

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		(Audited)
	As at	As at
Note	30/09/2010	31/12/2009
	RM'000	RM'000
ASSETS		
Non-current assets		
Equipment	1,244	966
Intangible assets	560	557
Investments in associated companies	-	141,443
Investments securities	159,379	59,638
	161,183	202,604
Current assets		
Investment securities	35,262	-
Derivative financial assets	11,500	-
Other investments	-	6,987
Trade, other receivables, deposit and prepayments	2,595	500
Tax recoverable	2,126	2,245
Amount due from former related companies	-	3,129
Amount due from associated companies	-	97
Cash, bank balances and deposits	16,499	15,892
	67,982	28,850
TOTAL ASSETS	229,165	231,454
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	5,181	-
Current liabilities		
Deferred income	55	77
Other payables and accruals	1,940	817
Borrowings	29,000	29,000
	30,995	29,894
Total liabilities	36,176	29,894
EQUITY		
Share capital	A9 73,404	150,000
Treasury shares, at cost	A5(b) (1)	(2,725)
	73,403	147,275
Reserves	A9 112,556	46,618
Issued share capital and reserves attributable to owners of the Company	185,959	193,893
Minority interests	7,030	7,667
Total equity	192,989	201,560
TOTAL LIABILITIES AND EQUITY	229,165	231,454
Net Assets per share (RM) attributable to owners of the Company	1.27	1.32

(The accompanying explanatory notes form an integral part of and should be read in conjunction with this quarterly report).

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current quarter ended 30/09/2010	Comparative quarter ended 30/09/2009	Current year to date ended 30/09/2010	Preceding year to date ended 30/09/2009
Note	RM'000	RM'000	RM'000	RM'000
Revenue	3,594	2,981	12,197	6,263
Other income	41	33	66	78
Net fair value loss on financial instruments	(3,111)	-	(19,390)	-
Reversal of impairment loss	-	(33)	-	4,810
Administrative expenses	(1,174)	(1,333)	(4,779)	(7,251)
Finance cost	(301)	(253)	(828)	(518)
Share of losses after tax of associated companies	-	(4,958)	-	(13,890)
Loss before tax	(951)	(3,563)	(12,734)	(10,508)
Tax income / (expense)	1,365	(145)	7,978	(247)
Profit/(Loss) after tax for the period	414	(3,708)	(4,756)	(10,755)
(Loss) / Profit attributable to:				
Owners of the Company	(231)	(4,224)	(6,130)	(11,980)
Minority interests	645	516	1,374	1,225
	414	(3,708)	(4,756)	(10,755)
Loss per share attributable to owners of the Company (sen):				
Basic and Diluted	(0.15)	(2.88)	(4.09)	(8.16)

(The accompanying explanatory notes form an integral part of and should be read in conjunction with this quarterly report).

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Current quarter ended 30/09/2010 RM'000	Comparative quarter ended 30/09/2009 RM'000	Current year to date ended 30/09/2010 RM'000	Preceding year to date ended 30/09/2009 RM'000
Profit/(Loss) after tax for the period	414	(3,708)	(4,756)	(10,755)
Other comprehensive loss				
Share of associated companies' other comprehensive income	-	(167)	-	919
Other comprehensive loss for the period, net of tax	-	(167)	-	919
Total comprehensive income/(loss) for the period, net of tax	414	(3,875)	(4,756)	(9,836)
Total comprehensive (loss) / income attributable to:				
Owners of the Company	(231)	(4,391)	(6,130)	(11,061)
Minority interests	645	516	1,374	1,225
	414	(3,875)	(4,756)	(9,836)

(The accompanying explanatory notes 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 2010
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company							Minority interests	Total equity	
	Share capital	Treasury shares	Share premium	Capital redemption	Equity com-	Other reserves	(Accumulated			
				reserve	pensation reserve		losses) /			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	Retained profits	Total	RM'000	RM'000	
As at 1.1.2010										
As previously reported	150,000	(2,725)	104,397	-	423	50,725	(108,927)	193,893	7,667	201,560
Adoption of FRS 139	-	-	-	-	-	(50,725)	49,263	(1,462)	36	(1,426)
As restated	150,000	(2,725)	104,397	-	423	-	(59,664)	192,431	7,703	200,134
Total comprehensive income	-	-	-	-	-	-	(6,130)	(6,130)	1,374	(4,756)
Cancellation of treasury shares:										
- Issued capital diminished transfer to capital redemption reserve	(3,192)	-	-	3,192	-	-	-	-	-	-
- Cost of treasury shares cancelled by utilised share premium	-	2,725	(2,725)	-	-	-	-	-	-	-
Dividends paid to minority interest	-	-	-	-	-	-	-	-	(2,047)	(2,047)
Capital Reduction	(73,404)	-	(16,519)	-	-	-	89,923	-	-	-
Rights issue expenses	-	-	(341)	-	-	-	-	(341)	-	(341)
Share buybacks by the Company	-	(1)	-	-	-	-	-	(1)	-	(1)
Total transactions	(76,596)	2,724	(19,585)	3,192	-	-	89,923	(342)	(2,047)	(2,389)
As at 30.9.2010	73,404	(1)	84,812	3,192	423	-	24,129	185,959	7,030	192,989
As at 1.1.2009	150,000	(2,724)	104,396	-	423	50,364	4,528	306,987	5,985	312,972
Total comprehensive income	-	-	-	-	-	(51)	(11,010)	(11,061)	1,225	(9,836)
Share buybacks	-	(1)	-	-	-	-	-	(1)	-	(1)
As at 30.9.2009	150,000	(2,725)	104,396	-	423	50,313	(6,482)	295,925	7,210	303,135

(The accompanying explanatory notes form an integral part of and should be read in conjunction with this quarterly report).

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Current year to date ended 30/09/2010 RM'000	Preceding year to date ended 30/09/2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(12,734)	(10,508)
Adjustments for non-cash items	7,771	11,321
Operating profit before changes in working capital	(4,963)	813
Changes in working capital:		
Net changes in current assets	6,232	(10,166)
Net changes in current liabilities	1,098	(534)
Net cash generated from/(used in) operations	2,367	(9,887)
Interest received	520	735
Income tax refund	107	1,650
Income tax paid	(97)	-
Net cash generated from/(used in) operating activities	2,897	(7,502)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	1,307	858
Proceed from disposals of interests in associated companies	-	3,332
Purchase of shares in associated companies	-	(16,035)
Purchase of equipment	(468)	(200)
Purchase of software licences	(7)	(5)
Net cash (used in)/from investing activities	832	(12,050)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(826)	(532)
Acquisition of treasury shares	(1)	(1)
Drawdown of revolving credits	-	19,000
Rights issue expenses	(341)	-
Dividend paid to minority interest	(2,047)	-
Net cash (used in)/from financing activities	(3,215)	18,467
Net increase/(decrease) in cash and cash equivalents	514	(1,085)
Effect of exchange rate changes	93	(820)
Cash and cash equivalents at beginning of period	15,892	39,361
Cash and cash equivalents at end of period	16,499	37,456
Cash and cash equivalents at end of period comprised:		
Cash and bank balances	333	647
Deposit with licensed banks and investment banks within one month	16,166	36,809
	16,499	37,456

(The accompanying explanatory notes form an integral part of and should be read in conjunction with this quarterly report).

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**A1. Basis of preparation (Cont'd)****1 January 2010 (Cont'd)**

Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 128	Investments in Associates
Amendments to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendments to FRS 131	Interests in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 132	Financial Instruments: Presentation - paragraphs 95A, 97AA and 97AB
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 138	Intangible Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 140	Investment Property
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

FRS 4, Amendments to FRS 120, 123 and FRS 129 and IC Interpretations 13 and 14 are not applicable to the Group. The adoption of amendments to FRSs and IC Interpretations did not have any significant effect on the financial performance or position of the Group. The adoption of FRSs is discussed below:

- (a) FRS 8 : Operating Segments – FRS 8 requires a retrospective disclosure of information about the Group's operating segments and replaced the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group. The Group concluded that the operating segments determined in accordance with FRS 8 are the same as the business segments previously adopted per FRS 114 Segment Reporting. Adoption of FRS 8 did not have any effect on the financial position or performance of the Group.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

A1. Basis of preparation (Cont'd)

- (b) FRS 7 : Financial Instruments: Disclosures – FRS 7 requires a retrospective disclosures in financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance, and the nature and extent of risks arising from financial instruments to which an entity is exposed during the period and at the reporting date, and how the entity manages those risks. The principles in this FRS complement the principles for recognising, measuring and presenting financial assets and financial liabilities in FRS 132 Financial Instruments: Presentation and FRS 139 Financial Instruments: Recognition and Measurement.

FRS 7 requires disclosures on the significance of financial instruments for financial position (i.e. Categories of financial assets and financial liabilities, Financial assets or financial liabilities at fair value through profit or loss, Reclassification, Derecognition, Collateral, Allowance account for credit losses, Compound financial instruments with multiple embedded derivatives and Defaults and breaches); performance (i.e. Items of income, expense, gains or losses); and other disclosures (i.e. Accounting policies, Hedge accounting and Fair value).

FRS 7 also requires disclosures on the risks that arise from financial instruments and how they have been managed. These risks typically include, but are not limited to, credit risk, liquidity risk and market risk. The adoption of FRS 7 did not impact the financial position or results of the Group.

- (c) FRS 101 : Presentation of Financial Statements – FRS 101 requires the Group to present all owner changes in equity and all non-owner changes be presented in either in one statement of comprehensive income or in two separate statements of income and comprehensive income. FRS 101 also requires that the income tax effect of each component of comprehensive income be disclosed. FRS 101 requires retrospective restatement of comparative statement of financial position as at the beginning of the earliest comparative period.

The Group has adopted to present the comprehensive income in two separate statements of income and comprehensive income where the individual components of comprehensive income and the related tax effects have been disclosed therein. The Group has not provided a restated comparative set of financial position for the earliest comparative period, as it has not adopted any new accounting policies retrospectively, or has made a retrospective restatement, or retrospectively reclassified items in the financial statements. The adoption of FRS 101 did not impact the financial position or results of the Group as the changes introduced are presentational in nature.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

A1. Basis of preparation (Cont'd)

- (d) FRS 139 : Financial Instruments: Recognition and Measurement – FRS 139 establishes the principles for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. The adoption of FRS 139 has resulted in change in accounting policies. Retrospective application of FRS 139 is not permitted and financial effects for the current year are shown in financial statements and prior year effects are reflected as restatement of opening reserves as disclosed in statement of changes in equity for the current year to date.

Equity instruments

Prior to 1 January 2010, investments in equity instruments which the Group has significant influence but not control, over the financial and operating policies, as associates and accounted for in accordance with FRS 128 Investment in Associates ("FRS 128"). Other investments in shares were classified as other investments and measured at cost less impairment losses. Upon the adoption of FRS 139, these investment securities are designated at 1 January 2010 as financial assets at fair value through profit or loss and accordingly are stated at their fair values, with changes in fair value recognised in the statement of comprehensive income in the period of change.

Debts instruments

Prior to 1 January 2010, investments in debt securities were stated at cost less accumulated impairment. Upon the adoption of FRS 139, investments in debt securities are designated at fair value through profit or loss.

Derivatives

Prior to 1 January 2010, derivatives, such as quoted warrants in associates, were stated at cost less accumulated impairment, included within investments in associated companies. Upon the adoption of FRS 139, investments in derivatives are classified as derivative financial assets and are recognised at their fair values.

With the adoption of FRS 139 on 1 January 2010 and as permitted under FRS 128, the Group had adopted fair valuation for its investments in associated companies and its other investments and classified such investments as investment securities Fair Value Through Profit or Loss ("FVTPL") with effect from 1 January 2010. The Group re-designated all investments in associated companies and other investment securities at FVTPL and accounted for in accordance with FRS 139, with fair value recognised in the income statement in the period of change. This fair valuation of investment securities provides fairer financial performance and position of the Group.

For quoted investments, fair value is measured using the available last bid price at the reporting date from the stock exchanges when these respective investments are quoted. For unquoted investments and when there is no active market for a quoted investment, the Group adopts appropriate valuation techniques as permitted under FRS 139 to determine the fair value of these investments.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**A1. Basis of preparation (Cont'd)**

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted as restated in the statement of changes in equity as at 1 January 2010.

The Group has not adopted the following FRSs, Amendments to FRSs and IC Interpretations effective for annual periods beginning on and after:

1 March 2010

Amendments to FRS 132 Financial Instruments: Presentation - paragraphs 11, 16 and 97E

1 July 2010

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued operations
Amendments to FRS 138	Intangible Assets
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

1 January 2011

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers

FRS 1 and IC Interpretations 12 and 15 are not applicable to the Group. The other FRSs, amendments to FRSs, IC Interpretations above are expected to have no significant impact on the financial statements upon their initial application.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**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 market price of quoted investments and fair value of unquoted investments 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 financial statements for the current year to date.

A4. Material changes in estimates

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

A5. Changes in debt and equity securities**(a) Executive Share Option Scheme ("ESOS") of the Company**

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. There were no ESOS option being exercised or forfeited during the current year to date and the remaining options are as follows:

Date of offer	Exercise price (RM)	No. of options over ordinary shares of RM0.50 each			
		As at 1.1.2010	Exercised	Forfeited	As at 30.9.2010
11.4.2007	2.57	900,000	-	-	900,000

There will be adjustment made to the above exercise price further to the capital reduction exercise which was completed on 12 August 2010 (reduction in par value of each ordinary share of the Company from RM1.00 to RM0.50) and the Rights Issue.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010
A5. Changes in debt and equity securities (Cont'd)
(b) Share buybacks / Treasury shares of the Company

On 2 March 2010, the Company cancelled 3,191,600 ordinary shares of RM1.00 each for a total cost of RM2,725,299 by utilising share premium account. Pursuant to Section 67A(3E) of the Companies Act, 1965, the Company is required to create a capital redemption reserve for the issued capital diminished, which may be applied for bonus issue subsequently.

On 24 May 2010, the Company has purchased 1,000 ordinary shares for a total cash consideration of RM521.00 from the open market at an average cost of RM0.52 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 share 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 1.1.2010	3,191,600	1.55	0.55	0.85	2,725,299
Cancellation on 2.3.2010	(3,191,600)	1.55	0.55	0.85	(2,725,299)
	-	-	-	-	-
Share buyback on 24.5.2010	1,000	0.48	0.48	0.52	521
	1,000	0.48	0.48	0.52	521
As at 30.9.2010	1,000	0.48	0.48	0.52	521

A6. Dividends paid

There were no payment of dividend during the current year to date.

A7. Segmental information

The segment information has been prepared in accordance with the disclosure requirements of FRS 8 Operating Segments. For management purposes, the Group is organised into the following major business segments based services, which are regularly provided to and reviewed by the chief operating decision maker :

- | | |
|---|--|
| 1. Venture Capital Business | - Venture capital business and investment in growth entities |
| 2. Private Equity Business and Investment Holding | - Management of private funds and holding of long term investments |
| 3. Internet Financial Solutions Business | - Development and provision of internet financial solutions and related activities |
| 4. Holding Entity | - Investment Holding Company |

Segment revenue and results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The inter-segment transactions have been entered into in the ordinary course of business at terms mutually agreed between the companies concerned and are not more favourable than those arranged with independent third parties have been eliminated to arrive at the Group's results.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

A7. Segmental information (Cont'd)

Business Segments

	Venture capital businesses	Private equity businesses and investment holding	Internet financial solutions businesses	Holding entity	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year to date ended 30 September 2010						
Revenue						
External revenue	7,792	1,006	3,256	143	-	12,197
Inter-segment revenue	4,817	-	-	-	(4,817)	-
Total	12,609	1,006	3,256	143	(4,817)	12,197
Results						
(Loss)/Profit from operations with external parties	(31,031)	16,144	3,482	(501)	-	(11,906)
Add : Inter segment revenue	4,817	-	-	-	(4,817)	-
Less : Inter segment expenses	(3,543)	(1,274)	-	-	4,817	-
Segment results	(29,757)	14,870	3,482	(501)	-	(11,906)
Finance cost						(828)
Loss before tax						(12,734)
Tax income						7,978
Loss for the period						(4,756)
Minority interests						(1,374)
Loss for the period attributable to owners of the Company						(6,130)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

A7. Segmental information (Cont'd)

Business Segments (Cont'd)

	<u>Venture capital</u> <u>businesses</u> RM'000	<u>Private equity</u> <u>businesses and</u> <u>investment holding</u> RM'000	<u>Internet financial</u> <u>solutions</u> <u>businesses</u> RM'000	<u>Holding entity</u> RM'000	<u>Eliminations</u> RM'000	<u>Consolidated</u> RM'000
Preceding year to date ended 30 September 2009						
Revenue						
External revenue	465	1,021	4,617	160	-	6,263
Inter-segment revenue	3,420	-	-	-	(3,420)	-
	<u>3,885</u>	<u>1,021</u>	<u>4,617</u>	<u>160</u>	<u>(3,420)</u>	<u>6,263</u>
Results						
Profit/(Loss) from operations with external parties	274	1,020	3,192	(586)	-	3,900
Add : Inter segment revenue	3,420	-	-	-	(3,420)	-
Less : Inter segment expenses	(2,177)	(1,243)	-	-	3,420	-
Segment results	<u>1,517</u>	<u>(223)</u>	<u>3,192</u>	<u>(586)</u>	<u>-</u>	<u>3,900</u>
Finance cost						(518)
Share of losses of associated companies						(13,890)
Loss before tax						<u>(10,508)</u>
Income tax expense						(247)
Loss for the period						<u>(10,755)</u>
Minority interests						(1,225)
Loss for the period attributable to owners of the Company						<u><u>(11,980)</u></u>

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

A7. Segmental information (Cont'd)

Geographical Segments

The Group operates in 2 geographical locations: Malaysia (Domestic), China and Hong Kong. Revenue is based on geographical locations of business operations. Non-current assets are presented based on the geographical locations of assets, which consist of Equipment and Intangible assets.

Domestic	Foreign			
Malaysia	China and Hong Kong	Singapore	Total	Total
RM'000	RM'000	RM'000	RM'000	RM'000

Current year to date ended 30 September 2010

Revenue	12,197	-	-	-	12,197
Loss before tax	(9,257)	(3,477)	-	(3,477)	(12,734)
Non-current assets as at 30.9.2010	1,804	-	-	-	1,804

Preceding year to date ended 30 September 2009

Revenue	6,217	23	23	46	6,263
Loss before tax	(8,210)	(2,298)	-	(2,298)	(10,508)
Non-current assets as at 31.12.2009	160,096	42,508	-	42,508	202,604

A8. Valuations of property, plant and equipment

There were no revaluation of equipment during the current year to date.

A9. Material events subsequent to the end of the quarter

The Capital Reduction, Amendment to the M&A and Rights Issue of the Company

On 21 May 2010, the Company proposed to undertake the following corporate proposals:-

- (i) Proposed capital reduction by the cancellation of RM0.50 of the par value of every existing ordinary share of RM1.00 each in the Company together with the reduction of the share premium account of the Company, to be off-set against the accumulated losses of of the Company;
- (ii) Proposed amendment to the Memorandum and Articles of Association of the Company (“M&A”) to facilitate the change in the par value of the ordinary shares in the Company resulting from the Proposed Capital Reduction; and
- (iii) Proposed renounceable rights issue of up to 48,936,133 new ordinary shares of RM0.50 each in the Company (“Rights Share(s)”) on the basis of one (1) Rights Share for every three (3) the Company ordinary shares of RM0.50 each held after the Proposed Capital Reduction (“OSKVI Share(s)”), together with up to 97,872,266 new free detachable warrants (“Warrant(s)”) on the basis of two (2) Warrants for every one (1) Rights Share subscribed.

On 12 August 2010, the sealed order of the High Court of Malaya in Kuala Lumpur confirming the capital reduction has been lodged with the Companies Commission of Malaysia, which marks the completion of the Proposed Capital Reduction exercise. The capital reduction does not affect the number of ordinary shares or rights attaching to the ordinary shares held by them. All the ordinary shares of the Company standing to the credit of the securities account of the Company’s shareholders shall not be affected, except for the reduction in par value of each ordinary share of the Company from RM1.00 to RM0.50. The capital reduction will not adjust the share price of the Company. During the quarter, the share capital, share premium and accumulated losses accounts had been reduced accordingly.

On 18 August 2010, the Board of Directors of the Company fixed the following prices for the securities to be issued pursuant to the Rights Issue as follows :

- (i) the issue price for the Rights Shares is fixed at RM0.50 per Rights Shares; and
- (ii) the exercise price of the free detachable Warrants to be issued pursuant to the Rights Issue is fixed at RM0.50 per Warrant.

The above issue price of RM0.50 per Rights Share and the exercise price of RM0.50 per Warrant was arrived at based on the par value of OSKVI’s ordinary shares and after taking into consideration of the five (5)-day weighted average market price of OSKVI shares as traded on Bursa Malaysia Securities Berhad from 11 August 2010 up to 17 August 2010 of RM0.47.

A9. Material events subsequent to the end of the quarter (Cont'd)

The Capital Reduction, Amendment to the M&A and Rights Issue of the Company

As at the close of acceptance and payment for the Rights Issue on 1 October 2010, the Rights Shares had been over subscribed by 115.16% over the total number of 48,936,133 Rights Shares available for subscription under the Rights Issue.

The proceeds raised from the Rights Issue was RM24,468,066.50.

On 12 October 2010, the Company's additional 48,936,133 new ordinary shares of RM0.50 each and 97,872,266 Warrants issued pursuant to the Rights Issue were granted listing and quotation on Bursa Malaysia.

A10. Changes in the composition of the Group

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

A11. Changes in contingent liabilities or contingent assets since 31 December 2009

As at 1 November 2010, no material contingent liabilities or assets have arisen since 31 December 2009.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

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's loss after tax ("LAT") was RM4.77 million for the nine months ended 30 September 2010 ("9M10") as compared to the LAT for the nine months ended 30 September 2009 ("9M09") of RM10.76 million. The group also registered a 95% increase in revenue to RM12.20 million compared to RM6.26 million in the previous corresponding period.

With the adoption of FRS 139, the Group has accounted its investment in associated companies by Fair Value Through Profit or Loss (listed associated companies are marked to market) to reflect a fairer financial performance and profit as compared to equity accounting previously adopted.

B2. Material change in quarterly results before taxation for the current quarter compared with the immediate preceding quarter

The Group recorded a loss before taxation of RM0.95 million for the current quarter as compared to the preceding quarter's loss before tax of RM20.40 million mainly due to changes in fair valuation of investment securities.

B3. Current year prospects and progress on previously announced revenue or profit forecast

(a) Current year prospects

The fair valuation of the investment securities is based on the market performance and is reflected in the Group's financial results. The Board of Directors is of the view that the remaining year continues to be challenging.

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

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**B6. Income tax expense**

	Current quarter ended <u>30/09/2010</u> RM'000	Current year to date ended <u>30/09/2010</u> RM'000
In respect of the current quarter / year to date:-		
- Malaysian income tax	(54)	(109)
- Deferred tax	1,419	8,087
	<u>1,365</u>	<u>7,978</u>

The current taxation of the Group was mainly in relation to non core income of a subsidiary company as other income is exempted from tax. The reduction in deferred tax was mainly due to the lower fair value of investment securities.

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 current year to date.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

B8. Purchase or disposal of 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 fund management company which are as follows:

	Current quarter ended <u>30/09/2010</u> RM'000	Current year to date ended <u>30/09/2010</u> RM'000
Total purchase consideration	<u>3,844</u>	<u>10,635</u>
Total sale proceeds	<u>3,515</u>	<u>10,469</u>
Net gain on disposals	<u>203</u>	<u>314</u>

- (b) Investments in quoted securities as at 30 September 2010 are as follows:-

	Quoted Investment Securities RM'000
Quoted in Malaysia, at cost	190,046
Quoted outside Malaysia, at cost	2,872
Impairment loss	(39,757)
Fair valuation	<u>17,031</u>
At carrying value	<u>170,192</u>
At market value	<u>170,192</u>

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

B9. Status of corporate proposals

There were no corporate proposals previously announced but not completed as at 1 November 2010.

B10. Borrowings

As at 30 September 2010, the borrowings represent the unsecured revolving credit facilities of RM29 million denominated in Ringgit Malaysia.

B11. Disclosure requirements pursuant to implementation of FRS 139

(a) Disclosure of derivatives

(i) Nature of outstanding derivatives as at end of period

Futures

Futures are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Futures contracts are transacted in standardised amounts on regulated exchanges and are subject to daily cash margin requirements.

(ii) The rationale for entering into new derivatives and the expected benefit accruing to the Group

There were no new derivatives during the current year to date.

(iii) Changes in derivatives since last financial year

There have been no changes since the end of the previous year in respect of the followings:

- a) the cash requirements of the derivatives, if any;
- b) the policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
- c) the related accounting policies.

(b) Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities at the end of the period.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**B12. Material litigation**

As at 1 November 2010 (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 2010 (30 September 2009: Nil).

B14. Loss Per Share (“LPS”) attributable to owners of the Company

	Current quarter ended 30/09/2010	Comparative quarter ended 30/09/2009	Current year to date ended 30/09/2010	Preceding year to date ended 30/09/2009
Loss attributable to owners of the Company (RM'000)	(231)	(4,224)	(6,130)	(11,980)
Weighted average number of ordinary shares in issue ('000 shares)	146,808	146,811	149,906	146,811
Basic and diluted loss per share (sen)	<u>(0.15)</u>	<u>(2.88)</u>	<u>(4.09)</u>	<u>(8.16)</u>

The outstanding share options have been excluded from the computation of fully diluted loss per shares as their conversion to ordinary shares would be anti dilutive.

B15. Auditors' report on preceding annual financial statements

The auditors' report of the Group's preceding audited financial statements was not qualified.

By Order of the Board

YEE CHEE WAI
Executive Director

Kuala Lumpur
3 November 2010