

OSK VENTURES INTERNATIONAL BERHAD (636117-K)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Current quarter ended 30/09/2007	Comparative quarter ended 30/09/2006	Current year to date ended 30/09/2007	Preceding year to date ended 30/09/2006
	RM'000	RM'000	RM'000	RM'000
Revenue	1,113	26,306	28,553	37,642
Other income	-	21	22	23
Administrative expenses	(316)	(1,449)	(3,237)	(2,714)
Share of profits of associated companies	1,988	5,395	9,594	12,847
Profit before taxation	2,785	30,273	34,932	47,798
Income tax expense	68	(5,292)	(5,034)	(8,458)
Profit for the period	2,853	24,981	29,898	39,340
Profit attributable to equity holders of the Company	2,853	24,981	29,898	39,340
Earnings per share (sen) (Note B14):				
Basic and Diluted	1.90	16.65	19.93	26.23

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2007
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

	As at 30/09/2007 RM'000	As at 30/09/2006 RM'000	(Audited) As at 31/12/2006 RM'000
ASSETS			
Non-current assets			
Plant and equipment	273	326	314
Investments in associated companies	200,068	179,825	226,251
Other investments	81,020	67,393	74,957
	281,361	247,544	301,522
Current assets			
Other receivables, deposits and prepayments	927	446	1,076
Tax recoverable	1,079	502	1,049
Cash, bank balances and deposits	67,829	79,184	27,389
	69,835	80,132	29,514
TOTAL ASSETS	351,196	327,676	331,036
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	150,000	150,000	150,000
Reserves	193,646	157,215	180,168
Total equity	343,646	307,215	330,168
Current liabilities			
Other payables and accruals	6,312	1,302	835
Dividend payable	-	11,132	-
Tax payable	1,238	8,027	33
Total liabilities	7,550	20,461	868
TOTAL EQUITY AND LIABILITIES	351,196	327,676	331,036
Net Assets per share (RM)	2.29	2.05	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 THIRD QUARTER ENDED 30 SEPTEMBER 2007
 UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company					
	Share capital	Share premium	Equity compensation reserve	Other reserves	Retained profits	Total equity
<u>Current year to date ended</u> <u>30 September 2007 (Unaudited)</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2007	150,000	104,397	-	32,148	43,623	330,168
Loss on deemed disposals of shares in associated companies	-	-	-	(114)	-	(114)
Share of associated companies' reserves	-	-	-	(499)	-	(499)
Reserves realised on disposal of shares in associated companies	-	-	-	(2,271)	2,271	-
Net income and expense recognised directly in equity	-	-	-	(2,884)	2,271	(613)
Profit for the period	-	-	-	-	29,898	29,898
Total income and expense recognised for the period	-	-	-	(2,884)	32,169	29,285
Dividends paid	-	-	-	-	(16,425)	(16,425)
Share options of the Company	-	-	618	-	-	618
At 30 September 2007	150,000	104,397	618	29,264	59,367	343,646
<u>Preceding year to date ended</u> <u>30 September 2006 (Unaudited)</u>						
At 1 January 2006	150,000	104,181	-	4,827	27,255	286,263
Net gain on deemed disposals of shares in associated companies	-	-	-	6,753	-	6,753
Share of associated companies' reserves	-	-	-	(75)	-	(75)
Reserves realised on disposal of shares in an associated company	-	-	-	(51)	51	-
Share issue expenses	-	(53)	-	-	-	(53)
Reversal of unutilised share issue expenses	-	279	-	-	-	279
Net income recognised directly in equity	-	226	-	6,627	51	6,904
Profit for the period	-	-	-	-	39,340	39,340
Total income recognised for the period	-	226	-	6,627	39,391	46,244
Dividends paid	-	-	-	-	(25,292)	(25,292)
At 30 September 2006	150,000	104,407	-	11,454	41,354	307,215

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2007
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)**

<u>Preceding year ended</u> <u>31 December 2006 (Audited)</u>	Attributable to equity holders of the Company				
	Share capital	Share premium	Other reserves	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2006	150,000	104,180	4,827	27,256	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 recognised directly in equity	-	216	27,321	51	27,588
Profit for the year	-	-	-	47,009	47,009
Total income recognised for the year	-	216	27,321	47,060	74,597
Dividends paid	-	-	-	(30,692)	(30,692)
At 31 December 2006	150,000	104,396	32,148	43,624	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 THIRD QUARTER ENDED 30 SEPTEMBER 2007
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Current year to date ended 30/09/2007 RM'000	Preceding year to date ended 30/09/2006 RM'000	(Audited) Preceding year ended 31/12/2006 RM'000
Cash Flows From Operating Activities			
Profit before taxation	34,932	47,798	55,020
Adjustments for:-			
Share of profits of associated companies	(9,594)	(12,847)	(17,232)
Other non-cash and non-operating items	(27,948)	(32,591)	(36,297)
Operating (loss)/profit before working capital changes	(2,610)	2,360	1,491
Changes in working capital :-			
Net change in current assets	(56)	200	149
Net change in current liabilities	(312)	810	622
Net cash (used in)/generated from operations	(2,978)	3,370	2,262
Proceeds from disposal of investments in shares	23,184	8,971	18,352
Purchase of investments in shares/loan notes	(23,944)	(56,017)	(70,383)
Dividends received	4,364	1,389	1,389
Interest received	2,520	2,806	3,089
Income tax paid	(3,860)	(1,894)	(9,988)
Net cash used in operating activities	(714)	(41,375)	(55,279)
Cash Flows From Investing Activities			
Proceeds from disposal of shares in associated companies	57,142	31,233	31,233
Purchase of shares in associated companies	-	(18,729)	(40,075)
Purchase of plant and equipment	(10)	(36)	(40)
Net cash generated from/(used in) investing activities	57,132	12,468	(8,882)
Cash Flows From Financing Activities			
Share issue expenses	-	(53)	-
Expense pursuant to ESOS	-	-	(62)
Dividends paid	(16,425)	(14,160)	(30,692)
Net cash used in financing activities	(16,425)	(14,213)	(30,754)
Net change in cash and cash equivalents	39,993	(43,120)	(94,915)
Effects of exchange rate changes	447	-	-
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)	67,829	79,184	27,389
Note			
Cash and cash equivalents at end of period/year comprised:			
Cash on hand and at banks	93	84	51
Deposits with licensed banks and financial institutions	67,736	79,100	27,338
	67,829	79,184	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).

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 Amendments 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 ₂₀₀₄	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 119₂₀₀₄, 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.

OSK VENTURES INTERNATIONAL BERHAD (636117-K)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

A6. Changes in debt and equity securities

Executive Share Option Scheme (“ESOS”)

During the current year to date, the Company has granted 1,314,100 options to the eligible executives and directors of the Company and its subsidiary companies. The movement in the ESOS during the current year to date is as follows:

Date of offer	Exercise price RM	No. of options over ordinary shares of RM1 each				
		As at 1/1/2007	Granted	Exercised	Forfeited	As at 30/9/2007
11 April 2007	2.57	-	1,314,100	-	-	1,314,100

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

A7. Dividend paid

For the year ended 31 December 2006, final dividend of 5 sen less 27% income tax per share amounting to RM5,475,000 was paid on 18 May 2007.

For the year ending 31 December 2007, the following dividends have been paid:

- (i) An interim dividend of 5 sen less 27% income tax per share on 27 September 2007; and
- (ii) A special dividend of 5 sen less 27% income tax per share on 27 September 2007.

Total dividends paid for the current year are 10 sen less 27% income tax per share.

A8. Segmental information

The primary segment reporting is determined to be business segment as the Group’s risk and rate of returns are affected predominantly by its business activities. Secondary information is reported by geographical location of the assets.

(a) Business Segments

The Group is organised into three major 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.

OSK VENTURES INTERNATIONAL BERHAD (636117-K)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

<u>9 months ended</u> <u>30 September 2007</u> <u>(Unaudited)</u>	<u>Venture capital businesses</u> RM'000	<u>Private equity businesses and investment holding</u> RM'000	<u>Holding entity</u> RM'000	<u>Eliminations</u> RM'000	<u>Consolidated</u> RM'000
Revenue					
External revenue	35,526	303	1,016	(8,292)	28,553
Inter-segment revenue	9,130	-	18,000	(27,130)	-
	<u>44,656</u>	<u>303</u>	<u>19,016</u>	<u>(35,422)</u>	<u>28,553</u>
Results					
Segment results	33,492	286	(148)	(8,292)	25,338
Share of profits of associated companies					9,594
Profit before taxation					<u>34,932</u>
Income tax expense					(5,034)
Profit for the period					<u><u>29,898</u></u>
Assets					
Segment assets	122,538	4,975	22,536	-	150,049
Investments in associated companies					200,068
					<u><u>350,117</u></u>
Liabilities					
Segment liabilities	<u>6,057</u>	<u>14</u>	<u>241</u>	<u>-</u>	<u>6,312</u>
Other information					
Capital expenditure	10	-	-	-	10
Depreciation	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>

OSK VENTURES INTERNATIONAL BERHAD (636117-K)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

<u>9 months ended</u> <u>30 September 2006</u> <u>(Unaudited)</u>	<u>Venture capital businesses</u> RM'000	<u>Private equity businesses and investment holding</u> RM'000	<u>Holding entity</u> RM'000	<u>Eliminations</u> RM'000	<u>Consolidated</u> RM'000
Revenue					
External revenue	34,534	905	4,099	(1,896)	37,642
Inter-segment revenue	-	-	16,550	(16,550)	-
	<u>34,534</u>	<u>905</u>	<u>20,649</u>	<u>(18,446)</u>	<u>37,642</u>
Results					
Segment results	32,402	896	3,549	(1,896)	34,951
Share of profits of associated companies					<u>12,847</u>
Profit before taxation					47,798
Income tax expense					<u>(8,458)</u>
Profit for the period					<u><u>39,340</u></u>
Assets					
Segment assets	93,714	5,316	48,319	-	147,349
Investments in associated companies					<u>179,825</u>
					<u><u>327,174</u></u>
Liabilities					
Segment liabilities	<u>1,123</u>	<u>7</u>	<u>11,304</u>	<u>-</u>	<u>12,434</u>
Other information					
Capital expenditure	36	-	-	-	36
Depreciation	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>

(b) Geographical Segments

The Group's geographical segments are based on the location of the operations of the Group's assets. Revenue by geographical segment is based on income derived from those assets.

	<u>9 months ended 30 September 2007 (Unaudited)</u>		
	<u>Revenue</u> RM'000	<u>Segment assets</u> RM'000	<u>Capital expenditure</u> RM'000
Malaysia	21,551	55,144	10
Singapore	5,284	-	-
Hong Kong	683	57,617	-
China	1,035	37,288	-
	<u>28,553</u>	<u>150,049</u>	<u>10</u>
Investments in associated companies	-	200,068	-
	<u>28,553</u>	<u>350,117</u>	<u>10</u>

OSK VENTURES INTERNATIONAL BERHAD (636117-K)**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007**

	9 months ended 30 September 2006 (Unaudited)		
	<u>Revenue</u>	<u>Segment assets</u>	<u>Capital</u>
	RM'000	RM'000	expenditure RM'000
Malaysia	35,167	92,942	36
Singapore	-	42,307	-
China	2,475	11,408	-
Australia	-	692	-
	<hr/>	<hr/>	<hr/>
	37,642	147,349	36
Investments in associated companies	-	179,825	-
	<hr/>	<hr/>	<hr/>
	37,642	327,174	36

A9. Valuations of property, plant and equipment

There were no revalued property, plant and equipment as at 30 September 2007.

A10. Material events subsequent to the end of the quarter

There were no significant subsequent events from 30 September 2007 to 12 November 2007 (being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

A11. Changes in the composition of the Group**Acquisition of entire equity interest in OSK Infrastructure Investments Limited ("OSKII")**

The Company had on 29 June 2007, acquired one (1) ordinary share of HK\$1.00 in OSKII, representing the entire issued and paid-up share capital in OSKII for a cash consideration of HK\$1.00 from B. & McK. Nominees Limited. OSKII was incorporated in Hong Kong on 22 June 2007 as a limited company with an authorised share capital of HK\$10,000 comprising 10,000 shares of HK\$1.00 each. The principal activity of OSKII is that of investment holding and private equity business. By virtue of the acquisition, OSKII has become a wholly-owned subsidiary of the Company.

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

As at 12 November 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 RM2.79 million for the current quarter under review as compared to previous year corresponding quarter of RM30.27 million mainly due to the lower divestment of investments and the lower share of profits in associated companies.

The Group achieved a pre-tax profit of RM34.93 million as compared to previous year corresponding period of RM47.80 million mainly attributable to the same reasons mentioned in the preceding paragraph.

B2. Material changes in the quarterly profit before taxation

(Comparison on current quarter with the immediate preceding quarter)

The pre-tax profit of RM2.79 million for the current quarter is lower than the immediate preceding quarter of RM28.47 million mainly due to the lower divestment of investments and the lower share of profits in associated companies.

B3. (a) Current year prospects

(Commentary on the remaining year)

Despite the challenging environment faced by certain of our platform companies, the Board is confident that the Group will perform satisfactorily for the current year.

Additionally, the Group will continue to explore and expand its investments to enhance shareholders' value.

(b) Progress and steps to achieve revenue or profit estimate, forecast, projection and internal targets previously announced

There was no revenue or profit forecast announced by the Group.

B4. Statement of the Board of Directors' opinion on achievability of revenue or profit estimate, forecast, projection and internal targets previously announced

There was no revenue or profit forecast announced by the Group.

B5. Profit forecast / profit guarantee

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

B6. Taxation

	Current quarter ended 30/09/2007 RM'000	Current year to date ended 30/09/2007 RM'000
In respect of the current quarter / year to date		
- Malaysian income tax	(68)	5,014
In respect of the prior year		
- Malaysian income tax	-	20
	<u>(68)</u>	<u>5,034</u>

OSK VENTURES INTERNATIONAL BERHAD (636117-K)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

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.

B7. 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.

B8. 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 30 September 2007 are as follows:-

	Associated Companies RM'000	Other Investments RM'000
Quoted in Malaysia, at cost	128,070	8,063
Quoted outside Malaysia, at cost	5,588	-
	<hr/> 133,658	<hr/> 8,063
Share of post-acquisition reserves	59,253	-
At carrying value	<hr/> 192,911	<hr/> 8,063
At market value	<hr/> <hr/> 288,138	<hr/> <hr/> 12,139

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

B9. Status of corporate proposals announced but not completed as at 12 November 2007

There were no corporate proposals announced but not completed as at 12 November 2007.

B10. Borrowings and debt securities

The Group has no borrowings or debt securities as at 30 September 2007.

B11. Off balance sheet financial instruments

As at 12 November 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.

OSK VENTURES INTERNATIONAL BERHAD (636117-K)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

B12. Material litigation

As at 12 November 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.

B13. Dividend

(a) No dividend has been proposed or declared for the current quarter ended 30 September 2007 (30 September 2006: 5 sen less 28% income tax per share).

(b) Total dividend for the current year to date is 10 sen less 27% income tax per share.

B14. Earnings Per Share (“EPS”)

	Current quarter ended <u>30/09/2007</u>	Comparative quarter ended <u>30/09/2006</u>	Current year to date ended <u>30/09/2007</u>	Preceding year to date ended <u>30/09/2006</u>
Basic and Diluted				
Profit attributable to equity holders of the Company (RM'000)	2,853	24,981	29,898	39,340
Weighted average number of ordinary shares in issue ('000)	150,000	150,000	150,000	150,000
Basic and Diluted EPS (sen)	1.90	16.65	19.93	26.23

The potential dilutive effect of the options granted to the eligible executives and directors of the Company and its subsidiary companies were not included in the calculation of earnings per share as they have no effect for the period presented.

By Order of the Board

YAP YUH FOH, EDDIE
Executive Director

Kuala Lumpur
19 November 2007