

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2012

	(Audited)	(Audited)	
Note	As at 31.03.2012 RM'000	As at 31.12.2011 RM'000	As at 1.1.2011 RM'000
ASSETS			
Non-current assets			
Equipment	960	1,025	1,183
Intangible assets	571	574	560
Investment securities	107,197	132,149	139,426
	108,728	133,748	141,169
Current assets			
Investment securities	61,687	18,998	33,227
Derivative financial assets	6,153	7,724	10,797
Trade and other receivables	3,331	2,672	602
Prepayments	94	70	58
Tax recoverable	-	-	2,190
Cash, bank balances and deposits	57,762	44,401	49,910
	129,027	73,865	96,784
TOTAL ASSETS	237,755	207,613	237,953
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	1,101	1,045	1,242
Current liabilities			
Deferred income	23	23	48
Other payables and accruals	732	828	767
Tax payable	330	108	-
Borrowings	28,000	28,000	29,000
	29,085	28,959	29,815
TOTAL LIABILITIES	30,186	30,004	31,057
EQUITY			
Share capital	97,872	97,872	97,872
Treasury shares, at cost	(2)	(2)	(1)
	97,870	97,870	97,871
Reserves	102,841	73,213	101,229
Equity attributable to owners of the Company	200,711	171,083	199,100
Non-controlling interest	6,858	6,526	7,796
TOTAL EQUITY	207,569	177,609	206,896
TOTAL LIABILITIES AND EQUITY	237,755	207,613	237,953
Net Assets per share (RM) attributable to owners of the Company	1.03	0.87	1.02

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

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2012

		Current quarter ended 31.03.2012	Comparative quarter ended 31.03.2011	Current year to date ended 31.03.2012	Preceding year to date ended 31.03.2011
	Note	RM'000	RM'000	RM'000	RM'000
Revenue		6,934	3,235	6,934	3,235
Other income		28	330	28	330
Net fair value gain/(loss) on financial instruments		27,957	(19,142)	27,957	(19,142)
Administrative expenses		(4,154)	(1,636)	(4,154)	(1,636)
Finance cost		(336)	(299)	(336)	(299)
Profit/(loss) before tax	B6	30,429	(17,512)	30,429	(17,512)
Income tax expense	B7	(469)	(440)	(469)	(440)
Profit/(loss) after tax for the period		29,960	(17,952)	29,960	(17,952)
Profit/(loss) attributable to:					
Owners of the Company		29,628	(18,484)	29,628	(18,484)
Non-controlling interest		332	532	332	532
		29,960	(17,952)	29,960	(17,952)
Earning/(loss) per share attributable to owners of the Company (sen):					
- Basic and diluted	B15	15.14	(9.44)	15.14	(9.44)

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

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2012**

	Current quarter ended 31.03.2012 RM'000	Comparative quarter ended 31.03.2011 RM'000	Current year to date ended 31.03.2012 RM'000	Preceding year to date ended 31.03.2011 RM'000
Profit/(loss) after tax for the period, representing total comprehensive income/ (loss) for the period	29,960	(17,952)	29,960	(17,952)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	29,628	(18,484)	29,628	(18,484)
Non-controlling interest	332	532	332	532
	29,960	(17,952)	29,960	(17,952)

(The above condensed 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 FIRST QUARTER ENDED 31 MARCH 2012
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2012

	Attributable to owners of the Company									
	Share capital	Treasury shares	Share premium	Capital redemption reserve	Equity compensation reserve	Warrant reserve	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
As at 1.1.2012 *	97,872	(2)	84,363	3,192	423	11,255	(26,020)	171,083	6,526	177,609
Total comprehensive income	-	-	-	-	-	-	29,628	29,628	332	29,960
As at 31.03.2012	97,872	(2)	84,363	3,192	423	11,255	3,608	200,711	6,858	207,569
At 1.1.2011	97,872	(1)	84,483	3,192	423	11,255	1,876	199,100	7,796	206,896
Total comprehensive (loss)/income	-	-	-	-	-	-	(18,484)	(18,484)	532	(17,952)
Rights issue expenses	-	-	(102)	-	-	-	-	(102)	-	(102)
Total transactions with owners	-	-	(102)	-	-	-	-	(102)	-	(102)
As at 31.03.2011	97,872	(1)	84,381	3,192	423	11,255	(16,608)	180,514	8,328	188,842

* As per audited financial statements for the year ended 31 December 2011.

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

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2012

	Current period ended 31.03.2012 RM'000	Comparative period ended 31.03.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	30,429	(17,512)
Adjustments for:		
Amortisation of intangible assets	3	2
Depreciation of equipment	68	66
Net gain on disposals of investment securities	(1,255)	(406)
Net gain on disposals of derivative financial assets	(863)	(31)
Net gain on disposal of equipment	-	(123)
Net fair value (gain)/loss on financial instruments	(27,957)	19,142
Unrealised loss on foreign exchange	2	-
Interest income	(381)	(336)
Interest expenses	336	299
Dividend income	-	(322)
Operating profit before changes in working capital	382	779
Changes in working capital:		
Net changes in receivables	(676)	(889)
Net changes in payables	(92)	118
Proceeds from disposals of investment securities and derivative financial assets	13,909	4,393
Additions in investment securities and derivative financial assets	-	(6,162)
Net cash generated from/(used in) operations	13,523	(1,761)
Dividends received	-	322
Interest received	374	137
Income tax paid	(191)	(39)
Net cash generated from/(used in) operating activities	13,706	(1,341)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(3)	(97)
Purchase of software licences	-	(10)
Proceeds from disposal of equipment	-	167
Net cash (used in)/generated from investing activities	(3)	60
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(340)	(286)
Rights issue expenses	-	(102)
Net cash used in financing activities	(340)	(388)
Net increase/(decrease) in cash and cash equivalents	13,363	(1,669)
Effect of exchange rate changes	(2)	-
Cash and cash equivalents at beginning of year	44,401	49,910
Cash and cash equivalents at end of year	57,762	48,241
Cash and cash equivalents at end of year comprised:		
Cash and bank balances	269	196
Deposit with a licensed investment bank	57,493	48,045
	57,762	48,241

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

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting

1. First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

These condensed consolidated interim financial statements ("Condensed Report"), for the period ended 31 March 2012, have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed Report also complies with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

This Condensed Report is the Group's first MFRS compliant Condensed Report for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 *First-Time Adoption of Malaysian Financial Reporting Standards* ("MFRS 1") has been applied.

The date of transition to MFRS framework is 1 January 2011. At the date of transition, the Group reviewed its accounting policies and considered the optional exemptions and mandatory exceptions to retrospective applications available under MFRS 1.

The impact of the transition from FRS to MFRS is described in Note 2 below.

2. Significant accounting policies and application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this Condensed Report is consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

(a) Business combination

MFRS 1 provides the option to apply MFRS 3 *Business Combinations*, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting

2. Significant accounting policies and application of MFRS 1 (cont'd.)

(a) Business combination (cont'd.)

Acquisition before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

- (i) The classification of former business combinations under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- (iii) The carrying amount of goodwill recognised under FRS is not adjusted.

(b) Estimates

The estimates at 1 January 2011 and at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 January 2011, the date of transition to MFRS and as of 31 December 2011. There were no changes in estimates of amounts reported in previous financial years that have a financial impact to the Group in the first quarter ended 31 March 2012.

Other than as described above, the transition from FRS to MFRS did not have any financial impact to the Group.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012**PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting****2.1 MFRSs, Amendments to MFRSs and IC Interpretation issued by not yet effective**

At the date of authorisation of this Condensed Report, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Amendments to MFRSs and IC Interpretation		Effective for annual periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interest in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 1	Government Loans	1 January 2013
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012**PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting****3. 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 largely influenced by, amongst others, the market prices of quoted investments as well as the timing of disposal of investments by the Group.

4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 31 March 2012.

5. Significant estimates and changes estimates

There were no significant changes in estimates that have a material effect on the quarter ended 31 March 2012.

6. 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 options being exercised or forfeited during the current period 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 1.1.2012	Exercised	Forfeited	As at 31.03.2012
11.4.2007	2.57	900,000	-	(225,000)	675,000

The ESOS has expired on 10 April 2012.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012**PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting****6. Changes in debt and equity securities (Cont'd)****(b) Share buybacks / Treasury shares of the Company**

There were no share buybacks during the quarter ended 31 March 2012. 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 Treasury shares	Highest price RM	Lowest price RM	Average cost (including transaction costs) RM	Total amount paid RM
As at 31.3.2012	4,000	0.35	0.31	0.43	1,719

(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 31 March 2012, the number of warrants was 97,872,266.

7. Dividend Paid

No dividend was paid during the quarter ended 31 March 2012.

PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting

8. Segmental information

The segment information has been prepared in accordance with the disclosure requirements of MFRS 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 FIRST QUARTER ENDED 31 MARCH 2012
PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting
8. Segmental information (Cont'd)
Business Segments

	Venture capital businesses	Private equity businesses and investment holding	Internet financial solutions businesses	Holding entity	Eliminations	Consolidated
Current year to date ended 31 March 2012	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External revenue	5	4,398	2,283	248	-	6,934
Inter-segment revenue	2,169	-	-	-	(2,169)	-
Total	2,174	4,398	2,283	248	(2,169)	6,934
Results						
Profit from operations with external parties	935	28,514	1,198	118	-	30,765
Add : Inter segment revenue	2,169	-	-	-	(2,169)	-
Less : Inter segment expenses	(919)	(1,250)	-	-	2,169	-
Segment results	2,185	27,264	1,198	118	-	30,765
Finance cost						(336)
Profit before tax						30,429
Tax expense						(469)
Profit for the period						29,960
Non-controlling interest						(332)
Profit for the period attributable to owners of the Company						29,628

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting

8. Segmental information (Cont'd)

Business Segments (Cont'd)

	Venture capital businesses	Private equity businesses and investment holding	Internet financial solutions businesses	Holding entity	Eliminations	Consolidated
Preceding year to date ended 31 March 2011	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External revenue	326	437	2,269	203	-	3,235
Inter-segment revenue	1,422	-	-	-	(1,422)	-
Total	1,748	437	2,269	203	(1,422)	3,235
Results						
(Loss)/profit from operations with external parties	(13,411)	(5,235)	1,362	71	-	(17,213)
Add : Inter segment revenue	1,422	-	-	-	(1,422)	-
Less : Inter segment expenses	(910)	(512)	-	-	1,422	-
Segment results	(12,899)	(5,747)	1,362	71	-	(17,213)
Finance cost						(299)
Loss before tax						(17,512)
Tax expense						(440)
Loss for the period						(17,952)
Non-controlling interest						(532)
Loss for the period attributable to owners of the Company						(18,484)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012**PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting****8. Segmental information (Cont'd)****Geographical Segments**

The Group operates in 2 geographical locations: Malaysia (Domestic) and China and Hong Kong (Foreign). The Group's geographical segments are based on the locations of the operations of the Group's assets. Revenue by geographical segment is based on income derived from those assets.

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

Current year to date ended 31 March 2012

Revenue	6,929	5	6,934
Profit/(loss) before tax	30,473	(44)	30,429
Segmental assets as at 31 March 2012	233,346	4,409	237,755

Preceding year to date ended 31 March 2011

Revenue	3,235	-	3,235
Loss before tax	(16,689)	(823)	(17,512)
Segmental assets as at 31 March 2011	215,003	5,372	220,375

PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting

9. Events subsequent to the reporting period

On 5 April 2012, Maybank Investment Bank Berhad, had on behalf of Hitachi, Ltd. ("Hitachi" or "Offeror"), served a notice on the Board of Directors of eBworx Berhad ("eBworx"), an investee company of the Group, informing them of the Offeror's intention to undertake a conditional take-over offer to acquire all the outstanding ordinary shares of RM0.10 each in eBworx (excluding treasury shares) not already owned by the Offeror ("Offer Shares") for a cash offer price of RM0.90 per Offer Share ("Offer").

Accordingly, pursuant to the Offer, OSK Capital Partners Sdn. Bhd. ("OSKCP"), a wholly-owned subsidiary of the Company, has provided an irrecoverable and unconditional undertaking to accept the offer and dispose of 51,896,000 shares, representing its entire 25.36% equity interest in eBworx for a cash consideration of RM46,706,400. However, the offer is conditional upon the offer having been validly accepted by the shareholders of eBworx of not less than 85% of the voting shares of eBworx.

As OSKCP has officially accepted the conditional take-over offer from Hitachi and accordingly the Board is of the view that it is appropriate to present the investment in eBworx amounting to RM44,371,080 as current assets in the consolidated statement of financial position as at 31 March 2012 in order to reflect a more relevant financial information to the shareholders of the Group.

On 8 May 2012, the offer has become unconditional and the Group has, on the same day, announced to Bursa Malaysia Securities Berhad the proposed disposal of investment in eBworx.

Other than as disclosed above, there was no material event subsequent to the end of the current quarter.

10. Changes in the composition of the Group

There were no changes in the composition of the Group during the reporting period.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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

1 Review of the performance of the Company and its subsidiaries

The Group’s revenue for the first quarter ended 31 March 2012 was RM6.93 million compared to RM3.24 million of the corresponding period in year 2011. The increase in revenue was mainly due to higher divestment for the current quarter under review.

The Group posted a profit after tax of RM29.96 million for the first quarter ended 31 March 2012 compared to loss after tax of RM17.95 million of the corresponding period in 2011. This was mainly attributable to net fair value gain arising from quoted investments. 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 MFRS139.

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

The Group recorded a profit before taxation of RM30.43 million for the first quarter under review as compared to the preceding quarter's profit before tax of RM10.73 million. This was mainly due to increase in market value in most of the quoted investments held by the Group in the first quarter of 2012.

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

(a) Current year prospects

The Malaysian economic growth is expected to be moderate in 2012. With the current uncertainties in the global economy, it is anticipated that market volatility will continue to persist in the local bourse. In the light of this, the Board is of the view that the Group's financial performance will remain challenging.

Despite the challenges ahead, the Group is committed to explore new investment and divestment opportunities as well as 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.

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

Not applicable.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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

5 Profit forecast / profit guarantee

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

6 Profit/(loss) before tax

Profit/(loss) before tax is arrived at after (crediting)/charging the following:

	Current period ended <u>31.03.2012</u> RM'000	Comparative period ended <u>31.03.2011</u> RM'000
Interest income	(381)	(336)
Dividend income	-	(322)
Realised gain on disposal of investment securities	(3,535)	(406)
Realised gain on disposal of derivatives financial assets	(863)	(31)
Fees from internet financial solutions	(2,155)	(2,140)
Other income	(28)	(207)
Net gain on disposal of motor vehicle	-	(123)
Depreciation and amortisation	71	68
Realised foreign exchange losses	-	26
Unrealised foreign exchange loss	2	-
Realised loss on disposal of investment securities	2,280	-

7 Income tax expense

	Current period ended <u>31.03.2012</u> RM'000	Comparative period ended <u>31.03.2011</u> RM'000
Provision for the current quarter / year to date:-		
- Malaysian income tax	(413)	(95)
- Deferred tax	(56)	(345)
	<u>(469)</u>	<u>(440)</u>

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

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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

8 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 net gain on disposal are as follow:-

	Current Quarter ended <u>31.03.2012</u> RM'000	Current year ended <u>31.03.2012</u> RM'000
Total purchase consideration	-	-
Total sale proceeds	13,909	13,909
Net gain on disposal	2,118	2,118

(b) Investments in quoted securities as at 31 March 2012 are as follows:-

	Quoted Investment Securities <u>RM'000</u>
Quoted in Malaysia, at cost	186,473
Quoted outside Malaysia, at cost	894
Impairment loss	(26,208)
Changes in fair values	10,147
At carrying value	<u>171,306</u>
At fair value	<u>171,306</u>

9 Status of corporate proposals and utilisation of proceeds

(a) Status of corporate proposals announced but not completed as at 14 May 2012 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report)

Other than as disclosed in Part A, Note 9, there were no corporate proposals previously announced but not completed as at 14 May 2012.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012**PART B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for ACE Market****9 Status of corporate proposals and utilisation of proceeds (Cont'd)****(b) Status of utilisation of proceeds raised by the Company**

As at 31 March 2012, the rights issue proceeds raised from the Company's rights issue exercise is utilised as follows:

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe	Progress	Explanations
	RM'000	RM'000		%	
Working capital	23,868	22,670	3 years	95%	In progress
Corporate exercise expenses	600	600	1 month	100%	Completed
	<u>24,468</u>	<u>23,270</u>			

10 Borrowings

As at 31 March 2012, the borrowings represent unsecured revolving credit facilities of RM28 million.

11 Disclosure of derivatives

On 18 November 2011, the Group entered into a loan agreement with a third party ("the borrower") which entitles the Group to full principal repayment of SGD1 million (or RM2.48 million equivalent) from the borrower and equity participation in a listing entity if it is successfully listed in the stock exchange in Hong Kong within six months from the date of agreement.

The loan agreement contains an embedded derivative, of which the fair value of the whole contract was bifurcated into fair value of the host contract and the fair value of embedded derivative. As at the reporting date, the Directors are of the view that the fair value of the host contract approximates the fair value of the whole contract and the embedded derivative has nil value. The host contract is classified as loans and receivables.

12 The retained profits of the Group as at end of reporting period

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

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012
PART B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for ACE Market
12 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
	31.03.2012	31.12.2011
	RM'000	RM'000
Realised accumulated losses	(42,068)	(46,022)
Unrealised retained profits *	45,676	20,002
Retained profits/(accumulated losses)	<u>3,608</u>	<u>(26,020)</u>

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

13 Material litigation

As at 14 May 2012 (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.

14 Dividend

No dividend has been proposed or declared for the quarter ended 31 March 2012 (31 March 2011: Nil).

15 Earning/(loss) Per Share attributable to owners of the Company

	Current quarter ended 31.03.2012	Comparative quarter ended 31.03.2011	Current period to date ended 31.03.2012	Preceding year to date ended 31.03.2011
Basic earning/(loss) per share				
Profit/(loss) attributable to owners of the Company (RM'000)	29,628	(18,484)	29,628	(18,484)
Weighted average number of ordinary shares in issue ('000 shares)	195,741	195,742	195,741	195,742
Basic earning/(loss) per share (sen) *	<u>15.14</u>	(9.44)	<u>15.14</u>	(9.44)

* For the quarter ended 31 March 2012, the outstanding warrants have been excluded from the computation of diluted loss per ordinary share as their effect is antidilutive.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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

16 Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements for the financial year ended 31 December 2011 was unqualified.

By Order of the Board

YEE CHEE WAI
Executive Director

Kuala Lumpur
21 May 2012