

OSK Ventures International Berhad (636117-K)**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

		(Audited)
	Note	As at 31.12.2013 RM'000
		As at 30.06.2014 RM'000
ASSETS		
Non-current assets		
Equipment		716
Intangible assets		9
Investment securities		103,668
		95,232
Current assets		
Investment securities		48,958
Derivative financial assets		857
Trade and other receivables		2,313
Prepayments		17
Tax recoverable		1,188
Cash and cash equivalents		42,308
		95,557
TOTAL ASSETS		190,789
LIABILITIES		
Non-current liability		
Deferred tax liability		1,598
		1,665
Current liabilities		
Other payables and accruals		787
		708
TOTAL LIABILITIES		2,385
EQUITY		
Share capital		97,872
Treasury shares, at cost	A5(a)	(4)
		97,867
Reserves		99,781
TOTAL EQUITY		188,416
TOTAL LIABILITIES AND EQUITY		190,789
Net assets per share (RM)		0.96

(The above condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2014

		Current quarter ended 30.06.2014	Comparative quarter ended 30.06.2013	Current year to date ended 30.06.2014	Comparative year to date ended 30.06.2013
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	B6	19,753	5,177	43,550	23,523
Net carrying value of investments disposed		(18,462)	(2,527)	(38,921)	(20,038)
Other income		15	20	3,711	55
Net fair value (loss)/gain on financial instruments		(14,111)	11,009	(9,999)	(1,485)
Administrative expenses		(1,022)	(719)	(2,751)	(1,631)
Finance cost		-	(182)	-	(440)
(Loss)/profit before tax	B7	(13,827)	12,778	(4,410)	(16)
Income tax expense	B8	(50)	(572)	(907)	(1,028)
(Loss)/profit after tax for the period		(13,877)	12,206	(5,317)	(1,044)
(Loss)/profit attributable to:					
Owners of the Company		(13,877)	12,206	(5,317)	(1,044)
Non-controlling interest		-	-	-	-
		(13,877)	12,206	(5,317)	(1,044)
(Loss)/earnings per share attributable to owners of the Company (sen):					
Basic	B14	(7.09)	6.24	(2.72)	(0.53)
Diluted	B14	(6.66)	6.24	(2.55)	(0.53)

(The above condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements)

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2014**

	Current quarter ended 30.06.2014 RM'000	Comparative quarter ended 30.06.2013 RM'000	Current year to date ended 30.06.2014 RM'000	Comparative year to date ended 30.06.2013 RM'000
(Loss)/profit after tax for the period, representing total comprehensive (loss)/income for the period	(13,877)	12,206	(5,317)	(1,044)
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(13,877)	12,206	(5,317)	(1,044)
Non-controlling interest	-	-	-	-
	(13,877)	12,206	(5,317)	(1,044)

(The above condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2014

	Attributable to owners of the Company						Total equity RM'000
	Share capital	Treasury shares	Share premium	Capital redemption reserve	Warrant reserve	Retained profits/ (accumulated losses)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 01.01.2014	97,872	(4)	84,363	3,192	11,255	971	197,649
Total comprehensive loss	-	-	-	-	-	(5,317)	(5,317)
Dividends paid to owners of the Company	-	-	-	-	-	(3,915)	(3,915)
Share buybacks by the Company	-	(1)	-	-	-	-	(1)
Total transactions with owners	-	(1)	-	-	-	(3,915)	(3,916)
As at 30.06.2014	97,872	(5)	84,363	3,192	11,255	(8,261)	188,416
As at 01.01.2013	97,872	(3)	84,363	3,192	11,255	(16,096)	180,583
Total comprehensive loss	-	-	-	-	-	(1,044)	(1,044)
Share buybacks by the Company	-	-*	-	-	-	-	-*
Total transactions with owners	-	-	-	-	-	-	-
As at 30.06.2013	97,872	(3)	84,363	3,192	11,255	(17,140)	179,539

* Denotes amount less than RM1,000

(The above condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements)

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2014**

	Current period ended 30.06.2014	Comparative period ended 30.06.2013
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(4,410)	(16)
Adjustments for:		
Amortisation of intangible assets	2	1
Depreciation of equipment	66	59
Net loss on disposal of equipment	-	1
Net gain on disposal of motor vehicle	(30)	-
Capital returns received from investment securities	(3,583)	-
Net gain on disposal of investment securities	(2,641)	(234)
Net gain on disposal of derivative financial assets	(2)	(133)
Net fair value loss on financial instruments	9,999	1,485
Unrealised loss/(gain) on foreign exchange	20	(48)
Interest income	(605)	(1,089)
Interest expense	-	440
Dividend income	(1,381)	(2,029)
Operating loss before changes in working capital	(2,565)	(1,563)
Changes in working capital:		
Net changes in receivables	1,889	-
Net changes in payables	(79)	(234)
Proceeds from disposal of investment securities	41,545	19,875
Proceeds from disposal of derivative financial assets	19	530
Return of capital from investment securities	3,583	-
Additions in investment securities and derivative financial assets	(37,780)	(13,247)
Net cash generated from operations	6,612	5,361
Dividends received	1,161	792
Interest received	605	1,114
Income tax paid	(1,763)	(219)
Net cash generated from operating activities	6,615	7,048
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	-	(19)
Purchase of software licences	(8)	(6)
Proceeds from disposal of equipment	234	3
Net cash generated from/(used in) investing activities	226	(22)

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D.)
FOR THE QUARTER ENDED 30 JUNE 2014**

	Current period ended 30.06.2014 RM'000	Comparative period ended 30.06.2013 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	-	(463)
Purchase of treasury shares	(1)	-*
Dividend paid on ordinary shares	(3,915)	-
Repayment of revolving credits	-	(22,000)
Net cash used in financing activities	<u>(3,916)</u>	<u>(22,463)</u>
Net increase/(decrease) in cash and cash equivalents	2,925	(15,437)
Effect of exchange rate changes	(20)	48
Cash and cash equivalents at beginning of period	42,308	76,481
Cash and cash equivalents at end of period	<u>45,213</u>	<u>61,092</u>

* Denotes amount less than RM1,000

(The above condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014**PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting****1. Basis of preparation**

These condensed consolidated interim financial statements ("Condensed Report"), have been prepared in accordance with MFRS 134: *Interim Financial Reporting* and paragraph 9.22 of the ACE Market 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 2013, the Group prepared its financial statements in accordance with Malaysian Financial Reporting Standards ("MFRS").

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 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 financial year ended 31 December 2013.

The significant accounting policies and methods of computation adopted by the Group in preparing this Condensed Report are consistent with those of the audited financial statements for the year ended 31 December 2013 except for the adoption of the following new MFRSs, amendments to MFRSs and IC Interpretations for annual financial period beginning on or after:

Effective for annual periods commencing on or after 1 January 2014

Amendments to MFRS 10	Consolidated Financial Statements - Investment Entities
Amendments to MFRS 12	Disclosure of Interests in Other Entities - Investment Entities
Amendments to MFRS 127	Separate Financial Statements - Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

The adoption of the above standards and interpretations did not have any impact on the financial performance or position of the Group.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014**PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting****1. Basis of preparation (Cont'd.)****MFRSs, Amendments to MFRSs and IC Interpretation issued but 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	To be announced
Amendments to MFRS 2, MFRS 3, MFRS 8, MFRS 116, MFRS 124, MFRS 138	1 July 2014
Amendments to MFRS 3, MFRS 13, MFRS 140,	1 July 2014
Amendments to MFRS 119	1 July 2014
Amendments to MFRS 11	1 January 2016
Amendments to MFRS 14	1 January 2016
Amendments to MFRS 116, MFRS 138	1 January 2016

2. 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.

3. 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.

4. Significant estimates and changes estimates

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014**PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting****5. Changes in debt and equity securities****(a) Share buybacks / Treasury shares of the Company**

On 28 May 2014, the Company has purchased 1,000 ordinary shares for a total cash consideration of RM651 from open market at an average cost of RM0.65 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. A 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 01.01.2014	8,000			0.45	3,614
Share buyback on 28.05.2014	1,000	0.61	0.61	0.65	651
	1,000			0.65	651
As at 30.06.2014	9,000			0.47	4,265

(b) Warrants

Warrants reserve relates to the fair value of the warrants issued. During the financial year, there was no movement in the Company's warrants. As at 30 June 2014, the number of outstanding warrants was 97,872,266.

6. Dividend Paid

On 23 May 2014, the Company declared a single tier interim dividend of 2.0 sen per ordinary share amounting to a dividend payable of RM3,914,711 in respect of the financial year ending 31 December 2014. The dividend was paid on 20 June 2014.

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

7. 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 management team:

1. Venture Capital and Private Equity Businesses - Investment in high growth entities, management of private funds and holding of long term investments.
2. 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. These transactions have been eliminated to arrive at the Group's results.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014

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

7. Segmental information (Cont'd.)

Business Segments

Current year to date ended 30 June 2014

Revenue

External revenue

Inter-segment revenue

Total

	Venture capital and private equity <u>businesses</u> RM'000	Holding <u>entity</u> RM'000	<u>Eliminations</u> RM'000	<u>Consolidated</u> RM'000
	42,964	586	-	43,550
	4,577	4,800	(9,377)	-
	<u>47,541</u>	<u>5,386</u>	<u>(9,377)</u>	<u>43,550</u>

Results

Loss from operations with external parties

Add : Inter-segment revenue

Less : Inter-segment expenses

Segment results

Finance cost

Loss before tax

Tax expense

**Loss for the period attributable to the
owners of the Company**

	(3,770)	(640)	-	(4,410)
	4,577	4,800	(9,377)	-
	(4,577)	-	4,577	-
	<u>(3,770)</u>	<u>4,160</u>	<u>(4,800)</u>	<u>(4,410)</u>
				<u>-</u>
				<u>(4,410)</u>
				<u>(907)</u>
				<u><u>(5,317)</u></u>

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014

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

7. Segmental information (Cont'd.)

Business Segments (Cont'd.)

	Venture capital and private equity <u>businesses</u>	Holding <u>entity</u>	<u>Eliminations</u>	<u>Consolidated</u>
	RM'000	RM'000	RM'000	RM'000
Preceding year to date ended 30 June 2013				
Revenue				
External revenue	22,471	1,052	-	23,523
Inter-segment revenue	2,903	-	(2,903)	-
Total	25,374	1,052	(2,903)	23,523
Results				
(Loss)/profit from operations with external parties	(315)	739	-	424
Add : Inter-segment revenue	2,903	-	(2,903)	-
Less : Inter-segment expenses	(2,903)	-	2,903	-
Segment results	(315)	739	-	424
Finance cost				(440)
Loss before tax				(16)
Tax expense				(1,028)
Loss for the period attributable to the owners of the Company				(1,044)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014

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

7. Segmental information (Cont'd.)

Geographical Segments

The Group operates in 6 geographical locations: Malaysia, Singapore, Indonesia, Thailand, Cambodia and China. The Group's geographical segments are based on the locations of the operations of the Group's assets.

Domestic	Foreign					Total
Malaysia	Singapore	Indonesia	Thailand	Cambodia	China	Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

Current year to date ended 30 June 2014

Revenue *	26,209	8,790	1,012	43	-	7,496	43,550
(Loss)/profit before tax	(7,774)	-	-	-	-	3,364	(4,410)
Segmental assets as at 30 June 2014	188,247	-	-	-	-	2,542	190,789

Preceding year to date ended 30 June 2013

Revenue *	8,706	13,315	17	-	10	1,475	23,523
Profit/(loss) before tax	606	-	-	-	-	(622)	(16)
Segmental assets as at 30 June 2013	179,375	-	-	-	-	2,133	181,508

Notes:

* Revenue by geographical segment is based on the income derived from the respective segments.

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

8. Event subsequent to reporting period

There was no material event subsequent to the end of the current quarter.

9. Changes in the composition of the Group

There were no changes in the composition of the Group during the reporting period except for the following:

Acquisition of an indirect subsidiary - VT Payment (M) Sdn. Bhd.

On 23 June 2014, the Company's wholly-owned subsidiary company, OSK Technology Ventures Sdn. Bhd. ("OSKTV") acquired one (1) ordinary share of RM1.00 each in the share capital of VT Payment (M) Sdn. Bhd. (Company No. 1098633-A) ("VTPM") for a total cash consideration of RM1.00 ("Acquisition"). Subsequent to the Acquisition, VTPM became an indirect wholly-owned subsidiary company of OSK Ventures International Berhad.

VTPM was incorporated in Malaysia under the Companies Act, 1965 on 23 June 2014 with an authorised share capital of RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each and paid-up share capital of RM2.00 divided into 2 ordinary shares of RM1.00 each. The intended principal activity of VTPM will be auxiliary activities to finance.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014

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 current quarter ended 30 June 2014 was RM19.75 million as compared to the RM5.18 million of the corresponding quarter in 2013. The 281% increase in revenue was due to higher proceeds derived from the disposals of financial instruments for the current quarter under review. However the gain from disposals was set off by the fair value losses from the portfolio’s quoted investments and the Group posted a loss after tax of RM13.88 million for the current quarter as compared to a gain after tax of RM12.21 million in the corresponding quarter in 2013.

For the six months ended 30 June 2014, the Group recorded a 85% increase in revenues of RM43.55 million compared to RM23.52 million for the corresponding period in 2013. As mentioned above, the earnings from the divestments have improved compared to 2013 but losses after tax of RM5.32 million were posted compared to a loss after tax of RM1.04 million for the corresponding period in 2013. Nevertheless, the Group recorded an increase in cash flow from operating activities of RM6.62 million for the year to date ended 2014.

2. 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 RM13.83 million in the second quarter of 2014 as compared to profit before tax of RM9.42 million of the immediate preceding quarter. This was mainly due to the decline in market value in most of the quoted investments held by the Group in the current quarter under review.

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

(a) Current year prospects

The global economy has broadly strengthened and is expected to improve further for the next 12 months, according to the April 2014 World Economic Outlook (“WEO”). However, the on-going geopolitical developments and the Ebola epidemic may have an impact on the global growth prospects. Nevertheless in Asia, the 1H 2014 economic data points continue to be positive in general with increased activity in the equity markets. On the local front, the Malaysian economy registered a GDP growth of 6.2% in 1Q 2014 and is forecasted to maintain the growth at 5.2 - 5.5% for FYE 2014 to be driven by the strong domestic demand and significant increase in exports. Our local equity markets as such continues to see new corporate listings, capital market movements with ample liquidity to sustain the momentum over the medium term. Within the private equity domain the growing pool of funds in Asia signify the rising interest in Asian corporates and potential opportunities for our portfolio which remains Asia-centric. The Board and Management will continue to ensure that the Group's current growth momentum and Asia focus remains strong for the year ahead.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014

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

3. Current year prospects and progress on previously announced revenue or profit forecast (Cont'd.)

(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.

5. Profit forecast / profit guarantee

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

6. Revenue

	Current period ended <u>30.06.2014</u> RM’000	Comparative period ended <u>30.06.2013</u> RM’000
Interest income	605	1,089
Dividend income	1,381	2,029
Proceeds from disposal of financial instruments *	41,564	20,405
	<u>43,550</u>	<u>23,523</u>

* Gain on disposal of financial instruments is arrived at based on the following:

	Current period ended <u>30.06.2014</u> RM’000	Comparative period ended <u>30.06.2013</u> RM’000
Proceeds from disposal	41,564	20,405
Less: Cost of investment	(32,283)	(18,720)
Gain on disposal	9,281	1,685
Less: Previously recognised fair value changes	(6,638)	(1,318)
Net gain on disposal (as reported)	<u>2,643</u>	<u>367</u>

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014
PART B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for ACE Market
7. (Loss)/profit before tax

(Loss)/profit before tax is arrived at after (crediting)/charging the following:

	Current period ended <u>30.06.2014</u> RM'000	Comparative period ended <u>30.06.2013</u> RM'000
Interest income	(605)	(1,089)
Dividend income	(1,381)	(2,029)
Gain on disposal of financial instruments	(2,643)	(367)
Depreciation and amortisation	68	60
Capital Return from investment securities	(3,583)	-
Other income	(98)	(39)
Gain on disposal of motor vehicle	(30)	-
Loss on disposal of equipment	-	1
Realised foreign exchange loss/(gain)	313	(16)
Unrealised foreign exchange loss/(gain)	20	(48)
	<u>20</u>	<u>(48)</u>

8. Income tax expense

	Current quarter ended <u>30.06.2014</u> RM'000	Comparative quarter ended <u>30.06.2013</u> RM'000	Current period ended <u>30.06.2014</u> RM'000	Comparative period ended <u>30.06.2013</u> RM'000
Provision for the current quarter/ period to date:				
Malaysian income tax	(368)	(314)	(841)	(628)
Deferred tax	318	(258)	(66)	(400)
	<u>(50)</u>	<u>(572)</u>	<u>(907)</u>	<u>(1,028)</u>

The deferred tax liability mainly arose from net fair value gain on financial instruments.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014**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**

Status of corporate proposals announced but not completed as at 7 August 2014 (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 7 August 2014.

10. Borrowings

As at 30 June 2014, there were no short-term borrowings and the Group had not issued any debt securities.

11. 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.

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

Analysed by:	As at	As at
	<u>30.06.2014</u>	<u>31.12.2013</u>
	RM'000	RM'000
Realised accumulated losses	(32,862)	(19,651)
Unrealised retained profits *	24,601	20,622
(Accumulated losses)/retained profits	<u>(8,261)</u>	<u>971</u>

* Unrealised retained profits comprised 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.

12. Material litigation

As at 7 August 2014 (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.

13. Dividend

On 23 May 2014, the Company declared a single tier interim dividend of 2.0 sen per ordinary share amounting to a dividend payable of RM3,914,711 in respect of the financial year ending 31 December 2014. The dividend was paid on 20 June 2014.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014**PART B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for ACE Market****14. (Loss)/earnings per share attributable to owners of the Company**

	Current quarter ended 30.06.2014	Comparative quarter ended 30.06.2013	Current period ended 30.06.2014	Comparative period ended 30.06.2013
Basic (loss)/earnings per share				
(Loss)/profit attributable to owners of the Company (RM'000)	(13,877)	12,206	(5,317)	(1,044)
Weighted average number of ordinary shares in issue ('000 shares)	195,736	195,738	195,736	195,738
Effect of dilution on assumed exercise of warrants ('000 units)	12,766	-	12,766	-
Adjusted weighted average number of ordinary shares in issue and issueable ('000 shares)	208,502	195,738	208,502	195,738
Basic (loss)/earnings per share (sen)	<u>(7.09)</u>	<u>6.24</u>	<u>(2.72)</u>	<u>(0.53)</u>
Diluted (loss)/earnings per share (sen)	<u>(6.66)</u>	<u>6.24</u>	<u>(2.55)</u>	<u>(0.53)</u>

15. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2013 was unqualified.

By Order of the Board

YEE CHEE WAI
Executive Director / Chief Operating Officer

Kuala Lumpur
14 August 2014