

OSK Ventures International Berhad (636117-K)**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011**

		(Audited)
	As at 30.9.2011	As at 31.12.2010
Note	RM'000	RM'000
ASSETS		
Non-current assets		
Equipment	1,090	1,183
Intangible assets	576	560
Investment securities	127,318	139,426
	<u>128,984</u>	<u>141,169</u>
Current assets		
Investment securities	17,429	33,227
Derivative financial assets	5,886	10,797
Receivables, deposits and prepayments	1,951	660
Tax recoverable	42	2,190
Cash, bank balances and deposits	44,239	49,910
	<u>69,547</u>	<u>96,784</u>
TOTAL ASSETS	<u>198,531</u>	<u>237,953</u>
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	849	1,242
Current liabilities		
Deferred income	22	48
Other payables and accruals	1,095	767
Tax payable	307	-
Borrowings	29,000	29,000
	<u>30,424</u>	<u>29,815</u>
TOTAL LIABILITIES	<u>31,273</u>	<u>31,057</u>
EQUITY		
Share capital	97,872	97,872
Treasury shares, at cost	(1)	(1)
	<u>97,871</u>	<u>97,871</u>
Reserves	63,404	101,229
Equity attributable to owners of the Company	161,275	199,100
Non-controlling interest	5,983	7,796
TOTAL EQUITY	<u>167,258</u>	<u>206,896</u>
TOTAL LIABILITIES AND EQUITY	<u>198,531</u>	<u>237,953</u>
Net Assets per share (RM) attributable to owners of the Company	<u>0.82</u>	<u>1.02</u>

(The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011
UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2011

	Note	Current quarter ended 30.9.2011 RM'000	Comparative quarter ended 30.9.2010 RM'000	Current year to date ended 30.9.2011 RM'000	Preceding year to date ended 30.9.2010 RM'000
Revenue		2,394	3,594	9,900	12,197
Other income		529	41	879	66
Net fair value loss on financial instruments		(37,064)	(3,111)	(41,974)	(19,390)
Administrative expenses		(522)	(1,174)	(4,148)	(4,779)
Finance cost		(352)	(301)	(985)	(828)
Loss before tax	B6	(35,015)	(951)	(36,328)	(12,734)
Income tax benefit/(expense)	B7	4	1,365	(5)	7,978
(Loss)/profit after tax for the period		(35,011)	414	(36,333)	(4,756)
(Loss)/profit attributable to:					
Owners of the Company		(35,437)	(231)	(37,705)	(6,130)
Non-controlling interest		426	645	1,372	1,374
		(35,011)	414	(36,333)	(4,756)
Loss per share attributable to owners of the Company (sen):					
- Basic and diluted	B15	(18.10)	(0.15)	(19.26)	(4.09)

(The above consolidated income statements should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2011**

	Current quarter ended 30.9.2011 RM'000	Comparative quarter ended 30.9.2010 RM'000	Current year to date ended 30.9.2011 RM'000	Preceding year to date ended 30.9.2010 RM'000
(Loss)/profit after tax for the period, representing total comprehensive income for the period	(35,011)	414	(36,333)	(4,756)
Total comprehensive (loss)/profit attributable to:				
Owners of the Company	(35,437)	(231)	(37,705)	(6,130)
Non-controlling interest	426	645	1,372	1,374
	(35,011)	414	(36,333)	(4,756)

(The above consolidated statements of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2011

	Attributable to owners of the Company										
	Share capital	Treasury shares	Share premium	Capital redemption reserve	Equity compensation reserve	Other reserves	Warrant reserves	Retained profits/ (accumulated losses)	Total	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1.1.2011	97,872	(1)	84,483	3,192	423	-	11,255	1,876	199,100	7,796	206,896
Total comprehensive income	-	-	-	-	-	-	-	(37,705)	(37,705)	1,372	(36,333)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(3,185)	(3,185)
Purchase of treasury shares	-	-*	-	-	-	-	-	-	-*	-	-*
Rights issue expenses	-	-	(120)	-	-	-	-	-	(120)	-	(120)
Total transactions with owners	-	-	(120)	-	-	-	-	-	(120)	(3,185)	(3,305)
As at 30.9.2011	97,872	(1)	84,363	3,192	423	-	11,255	(35,829)	161,275	5,983	167,258
As at 1.1.2010	150,000	(2,725)	104,397	-	423	50,725	-	(108,927)	193,893	7,667	201,560
Adoption of FRS 139	-	-	-	-	-	(50,725)	-	49,801	(924)	-	(924)
As restated ⁽¹⁾	150,000	(2,725)	104,397	-	423	-	-	(59,126)	192,969	7,667	200,636
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 utilising share premium	-	2,725	(2,725)	-	-	-	-	-	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(2,047)	(2,047)
Capital Reduction	(73,404)	-	(16,519)	-	-	-	-	89,923	-	-	-
Rights issue expenses	-	-	(341)	-	-	-	-	-	(341)	-	(341)
Purchase of treasury shares	-	(1)	-	-	-	-	-	-	(1)	-	(1)
Total transactions with owners	(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	-	-	24,667	186,497	6,994	193,491

* Denotes amount less than RM1,000.

⁽¹⁾ Restatements as disclosed in audited financial statements for the year ended 31 December 2010.

(The above consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2011**

	Note	Current year to date ended 30.9.2011 RM'000	Preceding year to date ended 30.9.2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(36,328)	(12,734)
Adjustments for non-cash items		37,597	7,771
Operating profit/(loss) before changes in working capital		<u>1,269</u>	(4,963)
Changes in working capital:			
Net changes in receivables		(579)	2,018
Net changes in payables		302	1,098
Proceeds from disposals of investment securities and derivative financial assets		7,191	14,935
Return of capital from investment securities		2,088	-
Additions in investment in securities and derivative financial assets		<u>(17,100)</u>	(10,721)
Net cash (used in)/generated from operations		(6,829)	2,367
Dividends received		2,032	1,307
Interest received		1,362	520
Income tax refund		<u>2,057</u>	10
Net cash (used in)/generated from operating activities		<u>(1,378)</u>	4,204
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment		(156)	(468)
Purchase of software licences		(23)	(7)
Proceeds from disposal of equipment		171	-
Net cash used in investing activities		<u>(8)</u>	(475)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(985)	(826)
Purchase of treasury shares	A5(b)	- *	(1)
Rights issue expenses		(120)	(341)
Dividend paid to non-controlling interest		<u>(3,185)</u>	(2,047)
Net cash used in financing activities		<u>(4,290)</u>	(3,215)
Net (decrease)/increase in cash and cash equivalents		(5,676)	514
Effect of exchange rate changes		5	93
Cash and cash equivalents at beginning of period		<u>49,910</u>	15,892
Cash and cash equivalents at end of period		<u>44,239</u>	16,499
Cash and cash equivalents at end of period comprised:			
Cash and bank balances		218	333
Deposit with licensed banks and investment banks		<u>44,021</u>	16,166
		<u>44,239</u>	16,499

* Denotes amount less than RM1,000.

(The above consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011**PART A - Explanatory Notes Pursuant to Financial Reporting Standard 134 ("FRS 134") Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB")****A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2010 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 2010.

The significant accounting policies and methods of computation adopted by the Group in this quarterly report are consistent with those of the audited financial statements for the year ended 31 December 2010, except for the adoption of the following new FRSs, amendments to FRSs and IC Interpretations, which are applicable for the Group's financial period beginning 1 January 2011:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements
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	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
Amendments to FRS 1, FRS 3, FRS 7, FRS 101, FRS 121, FRS 128, FRS 131, FRS 132, FRS 134 and FRS 139	Improvements to FRSs (2010)
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to IC Interpretation 13	Customer Loyalty Programmes

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011**A1. Basis of preparation (Cont'd)**

IC Interpretation 12 Service Concession Arrangements will also be effective for annual periods beginning on or after 1 July 2010. This IC Interpretation, is, however, not applicable to the Group.

Adoption of the above FRSs, Amendments to FRSs and IC Interpretations did not have any effect on the financial performance, position or presentation of financials of the Group, other than the disclosures under the Amendments to FRS 7 which will affect the 2011 annual financial statements.

FRS, IC Interpretations and Amendments to IC Interpretation issued but not yet effective

At the date of authorisation of these interim financial statements, the following FRS, IC Interpretations and Amendments to IC Interpretation were issued but not yet effective and have not been applied by the Group:

FRS, IC Interpretation and Amendments to IC Interpretation		Effective for annual periods beginning on or after
FRS 124	Related Party Disclosures	1 January 2012
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	Prepayments of Minimum Funding Requirement	1 July 2011

IC Interpretation 15 Agreements for the Construction of Real Estate will also be effective for annual periods beginning on or after 1 January 2012. This IC Interpretation, is, however, not applicable to the Group.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011**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 period to date. However, the Group's results are influenced by, amongst others, the market prices 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 period to date.

A4. Significant estimates and changes estimates

There were no significant changes in estimates that have a material effect in the financial period to date results.

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 1.1.2011	Exercised	Forfeited	As at 30.9.2011
11.4.2007	2.57	900,000	-	-	900,000

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011**A5. Changes in debt and equity securities (Cont'd)****(b) Share buybacks / Treasury shares of the Company**

On 2 June 2011, the Company purchased 1,000 ordinary shares for a total cash consideration of RM391 from the open market at an average cost of RM0.39 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 the 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 1.1.2011	2,000	0.48	0.40	0.48	957
Share buyback on 2.6.2011	1,000	0.35	0.35	0.39	391
	1,000	0.35	0.35	0.39	391
As at 30.9.2011	3,000	0.35	0.35	0.45	1,348

(c) Warrants

Warrants reserve relates to the fair value of the warrants issued. During the financial period, there was no movement in the Company's warrants. As at 30 September 2011, the number of warrants was 97,872,266.

A6. 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 high 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 |

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 2011
A6. Segmental information (Cont'd)
Business Segments

	Venture capital <u>business</u> RM'000	Private equity business and <u>investment holding</u> RM'000	Internet financial solutions <u>business</u> RM'000	<u>Holding entity</u> RM'000	<u>Eliminations</u> RM'000	<u>Consolidated</u> RM'000
Current year to date ended 30 September 2011						
Revenue						
External revenue	1,347	934	6,892	727	-	9,900
Inter-segment revenue	4,150	-	-	-	(4,150)	-
Total	<u>5,497</u>	<u>934</u>	<u>6,892</u>	<u>727</u>	<u>(4,150)</u>	<u>9,900</u>
Results						
(Loss)/profit from operations with external parties	(34,591)	(5,019)	3,513	754	-	(35,343)
Add : Inter segment revenue	4,150	-	-	-	(4,150)	-
Less : Inter segment expenses	(2,740)	(1,410)	-	-	4,150	-
Segment results	<u>(33,181)</u>	<u>(6,429)</u>	<u>3,513</u>	<u>754</u>	<u>-</u>	<u>(35,343)</u>
Finance cost						(985)
Loss before tax						<u>(36,328)</u>
Tax expense						(5)
Loss for the period						<u>(36,333)</u>
Non-controlling interest						<u>(1,372)</u>
Loss for the period attributable to owners of the Company						<u><u>(37,705)</u></u>

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011
A6. Segmental information (Cont'd)
Business Segments (Cont'd)

	Venture capital <u>business</u> RM'000	Private equity business and <u>investment holding</u> RM'000	Internet financial solutions <u>business</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 2010						
Revenue						
External revenue	4,727	1,006	6,321	143	-	12,197
Inter-segment revenue	4,817	-	-	-	(4,817)	-
Total	<u>9,544</u>	<u>1,006</u>	<u>6,321</u>	<u>143</u>	<u>(4,817)</u>	<u>12,197</u>
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	<u>(29,757)</u>	<u>14,870</u>	<u>3,482</u>	<u>(501)</u>	<u>-</u>	<u>(11,906)</u>
Finance cost						(828)
Loss before tax						<u>(12,734)</u>
Tax benefit						<u>7,978</u>
Loss for the period						<u>(4,756)</u>
Non-controlling interest						<u>(1,374)</u>
Loss for the period attributable to owners of the Company						<u><u>(6,130)</u></u>

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

A6. Segmental information (Cont'd)

Geographical Segments

The Group operates in 2 geographical locations: Malaysia (Domestic) and China and Hong Kong (Foreign). 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	Total
RM'000	RM'000	RM'000

Current year to date ended 30 September 2011

Revenue	9,900	-	9,900
Loss before tax	(35,061)	(1,267)	(36,328)
Non-current assets as at 30 September 2011	125,108	3,876	128,984

Preceding year to date ended 30 September 2010

Revenue	12,197	-	12,197
Loss before tax	(10,247)	(2,487)	(12,734)
Non-current assets as at 30 September 2010	150,438	10,745	161,183

A7. Events subsequent to the end of the quarter

There were no subsequent events from 30 September 2011 to 8 November 2011 (being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

A8. Changes in the composition of the Group

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

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

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 subsidiaries

The Group’s revenue for the nine-month period ended 30 September 2011 was RM9.9 million compared to RM12.2 million in the corresponding period of 2010. The 19% decline in revenue was mainly due to lower divestment for the current period under review.

Meanwhile, the Group posted a loss after tax (“LAT”) of RM36.33 million for the nine-month period ended 30 September 2011 compared to LAT of RM4.76 million of the corresponding period in 2010. This was mainly attributable to the fair value losses from the quoted investments of RM41.97 million. The Group’s financial performance is generally influenced by the market price movements of its quoted investments as at the reporting date pursuant to Fair Value Through Profit or Loss approach under FRS139. Due to market uncertainties following the eurozone debt crisis, most of the quoted investments held by the Group had declined in value.

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 RM35.02 million for the quarter under review as compared to the preceding quarter’s profit before tax of RM16.20 million. This was mainly due to decline in market value in most of the quoted investments held by the Group.

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

(a) Current year prospects

The eurozone debt crisis has adversely affected the local equity market in the third quarter of 2011. With the uncertainties in the global economy, the Board is of the view that market volatility is likely to persist for the rest of the financial year.

Despite the challenges ahead, the Group remains committed in its effort to explore new investment opportunities and to improve the business performance of its key investee companies.

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

There was no revenue or profit forecast previously 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

Not applicable.

B5. Profit forecast / profit guarantee

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

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011**B6. Loss before tax**

The following amounts have been included in arriving at loss before tax:

	Current quarter ended <u>30.9.2011</u> RM'000	Current period to date ended <u>30.9.2011</u> RM'000
Interest income	(403)	(1,087)
Net gain on disposal of motor vehicle	-	(124)
Depreciation and amortisation	71	209
Reversal of impairment loss	(1,581)	(1,581)
Return of capital from investment securities	(507)	(507)
Realised foreign exchange losses	215	248

B7. Income tax benefit/(expense)

	Current quarter ended <u>30.9.2011</u> RM'000	Current period to date ended <u>30.9.2011</u> RM'000
In respect of the current quarter / period to date:-		
- Malaysian income tax	(220)	(398)
- Deferred tax	224	393

The deferred tax mainly arose from net fair value changes on investment securities.

B8. Sale of unquoted investments and/or properties

There was no sale of unquoted investment or property during the period under review.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

B9. Purchase or disposal of quoted securities

Particulars of purchase and disposal of quoted securities and derivatives by the Group for the period under review are as follows:

(a) Total purchase consideration, sale proceeds and profit/(loss) are as follow:-

	Current quarter ended <u>30.9.2011</u> RM'000	Current period to date ended <u>30.9.2011</u> RM'000
Total purchase consideration	7,514	17,100
Total sale proceeds	1,166	7,192
Net loss on disposal	<u>(709)</u>	<u>(151)</u>

(b) Investments in quoted securities as at 30 September 2011 are as follows:-

	Quoted Investment Securities <u>RM'000</u>
Quoted in Malaysia, at cost	211,813
Quoted outside Malaysia, at cost	894
Impairment loss	(39,757)
Changes in fair values	<u>(26,193)</u>
At carrying value	<u>146,757</u>
At fair value	<u>146,757</u>

B10. Status of corporate proposals and utilisation of proceeds

(a) Status of corporate proposals announced but not completed as at 8 November 2011 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report)

There were no corporate proposals previously announced but not completed as at 8 November 2011.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011**B10. Status of corporate proposals and utilisation of proceeds (Cont'd)****(b) Status of utilisation of proceeds raised by the Company**

As at 30 September 2011, the rights issue proceeds raised from the Company's rights issue exercise is utilised as follows:

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe	Deviation	Explanations
	RM'000	RM'000		%	
Working capital	23,868	19,156	3 years	80%	In progress
Corporate exercise expenses	600	600	1 month	100%	Completed
	<u>24,468</u>	<u>19,756</u>			

B11. Borrowings

As at 30 September 2011, the borrowings represent unsecured revolving credit facilities of RM29 million denominated in Ringgit Malaysia.

B12. Disclosure requirements pursuant to implementation of FRS 139**(a) Disclosure of derivatives**

There were no off balance sheet financial instruments or contracts entered into during the quarter under review.

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

There were no fair value changes of financial liabilities during the current quarter under review.

(c) The retained profits of the Group as at end of reporting period

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed companies to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses. On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirement, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits mentioned above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011
B12. Disclosure requirements pursuant to implementation of FRS 139 (Cont'd)
(c) The retained profits of the Group as at end of reporting period (Cont'd)

The breakdown of retained profits/(accumulated losses) of the Group as at the reporting date is as follows:

Analysed by:	As at	As at
	<u>30.9.2011</u>	<u>31.12.2010</u>
	RM'000	RM'000
Realised accumulated losses	(52,726)	(31,383)
Unrealised retained profits *	16,896	33,259
(Accumulated losses)/ retained profits	<u>(35,830)</u>	<u>1,876</u>

* Unrealised retained profits comprise unrealised foreign exchange gains or losses, net unrealised market price gain for held-for-trading investments and derivative financial assets and credits or charges relating to the recognition of deferred tax at the reporting date.

B13. Material litigation

As at 8 November 2011 (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.

B14. Dividend

No dividend has been proposed or declared for the quarter and year-to-date ended 30 September 2011 (30 September 2010: Nil).

B15. Loss Per Share attributable to owners of the Company

	Current quarter ended 30.9.2011	Comparative quarter ended 30.9.2010	Current period to date ended 30.9.2011	Preceding year to date ended 30.9.2010
Basic loss per share				
Loss attributable to owners of the Company (RM'000)	(35,437)	(231)	(37,705)	(6,130)
Weighted average number of ordinary shares in issue ('000 shares)	195,742	146,808	195,742	149,906
Basic loss per share (sen) *	(18.10)	(0.15)	(19.26)	(4.09)

* For the current quarter ended 30 September 2011, the outstanding warrants have been excluded from the computation of diluted loss per ordinary share as their effect is antidilutive.

B16. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2010 was unqualified.

By Order of the Board

YEE CHEE WAI
Executive Director

Kuala Lumpur
14 November 2011