

**OSK VENTURES INTERNATIONAL BERHAD (636117-K)**

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007  
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS**

	<b>Current quarter ended 31/03/2007 RM'000</b>	<b>Comparative quarter ended 31/03/2006 RM'000</b>	<b>Current year to date ended 31/03/2007 RM'000</b>	<b>Preceding year to date ended 31/03/2006 RM'000</b>
Revenue	<b>652</b>	6,338	<b>652</b>	6,338
Operating expenses	<b>(730)</b>	(542)	<b>(730)</b>	(542)
Share of profits of associated companies	<b>3,752</b>	3,486	<b>3,752</b>	3,486
<b>Profit before taxation</b>	<b>3,674</b>	9,282	<b>3,674</b>	9,282
Income tax expense	<b>(27)</b>	(1,858)	<b>(27)</b>	(1,858)
<b>Profit for the period</b>	<b>3,647</b>	7,424	<b>3,647</b>	7,424
Profit attributable to equity holders of the Company	<b>3,647</b>	7,424	<b>3,647</b>	7,424
<b>Earnings per share (sen) (Note B13):</b>				
Basic	<b>2.43</b>	4.95	<b>2.43</b>	4.95

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

**OSK VENTURES INTERNATIONAL BERHAD (636117-K)****QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007  
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>As at 31/03/2007</b>	As at 31/03/2006	(Audited) As at 31/12/2006
	<b>RM'000</b>	RM'000	RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	<b>297</b>	354	314
Investments in associated companies	<b>229,588</b>	149,844	226,251
Other investments	<b>85,113</b>	21,511	74,957
	<b>314,998</b>	171,709	301,522
<b>Current assets</b>			
Other receivables, deposits and prepayments	<b>1,834</b>	216	1,076
Tax recoverable	<b>2,404</b>	72	1,049
Cash, bank balances and deposits	<b>14,596</b>	123,994	27,389
	<b>18,834</b>	124,282	29,514
<b>TOTAL ASSETS</b>	<b>333,832</b>	295,991	331,036
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	<b>150,000</b>	150,000	150,000
Reserves	<b>183,400</b>	143,543	180,168
<b>Total equity</b>	<b>333,400</b>	293,543	330,168
<b>Current liabilities</b>			
Other payables and accruals	<b>432</b>	460	835
Tax payable	<b>-</b>	1,988	33
<b>Total liabilities</b>	<b>432</b>	2,448	868
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>333,832</b>	295,991	331,036
Net Assets per share (RM)	<b>2.22</b>	1.96	2.20

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

**OSK VENTURES INTERNATIONAL BERHAD (636117-K)**

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007  
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<u>Attributable to equity holders of the Company</u>				
	<u>Share capital</u>	<u>Share premium</u>	<u>Other reserves</u>	<u>Retained profits</u>	<u>Total equity</u>
<u>Current year to date ended</u> <u>31 March 2007 (Unaudited)</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 January 2007	150,000	104,397	32,148	43,623	330,168
Losses on deemed disposals of shares in associated companies	-	-	(65)	-	(65)
Share of associated companies' reserves	-	-	(350)	-	(350)
Net expense recognised directly in equity	-	-	(415)	-	(415)
Profit for the period	-	-	-	3,647	3,647
Total income and expense recognised for the period	-	-	(415)	3,647	3,232
At 31 March 2007	<u>150,000</u>	<u>104,397</u>	<u>31,733</u>	<u>47,270</u>	<u>333,400</u>
<u>Preceding year to date ended</u> <u>31 March 2006 (Unaudited)</u>					
At 1 January 2006	150,000	104,181	4,827	27,255	286,263
Net loss on deemed disposals of shares in associated companies	-	-	(154)	-	(154)
Share of associated companies' reserves	-	-	10	-	10
Reserves realised on disposal of shares in an associated company	-	-	(51)	51	-
Net income and expense recognised directly in equity	-	-	(195)	51	(144)
Profit for the period	-	-	-	7,424	7,424
Total income and expense recognised for the period	-	-	(195)	7,475	7,280
At 31 March 2006	<u>150,000</u>	<u>104,181</u>	<u>4,632</u>	<u>34,730</u>	<u>293,543</u>

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

**OSK VENTURES INTERNATIONAL BERHAD (636117-K)**

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007  
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)**

<b><u>Preceding year ended</u></b> <b><u>31 December 2006 (Audited)</u></b>	<b>Attributable to equity holders of the Company</b>				
	<b>Share capital</b>	<b>Share premium</b>	<b>Other reserves</b>	<b>Retained profits</b>	<b>Total equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2006	150,000	104,181	4,827	27,255	286,263
Net gain on deemed disposals of shares in associated companies	-	-	28,444	-	28,444
Share of associated companies' reserves	-	-	(1,072)	-	(1,072)
Reserves realised on disposal of shares in an associated company	-	-	(51)	51	-
Expense pursuant to ESOS	-	(63)	-	-	(63)
Reversal of unutilised share issue expense	-	279	-	-	279
Net income and expense recognised directly in equity	-	216	27,321	51	27,588
Profit for the year	-	-	-	47,009	47,009
Total income and expense recognised for the year	-	216	27,321	47,060	74,597
Dividends paid	-	-	-	(30,692)	(30,692)
At 31 December 2006	150,000	104,397	32,148	43,623	330,168

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

**OSK VENTURES INTERNATIONAL BERHAD (636117-K)**

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007  
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	<b>Current year to date ended 31/03/2007 RM'000</b>	<b>Preceding year to date ended 31/03/2006 RM'000</b>	<b>(Audited) Preceding year ended 31/12/2006 RM'000</b>
<b>Cash Flows From Operating Activities</b>			
Profit before taxation	3,674	9,282	55,020
Adjustments for:-			
Share of profits of associated companies	(3,752)	(3,486)	(17,232)
Other non-cash and non-operating items	(636)	(6,321)	(36,297)
Operating (loss)/profit before working capital changes	(714)	(525)	1,491
Changes in working capital :-			
Net change in current assets	(149)	(14)	149
Net change in current liabilities	(404)	(31)	622
Net cash (used in)/generated from operations	(1,267)	(570)	2,262
Proceeds from disposal of investments in shares	1,287	-	18,352
Purchase of investments in shares/loan notes	(11,826)	-	(70,383)
Dividends received	-	-	1,389
Interest received	427	864	3,089
Income tax paid	(1,414)	(903)	(9,988)
Net cash used in operating activities	(12,793)	(609)	(55,279)
<b>Cash Flows From Investing Activities</b>			
Proceeds from disposal of shares in associated companies	-	10,983	31,233
Purchase of shares in associated companies	-	(8,654)	(40,075)
Purchase of plant and equipment	-	(30)	(40)
Net cash generated from/(used in) investing activities	-	2,299	(8,882)
<b>Cash Flows From Financing Activities</b>			
Expense pursuant to ESOS	-	-	(62)
Dividends paid	-	-	(30,692)
Net cash used in financing activities	-	-	(30,754)
Net change in cash and cash equivalents	(12,793)	1,690	(94,915)
Cash and cash equivalents at beginning of period/year	27,389	122,304	122,304
Cash and cash equivalents at end of period/year (Note)	14,596	123,994	27,389
<b>Note</b>			
Cash and cash equivalents at end of period/year comprised:			
Cash on hand and at banks	9	144	51
Deposits with licensed banks and financial institutions	14,587	123,850	27,338
	14,596	123,994	27,389

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

# OSK VENTURES INTERNATIONAL BERHAD (636117-K)

## QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007

### **PART A – Explanatory Notes Pursuant to Financial Reporting Standard 134 (“FRS 134”) Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”)**

#### **A1. Accounting policies**

The quarterly report has been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting issued by the MASB. The report should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 December 2006. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2006.

The significant accounting policies and methods of computation adopted by the Group in this quarterly report are consistent with those of the annual financial statements for the year ended 31 December 2006 except for the adoption of the following new, revised and Amendment to FRSS issued by MASB that are effective for financial statements commencing 1 January 2007:-

FRS 6	Exploration for and Evaluation of Mineral Resources
FRS 117	Leases
Amendment to FRS 119 <sub>2004</sub>	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures
FRS 124	Related Party Disclosures

The Group has early adopted the Amendment to FRS 121:

Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
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FRS 6 is not relevant to the Group’s operations. The adoption of FRS 117, Amendment to FRS 119<sub>2004</sub>, FRS 124 and Amendment to FRS 121 did not have a significant financial impact on the Group.

#### **A2. Auditors’ report on preceding annual financial statements**

The auditors’ report on the audited financial statements for the year ended 31 December 2006 was not qualified.

#### **A3. Seasonal or cyclical factors**

There were no significant seasonal or cyclical factors that will materially affect the business of the Group in the current year to date. However, the Group’s profit is influenced by, amongst others, the share of profits of associated companies as well as the timing of disposal of investments by the Group.

#### **A4. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

#### **A5. Material changes in estimates**

There were no significant changes in estimates of amounts reported in prior interim periods or prior years that have a material effect in the current year to date.

#### **A6. Changes in debt and equity securities**

There were no issuances, repurchases, cancellations, resale and repayments of debt and equity securities in the current year to date.

**OSK VENTURES INTERNATIONAL BERHAD (636117-K)**

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007**

**A7. Dividend paid**

There were no payments of dividend during the current quarter ended 31 March 2007.

**A8. Segmental information**

Segmental information is presented in respect of the Group's business segments. Segment revenue, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Group comprises the following main business segments:-

- (i) Venture capital businesses, which includes incubating high technology and high growth companies and management of investments in securities of venture companies;
- (ii) Private equity businesses and investment holding; and
- (iii) Holding entity.

<b><u>3 months ended</u></b> <b><u>31 March 2007</u></b> <b><u>(Unaudited)</u></b>	<b>Venture capital businesses</b> RM'000	<b>Private equity businesses and investment holding</b> RM'000	<b>Holding entity</b> RM'000	<b>Eliminations</b> RM'000	<b>Consolidated</b> RM'000
<b>Revenue</b>					
External revenue	727	(383)	308	-	652
Inter-segment revenue	1,174	-	-	(1,174)	-
	<u>1,901</u>	<u>(383)</u>	<u>308</u>	<u>(1,174)</u>	<u>652</u>
<b>Results</b>					
Segment results	1,358	(388)	126	(1,174)	(78)
Share of profits of associated companies					<u>3,752</u>
Profit before taxation					<u>3,674</u>
Income tax expense					<u>(27)</u>
Profit for the period					<u>3,647</u>
<b>Assets</b>					
Segment assets	83,836	1,703	16,301	-	101,840
Investments in associated companies					<u>229,588</u>
					<u>331,428</u>
<b>Liabilities</b>					
Segment liabilities	<u>91</u>	<u>21</u>	<u>320</u>	<u>-</u>	<u>432</u>
<b>Other information</b>					
Depreciation	<u>16</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16</u>

**OSK VENTURES INTERNATIONAL BERHAD (636117-K)**

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007**

<b><u>3 months ended</u></b> <b><u>31 March 2006</u></b> <b><u>(Unaudited)</u></b>	<u>Venture</u> <u>capital</u> <u>businesses</u> RM'000	<u>Private</u> <u>equity</u> <u>businesses</u> <u>and</u> <u>investment</u> <u>holding</u> <u>entity</u> RM'000	<u>Holding</u> <u>entity</u> RM'000	<u>Eliminations</u> RM'000	<u>Consolidated</u> RM'000
<b>Revenue</b>					
External revenue	5,520	346	472	-	6,338
<b>Results</b>					
Segment results	5,086	344	366	-	5,796
Share of profits of associated companies					3,486
Profit before taxation					9,282
Income tax expense					(1,858)
Profit for the year					7,424
<b>Assets</b>					
Segment assets	24,936	49,093	72,047	-	146,076
Investments in associated companies					149,844
					295,920
<b>Liabilities</b>					
Segment liabilities	53	8	399	-	460
<b>Other information</b>					
Capital expenditure	30	-	-	-	30
Depreciation	16	-	-	-	16

**A9. Valuations of property, plant and equipment**

There were no revalued property, plant and equipment as at 31 March 2007.

**A10. Material events subsequent to the end of the quarter**

Executive Share Option Scheme (“ESOS”)

On 26 May 2006, the Company proposed to implement an ESOS of up to ten percent (10%) of the issued and paid-up share capital of the Company for the eligible executives and directors of the Company and its subsidiaries.

On 11 April 2007, the Company granted 1,314,100 options to the eligible executives and directors of the Company and its subsidiary companies at RM2.57 each and the Group recognised an ESOS expense of RM617,627 as fair value of equity-settled share options and a corresponding equity compensation reserve was created under the statement of changes in equity.



**OSK VENTURES INTERNATIONAL BERHAD (636117-K)**

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007**

**A11. Changes in the composition of the Group**

There were no changes in the composition of the Group during the current year to date.

**A12. Changes in contingent liabilities or contingent assets since 31 December 2006**

As at 15 May 2007, no material contingent liabilities or assets have arisen since the end of previous year.

**OSK VENTURES INTERNATIONAL BERHAD (636117-K)**

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007**

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

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

*(Commentary on the current quarter and current year to date)*

The Group achieved a pre-tax profit of RM3.67 million for the current quarter under review as compared to RM9.28 million in 1Q FY2006. During this period, there was minimal divestment of investments.

**B2. Material changes in the quarterly profit before taxation**

*(Comparison on current quarter with the immediate preceding quarter)*

The pre-tax profit of RM3.67 million for the current quarter is lower than the immediate preceding quarter of RM7.22 million, mainly due to minimal divestment of investments.

**B3. Current year prospects**

*(Commentary on the remaining year)*

The Group’s platform and high growth companies are expected to perform well for the year ending 31 December 2007. Barring unforeseen circumstances, the Board is confident that these investments are expected to contribute positively to the Group results in 2007.

The Group will continue to explore and expand its investments to enhance shareholders’ value.

**B4. Profit forecast / profit guarantee**

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

**B5. Taxation**

	Current quarter ended <u>31/03/2007</u> RM’000	Current year to date ended <u>31/03/2007</u> RM’000
In respect of the current quarter / year to date		
- Malaysian income tax	7	7
In respect of the prior year		
- Malaysian income tax	<u>20</u>	<u>20</u>
	<u>27</u>	<u>27</u>

The effective tax rate of the Group for the current year to date is lower than the statutory tax rate of 27% mainly due to the share of profits of certain associated companies that are exempted from tax.

## OSK VENTURES INTERNATIONAL BERHAD (636117-K)

### QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007

#### B6. Sale of unquoted investments and/or properties

- (a) Pursuant to the waiver obtained from Bursa Securities in compliance with Chapter 10 of the Listing Requirements of Bursa Securities for MESDAQ Market (Chapter 4 of the previous Listing Requirements of Bursa Securities for MESDAQ Market), disclosure on the purchase and sale of unquoted investments as well as its net effect is exempted.
- (b) There were no sale of properties during the current year to date.

#### B7. Quoted securities

Particulars of purchase and disposal of quoted securities by the Group are as follows:

- (a) Pursuant to the waiver obtained from Bursa Securities in compliance with Chapter 10 of the Listing Requirements of Bursa Securities for MESDAQ Market (Chapter 4 of the previous Listing Requirements of Bursa Securities for MESDAQ Market), disclosure on the purchase and sale of quoted securities as well as its net effect is exempted.
- (b) Investments in quoted securities (including listed associated companies) as at 31 March 2007 are as follows:-

	Associated Companies RM'000	Other Investments RM'000
Quoted in Malaysia, at cost	134,177	5,205
Quoted outside Malaysia, at cost	5,588	-
	<hr/>	<hr/>
	139,765	5,205
Share of post-acquisition reserves	62,151	-
At carrying value	<hr/>	<hr/>
	201,916	5,205
	<hr/>	<hr/>
At market value	486,886	9,624
	<hr/>	<hr/>

Investments in listed associated companies comprise investments in Green Packet Berhad, MNC Wireless Berhad, eBworx Berhad, mTouche Technology Berhad and GMO Limited.

#### B8. Status of corporate proposals announced but not completed as at 15 May 2007 are as follows:-

##### Proposed Private Placement

On 28 August 2006, the Company proposed a Private Placement of up to 15,000,000 new ordinary shares of RM1.00 each, representing up to ten percent (10%) of the issued and paid-up share capital of the Company to investors to be identified.

The Proposed Private Placement will enable the Company to raise funds without incurring interest costs, as compared to bank borrowings. The funds to be raised will be utilised for future investments that may arise which would enhance the growth of the Group.

The Company had on 28 February 2007, submitted an application to the Securities Commission ("SC") for an extension of time of six (6) months from 10 March 2007 to 9 September 2007 ("Proposed Extension of Time") for the Company to implement the Proposed Private Placement.

# OSK VENTURES INTERNATIONAL BERHAD (636117-K)

## QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007

The SC had, via its letter dated 9 March 2007 approved the Proposed Extension of Time, subject to the following conditions:-

- (i) the Company will have to implement the Proposed Private Placement before the next Annual General Meeting, 19 April 2007; and
- (ii) the Company to fully comply with the earlier conditions as stipulated in the SC's letter dated 11 September 2006.

The Proposed Private Placement was not implemented as at 19 April 2007 and as such the Proposed Private Placement has lapsed.

### **B9. Borrowings and debt securities**

The Group has no borrowings or debt securities as at 31 March 2007.

### **B10. Off balance sheet financial instruments**

As at 15 May 2007 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report), the Group did not enter into any contract involving financial instruments with off balance sheet risk.

### **B11. Material litigation**

As at 15 May 2007 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report), the Group was not engaged in any material litigation either as plaintiff or defendant and the directors are not aware of any proceeding pending or threatened against the Group or any facts likely to give rise to any proceeding which might materially and adversely affect the financial position or business operations of the Group.

### **B12. Dividend**

No dividend has been declared or paid for the current quarter ended 31 March 2007 (31 March 2006: Nil).

### **B13. Earnings Per Share ("EPS")**

	<b>Current quarter ended <u>31/03/2007</u></b>	Comparative quarter ended <u>31/03/2006</u>	<b>Current year to date ended <u>31/03/2007</u></b>	Preceding year to date ended <u>31/03/2006</u>
Profit attributable to equity holders of the Company (RM'000)	<b>3,647</b>	7,424	<b>3,647</b>	7,424
Weighted average number of ordinary shares in issue ('000)	<b>150,000</b>	150,000	<b>150,000</b>	150,000
Basic EPS (sen)	<b>2.43</b>	4.95	<b>2.43</b>	4.95

**OSK VENTURES INTERNATIONAL BERHAD (636117-K)**

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007**

**By Order of the Board**

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**YAP YUH FOH, EDDIE**  
**Executive Director**

Kuala Lumpur  
22 May 2007