

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

		(Audited)
	Note	As at 31.12.2013
		As at 30.09.2014
		RM'000
		RM'000
ASSETS		
Non-current assets		
Equipment		716
Intangible assets		9
Investment securities		103,668
		104,386
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
		97,807
TOTAL ASSETS		200,034
LIABILITIES		
Non-current liability		
Deferred tax liability		1,598
		3,155
Current liabilities		
Other payables and accruals		787
		913
TOTAL LIABILITIES		2,385
EQUITY		
Share capital		97,872
Treasury shares, at cost	A5(a)	(4)
		97,867
Reserves		99,781
TOTAL EQUITY		197,649
TOTAL LIABILITIES AND EQUITY		200,034
Net assets per share (RM)		1.01

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2014
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2014

		Current quarter ended 30.09.2014	Comparative quarter ended 30.09.2013	Current year to date ended 30.09.2014	Comparative year to date ended 30.09.2013
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	B6	32,863	6,419	76,413	29,942
Net carrying value of investments disposed		(30,512)	(4,151)	(69,433)	(24,188)
Other income		32	151	3,743	206
Net fair value gain/(loss) on financial instruments		9,777	26,325	(222)	24,840
Administrative expenses		(612)	(765)	(3,363)	(2,397)
Finance cost		-	-	-	(440)
Profit before tax	B7	11,548	27,979	7,138	27,963
Income tax expense	B8	(1,839)	(454)	(2,746)	(1,482)
Profit after tax for the period		9,709	27,525	4,392	26,481
Profit attributable to:					
Owners of the Company		9,709	27,525	4,392	26,481
Non-controlling interest		-	-	-	-
		9,709	27,525	4,392	26,481
Earnings per share attributable to owners of the Company (sen):					
Basic	B14	4.96	14.06	2.24	13.53
Diluted	B14	4.47	14.06	2.02	13.53

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2014
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

	Current quarter ended 30.09.2014 RM'000	Comparative quarter ended 30.09.2013 RM'000	Current year to date ended 30.09.2014 RM'000	Comparative year to date ended 30.09.2013 RM'000
Profit after tax for the period, representing total comprehensive income for the period	9,709	27,525	4,392	26,481
Total comprehensive income attributable to:				
Owners of the Company	9,709	27,525	4,392	26,481
Non-controlling interest	-	-	-	-
	9,709	27,525	4,392	26,481

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2014
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	Attributable to owners of the Company						Total equity
	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 income	-	-	-	-	-	4,392	4,392
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 30.09.2014	97,872	(5)	84,363	3,192	11,255	1,448	198,125
As at 01.01.2013	97,872	(3)	84,363	3,192	11,255	(16,096)	180,583
Total comprehensive income	-	-	-	-	-	26,481	26,481
Share buybacks by the Company	-	-*	-	-	-	-	-*
Total transactions with owners	-	-	-	-	-	-	-
As at 30.09.2013	97,872	(3)	84,363	3,192	11,255	10,385	207,064

* 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 THIRD QUARTER ENDED 30 SEPTEMBER 2014
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

	Current period ended 30.09.2014	Comparative period ended 30.09.2013
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	7,138	27,963
Adjustments for:		
Amortisation of intangible assets	2	1
Depreciation of equipment	91	89
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	(4,380)	(669)
Net gain on disposal of derivative financial assets	(76)	(1,417)
Net fair value loss/(gain) on financial instruments	222	(24,840)
Unrealised gain on foreign exchange	(133)	(40)
Interest income	(839)	(1,491)
Interest expense	-	440
Dividend income	(1,685)	(2,177)
Operating loss before changes in working capital	(3,273)	(2,140)
Changes in working capital:		
Net changes in receivables	(18,178)	(1,135)
Net changes in payables	126	(138)
Proceeds from disposal of investment securities	73,482	22,371
Proceeds from disposal of derivative financial assets	407	3,903
Return of capital from investment securities	3,583	-
Additions in investment securities and derivative financial assets	(63,151)	(24,884)
Net cash used in operations	(7,004)	(2,023)
Dividends received	1,601	2,174
Interest received	840	1,565
Income tax paid	(2,403)	(370)
Net cash (used in)/generated from operating activities	(6,966)	1,346
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	-	(24)
Purchase of software licences	(8)	(9)
Proceeds from disposal of equipment	234	3
Net cash generated from/(used in) investing activities	226	(30)

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

	Current period ended 30.09.2014 RM'000	Comparative period ended 30.09.2013 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 decrease in cash and cash equivalents	(10,656)	(21,147)
Effect of exchange rate changes	133	40
Cash and cash equivalents at beginning of period	42,308	76,481
Cash and cash equivalents at end of period	<u>31,785</u>	<u>55,374</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 THIRD QUARTER ENDED 30 SEPTEMBER 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	Financial Instruments: Recognition and Measurement - 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 THIRD QUARTER ENDED 30 SEPTEMBER 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	Financial Instruments
MFRS 14	Regulatory Deferral Accounts
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2, MFRS 3, MFRS 8, MFRS 116, MFRS 124, MFRS 138	Annual Improvements to MFRSs 2010 - 2012 Cycle
Amendments to MFRS 3, MFRS 13, MFRS 140,	Annual Improvements to MFRSs 2011 - 2013 Cycle
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 116, MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116, MFRS 141	Agriculture: Bearer Plants
Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions
	To be announced
	1 January 2016
	1 January 2017
	1 July 2014
	1 July 2014
	1 January 2016
	1 January 2016
	1 January 2016
	1 July 2014

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.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting****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.

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 30.09.2014	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 September 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.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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
	75,605	808	-	76,413
	6,254	4,800	(11,054)	-
	81,859	5,608	(11,054)	76,413

Results

Profit/(loss) from operations with external parties

Add : Inter-segment revenue

Less : Inter-segment expenses

Segment results

Finance cost

Profit before tax

Tax expense

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

	7,716	(578)	-	7,138
	6,254	4,800	(11,054)	-
	(6,254)	-	6,254	-
	7,716	4,222	(4,800)	7,138
				-
				7,138
				(2,746)
				4,392

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2013				
Revenue				
External revenue	28,494	1,448	-	29,942
Inter-segment revenue	4,441	-	(4,441)	-
Total	32,935	1,448	(4,441)	29,942
Results				
Profit from operations with external parties	27,355	1,048	-	28,403
Add : Inter-segment revenue	4,441	-	(4,441)	-
Less : Inter-segment expenses	(4,441)	-	4,441	-
Segment results	27,355	1,048	-	28,403
Finance cost				(440)
Profit before tax				27,963
Tax expense				(1,482)
Profit for the period attributable to the owners of the Company				26,481

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2014

Revenue *	36,073	28,954	1,018	2,640	-	7,728	76,413
Profit before tax	3,533	-	-	-	-	3,605	7,138
Segmental assets as at 30 September 2014	199,395	-	-	-	-	2,798	202,193

Preceding year to date ended 30 September 2013

Revenue *	15,028	13,376	17	36	10	1,475	29,942
Profit before tax	27,091	-	-	-	-	872	27,963
Segmental assets as at 30 September 2013	205,795	-	-	-	-	3,636	209,431

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2014 was RM32.86 million as compared to the RM6.42 million of the corresponding quarter in 2013. The 412% increase in revenue was due to higher proceeds derived from the disposals of financial instruments for the current quarter under review. The Group posted a profit after tax of RM9.71 million for the current quarter as compared to a profit after tax of RM27.53 million in the corresponding quarter in 2013 due to lower net fair value gain on financial instruments for the current quarter under review.

For the nine months ended 30 September 2014, the Group recorded a 155% increase in revenues of RM76.41 million compared to RM29.94 million for the corresponding period in 2013. As mentioned above, the earnings from the divestments have improved compared to 2013. Profit after tax of RM4.39 million were posted compared to a profit after tax of RM26.48 million for the corresponding period in 2013. The drop in the profit after tax was mainly due to net fair value loss on financial instruments incurred for the period ended 30 September 2014 as compared to net fair value gain on financial instruments for the corresponding period in 2013.

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 RM11.55 million in the third quarter of 2014 as compared to loss before tax of RM13.83 million of the immediate preceding quarter. This was mainly due to the increase in the market values of most of the quoted investments held by the Group for the current quarter under review.

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

(a) Current year prospects

Malaysia's economy is well supported by domestic demand and government ETP initiatives. With the recently announced Budget 2015 focusing on growing the SME and start-up segments, there will be a positive long-term impact to OSKVI's venture capital business segment.

The global and local equity markets, however, have seen significantly increased volatility in the past quarter which will have a short-term impact on our listed investment business segment due to the fair value accounting methodology used. A potential slowdown in the emerging markets is just one of the many explanations put forward by market analysts - others include economic policy worries, geopolitical risks and the possibility of the Ebola epidemic spreading out of the African continent. The Group would continue to seek and evaluate investment opportunities. The Board and management are confident of maintaining the Group's current long term growth momentum.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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>30.09.2014</u> RM’000	Comparative period ended <u>30.09.2013</u> RM’000
Interest income	839	1,491
Dividend income	1,685	2,177
Proceeds from disposal of financial instruments *	73,889	26,274
	<u>76,413</u>	<u>29,942</u>

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

	Current period ended <u>30.09.2014</u> RM’000	Comparative period ended <u>30.09.2013</u> RM’000
Proceeds from disposal	73,889	26,274
Less: Cost of investment	(63,643)	(23,486)
Gain on disposal	10,246	2,788
Less: Previously recognised fair value changes	(5,790)	(702)
Net gain on disposal (as reported)	<u>4,456</u>	<u>2,086</u>

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

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

	Current period ended <u>30.09.2014</u> RM'000	Comparative period ended <u>30.09.2013</u> RM'000
Interest income	(839)	(1,491)
Dividend income	(1,685)	(2,177)
Gain on disposal of financial instruments	(4,456)	(2,086)
Depreciation and amortisation	93	90
Capital Return from investment securities	(3,583)	-
Other income	(130)	(63)
Gain on disposal of motor vehicle	(30)	-
Loss on disposal of equipment	-	1
Realised foreign exchange loss/(gain)	319	(143)
Unrealised foreign exchange gain	(133)	(40)
	<u>(1,839)</u>	<u>(1,482)</u>

8. Income tax expense

	Current quarter ended <u>30.09.2014</u> RM'000	Comparative quarter ended <u>30.09.2013</u> RM'000	Current period ended <u>30.09.2014</u> RM'000	Comparative period ended <u>30.09.2013</u> RM'000
Provision for the current quarter/ period to date:				
Malaysian income tax	(331)	(330)	(1,172)	(958)
Under provision for prior year	(18)	(85)	(18)	(85)
Deferred tax	(1,490)	(39)	(1,556)	(439)
	<u>(1,839)</u>	<u>(454)</u>	<u>(2,746)</u>	<u>(1,482)</u>

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

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 29 October 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 29 October 2014.

10. Borrowings

As at 30 September 2014, there were no borrowings outstanding 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 retained profits of the Group as at the reporting date is as follows:

Analysed by:	As at	As at
	<u>30.09.2014</u>	<u>31.12.2013</u>
	RM'000	RM'000
Realised accumulated losses	(26,515)	(19,651)
Unrealised retained profits *	27,963	20,622
Retained profits	<u>1,448</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 29 October 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 THIRD QUARTER ENDED 30 SEPTEMBER 2014**PART B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for ACE Market****14. Earnings per share attributable to owners of the Company**

	Current quarter ended 30.09.2014	Comparative quarter ended 30.09.2013	Current period ended 30.09.2014	Comparative period ended 30.09.2013
Basic earnings per share				
Profit attributable to owners of the Company (RM'000)	9,709	27,525	4,392	26,481
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)	21,410	-	21,410	-
Adjusted weighted average number of ordinary shares in issue and issueable ('000 shares)	217,146	195,738	217,146	195,738
Basic earnings per share (sen)	4.96	14.06	2.24	13.53
Diluted earnings per share (sen)	4.47	14.06	2.02	13.53

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
4 November 2014