

OSK Ventures International Berhad (636117-K)**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014
AUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Note	As at 31.12.2014 RM'000	As at 31.12.2013 RM'000
ASSETS			
Non-current assets			
Equipment		397	716
Intangible assets		14	9
Investment securities		42,027	103,668
Trade receivables		1,084	-
		43,522	104,393
Current assets			
Investment securities		63,015	48,958
Derivative financial assets		374	857
Debenture		13,184	-
Trade and other receivables		4,976	2,313
Prepayments		9	17
Tax recoverable		2,187	1,188
Cash and cash equivalents		57,096	42,308
		140,841	95,641
TOTAL ASSETS		184,363	200,034
LIABILITIES			
Non-current liability			
Deferred tax liability		2,622	1,598
Current liabilities			
Trade and sundry payables		1,708	787
TOTAL LIABILITIES		4,330	2,385
EQUITY			
Share capital		97,872	97,872
Treasury shares, at cost	A5(a)	(5)	(4)
		97,867	97,868
Reserves		82,166	99,781
TOTAL EQUITY		180,033	197,649
TOTAL LIABILITIES AND EQUITY		184,363	200,034
Net assets per share (RM)		0.92	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 FOURTH QUARTER ENDED 31 DECEMBER 2014
AUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2014

		Current quarter ended 31.12.2014	Comparative quarter ended 31.12.2013	Current year to date ended 31.12.2014	Comparative year to date ended 31.12.2013
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	B6	26,013	15,893	102,426	45,835
Net carrying value of investments disposed		(24,122)	(13,889)	(93,556)	(38,077)
Other income		328	27	4,071	233
Net fair value (loss)/gain on financial instruments		(20,066)	(9,793)	(20,288)	15,047
Administrative expenses		(540)	(770)	(3,902)	(3,167)
Finance cost		-	-	-	(440)
(Loss)/profit before tax	B7	(18,387)	(8,532)	(11,249)	19,431
Income tax benefit/(expense)	B8	295	(882)	(2,451)	(2,364)
(Loss)/profit after tax for the period		(18,092)	(9,414)	(13,700)	17,067
(Loss)/profit attributable to: Owners of the Company		(18,092)	(9,414)	(13,700)	17,067
(Loss)/earnings per share attributable to owners of the Company (sen):					
Basic	B14	(9.24)	(4.81)	(7.00)	8.72
Diluted	B14	(8.59)	(4.52)	(6.50)	8.19

(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 FOURTH QUARTER ENDED 31 DECEMBER 2014
AUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2014**

	Current quarter ended 31.12.2014 RM'000	Comparative quarter ended 31.12.2013 RM'000	Current year to date ended 31.12.2014 RM'000	Comparative year to date ended 31.12.2013 RM'000
(Loss)/profit after tax for the period, representing total comprehensive (loss)/income for the period	(18,092)	(9,414)	(13,700)	17,067
Total comprehensive (loss)/income attributable to: Owners of the Company	(18,092)	(9,414)	(13,700)	17,067

(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 FOURTH QUARTER ENDED 31 DECEMBER 2014
AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 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	-	-	-	-	-	(13,700)	(13,700)
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 31.12.2014	97,872	(5)	84,363	3,192	11,255	(16,644)	180,033
As at 01.01.2013	97,872	(3)	84,363	3,192	11,255	(16,096)	180,583
Total comprehensive income	-	-	-	-	-	17,067	17,067
Share buybacks by the Company	-	(1)	-	-	-	-	(1)
Total transactions with owners	-	(1)	-	-	-	-	(1)
As at 31.12.2013	97,872	(4)	84,363	3,192	11,255	971	197,649

(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 FOURTH QUARTER ENDED 31 DECEMBER 2014
AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2014**

	Current year to date ended 31.12.2014 RM'000	Comparative year to date ended 31.12.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(11,249)	19,431
Adjustments for:		
Amortisation of intangible assets	3	1
Depreciation of equipment	115	127
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	(5,684)	(1,660)
Net gain on disposal of derivative financial assets	(76)	(1,417)
Net fair value loss/(gain) on financial instruments	20,288	(15,047)
Unrealised gain on foreign exchange	(16)	(38)
Interest income	(1,397)	(1,884)
Interest expense	-	440
Dividend income	(1,713)	(2,797)
Operating loss before changes in working capital	(3,342)	(2,843)
Changes in working capital:		
Net changes in receivables	(3,433)	(2,248)
Net changes in payables	921	16
Proceeds from disposal of investment securities	98,909	37,251
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	(65,776)	(49,687)
Additions in debenture	(13,184)	-
Net cash generated from/(used in) operations	18,085	(13,608)
Dividends received	1,672	2,722
Interest received	1,132	1,959
Interest paid	-	(463)
Income tax paid	(2,427)	(2,463)
Net cash generated from/(used in) operating activities	18,462	(11,853)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	-	(351)
Purchase of software licences	(8)	(9)
Proceeds from disposal of equipment	234	3
Net cash generated from/(used in) investing activities	226	(357)

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014
AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D.)
FOR THE QUARTER ENDED 31 DECEMBER 2014**

	Current year to date ended 31.12.2014 RM'000	Comparative year to date ended 31.12.2013 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of treasury shares	(1)	(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>(22,001)</u>
Net increase/(decrease) in cash and cash equivalents	14,772	(34,211)
Effect of exchange rate changes	16	38
Cash and cash equivalents at beginning of period	42,308	76,481
Cash and cash equivalents at end of period	<u>57,096</u>	<u>42,308</u>

(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 FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 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	1 January 2018
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 2, MFRS 3, MFRS 8, MFRS 116, MFRS 124, MFRS 138	Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Amendments to MFRS 3, MFRS 13, MFRS 140,	Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014
Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions	1 July 2014
Amendments to MFRS 5, MFRS 7, MFRS 119, MFRS 134	Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016
Amendments to MFRS 10, MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116, MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116, MFRS 141	Agriculture: Bearer Plants	1 January 2016

The adoption of the above MFRSs, Amendments to MFRSs and IC Interpretations will have no material impact on the financial performance or position of the Group in the period of initial application, other than as described below.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 (contd.)

MFRS 9 reflects the first phase of work on the replacement of MFRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 17 November 2014, it was announced that the new effective date will be 1 January 2018, with earlier application allowed. The adoption of the first phase of MFRS 9 will have an effect on the classification and measurements of the Group's financial liabilities.

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 FOURTH QUARTER ENDED 31 DECEMBER 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**

During the year, the Company has purchased 2,000 ordinary shares for a total cash consideration of RM1,327 from open market at an average cost of RM0.66 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
10.11.2014	1,000	0.64	0.61	0.68	676
	2,000			0.66	1,327
As at 31.12.2014	10,000			0.49	4,941

(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 31 December 2014, the number of outstanding warrants was 97,872,266.

6. Dividend Paid

A single tier interim dividend of 2.0 sen per ordinary share amounting to RM3,914,711 in respect of the financial year ending 31 December 2014 was paid on 20 June 2014.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 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
	101,333	1,093	-	102,426
	7,551	4,800	(12,351)	-
	108,884	5,893	(12,351)	102,426

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

	(10,926)	(323)	-	(11,249)
	7,551	4,800	(12,351)	-
	(7,551)	(19,875)	27,426	-
	(10,926)	(15,398)	15,075	(11,249)
				-
				(11,249)
				(2,451)
				(13,700)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 2013				
Revenue				
External revenue	43,999	1,836	-	45,835
Inter-segment revenue	6,108	-	(6,108)	-
Total	50,107	1,836	(6,108)	45,835
Results				
Profit from operations with external parties	18,651	1,220	-	19,871
Add : Inter-segment revenue	6,108	2,900	(9,008)	-
Less : Inter-segment expenses	(6,108)	-	6,108	-
Segment results	18,651	4,120	(2,900)	19,871
Finance cost				(440)
Profit before tax				19,431
Tax expense				(2,364)
Profit for the period attributable to the owners of the Company				17,067

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 2014

Revenue *	44,083	29,220	1,046	2,640	-	25,437	102,426
(Loss)/profit before tax	(13,674)	-	-	-	-	2,425	(11,249)
Segmental assets as at 31 December 2014	182,742	-	-	-	-	1,621	184,363

Preceding year to date ended 31 December 2013

Revenue *	29,759	13,376	31	36	10	2,623	45,835
Profit/(loss) before tax	19,601	-	-	-	-	(170)	19,431
Segmental assets as at 31 December 2013	197,426	-	-	-	-	2,608	200,034

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 FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 2014 was RM26.01 million as compared to the RM15.89 million of the corresponding quarter in 2013. The 64% 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 loss after tax of RM18.09 million for the current quarter as compared to a loss after tax of RM9.41 million in the corresponding quarter in 2013. This was mainly attributable to net fair value losses arising from quoted investments.

For the year ended 31 December 2014, the Group recorded a 123% increase in revenues of RM102.43 million compared to RM45.84 million for the corresponding year in 2013. The earnings from the divestments have improved compared to 2013. Loss after tax of RM13.70 million was posted compared to a profit after tax of RM17.07 million for the corresponding year in 2013. This was mainly due to net fair value loss on financial instruments for the year under review.

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 RM18.39 million in the fourth quarter of 2014 as compared to profit before tax of RM11.55 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 for the current quarter under review.

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

(a) Future prospects

With the oil prices in sharp decline in 2H2014 affecting government-led initiatives, the weakening of the MYR and the Goods and Services Tax implementation in April 2015, domestic demand has been affected over the past quarters and may weaken in the year ahead. With the challenges faced, current market values of some of our public listed long-term investments could continue to move alongside the gloomy broader market sentiments. However, we are well positioned with our positive cash balances to participate in investment opportunities that may arise in the Venture Capital and Private Equity space. The Board and management will continue to work on optimizing the performance of the Group and ensure long-term sustainability.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

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

3. Future 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 year to date ended <u>31.12.2014</u> RM’000	Comparative year to date ended <u>31.12.2013</u> RM’000
Interest income	1,397	1,884
Dividend income	1,713	2,797
Proceeds from disposal of financial instruments *	99,316	41,154
	<u>102,426</u>	<u>45,835</u>

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

	Current year to date ended <u>31.12.2014</u> RM’000	Comparative year to date ended <u>31.12.2013</u> RM’000
Proceeds from disposal	99,316	41,154
Less: Cost of investment	(89,388)	(40,727)
Gain on disposal	9,928	427
Less: Previously recognised fair value changes	(4,168)	2,650
Net gain on disposal	<u>5,760</u>	<u>3,077</u>

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 year to date ended <u>31.12.2014</u> RM'000	Comparative year to date ended <u>31.12.2013</u> RM'000
Interest income	(1,397)	(1,884)
Dividend income	(1,713)	(2,797)
Gain on disposal of financial instruments	(5,760)	(3,077)
Depreciation and amortisation	118	128
Capital Return from investment securities	(3,583)	-
Other income	(141)	(90)
Gain on disposal of motor vehicle	(30)	-
Loss on disposal of equipment	-	1
Realised foreign exchange gain	(317)	(143)
Unrealised foreign exchange gain	(16)	(38)

8. Income tax benefit/(expense)

	Current quarter ended <u>31.12.2014</u> RM'000	Comparative quarter ended <u>31.12.2013</u> RM'000	Current year to date ended <u>31.12.2014</u> RM'000	Comparative year to date ended <u>31.12.2013</u> RM'000
Provision for the current quarter/ period to date:				
Malaysian income tax	(238)	(280)	(1,410)	(1,238)
Under provision for prior year	-	-	(18)	(84)
Deferred tax	533	(602)	(1,023)	(1,042)
	<u>295</u>	<u>(882)</u>	<u>(2,451)</u>	<u>(2,364)</u>

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

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 4 February 2015 (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 4 February 2015.

10. Borrowings

As at 31 December 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 (accumulated losses)/retained profits of the Group as at the reporting date is as follows:

Analysed by:	As at	As at
	<u>31.12.2014</u>	<u>31.12.2013</u>
	RM'000	RM'000
Realised accumulated losses	(36,557)	(19,651)
Unrealised retained profits *	19,913	20,622
(Accumulated losses)/retained profits	<u>(16,644)</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 4 February 2015 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

There was no dividend proposed in the current quarter ended 31 December 2014 (31 December 2013: Nil).

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31.12.2014	Comparative quarter ended 31.12.2013	Current year to date ended 31.12.2014	Comparative year to date ended 31.12.2013
Basic (loss)/earnings per share				
(Loss)/profit attributable to owners of the Company (RM'000)	(18,092)	(9,414)	(13,700)	17,067
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)	14,929	12,766	14,929	12,766
Adjusted weighted average number of ordinary shares in issue and issueable ('000 shares)	210,665	208,504	210,665	208,504
Basic (loss)/earnings per share (sen)	<u>(9.24)</u>	<u>(4.81)</u>	<u>(7.00)</u>	<u>8.72</u>
Diluted (loss)/earnings per share (sen)	<u>(8.59)</u>	<u>(4.52)</u>	<u>(6.50)</u>	<u>8.19</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
11 February 2015