

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	As at 30.06.2015 RM'000	(Audited) As at 31.12.2014 RM'000
ASSETS			
Non-current assets			
Equipment		355	397
Intangible assets		13	14
Investment securities		33,644	42,027
Trade receivables		1,084	1,084
		<u>35,096</u>	<u>43,522</u>
Current assets			
Investment securities		58,038	63,015
Derivative financial assets		-	374
Debenture		13,184	13,184
Trade and other receivables		3,588	4,976
Prepayments		36	9
Tax recoverable		2,641	2,187
Cash and cash equivalents		68,076	57,096
		<u>145,563</u>	<u>140,841</u>
TOTAL ASSETS		<u><u>180,659</u></u>	<u><u>184,363</u></u>
LIABILITIES			
Non-current liability			
Deferred tax liability		4,264	2,622
Current liabilities			
Trade and sundry payables		1,149	1,708
TOTAL LIABILITIES		<u>5,413</u>	<u>4,330</u>
EQUITY			
Share capital		98,251	97,872
Treasury shares, at cost	A5(a)	(6)	(5)
		<u>98,245</u>	<u>97,867</u>
Reserves		77,001	82,166
TOTAL EQUITY		<u>175,246</u>	<u>180,033</u>
TOTAL LIABILITIES AND EQUITY		<u><u>180,659</u></u>	<u><u>184,363</u></u>
Net assets per share (RM)		<u>0.90</u>	<u>0.92</u>

(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 2014 and the accompanying explanatory notes attached to these interim financial statements)

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2015

		Current quarter ended 30.06.2015	Comparative quarter ended 30.06.2014	Current year to date ended 30.06.2015	Comparative year to date ended 30.06.2014
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	B6	9,039	19,753	26,106	43,550
Net carrying value of investments disposed		(6,678)	(18,462)	(21,534)	(38,921)
Other income		132	15	638	3,711
Net fair value loss on financial instruments		(8,753)	(14,111)	(7,020)	(9,999)
Administrative expenses		(932)	(1,022)	(1,697)	(2,751)
Loss before tax	B7	(7,192)	(13,827)	(3,507)	(4,410)
Income tax expense	B8	(838)	(50)	(1,658)	(907)
Loss after tax for the period		(8,030)	(13,877)	(5,165)	(5,317)
Loss attributable to: Owners of the Company		(8,030)	(13,877)	(5,165)	(5,317)
Loss per share attributable to owners of the Company (sen):					
Basic	B14	(4.10)	(7.09)	(2.64)	(2.72)
Diluted	B14	(4.10)	(6.66)	(2.64)	(2.55)

(The above condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to these interim financial statements)

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2015

	Current quarter ended 30.06.2015 RM'000	Comparative quarter ended 30.06.2014 RM'000	Current year to date ended 30.06.2015 RM'000	Comparative year to date ended 30.06.2014 RM'000
Loss after tax for the period, representing total comprehensive loss for the period	(8,030)	(13,877)	(5,165)	(5,317)
Total comprehensive loss attributable to: Owners of the Company	(8,030)	(13,877)	(5,165)	(5,317)

(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 2014 and the accompanying explanatory notes attached to these interim financial statements)

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2015

	Attributable to owners of the Company						Total equity
	Share capital	Treasury shares	Share premium	Capital redemption reserve	Warrant reserve	(Accumulated losses)/retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 01.01.2015	97,872	(5)	84,363	3,192	11,255	(16,644)	180,033
Total comprehensive loss	-	-	-	-	-	(5,165)	(5,165)
Shares issued pursuant to the exercise of Warrants	379	-	-	-	-	-	379
Reversal of warrants reserve upon exercise of Warrants	-	-	-	-	(87)	87	-
Shares issuance expenses	-	-	-*	-	-	-	-*
Share buybacks by the Company	-	(1)	-	-	-	-	(1)
Total transactions with owners	379	(1)	-*	-	(87)	87	378
As at 30.06.2015	98,251	(6)	84,363	3,192	11,168	(21,722)	175,246
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

* 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 2014 and the accompanying explanatory notes attached to these interim financial statements)

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER ENDED 30 JUNE 2015

	Current year to date ended 30.06.2015 RM'000	Comparative year to date ended 30.06.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(3,507)	(4,410)
Adjustments for:		
Amortisation of intangible assets	1	2
Depreciation of equipment	45	66
Net gain on disposal of motor vehicle	-	(30)
Capital returns received from investment securities	(391)	(3,583)
Net gain on disposal of investment securities	(2,153)	(2,641)
Net gain on disposal of derivative financial assets	(125)	(2)
Net fair value loss on financial instruments	7,020	9,999
Unrealised (gain)/loss on foreign exchange	(291)	20
Interest income	(1,390)	(605)
Dividend income	(904)	(1,381)
Operating loss before changes in working capital	(1,695)	(2,565)
Changes in working capital:		
Net changes in receivables	1,712	1,889
Net changes in payables	(558)	(79)
Proceeds from disposal of investment securities	23,321	41,545
Proceeds from disposal of derivative financial assets	491	19
Return of capital from investment securities	391	3,583
Additions in investment securities and derivative financial assets	(14,821)	(37,780)
Net cash generated from operations	8,841	6,612
Dividends received	910	1,161
Interest received	1,033	605
Income tax paid	(470)	(1,763)
Net cash generated from operating activities	10,314	6,615
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(3)	-
Purchase of software licences	-	(8)
Proceeds from disposal of equipment	-	234
Net cash (used in)/generated from investing activities	(3)	226

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D.) FOR THE QUARTER ENDED 30 JUNE 2015

	Current year to date ended 30.06.2015 RM'000	Comparative year to date ended 30.06.2014 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of Warrants	379	-
Purchase of treasury shares	(1)	(1)
Shares issuance expenses	- *	-
Dividend paid on ordinary shares	-	(3,915)
Net cash generated from/(used in) financing activities	378	(3,916)
Net increase in cash and cash equivalents	10,689	2,925
Effect of exchange rate changes	291	(20)
Cash and cash equivalents at beginning of period	57,096	42,308
Cash and cash equivalents at end of period	68,076	45,213

* 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 2014 and the accompanying explanatory notes attached to these interim financial statements)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015

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 2014, 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 2014 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 2014.

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 2014, except for the adoption of the Amendments and Annual Improvements to Standards effective as of 1 January 2015.

Effective for annual periods commencing on or after 1 January 2015

The Group has adopted the following Amendments to MFRSs and Annual Improvement to Standards effective as of 1 January 2015.

Amendments to MFRS 2, Annual Improvements to MFRSs 2010 - 2012 Cycle
MFRS 3, MFRS 8,
MFRS 116, MFRS 124,
MFRS 138

Amendments to MFRS 3, Annual Improvements to MFRSs 2011 - 2013 Cycle
MFRS 13, MFRS 140,

Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions

Adoption of the above Amendments to MFRSs and Annual Improvements to Standards did not have any effect on the financial performance or position of the Group.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015**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 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 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 101	Presentation of Financial Statements: Disclosure Initiative	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
Amendments to MFRS 127	Equity Method in Separate Financial Statements	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 SECOND QUARTER ENDED 30 JUNE 2015

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 (Cont'd.)

MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 Revenue from Contracts with Customers was issued in September 2014 and established a new five-step model which will apply to recognition of revenue arising from contracts with customers. Under this standard, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principal of this standard is to provide a more structured approach to measuring and recognising revenue.

MFRS 15 is applicable to all entities and will supersede all current revenue recognition requirements under MFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The adoption of MFRS 15 is not expected to have any material impact on the financial statements of the Group.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015**PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting****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.

5. Changes in debt and equity securities**(a) Share buybacks / Treasury shares of the Company**

On 18 May 2015, the Company has purchased 1,000 ordinary shares for a total cash consideration of RM579 from open market at an average price of RM0.58 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 01.01.2015	10,000			0.49	4,941
Share buyback on 18.05.2015	1,000	0.54	0.54	0.58	579
As at 30.06.2015	11,000			0.50	5,520

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015**PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting****5. Changes in debt and equity securities (Cont'd)****(b) Exercise of Warrants 2010/2015**

As at 30 June 2015, the Company has issued 757,070 new ordinary shares of RM0.50 each for cash at RM0.50 each pursuant to the exercise of Warrants 2010/2015 and the total cash proceeds arising from the exercise of Warrants 2010/2015 amounted to RM378,535. The details of the Warrants 2010/2015 exercised are as follows:

Allotment date	Number of Warrants exercised	Number of shares allotted	Type of issue
05.04.2015	1,076	1,076	Exercise of Warrants 2010/2015 at RM0.50 per share
14.05.2015	2,200	2,200	
22.06.2015	753,794	753,794	
Total	757,070	757,070	

As a result of the exercise of the Warrants 2010/2015, the total number of issued and paid up shares of RM0.50 each of the Company has increased from 195,744,533 shares to 196,501,603 shares. The shares arising from the exercise of Warrants 2010/2015 shall rank pari passu in all respect with the existing ordinary shares of the Company, save and except that the new shares shall not be entitled to any dividends, rights, allotments and/or distributions, unless the exercise of warrants is effected before the book closure of the share registers for the determination of the entitlement to such rights or distributions. As at 30 June 2015, 97,115,196 units of Warrants 2010/2015 remained unexercised.

The Warrants 2010/2015 expire on 7 October 2015.

6. Dividend Paid

No dividend was paid during the quarter ended 30 June 2015.

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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.

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015

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

7. Segmental information (Cont'd.)

Business Segments

	Venture Capital and private equity businesses	Holding entity	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000
Current year to date ended 30 June 2015				
Revenue				
External revenue	25,084	1,022	-	26,106
Results				
(Loss)/profit from operations with external parties	(4,020)	513	-	(3,507)
Segment results	(4,020)	513	-	(3,507)
Finance cost				-
Loss before tax				(3,507)
Tax expense				(1,658)
Loss for the period attributable to the owners of the Company				(5,165)

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015

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> RM'000	Holding <u>entity</u> RM'000	<u>Eliminations</u> RM'000	<u>Consolidated</u> RM'000
Preceding year to date ended 30 June 2014				
Revenue				
External revenue	42,964	586	-	43,550
Inter-segment revenue	4,577	4,800	(9,377)	-
Total	<u>47,541</u>	<u>5,386</u>	<u>(9,377)</u>	<u>43,550</u>
Results				
Loss from operations with external parties	(3,770)	(640)	-	(4,410)
Add : Inter-segment revenue	4,577	4,800	(9,377)	-
Less : Inter-segment expenses	(4,577)	-	4,577	-
Segment results	<u>(3,770)</u>	<u>4,160</u>	<u>(4,800)</u>	<u>(4,410)</u>
Finance cost				-
Loss before tax				<u>(4,410)</u>
Tax expense				(907)
Loss for the period attributable to the owners of the Company				<u><u>(5,317)</u></u>

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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's geographical segments are based on the location of the operations of the Group's asset. Revenue by geographical segment is based on income derived from those assets.

Domestic	Foreign				Total	
Malaysia	Singapore	China	Indonesia	Thailand	Total	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Current year to date ended 30 June 2015						
Revenue	8,063	356	17,659	28	-	26,106
(Loss)/profit before tax	(3,549)	-	42	-	-	(3,507)
Segmental assets as at 30 June 2015	179,433	-	1,226	-	-	180,659
Preceding year to date ended 30 June 2014						
Revenue	26,209	8,790	7,496	1,012	43	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

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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.

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 registered a revenue of RM26.11 million for the six months ended 30 June 2015 ("6M15") as compared to RM43.55 million for the preceding six months ended 30 June 2014 ("6M14") due to lower proceeds derived from disposal of financial instruments. The Group registered a loss after tax of RM5.17 million in 6M15, lower by 3% or RM0.15 million from a loss after tax of RM5.32 million in 6M14. The loss was mainly due to the listed portfolio fair market valuation loss of RM7.02 million and RM10.00 million respectively.

For the current quarter under review ("2Q15"), the Group's revenue was RM9.04 million, registering a decline of 54% or RM10.71 million as compared to RM19.75 million of the corresponding quarter in 2014 ("2Q14"). The lower revenue was due to lower proceeds derived from the disposal of financial instruments due to deterioration of market performance. The Group posted a loss after tax of RM8.03 million in 2Q15 as compared to RM13.88 million in 2Q14, the loss was mainly due to fair market valuation loss of the listed portfolio of RM8.75 million and RM14.11 million respectively. Nevertheless, the Group's loss after tax of RM8.03 million was lower by 42% or RM5.85 million as compared to a loss after tax of RM13.88 million in 2Q14.

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 RM7.19 million in the second quarter of 2015 as compared to profit before tax of RM3.69 million of the immediate preceding quarter. This was mainly due to the decrease in market value in 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

In the current quarter under review we have added three new companies to our investment portfolio, two of which marks our inaugural Venture Capital ("VC") investments under the MOU with Cradle Malaysia and the third marking our foray into the early childhood education sector. The two VC portfolio companies are technology companies operating in the enterprise and education sectors. We remain well positioned in the current difficult market environment with our positive cash balances and in addition to managing the fair market valuation of our listed portfolio as much as possible, we expect to continue to be investing in a number of Private Equity and/or Venture Capital transactions within the technology, enterprise, consumer and education sectors in the current year. The Board and management will continue to work cautiously on optimising the performance of the Group and ensure long-term sustainability.

(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.

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015

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

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>30.06.2015</u> RM’000	Comparative period ended <u>30.06.2014</u> RM’000
Interest income	1,390	605
Dividend income	904	1,381
Proceeds from disposal of financial instruments *	23,812	41,564
	<u>26,106</u>	<u>43,550</u>

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

	Current period ended <u>30.06.2015</u> RM’000	Comparative period ended <u>30.06.2014</u> RM’000
Proceeds from disposal	23,812	41,564
Less: Cost of investment	(29,666)	(32,283)
(Loss)/gain on disposal	(5,854)	9,281
Less: Previously recognised fair value changes	8,132	(6,638)
Gain on disposal	<u>2,278</u>	<u>2,643</u>

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

7. Loss before tax

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

	Current period ended <u>30.06.2015</u> RM'000	Comparative period ended <u>30.06.2014</u> RM'000
Interest income	(1,390)	(605)
Dividend income	(904)	(1,381)
Gain on disposal of financial instruments	(2,278)	(2,643)
Depreciation and amortisation	46	68
Capital Return from investment securities	(391)	(3,583)
Other income	(65)	(98)
Gain on disposal of motor vehicle	-	(30)
Realised foreign exchange (gain)/loss	(182)	313
Unrealised foreign exchange (gain)/loss	(291)	20

8. Income tax expense

	Current quarter ended <u>30.06.2015</u> RM'000	Comparative quarter ended <u>30.06.2014</u> RM'000	Current period ended <u>30.06.2015</u> RM'000	Comparative period ended <u>30.06.2014</u> RM'000
Provision for the current quarter/ period to date:				
Malaysian income tax	(8)	(368)	(16)	(841)
Deferred tax	(830)	318	(1,642)	(66)
	<u>(838)</u>	<u>(50)</u>	<u>(1,658)</u>	<u>(907)</u>

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

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

9. Corporate proposals

Status of corporate proposals announced but not completed as at 5 August 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 5 August 2015.

10. Borrowings

As at 30 June 2015, there were no borrowings outstanding and the Group had not issued any debt securities.

11. The accumulated losses of the Group

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 of the Group as at the reporting date is as follows:

Analysed by:	As at	As at
	<u>30.06.2015</u>	<u>31.12.2014</u>
	RM'000	RM'000
Realised accumulated losses	(48,342)	(36,557)
Unrealised retained profits *	26,620	19,913
Accumulated losses	<u>(21,722)</u>	<u>(16,644)</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 5 August 2015 (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

There was no dividend proposed in the current quarter ended 30 June 2015 (30 June 2014: 2.0 Sen per ordinary share).

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015

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

14. Loss per share attributable to owners of the Company

	Current quarter ended <u>30.06.2015</u>	Comparative quarter ended <u>30.06.2014</u>	Current period ended <u>30.06.2015</u>	Comparative period ended <u>30.06.2014</u>
Basic/ Diluted Loss per share				
Loss attributable to owners of the Company (RM'000)	(8,030)	(13,877)	(5,165)	(5,317)
Weighted average number of ordinary shares in issue ('000 shares)	195,769	195,736	195,769	195,736
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)	195,769	208,502	195,769	208,502
Basic loss per share (sen)	<u>(4.10)</u>	<u>(7.09)</u>	<u>(2.64)</u>	<u>(2.72)</u>
Diluted loss per share (sen)	<u>(4.10)</u>	<u>(6.66)</u>	<u>(2.64)</u>	<u>(2.55)</u>

15. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2014 was unqualified.

By Order of the Board

YEE CHEE WAI
Executive Director / Chief Operating Officer

Kuala Lumpur
12 August 2015