

OSK VENTURES INTERNATIONAL BERHAD (636117-K)

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

| | Current quarter ended 30/09/2009 RM'000 | Comparative quarter ended 30/09/2008 RM'000 | Current year to date ended 30/09/2009 RM'000 | Preceding year to date ended 30/09/2008 RM'000 |
|---|--|---|---|--|
| Revenue | 2,981 | 3,078 | 6,263 | 7,060 |
| Other income | 33 | 25 | 78 | 28 |
| (Allowance for)/Write back of impairment losses | (33) | - | 4,810 | - |
| Administrative expenses | (1,333) | (1,284) | (7,251) | (4,884) |
| Operating profit | 1,648 | 1,819 | 3,900 | 2,204 |
| Finance cost | (253) | - | (518) | - |
| Share of losses after tax of associated companies | (4,958) | (2,220) | (13,890) | (5,559) |
| Loss before tax | (3,563) | (401) | (10,508) | (3,355) |
| Income tax expense | (145) | 3 | (247) | (9) |
| Loss for the period | (3,708) | (398) | (10,755) | (3,364) |
| (Loss)/Profit attributable to: | | | | |
| Equity holders of the Company | (4,224) | (556) | (11,980) | (3,819) |
| Minority interests | 516 | 158 | 1,225 | 455 |
| | (3,708) | (398) | (10,755) | (3,364) |
| Loss per share attributable to equity holders of the Company (sen) (Note B14): | | | | |
| Basic and Diluted | (2.88) | (0.37) | (8.16) | (2.55) |

(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 2009
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

| | As at 30/09/2009 | As at 30/09/2008 | (Audited) As at 31/12/2008 |
|---|----------------------------|---------------------|----------------------------------|
| | RM'000 | RM'000 | RM'000 |
| ASSETS | | | |
| Non-current assets | | | |
| Equipment | 987 | 991 | 951 |
| Intangible assets | 556 | 554 | 555 |
| Investments in associated companies | 202,928 | 222,099 | 201,032 |
| Other investments | 80,271 | 73,839 | 74,079 |
| | 284,742 | 297,483 | 276,617 |
| Current assets | | | |
| Other investments | 4,258 | 3,678 | 2,745 |
| Trade and other receivables | 4,004 | 351 | 303 |
| Amount due from related companies | - | 1,226 | 1,076 |
| Amount due from associated companies | 171 | - | - |
| Tax recoverable | 2,181 | 4,075 | 4,075 |
| Cash, bank balances and deposits | 37,456 | 38,956 | 39,361 |
| | 48,070 | 48,286 | 47,560 |
| TOTAL ASSETS | 332,812 | 345,769 | 324,177 |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders of the Company | | | |
| Share capital | 150,000 | 150,000 | 150,000 |
| Less: Treasury shares, at cost | (2,725) | (8) | (2,724) |
| | 147,275 | 149,992 | 147,276 |
| Reserves | 148,650 | 188,881 | 159,711 |
| | 295,925 | 338,873 | 306,987 |
| Minority interests | 7,210 | 6,014 | 5,985 |
| Total equity | 303,135 | 344,887 | 312,972 |
| Current liabilities | | | |
| Deferred income | 85 | 71 | 70 |
| Sundry payables | 592 | 806 | 1,130 |
| Amount due to related companies | - | 5 | 5 |
| Short term borrowing | 29,000 | - | 10,000 |
| Total liabilities | 29,677 | 882 | 11,205 |
| TOTAL EQUITY AND LIABILITIES | 332,812 | 345,769 | 324,177 |
| Net Assets per share (RM) attributable to equity holders of the Company | 2.02 | 2.26 | 2.09 |

(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 2009
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

| | Attributable to equity holders of the Company | | | | | | | Minority interests | Total equity |
|---|---|-----------------|----------------|-----------------------------|----------------|--|----------------|--------------------|----------------|
| | Share capital | Treasury shares | Share premium | Equity compensation reserve | Other reserves | Retained profits/ (Accumulated losses) | Total | | |
| Current year to date ended 30 September 2009 (Unaudited) | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2009 | 150,000 | (2,724) | 104,396 | 423 | 50,364 | 4,528 | 306,987 | 5,985 | 312,972 |
| Share of associated companies' reserves | - | - | - | - | 919 | - | 919 | - | 919 |
| Reserve realised upon disposal of shares in associated company | - | - | - | - | (970) | 970 | - | - | - |
| Total income recognised directly in equity | - | - | - | - | (51) | 970 | 919 | - | 919 |
| (Loss)/profit for the period | - | - | - | - | - | (11,980) | (11,980) | 1,225 | (10,755) |
| Total income / (expense) recognised for the period | - | - | - | - | (51) | (11,010) | (11,061) | 1,225 | (9,836) |
| Share buybacks | - | (1) | - | - | - | - | (1) | - | (1) |
| At 30 September 2009 | 150,000 | (2,725) | 104,396 | 423 | 50,313 | (6,482) | 295,925 | 7,210 | 303,135 |

OSK VENTURES INTERNATIONAL BERHAD (636117-K)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)

| | Attributable to equity holders of the Company | | | | | | | Minority interests | Total equity |
|---|---|-----------------|---------------|------------------------------|----------------|--------------------------------|---------|--------------------|--------------|
| | Share capital | Treasury shares | Share premium | Equity compensation reserves | Other reserves | Distributable Retained profits | Total | | |
| <u>Preceding year to date ended</u> <u>30 September 2008 (Unaudited)</u> | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2008 | 150,000 | - | 104,396 | 618 | 29,200 | 54,983 | 339,197 | 5,559 | 344,756 |
| Share of associated companies' reserves | - | - | - | - | 11,977 | - | 11,977 | - | 11,977 |
| Loss on deemed disposals of shares in associated companies | - | - | - | - | (149) | - | (149) | - | (149) |
| Total net income recognised directly in equity | - | - | - | - | 11,828 | - | 11,828 | - | 11,828 |
| (Loss)/profit for the period | - | - | - | - | - | (3,819) | (3,819) | 455 | (3,364) |
| Total income / (expense) recognised for the period | - | - | - | - | 11,828 | (3,819) | 8,009 | 455 | 8,464 |
| Dividends paid | - | - | - | - | - | (8,325) | (8,325) | - | (8,325) |
| Reserve realised upon forfeiture of ESOS | - | - | - | (195) | - | 195 | - | - | - |
| Share buybacks | - | (8) | - | - | - | - | (8) | - | (8) |
| At 30 September 2008 | 150,000 | (8) | 104,396 | 423 | 41,028 | 43,034 | 338,873 | 6,014 | 344,887 |

OSK VENTURES INTERNATIONAL BERHAD (636117-K)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)

| | Attributable to equity holders of the Company | | | | | | | Minority interests | Total equity |
|--|---|-----------------|---------------|-----------------------------|----------------|--------------------------------|----------|--------------------|--------------|
| | Share capital | Treasury shares | Share premium | Equity compensation reserve | Other reserves | Distributable Retained profits | Total | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | | |
| <u>Preceding year ended</u> | | | | | | | | | |
| <u>31 December 2008 (Audited)</u> | | | | | | | | | |
| At 1 January 2008 | 150,000 | - | 104,396 | 618 | 29,200 | 54,983 | 339,197 | 5,559 | 344,756 |
| Share of associated companies' reserves | - | - | - | - | 21,313 | - | 21,313 | - | 21,313 |
| Loss on deemed disposals of shares in associated companies | - | - | - | - | (149) | - | (149) | - | (149) |
| Total income recognised directly in equity | - | - | - | - | 21,164 | - | 21,164 | - | 21,164 |
| (Loss)/profit for the year | - | - | - | - | - | (42,325) | (42,325) | 426 | (41,899) |
| Total income / (expense) recognised for the year | - | - | - | - | 21,164 | (42,325) | (21,161) | 426 | (20,735) |
| Dividends paid | - | - | - | - | - | (8,325) | (8,325) | - | (8,325) |
| Reserve realised upon forfeiture of ESOS | - | - | - | (195) | - | 195 | - | - | - |
| Share buybacks | - | (2,724) | - | - | - | - | (2,724) | - | (2,724) |
| At 31 December 2008 | 150,000 | (2,724) | 104,396 | 423 | 50,364 | 4,528 | 306,987 | 5,985 | 312,972 |

(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 2009
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

| | (Audited) | | |
|--|--------------|--------------|------------|
| | Current | Preceding | Preceding |
| | year to date | year to date | year |
| | ended | ended | ended |
| | 30/09/2009 | 30/09/2008 | 31/12/2008 |
| | RM'000 | RM'000 | RM'000 |
| Cash Flows From Operating Activities | | | |
| Loss before tax | (10,508) | (3,355) | (41,890) |
| Adjustments for:- | | | |
| Share of losses of associated companies | 13,890 | 5,559 | 24,094 |
| Other non-cash and non-operating items | (2,569) | (1,675) | 18,720 |
| Operating profit before working capital changes | 813 | 529 | 924 |
| (Increase)/Decrease in operating assets | | | |
| Other investments | (7,540) | (3,789) | (4,054) |
| Other operating assets | (2,626) | 929 | 1,224 |
| Decrease in other operating liabilities | (534) | (258) | (65) |
| Net cash used in operations | (9,887) | (2,589) | (1,971) |
| Interest received | 735 | 577 | 721 |
| Income tax refund | 1,650 | - | 271 |
| Income tax paid | - | (2,573) | (2,843) |
| Net cash used in operating activities | (7,502) | (4,585) | (3,822) |
| Cash Flows From Investing Activities | | | |
| Dividends received | 858 | 952 | 952 |
| Proceeds from disposal of shares in associated company | 3,332 | - | - |
| Purchase of shares in associated companies | (16,035) | (11,475) | (19,047) |
| Purchase of plant and equipment | (200) | (354) | (365) |
| Purchase of software licence | (5) | (8) | (9) |
| Net cash used in investing activities | (12,050) | (10,885) | (18,469) |
| Cash Flows From Financing Activities | | | |
| Dividend paid to shareholders | - | (8,325) | (8,325) |
| Interest paid | (532) | - | - |
| Acquisition of treasury shares | (1) | (8) | (2,724) |
| Drawdown of revolving credit | 19,000 | - | 10,000 |
| Net cash generated from/(used in) financing activities | 18,467 | (8,333) | (1,049) |
| Net decrease in cash and cash equivalents | (1,085) | (23,803) | (23,340) |
| Effects of exchange rate changes | (820) | 987 | 929 |
| Cash and cash equivalents at beginning of period/year | 39,361 | 61,772 | 61,772 |
| Cash and cash equivalents at end of period/year (Note) | 37,456 | 38,956 | 39,361 |

OSK VENTURES INTERNATIONAL BERHAD (636117-K)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (Cont'd)**

| | Current year to date ended 30/09/2009 RM'000 | Preceding year to date ended 30/09/2008 RM'000 | (Audited) Preceding year ended 31/12/2008 RM'000 |
|--|---|---|---|
| Cash on hand and at banks | 647 | 563 | 550 |
| Deposits with licensed banks | 2,432 | 26,633 | 30,111 |
| Deposits with a licensed investment bank | 34,377 | 11,760 | 8,700 |
| | 37,456 | 38,956 | 39,361 |

Note

Cash and cash equivalents at end of period/year comprised:

| | | | |
|--|---------------|--------|--------|
| Cash on hand and at banks | 647 | 563 | 550 |
| Deposits with licensed banks | 2,432 | 26,633 | 30,111 |
| Deposits with a licensed investment bank | 34,377 | 11,760 | 8,700 |

(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 2009

PART A – Explanatory Notes Pursuant to Financial Reporting Standard 134 ("FRS 134") Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Revised Guidelines on Financial Reporting for Licensed Institutions (BNM/GP8) issued by Bank Negara Malaysia ("BNM")

A1. Basis of Preparation

The quarterly report has been prepared in accordance with the requirements of FRS 134 issued by the MASB and the "Revised Guidelines on Financial Reporting for Licensed Institutions" ("BNM/GP8"). The report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2008 and the accompanying explanatory notes. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2008.

The significant accounting policies and methods of computation adopted by the Group in this quarterly report are consistent with those of the annual financial statements for the year ended 31 December 2008. The Group and the Company had not adopted the following FRSs and Interpretations which effective dates are as follows:

| Financial Reporting Standards ("FRS"), Amendments and Interpretations | | Effective for financial period beginning on or after |
|--|--|---|
| FRS 4 | Insurance Contracts | 1 January 2010 |
| FRS 7 | Financial Instruments: Disclosures | 1 January 2010 |
| FRS 8 | Operating Segments | 1 July 2009 |
| FRS 101 | Presentation of Financial Statements | 1 January 2010 |
| FRS 123 | Borrowing Costs | 1 January 2010 |
| FRS 139 | Financial Instruments: Recognition and Measurement | 1 January 2010 |
| Amendments to FRS 1 and FRS 127 | First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate | 1 January 2010 |
| Amendments to FRS 2 | Share-based Payment: Vesting Conditions and Cancellations | 1 January 2010 |
| Amendments to FRS 7 | Financial Instruments: Disclosure | 1 January 2010 |
| Amendments to FRS 132 | Financial Instruments: Presentation | 1 January 2010 |
| Amendments to FRS 139 | Financial Instruments: Recognition and Measurement | 1 January 2010 |
| IC Interpretation 9 | Reassessment of Embedded Derivatives | 1 January 2010 |
| IC Interpretation 10 | Interim Financial Reporting and Impairment | 1 January 2010 |
| IC Interpretation 11 | FRS 2 - Group and Treasury Share Transactions | 1 January 2010 |
| IC Interpretation 13 | Customer Loyalty Programmes | 1 January 2010 |
| IC Interpretation 14 | FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction | 1 January 2010 |
| Amendments to IC Interpretation 9 | Reassessment of Embedded Derivatives | 1 January 2010 |
| TR i-3 | Presentation of Financial Statements of Islamic Financial Institutions | 1 January 2010 |

OSK VENTURES INTERNATIONAL BERHAD (636117-K)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

A1. Basis of Preparation (Cont'd)

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

A2. Seasonal or cyclical factors

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

A3. 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.

A4. 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.

A5. Changes in debt and equity securities

Executive Share Option Scheme ("ESOS")

On 11 April 2007, the Company had granted 1,314,100 options to the eligible executives and directors of the Company and its subsidiary companies. During current year to date, there were no exercise of ESOS option, the remaining options and movement in the ESOS during the current year to date are as follows:

| Date of offer | Exercise price RM | No. of options over ordinary shares of RM1 each | | | | |
|---------------|----------------------|---|---------|-----------|-----------|---------------------|
| | | As at 01/01/2009 | Granted | Exercised | Forfeited | As at 30/09/2009 |
| 11 April 2007 | 2.57 | 900,000 | - | - | - | 900,000 |

Share Buybacks/ Treasury Shares of The Company

During the current year to date, the Company has purchased 1,000 ordinary shares of RM1 each for a total cash consideration of RM731 from open market at an average price of RM0.73 per share. The shares repurchased previously are being held as treasury shares and treated in accordance with the requirements of Section 67A of the Companies Act, 1965. Summary of shares buybacks is as follows:

| | Number of shares | Highest price RM | Lowest price RM | Average cost (including transaction costs) RM | Total amount paid RM |
|-------------------------|---------------------|---------------------|--------------------|---|----------------------------|
| As at 1 January 2009 | 3,189,600 | 1.55 | 0.55 | 0.85 | 2,723,822 |
| May 2009 | 1,000 | 0.69 | 0.69 | 0.73 | 731 |
| As at 30 September 2009 | 3,190,600 | 1.55 | 0.55 | 0.85 | 2,724,553 |

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

A6. Dividend paid

There were no payment of dividend for the current year to date ended 30 September 2009.

OSK VENTURES INTERNATIONAL BERHAD (636117-K)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

A7. 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 the geographical location of the operations of the assets.

(a) Business Segments

The Group is organised into four 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;
- (iii) Internet financial solutions businesses; and
- (iv) Holding entity.

OSK VENTURES INTERNATIONAL BERHAD (636117-K)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

A7. Segmental information (Cont'd)

| <u>9 months ended</u> <u>30 September 2009</u> <u>(Unaudited)</u> | <u>Venture</u> <u>capital</u> <u>businesses</u> RM'000 | <u>Private equity</u> <u>businesses and</u> <u>investment</u> <u>holding</u> RM'000 | <u>Internet</u> <u>financial</u> <u>solutions</u> <u>businesses</u> RM'000 | <u>Holding</u> <u>entity</u> RM'000 | <u>Eliminations</u> RM'000 | <u>Consolidated</u> RM'000 |
|--|---|---|--|---|-------------------------------|-------------------------------|
| Revenue | | | | | | |
| External revenue | 465 | 1,021 | 4,617 | 160 | - | 6,263 |
| Inter-segment revenue | 3,420 | - | - | - | (3,420) | - |
| | 3,885 | 1,021 | 4,617 | 160 | (3,420) | 6,263 |
| Results | | | | | | |
| Segment results | 3,694 | 1,020 | 3,192 | (586) | (3,420) | 3,900 |
| Finance cost | | | | | | (518) |
| Share of losses of associated companies | | | | | | (13,890) |
| Loss before tax | | | | | | (10,508) |
| Income tax expense | | | | | | (247) |
| Loss for the period | | | | | | (10,755) |
| Minority interests | | | | | | (1,225) |
| Loss for the period attributable to equity holders of the Company | | | | | | (11,980) |
| Assets | | | | | | |
| Segment assets | 98,105 | 5,687 | 18,315 | 5,596 | - | 127,703 |
| Investments in associated companies | | | | | | 202,928 |
| Unallocated assets | | | | | | 2,181 |
| | | | | | | 332,812 |
| Liabilities | | | | | | |
| Segment liabilities | 175 | 14 | 259 | 29,229 | - | 29,677 |
| Other information | | | | | | |
| Capital expenditure | - | - | 205 | - | - | 205 |
| Depreciation | 79 | - | 84 | - | - | 163 |
| Plant and equipment written off | - | - | 1 | - | - | 1 |

OSK VENTURES INTERNATIONAL BERHAD (636117-K)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

A7. Segmental information (Cont'd)

| <u>9 months ended</u> <u>30 September 2008</u> <u>(Unaudited)</u> | <u>Venture</u> <u>capital</u> <u>businesses</u> <u>RM'000</u> | <u>Private equity</u> <u>businesses and</u> <u>investment</u> <u>holding</u> <u>RM'000</u> | <u>Internet</u> <u>financial</u> <u>solutions</u> <u>businesses</u> <u>RM'000</u> | <u>Holding</u> <u>entity</u> <u>RM'000</u> | <u>Eliminations</u> <u>RM'000</u> | <u>Consolidated</u> <u>RM'000</u> |
|--|--|---|--|---|--|--|
| Revenue | | | | | | |
| External revenue | 920 | - | 4,777 | 1,363 | - | 7,060 |
| Inter-segment revenue | 3,174 | - | 2 | - | (3,176) | - |
| | <u>4,094</u> | <u>-</u> | <u>4,779</u> | <u>1,363</u> | <u>(3,176)</u> | <u>7,060</u> |
| Results | | | | | | |
| Segment results | 4,055 | (744) | 1,146 | 923 | (3,176) | 2,204 |
| Share of losses of associated companies | | | | | | <u>(5,559)</u> |
| Loss before tax | | | | | | (3,355) |
| Income tax expense | | | | | | <u>(9)</u> |
| Loss for the period | | | | | | (3,364) |
| Minority interests | | | | | | <u>(455)</u> |
| Loss for the period attributable to equity holders of the Company | | | | | | <u>(3,819)</u> |
| Assets | | | | | | |
| Segment assets | 93,050 | 5,686 | 15,200 | 5,659 | - | 119,595 |
| Investments in associated companies | | | | | | 222,099 |
| Unallocated assets | | | | | | <u>4,075</u> |
| | | | | | | <u>345,769</u> |
| Liabilities | | | | | | |
| Segment liabilities | 287 | 17 | 345 | 233 | - | 882 |
| Other information | | | | | | |
| Capital expenditure | 349 | - | 13 | - | - | 362 |
| Depreciation | 65 | - | 127 | - | - | 192 |
| Plant and equipment written off | 1 | - | - | - | - | 1 |

OSK VENTURES INTERNATIONAL BERHAD (636117-K)**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009****A7. Segmental information (Cont'd)****(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.

| | 9 months ended 30 September 2009 (Unaudited) | | |
|-------------------------------------|---|-----------------------|----------------|
| | <u>Revenue</u> | <u>Segment assets</u> | <u>Capital</u> |
| | RM'000 | RM'000 | expenditure |
| | | | RM'000 |
| Malaysia | 6,217 | 89,173 | 200 |
| Singapore | 23 | 2,720 | - |
| Hong Kong | 23 | 254 | - |
| China | - | 35,556 | - |
| | <hr/> 6,263 | <hr/> 127,703 | <hr/> 200 |
| Investments in associated companies | - | 202,928 | - |
| | <hr/> 6,263 | <hr/> 330,631 | <hr/> 200 |

| | 9 months ended 30 September 2008 (Unaudited) | | |
|-------------------------------------|---|-----------------------|----------------|
| | <u>Revenue</u> | <u>Segment assets</u> | <u>Capital</u> |
| | RM'000 | RM'000 | expenditure |
| | | | RM'000 |
| Malaysia | 5,818 | 65,433 | 354 |
| Hong Kong | 65 | 24,755 | - |
| China | 1,177 | 29,407 | - |
| | <hr/> 7,060 | <hr/> 119,595 | <hr/> 354 |
| Investments in associated companies | - | 222,099 | - |
| | <hr/> 7,060 | <hr/> 341,694 | <hr/> 354 |

A8. Valuations of property, plant and equipment

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

A9. Material events subsequent to the end of the quarter

There were no significant subsequent events from 30 September 2009 to 9 November 2009 (being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

A10. Changes in the composition of the Group

- (a) Delisting of GMO Limited ("GMO"), an 18.96% owned associated company of the Company from the Alternative Investment Market of the London Stock Exchange ("The Delisting")

The cancellation of dealings in the ordinary shares of GMO on the Alternative Investment Market of the London Stock Exchange had taken effect from 7.00 a.m. (U.K. time), 29 May 2009.

GMO vide its company secretary, Jordans, had, on 17 July 2009 filed the statement of Solvency C60 together with the winding up resolution passed by GMO's shareholders on 26 June 2009 with Jersey Financial Services Commission informing them of GMO's winding up summary.

GMO is in the process of commencing a summary winding up. During its winding up GMO will make an in specie distribution of its remaining assets comprising shares in GMO Global Limited to the remaining shareholders in GMO.

- (b) Disposal of associated company, MNC Wireless Berhad ("MNC") by the Group

On 5 June 2009, the Group via its wholly owned subsidiary company, OSK Technology Ventures Sdn Bhd disposed its entire 20.06% equity interest in MNC.

- (c) Acquisition of Green Packet Berhad ("GPB") Rights Issue with warrants

On 16 September 2009, OSK Technology Ventures Sdn Bhd a wholly owned subsidiary company subscribed for 32.0 million Rights Issue Shares with 32.0 million detachable warrants for a total cost of RM16.0 million. The Group's equity interests in GPB remained at 16.23% upon acquisition of its rights.

A11. Changes in contingent liabilities or contingent assets since 31 December 2008

As at 9 November 2009 no material contingent liabilities or assets have arisen since 31 December 2008.

OSK VENTURES INTERNATIONAL BERHAD (636117-K)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

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

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

The Group recorded a pre-tax loss of RM3.56 million for the current quarter under review as compared to previous year corresponding quarter’s pre-tax loss of RM0.40 million. This was mainly due to increase in share of losses of associated companies.

The Group recorded a pre-tax loss of RM10.51 million for the 9 months ended 30 September 2009 as compared to previous year corresponding period’s pre-tax loss of RM3.36 million. The increase was due to higher share of losses from associated companies.

B2. Material changes in the quarterly loss before tax

The Group recorded a pre-tax loss of RM3.56 million for the current quarter as compared to the immediate preceding quarter’s pre-tax loss of RM2.60 million. The increase of pre-tax loss was attributable to higher share of losses from associated companies and lower operating profit.

B3. (a) Current year prospects

The Board of Directors is of the view that the remaining year continues to be challenging as the recovery from the global financial turmoil is still uncertain thereby affecting the performance of the investee companies.

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

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

B5. Profit forecast / profit guarantee

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

OSK VENTURES INTERNATIONAL BERHAD (636117-K)**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009****B6. Taxation**

| | Current quarter ended 30/09/2009 RM'000 | Current year to date ended 30/09/2009 RM'000 |
|--|--|---|
| In respect of the current quarter / year to date | | |
| - Malaysian income tax | 25 | 58 |
| In respect of the prior year | | |
| - Malaysian income tax | 120 | 189 |
| | <u>145</u> | <u>247</u> |

The current taxation of the Group was mainly on interest income of a profitable subsidiary company.

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 ACE 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 period under review.

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 ACE Market, disclosure on the purchase and sale of quoted securities as well as its net effect is exempted except for the investments managed by a related fund management company which are as follows:

| | Current quarter ended 30/09/2009 RM'000 | Current year to date ended 30/09/2009 RM'000 |
|------------------------------|--|---|
| Total purchase consideration | <u>1,638</u> | <u>3,646</u> |
| Total sale proceeds | <u>985</u> | <u>2,218</u> |
| Net profit on disposals | <u>81</u> | <u>106</u> |

OSK VENTURES INTERNATIONAL BERHAD (636117-K)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

B8. Quoted securities (Cont'd)

(b) Investments in quoted securities as at 30 September 2009 are as follows:-

| | Other Investments RM'000 |
|----------------------------------|--------------------------------|
| Quoted in Malaysia, at cost | 9,894 |
| Quoted outside Malaysia, at cost | - |
| At carrying value | <u>9,894</u> |
| At market value | <u>13,104</u> |

B9. Status of corporate proposals announced but not completed as at 9 November 2009

There were no corporate proposals announced but not completed as at 9 November 2009.

B10. Borrowings and debt securities

The Group has unsecured revolving credit facilities of RM29 million denominated in Ringgit Malaysia.

B11. Off balance sheet financial instruments

As at 9 November 2009 (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 off balance sheet financial instruments.

B12. Material litigation

As at 9 November 2009 (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

No dividend has been proposed or declared for the current year to date ended 30 September 2009 (30 September 2008: Nil).

OSK VENTURES INTERNATIONAL BERHAD (636117-K)**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009****B14. Earnings Per Share (“EPS”)**

| | Current quarter ended <u>30/09/2009</u> | Comparative quarter ended <u>30/09/2008</u> | Current year to date ended <u>30/09/2009</u> | Preceding year to date ended <u>30/09/2008</u> |
|---|--|--|---|---|
| Basic and Diluted | | | | |
| Loss attributable to equity holders of the Company (RM'000) | (4,224) | (556) | (11,980) | (3,819) |
| Weighted average number of ordinary shares in issue ('000) | 146,809 | 149,997 | 146,811 | 149,997 |
| Basic loss per share (sen) | (2.88) | (0.37) | (8.16) | (2.55) |

The outstanding share options have been excluded from the computation of fully diluted earnings per RM1 ordinary shares as their conversion to ordinary shares would be antidilutive.

B15. Auditors' report on preceding annual financial statements

The auditors' report on the audited financial statements for the year ended 31 December 2008 was not qualified.

By Order of the Board

YEE CHEE WAI, PATRICK
Executive Director

Kuala Lumpur
16 November 2009