued pursuant to the Public Issue:</i></b> |             |
| 675,000,000 ordinary shares of RM0.10 each               | 67,500,000  |
| <b><i>Enlarged Share Capital upon Listing:</i></b>       |             |
| 1,500,000,000 ordinary shares of RM0.10 each             | 150,000,000 |

The issue price of RM0.26 for each Issue Share is payable in full on application.

There is only one (1) class of shares in the Company, namely ordinary shares of RM0.10 each. The Issue Shares shall rank *pari passu* in all respects with the existing issued shares of the Company, including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of allotment thereof.

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### 3. INTRODUCTION AND DETAILS OF THE PUBLIC ISSUE (CONT'D)

Subject to any special rights attaching to any shares which may be issued by the Company in the future, the shareholders in the Company shall, in proportion to the amount paid-up on the OSKVI Shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and the whole of any surplus in the event of liquidation of the Company, such surplus to be distributed amongst the members in proportion to the capital paid-up at the commencement of the liquidation, in accordance with the Company's Articles of Association.

Each shareholder shall be entitled to vote at any general meeting of the Company in person or by proxy or by attorney, and, on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one (1) vote, and on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each OSKVI Share held. A proxy may but need not be a member of the Company.

#### 3.4 Opening and closing of applications

Applications will be accepted from 10.00 am on 10 August 2004 and will be closed at 5.00 pm on 20 August 2004 or such other later time and date or dates as the Directors of OSKVI and the Underwriters may in their absolute discretion mutually decide.

#### 3.5 Indicative timetable

The indicative timing of events leading up to the Listing is set out below:

| <b>Event</b>                                   | <b>Indicative Date</b> |
|--|------------------------|
| Opening of application for the Issue Shares    | 10 August 2004         |
| Closing of application for the Issue Shares    | 20 August 2004         |
| Balloting of applications for the Issue Shares | 24 August 2004         |
| Allotment of the Issue Shares                  | 3 September 2004       |
| Listing  | 8 September 2004       |

**Note:-**

\* *The Directors of OSKVI, the Underwriters may in their absolute discretion mutually decide to extend the closing date of the application to a further date or dates. Should the closing date of the application be extended, the dates for the balloting and listing of OSKVI's entire issued and paid-up capital on the MESDAQ Market will be extended accordingly. Any changes to the application period for the Public Issue will be notified to the public via an advertisement in a daily Bahasa Malaysia and English newspaper prior to the original closing date of the application.*

#### 3.6 Details of the Public Issue

The Issue of a total of 675,000,000 OSKVI Shares at an Issue Price of RM0.26 per OSKVI Share shall be subject to the terms and conditions of this Prospectus and, upon acceptance, will be allocated in the following manner:-

- (a) 50,000,000 Issue Shares representing 3.3% of the enlarged share capital will be made available for application by the eligible Directors and employees of the OSKVI Group, eligible directors and employees of OSKH Group and persons who have contributed to the Group's success;
- (b) 550,000,000 Issue Shares representing 36.7% of the enlarged share capital will be made available for application under private placement;
- (c) 25,000,000 Issue Shares representing 1.7% of the enlarged share capital will be made available for application by the Malaysian public, companies, societies, co-operatives and institutions; and
- (d) 50,000,000 Issue Shares representing 3.3% of the enlarged share capital will be made available for application by the shareholders of OSKH, on a non-renounceable basis.

### 3. INTRODUCTION AND DETAILS OF THE PUBLIC ISSUE (CONT'D)

The Issue Shares in respect of item (a) above are allocated to eligible directors and confirmed employees of OSKVI Group with a serving period of at least 12 months and eligible directors and confirmed employees of OSKH Group with a serving period of at least 12 months, and to persons who have contributed to the Group's success. All of the 50,000,000 OSKVI Shares will be allocated to eligible directors of and employees OSKVI Group and OSKH Group based on their respective positions and contribution and persons who have contributed to the Group's success, at the discretion of the Board of Directors of OSKVI.

The proposed allocation to the Directors of OSKVI and its subsidiaries for the aforesaid, is as follows:-

| Name                                       | Designation                                     | Allocation<br>No. of OSKVI Shares |
|--|---|-----------------------------------|
| Dato' Nik Mohamed Din bin Datuk Nik Yusoff | Executive Chairman                              | 3,000,000                         |
| Ong Leong Huat @ Wong Joo Hwa              | Group Managing Director/<br>CEO                 | 3,000,000                         |
| Wong Chong Kim                             | Executive Director                              | 3,000,000                         |
| Yap Yuh Foh, Eddie                         | Executive Director / Chief<br>Operating Officer | 375,000                           |

The OSKVI Shares in respect of paragraphs (c) and (d) have been fully underwritten by the Underwriters listed in Section 1. The OSKVI Shares in respect of paragraphs (a) and (b) are not underwritten. Any OSKVI Shares in respect of (b) that are not subscribed for will be made available for application by the Malaysian public and will be underwritten. Any OSKVI Shares in respect of paragraph (a) that are not subscribed for will be made available for application by way of private placement and/or public offer to the Malaysian public and will be underwritten.

The basis of allocation shall take into account the desirability of distributing the Issue Shares to a reasonable number of applicants with a view to broadening the shareholding base of OSKVI to meet the public spread requirements, and to establish a liquid market in OSKVI Shares. The final allocation to any single applicant will be allocated to ensure compliance with Clause 2.9 of the MMLR.

In the event of an under-subscription by the public pursuant to the Issue, all the OSKVI Shares not applied for will be made available for subscription by the Underwriters specified in the underwriting agreement dated 15 July 2004.

#### 3.7 Pricing of the Issue Shares

Prior to the offering, there has been no public market for the shares of the Company. The Issue Price of RM0.26 per OSKVI Share was determined and agreed upon by the Company and OSK, as Adviser, Managing Underwriter and Placement Agent. Among the factors considered in determining the Issue Price, in addition to prevailing market conditions, were the demand from institutional and individual investors, estimates of business growth potential and revenue prospects for the Group, an assessment of the Group's management and the consideration of the above factors in relation to market valuation of companies in related businesses.

#### 3.8 Underwriting

The Managing Underwriter and Underwriters mentioned herein have agreed to underwrite 75,000,000 OSKVI Shares to be made available to individuals, companies, societies, co-operatives and institutions pursuant to the Public Issue and for application by shareholders of OSKH. The Managing Underwriter has agreed to underwrite any of the unsubscribed shares reserved for the eligible Directors and employees of the OSKVI Group, eligible directors and employees of OSKH Group and persons who have contributed to the Group's success as well as any of the unsubscribed shares reserved for application under private placement. Underwriting commission is payable by the Company at the rate of 1.5% of the Issue Price of RM0.26 per OSKVI Share. There is a *force majeure* clause in the underwriting agreement dated 15 July 2004 which allows the Underwriter to withdraw from the underwriting arrangement under adverse circumstances.

### 3. INTRODUCTION AND DETAILS OF THE PUBLIC ISSUE (CONT'D)

The obligations of the Underwriters to underwrite the Issue Shares is conditional upon the fulfilment and/or satisfaction of the following:-

1. the Company obtaining SC's final approval for the Prospectus;
2. the delivery to the SC of the Prospectus for registration in accordance with the requirement under section 41 of the SC Act together with copies of all documents required for submission under section 42 of the SC Act;
3. the lodgment with the Registrar of Companies of the Prospectus in accordance with section 36A(4) of the Act;
4. prior to the closing date of the applications, there not being any adverse and material change or development reasonably and likely to involve a prospective adverse and material change in the condition (financial or otherwise) of the Company or any of its subsidiaries;
5. the Listing is not prohibited by any statute, order, rule, regulation, directive, guideline or regulatory body (including Bursa Securities);
6. the Company obtaining approval in principle to the listing and quotation for all the paid-up shares on the MESDAQ Market of the Bursa Securities; and
7. the approvals and consents obtained in relation to the Public Issue as at the date of the Underwriting Agreement not being withdrawn, revoked, suspended or terminated on or prior to the closing date of the applications.

#### 3.9 Utilisation of Proceeds

The Company expects the gross proceeds of the Public Issue to amount to approximately RM175,500,000. The proceeds shall accrue to the Company and the Company shall bear all expenses relating to the listing of and quotation for its entire issued and paid-up share capital on the MESDAQ Market.

The proceeds from the Public Issue of RM175,500,000 are expected to be utilised for the following:-

| Details of Utilisation               | Notes | Amount<br>RM'000 |
|--------------------------------------|-------|------------------|
| Investment and incubation activities | (i)   | 165,000          |
| Working capital                      | (ii)  | 5,000            |
| Estimated listing expenses           | (iii) | 5,500            |
|                                      |       | 175,500          |

#### Notes:-

- (i) *The amount totaling RM165.0 million will be placed in deposits with financial institutions to allow the Group to be in a position to make timely investment decisions. The amount is expected to be utilized by the financial year ending 31 December 2006, subject to the vagaries of market conditions and technological developments.*

*OSKVI Group is targeting to allocate up to RM82.0 million, representing approximately 50% of the above amount for investment in foreign companies.*

- (ii) *The amount totaling RM5.0 million will be used to fund the Group's day to day working capital requirements. The amount is expected to be utilized by the financial year ending 31 December 2006.*

- (iii) *Please refer to Section 3.10 of this Prospectus for details of the listing expenses.*

Pending the utilisation of the proceeds from the Public Issue for the above purposes, the proceeds would be placed in deposits with financial institutions or short term money market instruments.



**3. INTRODUCTION AND DETAILS OF THE PUBLIC ISSUE (CONT'D)****3.10 Brokerage, Underwriting and Listing Expenses**

An underwriting commission and placement fee is payable by the Company in respect of the 75,000,000 Issue Shares and 550,000,000 Issue Shares to be offered to the Malaysian public at the rate of 1.5% and 1.0%, respectively, of the Issue Price of RM0.26 per OSKVI Share. The same commission is payable by the Company in respect of any OSKVI Shares not subscribed for in Section 3.6 (a) and (b) which will be offered to the public.

Listing expenses are estimated at approximately RM5.5 million, with the following estimated breakdown:-

|   | <b>RM'000</b> |
|---|---------------|
| Professional fees                       | 650           |
| Fees of the authorities                 | 75            |
| Underwriting placement and brokerage    | 1,800         |
| Printing, advertising and miscellaneous | 2,975         |
| <b>Total</b>                            | <b>5,500</b>  |

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**4. RISK FACTORS**

***NOTWITHSTANDING THE PROSPECTS OF THE GROUP AS OUTLINED IN THIS PROSPECTUS, APPLICANTS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY NOT BE EXHAUSTIVE) THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF THE GROUP, IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE HEREIN, BEFORE PARTICIPATING IN THE ISSUE.***

**4.1 No prior market for OSKVI Shares**

Prior to this Public Issue, there has been no public market for OSKVI Shares. There can be no assurance that an active public market in the OSKVI Shares will be developed or be sustained after the Public Issue. The issue price of RM0.26 per Issue Share was determined after taking into consideration of various factors including, but not limited to the Group's financial and operating history and conditions, its prospects and the prospects of the companies and industries in which the Group has investments and the prevailing market conditions prior to the issuance of this Prospectus. There can be no assurance that the market price of the OSKVI Shares will not decline below the issue price. The Group believes that a number of factors could cause the price of the OSKVI Shares to fluctuate, including sales of substantial amounts of OSKVI Shares in the public market in the future; announcements of developments relating to the Group's business and its investee companies; fluctuations in the Group's operating results; general industry conditions or the world-wide economy. In addition, in recent years, the stock market in general, and the market for the shares of many technology companies in particular, have experienced extreme price fluctuations which have often been unrelated to the operating performance of such companies. Such fluctuations may adversely affect the market price of the OSKVI Shares.

**4.2 Limited operating history**

The Group's limited operating history and that of its investee companies makes it difficult to evaluate the risk and uncertainties, particularly so for those investee companies in the early stages of development in new and rapidly evolving technologies. The management of OSKVI believes that with the experience, knowledge and business expertise from the key management of OSKVI and the backing and regional presence from its substantial shareholder, OSKH, which is listed on the Main Board of Bursa Securities, the Group may mitigate this risk factor.

**4.3 Ownership and control by the substantial shareholders**

Upon completion of the Public Issue, OSKH will own 55% of the issued and paid-up share capital of OSKVI. As a result, it is likely to be able to influence the outcome of certain matters requiring the vote of the Company's shareholders, unless it is required to abstain from voting by law and/or by the relevant authorities.

Nonetheless, the Group has appointed Tan Sri Datuk Dr. Omar bin Abdul Rahman, Dato' Abdul Azim bin Mohd. Zabidi and Foo San Kan as independent directors as a step towards good corporate governance to ensure that any future transactions involving related parties, if any, are entered into on arms-length terms.

**4.4 Future sales of OSKVI Shares by the substantial shareholders**

Any future sale or availability of OSKVI Shares can have a downward pressure on the share price. The sale of a significant amount of OSKVI Shares in the public market after the Public Issue, or the perception that such sales may occur could adversely affect the market price of OSKVI Shares. Except as otherwise described under the moratorium of Promoters' Shares set out in Section 10.2 of this Prospectus, there will be no other restriction on the ability of the substantial shareholders to sell their OSKVI Shares either on the MESDAQ Market or otherwise.

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**4. RISK FACTORS (CONT'D)**

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**4.5 Dependence on performance of investee companies**

The OSKVI Group's performance is dependent upon the success of its investee companies. Investment in start-ups and companies in the early stages of development carries a high degree of risk. Some of the companies in the early stages of development carry a high degree of risk. Some of these companies will operate in the rapidly evolving technological industry will thus encounter difficulties and risks relating to the technology used. There can be no assurance that any of these companies will be financially successful, and if they do not succeed, the Group's value of assets and profitability will be adversely affected.

To mitigate this risk, the Group will participate actively in the management of its investee companies and monitor the progress and performance of these companies through regular informal interactions and review meetings.

**4.6 Competition**

The Group faces competition from other capital providers, venture capital companies and large corporations. These competitors may limit the Group's opportunity to acquire interests in potential investee companies. If the Company is unable to acquire interests in attractive companies, its business model and strategy might not work. There can be no assurance that the Group will be able to compete successfully against current and future competitors or that competitive pressures will not materially and adversely affect its business, operating results and financial condition.

**4.7 Rapid technological changes**

The Group's operating environment is characterized by rapid technological developments, evolving industry standards, swift changes in customer requirements, evolving industry standards, and frequent new product introductions and enhancements. The Group's future depends substantially upon its ability to address the increasingly sophisticated needs of its investee companies. To the extent competitors introduce products and services that better address customer needs or for any other reason gain market share, the portfolio investee companies' business, operating results and financial condition could be materially and adversely affected. There can be no assurance that the portfolio of investee companies will be successful in developing and marketing new products or enhancements to its existing products on a timely basis or at all or that any new or enhanced products will adequately address the changing needs of the marketplace, failing which the business, operating results and financial condition could be materially and adversely affected.

In anticipation of rapid technological changes, the Group will use its best endeavour in helping its investee companies to develop and upgrade their technology and network structure by allocating the necessary resources to them.

**4.8 Unpredictability of results**

The Group expects its yearly operating results to vary significantly from time to time in anticipation of the activities relating to its acquisitions and disposals of investments. Therefore, the Group believes that yearly comparisons of its operating results might not be meaningful and should not be relied upon as indications of future performance.

**4.9 Management of growth**

The Group's expansion may strain the Group's financials, management and other resources. The Group's ability to manage its growth will depend on its ability to improve its investment, operations and financials, and to provide training, recruit and manage its employees. If the Group is unable to achieve the anticipated performance levels, its business and financial performance may be adversely affected.

As a mitigating factor, the Group undertakes a stringent due diligence process in evaluating potential investee companies.

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**4. RISK FACTORS (CONT'D)**

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**4.10 Intellectual property issues**

Some of the Group's investee companies and potential investee companies may be involved in new product development and thus may require patents or trademarks registered in their name to protect any of their intellectual property rights. There is no assurance that unauthorised parties will not attempt to copy aspects of the investee companies' software and services products and use confidential information which these companies consider as their trade secrets. There is also no assurance that third parties will not claim infringement of their intellectual proprietary rights. If the investee companies incur substantial costs as a result of unexpected liability arising from claims of infringement of these rights, their financial conditions may be adversely affected.

**4.11 Dependence on directors and key personnel**

The Group's future success will depend to a significant extent upon the continued efforts and abilities of its directors and key personnel. The loss of the services of any of these individuals may have a material adverse effect on the Group. Recognising the importance of its human resource, efforts have been taken to groom younger members of the senior management team to ensure a smooth transition in the management team. In addition to this, the management is constantly seeking suitable and experienced personnel to enhance its existing management team.

**4.12 Acquisitions and joint ventures**

When appropriate opportunities present themselves, the Group intends to acquire businesses, products or technologies or enter into synergistic joint ventures that the Group believes will be in the interest of its shareholders. There can be no assurance that the Group will be able to successfully identify, negotiate or finance such acquisitions and joint ventures, or to integrate such acquisitions and joint ventures with its current business, or to benefit from such acquisitions and joint ventures. Acquisitions and joint ventures may cause the Group to seek additional capital, which may or may not be available on satisfactory terms. However, the Group will undertake a detailed evaluation and consider all related risks prior to undertaking any acquisitions and joint ventures.

**4.13 General industry risk**

There can be no assurance that the Group will not be affected by general world economic and political conditions, slowdown in growth in certain segments of the technological industry, and other general world economic, political or industry conditions where its investee companies operates in, all of which could materially and adversely affect the Group's business, operating results and financial condition.

**4.14 Future capital injections**

It is the management's opinion that the net proceeds of the Public Issue, together with cash flow from operations and other existing sources of funds will be sufficient to meet its projected working capital and other cash requirements. There is no assurance that future events may not cause the Group to seek additional capital sooner. If additional capital is required, there can be no assurance that it will be available or, if available, that it will be on terms satisfactory to the Group. The sale of additional equity or other convertible securities to non-shareholders will result in further dilution of the existing shareholders of the Company.

**4.15 Foreign exchange risk**

The Group's current investment is mainly based within Malaysia. The Group and/or its investee companies may expand its reach regionally as well as internationally. As such, there is a potential that the Group will be exposed to foreign exchange risk due to such expansions and there can be no assurance that any future significant fluctuations in exchange rates and financial crisis will not have a material adverse impact on the Group or its investee companies' performance.

**4. RISK FACTORS (CONT'D)****4.16 Political, economic and regulatory factors**

The financial and business prospects of the Group and the prospects of the companies and industries in which the Group has investments may depend to some degree on the developments in the political, economic and regulatory factors in the ASEAN countries, North Asia, Middle East and Eastern Europe. Amongst the political, economic and regulatory factors are risks of war, riots, global economic downturn and unfavourable change in the Government's policy such as taxation, currency exchange controls, licensing regulation and Government policies. Whilst OSKVI will continue to adopt effective measures such as prudent financial management and efficient operating procedures, there can be no assurance that adverse political, economic and regulatory factors will not materially affect the Group.

Currently, save for general company, securities and contract laws, the business activities of the Group are not subject to any specific legislation. However, there can be no assurance that future policy changes will not affect the operations of the Group.

**4.17 Forward-looking statements**

Certain statements in this Prospectus are based on historical statistics which may not be reflective of the future results, and others are forward-looking in nature, which may or may not be achieved. Whether such statements ultimately prove to be accurate depends upon a variety of factors that may affect the business and operations of OSKVI and such forward-looking statements also involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievement of OSKVI or industry results, to be materially different from any future results, plans, performances and achievements, expressed or implied, by such prospective statements.

**4.18 Underwriting**

The 75,000,000 Issue Shares made available for application under the public offer and for application by the shareholders of OSKH have been fully underwritten by the Underwriters listed in Section 1. In the event of a shortfall in the subscription of the Issue Shares, the Underwriters will have to subscribe for all the under-subscribed shares. In addition, the Managing Underwriter will underwrite any of the unsubscribed shares reserved for the eligible Directors and employees of the OSKVI Group, eligible directors and employees of OSKH Group and persons who have contributed to the Group's success as well as any of the unsubscribed shares reserved for application under private placement. Should the amount subscribed for be a significant quantum, the Underwriters may end up as substantial shareholders (i.e. holding 5% or more of the aggregate of the nominal amount of all the voting shares in the Company). This may result in non-compliance of the public shareholding spread requirements of Bursa Securities and could adversely affect the success of the Listing.

The underwriting agreement also provides for circumstances, as highlighted in Section 3.8, under which the Underwriters may be entitled, on or prior to the closing date of the Public Issue, to release or discharge their obligations under the underwriting agreement. This conditional obligation of the Underwriters may result in the Issue Shares not being underwritten and this could adversely affect the success of the Listing.

Save as disclosed above and normal commercial risks, the OSKVI Group is not aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the performance of the Group.

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**5. FINANCIAL RECORD****5.1 Profit Record**

The table below sets out a summary of the audited proforma consolidated results of the OSKVI Group, for the five (5) financial years ended 31 December 2003 and the three (3)-month period ended 31 March 2004 is provided for illustrative purposes based on the audited financial statements of OSKVI and its subsidiary companies and on the assumption that the structure of the Group had been in existence throughout the period under review:

|  | Financial Years Ended 31 December |         |         |         |         | 1.1.2004 to |
|--|-----------------------------------|---------|---------|---------|---------|-------------|
|  | 1999                              | 2000    | 2001    | 2002    | 2003    | 31.3.2004   |
|  | RM'000                            | RM'000  | RM'000  | RM'000  | RM'000  | RM'000      |
| Revenue  | -                                 | 2,360   | 1,747   | 2,454   | 5,780   | 2,049       |
| Profit before interest, depreciation and tax and amortisation            | -                                 | 1,912   | 1,429   | 1,913   | 4,868   | 1,781       |
| Net interest expense   | -                                 | -       | (776)   | (1,748) | (446)   | -           |
| Depreciation   | -                                 | -       | -       | -       | -       | -           |
| Amortisation of goodwill   | -                                 | -       | -       | -       | -       | -           |
| Exceptional items  | -                                 | -       | -       | -       | -       | -           |
| Share of profits and losses of associate corporations and joint ventures | -                                 | -       | -       | -       | -       | -           |
| PBT  | -                                 | 1,912   | 653     | 165     | 4,422   | 1,781       |
| Less : Taxation  | -                                 | (586)   | (190)   | (75)    | (110)   | -           |
| PAT  | -                                 | 1,326   | 463     | 90      | 4,312   | 1,781       |
| Minority Interest ("MI")   | -                                 | -       | -       | -       | -       | -           |
| PAT and MI   | -                                 | 1,326   | 463     | 90      | 4,312   | 1,781       |
| Extraordinary items  | -                                 | -       | -       | -       | -       | -           |
| Net profit for the year  | -                                 | 1,326   | 463     | 90      | 4,312   | 1,781       |
| No. of shares assumed in issue to form the Group('000) <sup>*1</sup>     | 28,008                            | 159,448 | 159,448 | 159,448 | 159,448 | 159,448     |
| Net EPS (sen) <sup>*2</sup>  | -                                 | 0.8     | 0.3     | 0.1     | 2.7     | 4.5*        |

**Notes:-**

<sup>\*1</sup> The number of OSKVI Shares assumed in issue to form the Group represents the number of OSKVI Shares before the Public Issue. As at 1999, excludes shares issued to acquire OSKVE as OSKVE was not incorporated then.

<sup>\*2</sup> The net EPS have been calculated by dividing the PAT, respectively, for the financial years/period by the number of shares assumed in issue to form the Group

\* Annualised

There were no exceptional or extraordinary items in the relevant financial periods under review. There were no items relating to the share of profits and losses of associated corporations and joint ventures and minority interest in the relevant financial periods under review. There were also no audit qualifications for the financial period/years under review.

For further details on the analysis and commentary on the material items in the table above, please refer to Section 5.4 of this Prospectus.

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**5. FINANCIAL RECORD (CONT'D)****5.2 Proforma Consolidated Cash Flow Statement**

The table below sets out the proforma consolidated cash flow statement of the Company and Group for the financial period ended 31 March 2004 and is provided for illustrative purposes based on the audited financial statements of OSKVI and its subsidiary companies, prepared on the assumption that the structure of the Group had been in existence throughout the period under review:-

|   | <b>Company</b> | <b>Proforma</b> |
|---|----------------|-----------------|
|   | <b>RM'000</b>  | <b>Group</b>    |
|   |                | <b>RM'000</b>   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                |                 |
| (Loss)/Profit before taxation   | (1)            | 1,781           |
| Adjustments for:-   |                |                 |
| Depreciation of plant and equipment   | -              | 6               |
| Gain on disposal of investments   | -              | (1,702)         |
| Interest income   | -              | (224)           |
| Operating profit before working capital changes                                       | (1)            | (139)           |
| (Increase)/Decrease in receivables  | (409)          | 48              |
| Increase/(Decrease) in payables   | 410            | (91)            |
| Cash flow used in operations  | -              | (182)           |
| Taxes paid  | -              | (61)            |
| Interest received   | -              | 224             |
| Proceeds from disposal of investments   | -              | 6,262           |
| Purchase of investments   | -              | (14,000)        |
| Net cash used in operating activities   | -              | (7,757)         |
| <b>CASH FLOW FROM INVESTING ACTIVITY</b>  |                |                 |
| Purchase of plant and equipment representing net cash flow used in investing activity | -              | (11)            |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                                      | -              | (7,768)         |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>                               | -              | 33,212          |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>                                     | -              | 25,444          |

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**5. FINANCIAL RECORD (CONT'D)****5.3 Key Financial/Operating Ratios**

The table below sets out key financial ratios which are provided for illustrative purposes based on the audited financial statements of OSKVI and its subsidiary companies, prepared on the assumption that the structure of the Group had been in existence throughout the period under review:-

|   | Financial Year Ended 31 December |                     |        |        |        | 1.1.2004 to         |
|---|----------------------------------|---------------------|--------|--------|--------|---------------------|
|   | 1999                             | 2000                | 2001   | 2002   | 2003   | 31.3.2004           |
|   | RM'000                           | RM'000              | RM'000 | RM'000 | RM'000 | RM'000              |
| Paid-up capital <sup>*1</sup>   | 2,801                            | 15,945              | 15,945 | 15,945 | 15,945 | 15,945              |
| Shareholders' (deficit)/funds   | (289)                            | 6,031               | 11,488 | 12,107 | 16,419 | 18,200              |
| Net Liabilities/NTA   | (289)                            | 6,031               | 11,488 | 12,107 | 16,419 | 18,200              |
| Net Liabilities/NTA per share (RM)                                    | (0.01)                           | 0.04                | 0.07   | 0.08   | 0.10   | 0.11                |
| Revenue   | -                                | 2,360               | 1,747  | 2,454  | 5,780  | 2,049               |
| PBT   | -                                | 1,912               | 653    | 165    | 4,422  | 1,781               |
| PAT   | -                                | 1,326               | 463    | 90     | 4,312  | 1,781               |
| Gross EPS <sup>*2</sup> (sen)   | -                                | 1.2                 | 0.4    | 0.1    | 2.8    | 4.5 <sup>*</sup>    |
| Net EPS <sup>*2</sup> (sen)   | -                                | 0.8                 | 0.3    | 0.1    | 2.7    | 4.5 <sup>*</sup>    |
| Effective tax rate (%)  | -                                | 31                  | 29     | 46     | 2.5    | -                   |
| Pre-tax profit margin (%)   | -                                | 81                  | 37     | 7      | 77     | 87                  |
| Total borrowings (all interest bearing) <sup>*3</sup>                 | -                                | 94,000 <sup>#</sup> | 39,000 | 35,950 | 35,950 | 39,623 <sup>#</sup> |
| Gearing (all interest-bearing debts over shareholders' funds) (times) | -                                | 16                  | 3      | 3      | 2      | 2                   |
| Interest expense  | -                                | -                   | 776    | 1,748  | 446    | -                   |
| Interest cover (times)  | -                                | -                   | 1.8    | 1.1    | 11.0   | -                   |

**Notes :-**

\* Annualised

\*1 The number of OSKVI Shares assumed in issue to form the Group represents the number of OSKVI Shares before the Public Issue. As at 1999, excludes shares issued to acquire OSKVE as OSKVE was not incorporated then.

\*2 The gross/net EPS have been calculated by dividing the PBT and PAT for the financial years/period by the number of shares assumed in issue to form the Group

\*3 Represents interest-bearing advances due to the holding company, OSKH. These advances have been capitalized on 8 July 2004 as part consideration for the Special Issue

# The amount due to OSKH was unsecured, interest free and has no fixed term of repayment

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## 5. FINANCIAL RECORD (CONT'D)

### 5.4 Analysis and Commentary on Financial Information

The following analysis and commentary on financial information should be read in conjunction with the financial data presented in Sections 5.1, 5.2 and 5.3 of this Prospectus.

#### *By activity*

|                            | Financial Year Ended 31 December |        |        |        |        | 1.1.2004 to |
|----------------------------|----------------------------------|--------|--------|--------|--------|-------------|
|                            | 1999                             | 2000   | 2001   | 2002   | 2003   | 31.3.2004   |
|                            | RM'000                           | RM'000 | RM'000 | RM'000 | RM'000 | RM'000      |
| <b>Revenue</b>             |                                  |        |        |        |        |             |
| Investment gains           | -                                | -      | -      | 675    | 4,491  | 1,702       |
| Interest / dividend income | -                                | 2,360  | 1,747  | 1,067  | 1,025  | 224         |
| Other income               | -                                | -      | -      | 712    | 264    | 123         |
|                            | -                                | 2,360  | 1,747  | 2,454  | 5,780  | 2,049       |

#### *By subsidiary*

|                  | Financial Year Ended 31 December |        |        |        |        | 1.1.2004 to |
|------------------|----------------------------------|--------|--------|--------|--------|-------------|
|                  | 1999                             | 2000   | 2001   | 2002   | 2003   | 31.3.2004   |
|                  | RM'000                           | RM'000 | RM'000 | RM'000 | RM'000 | RM'000      |
| <b>Revenue</b>   |                                  |        |        |        |        |             |
| OSKVE            | -                                | 2,360  | 1,747  | 2,350  | 3,283  | 1,090       |
| OSKTV            | -                                | -      | -      | 101    | 2,472  | 955         |
| OSKPEM           | -                                | -      | -      | 3      | 25     | 4           |
|                  | -                                | 2,360  | 1,747  | 2,454  | 5,780  | 2,049       |
| <b>PBT/(LBT)</b> |                                  |        |        |        |        |             |
| OSKVE            | -                                | 1,912  | 653    | 68     | 1,975  | 833         |
| OSKTV            | -                                | -      | -      | 98     | 2,431  | 946         |
| OSKPEM           | -                                | -      | -      | (1)    | 16     | 3           |
|                  | -                                | 1,912  | 653    | 165    | 4,422  | 1,782       |

#### **Notes:**

There has been no material foreign exchange and interest rates impact on the Group's operating profits for the four (4) financial years ended 31 December 2003 and three (3)-month period ended 31 March 2004.

The Group commenced its operations in the financial year ended 31 December 2000. The revenue for that year comprises mainly interest income from fixed deposits placed with licensed financial institutions. Revenue decreased to approximately RM1.7 million for the financial year ended 31 December 2001. This was primarily due to the repayment of RM50 million to OSKH which resulted in the decrease of interest income for the Group. Incidentally, the consolidated PBT of OSKVI for the financial year ended 31 December 2001 decreased by approximately 66%. Revenue for the financial year ended 31 December 2002 increased by approximately 40% to RM2.5 million mainly due to divestment of investments and interest income. Despite the significant increase in revenue, PBT of the Group decreased by approximately RM0.5 million in light of the increase in finance cost due to OSKH of approximately RM1.0 million. Revenue for the financial year ended 31 December 2003 increased significantly to approximately RM5.8 million, attributable to gains from divestment of certain investments. Incidentally, the PBT of OSKVI Group for the financial year ended 31 December 2003 increased to RM4.4 million. For the financial year ended 31 December 2003, OSKTV and OSKVE were granted an income tax exemption under the Income Tax (Exemption) (No.3). The tax expense for the year ended 31 December 2003 is mainly related to provision for taxation for OSKPEM.

There were no extraordinary items or exceptional items during the financial years/period under review.

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**5. FINANCIAL RECORD (CONT'D)**

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**5.5 Working Capital, Borrowings and Contingent Liabilities**

The directors of the Company are of the opinion that after taking into consideration the cash flow forecast including the proceeds of the Public Issue, the Group will have adequate working capital for its present and foreseeable requirements for a period of twelve (12) months from the date of this Prospectus.

As at 27 July 2004 (being the last practicable date prior to the printing of this Prospectus), the Group does not have any bank borrowings.

The Group does not have any other capital outstanding or loan capital created but unissued or mortgages or charges outstanding on that date.

As at 27 July 2004 (being the last practicable date prior to the printing of this Prospectus), the Group does not have any material capital commitments or contingent liabilities.

**5.6 Profit Forecast**

The Group's revenue and operating results are difficult to forecast and could be adversely affected by many factors. The Group's revenue and operating results are characterized by rapid technological advancements, unpredictability of results, competition, dependence on performance of investee companies, amongst others. The Group is subjected to many risk factors, some of which are highlighted in Section 4 of this Prospectus. As such, the Group's profit forecast is not disclosed in this Prospectus.

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