

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	As at 31.12.2015 RM'000	As at 31.12.2014 RM'000
ASSETS			
Non-current assets			
Equipment		335	397
Intangible assets		11	14
Investment securities		2,529	42,027
Trade receivables		2,845	1,084
		5,720	43,522
Current assets			
Investment securities		55,352	63,015
Derivative financial assets		-	374
Debenture		15,558	13,184
Trade and other receivables		904	4,976
Prepayments		15	9
Tax recoverable		2,630	2,187
Cash, bank balances and cash management fund	A8	101,019	57,096
		175,478	140,841
TOTAL ASSETS		181,198	184,363
LIABILITIES			
Non-current liability			
Deferred tax liability		1,341	2,622
Current liability			
Trade and sundry payables		1,176	1,708
TOTAL LIABILITIES		2,517	4,330
EQUITY			
Share capital		98,798	97,872
Treasury shares, at cost	A5(a)	(6)	(5)
		98,792	97,867
Reserves		79,889	82,166
TOTAL EQUITY		178,681	180,033
TOTAL LIABILITIES AND EQUITY		181,198	184,363
Net assets per share (RM)		0.90	0.92

(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 FOURTH QUARTER ENDED 31 DECEMBER 2015 AUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2015

		Current quarter ended 31.12.2015	Comparative quarter ended 31.12.2014	Current year to date ended 31.12.2015	Comparative year to date ended 31.12.2014
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	B6	37,126	26,013	66,247	102,426
Net carrying value of investments disposed		(33,621)	(24,122)	(57,183)	(93,556)
		3,505	1,891	9,064	8,870
Other income		3,379	328	4,231	4,071
Net fair value gain/(loss) on financial instruments		7,628	(20,066)	(12,868)	(20,288)
Administrative expenses		(1,632)	(540)	(3,956)	(3,902)
Profit/(loss) before tax	B7	12,880	(18,387)	(3,529)	(11,249)
Income tax (expense)/benefit	B8	131	295	1,253	(2,451)
Profit/(loss) after tax for the period		13,011	(18,092)	(2,276)	(13,700)
Profit/(loss) attributable to: Owners of the Company		13,011	(18,092)	(2,276)	(13,700)
Earnings/(loss) per share attributable to owners of the Company (sen):					
Basic	B14	6.62	(9.24)	(1.16)	(7.00)
Diluted	B14	-	(8.59)	-	(6.50)

(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 FOURTH QUARTER ENDED 31 DECEMBER 2015 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2015

	Current quarter ended 31.12.2015	Comparative quarter ended 31.12.2014	Current year to date ended 31.12.2015	Comparative year to date ended 31.12.2014
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) after tax for the period, representing total comprehensive income/(loss) for the period	13,011	(18,092)	(2,276)	(13,700)
Total comprehensive income/(loss) attributable to: Owners of the Company	13,011	(18,092)	(2,276)	(13,700)

(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 FOURTH QUARTER ENDED 31 DECEMBER 2015 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 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	-	-	-	-	-	(2,276)	(2,276)
Shares issued pursuant to the exercise of Warrants	926	-	-	-	-	-	926
Reversal of warrants reserve upon exercise of Warrants	-	-	-	-	(213)	213	-
Reversal of warrants reserve pursuant to expired Warrants	-	-	-	-	(11,042)	11,042	-
Shares issuance expenses	-	-	(1)	-	-	-	(1)
Share buybacks by the Company	-	(1)	-	-	-	-	(1)
Total transactions with owners	926	(1)	(1)	-	(11,255)	11,255	924
As at 31.12.2015	98,798	(6)	84,362	3,192	-	(7,665)	178,681
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	-	-	-	-	-	(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

(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 FOURTH QUARTER ENDED 31 DECEMBER 2015 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER ENDED 31 DECEMBER 2015

	Current year to date ended 31.12.2015 RM'000	(Restated) Comparative year to date ended 31.12.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(3,529)	(11,249)
Adjustments for:		
Amortisation of intangible assets	3	3
Depreciation of equipment	90	115
Net gain on disposal of motor vehicle	-	(30)
Capital returns received from investment securities	(391)	(3,583)
Net gain on disposal of investment securities	(5,074)	(5,684)
Net gain on disposal of derivative financial assets	(125)	(76)
Net fair value loss on financial instruments	12,868	20,288
Unrealised gain on foreign exchange	(3,377)	(16)
Interest income	(2,746)	(1,397)
Dividend income	(1,119)	(1,713)
Operating loss before changes in working capital	(3,400)	(3,342)
Changes in working capital:		
Net changes in receivables	3,156	(3,433)
Net changes in payables	(532)	921
Proceeds from disposal of investment securities	61,891	98,909
Proceeds from disposal of derivative financial assets	491	407
Return of capital from investment securities	391	3,583
Additions in investment securities and derivative financial assets	(22,517)	(65,776)
Additions in debenture	-	(13,184)
Net cash generated from operations	39,480	18,085
Dividends received	1,160	1,672
Interest received	2,240	1,132
Income tax paid	(470)	(2,427)
Net cash generated from operating activities	42,410	18,462
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in cash management fund	(35,563)	(14,533)
Purchase of equipment	(28)	-
Purchase of software licences	-	(8)
Proceeds from disposal of equipment	-	234
Net cash used in investing activities	(35,591)	(14,307)

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D.) FOR THE QUARTER ENDED 31 DECEMBER 2015

	(Restated)	
	Current	Comparative
	year to date	year to date
	ended	ended
Note	31.12.2015	31.12.2014
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of new shares as a result of exercise of Warrants	926	-
Purchase of treasury shares	(1)	(1)
Shares issuance expenses	(1)	-
Dividend paid on ordinary shares	-	(3,915)
Net cash generated from/(used in) financing activities	<u>924</u>	<u>(3,916)</u>
Net increase in cash and cash equivalents	7,743	239
Effect of exchange rate changes	617	16
Cash and cash equivalents at beginning of period	5,737	5,482
Cash and cash equivalents at end of period	A8 <u>14,097</u>	<u>5,737</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 2014 and the accompanying explanatory notes attached to these interim financial statements)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 the 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 July 2014

The Group has adopted the following Amendments to MFRSs and Annual Improvement to Standards effective as of 1 July 2014.

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 FOURTH QUARTER ENDED 31 DECEMBER 2015**PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting****1. Basis of preparation (Cont'd.)****MFRSs and Amendments to MFRSs issued but not yet effective**

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

MFRSs and Amendments to MFRSs	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 2018
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	Deferred
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 and Amendments to MFRSs 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.

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

1. Basis of preparation (Cont'd.)

MFRSs and Amendments to MFRSs 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.

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. 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.

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.

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

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 RM1,103 from open market at an average price of RM0.55 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
20.11.2015	1,000	0.49	0.46	0.52	524
	2,000			0.55	1,103
As at 31.12.2015	12,000			0.50	6,044

(b) Exercise of Warrants 2010/2015

During the year, the Company has issued 1,852,339 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 RM926,169. 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	
01.07.2015	525,666	525,666	
05.08.2015	1,514	1,514	
18.09.2015	2,390	2,390	
02.10.2015	550,529	550,529	
07.10.2015	13,340	13,340	
09.10.2015	1,830	1,830	
Total	1,852,339	1,852,339	

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 (Cont'd)

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 197,596,872 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.

Pursuant to the Notice to Warranholders in relation to the expiry and final exercise of the Warrants 2010/2015 dated 4 September 2015, Warrants 2010/2015 have expired on 7 October 2015. Total number of Warrants 2010/2015 not exercised and has lapsed was 96,019,927.

6. Dividend Paid

No dividend was paid during the quarter ended 31 December 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 FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 2015				
Revenue				
External revenue	64,041	2,206	-	66,247
Inter-segment revenue	32,812	10,330	(43,142)	-
Total	<u>96,853</u>	<u>12,536</u>	<u>(43,142)</u>	<u>66,247</u>
Results				
(Loss)/profit from operations with external parties	(4,670)	1,141	-	(3,529)
Add : Inter-segment revenue	136,757	18,736	(155,493)	-
Less : Inter-segment expenses	(1,231)	(111)	1,342	-
Segment results	<u>130,856</u>	<u>19,766</u>	<u>(154,151)</u>	<u>(3,529)</u>
Tax benefit				<u>1,253</u>
Loss for the period attributable to the owners of the Company				<u><u>(2,276)</u></u>

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 2014				
Revenue				
External revenue	101,333	1,093	-	102,426
Inter-segment revenue	7,551	4,800	(12,351)	-
Total	<u>108,884</u>	<u>5,893</u>	<u>(12,351)</u>	<u>102,426</u>
Results				
Loss from operations with external parties	(10,926)	(323)	-	(11,249)
Add : Inter-segment revenue	7,551	4,800	(12,351)	-
Less : Inter-segment expenses	(7,551)	(19,875)	27,426	-
Segment results	<u>(10,926)</u>	<u>(15,398)</u>	<u>15,075</u>	<u>(11,249)</u>
Tax expense				(2,451)
Loss for the period attributable to the owners of the Company				<u><u>(13,700)</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	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

Current year to date ended 31 December 2015

Revenue	46,913	(848)	17,851	2,331	-	66,247
(Loss)/profit before tax	(3,703)	-	174	-	-	(3,529)
Segmental assets as at 31 December 2015	180,511	-	687	-	-	181,198

Preceding year to date ended 31 December 2014

Revenue	44,083	29,220	25,437	1,046	2,640	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

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

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

8. Cash, bank balances and cash management fund

	As at <u>31.12.2015</u> RM'000	As at <u>31.12.2014</u> RM'000
Cash at bank and in hand	14,097	5,737
Cash Management Fund	86,922	51,359
	<u>101,019</u>	<u>57,096</u>

9. Event subsequent to reporting period

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

10. Changes in the composition of the Group

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

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 posted revenues of RM66.25 million for the year ended 31 December 2015 as compared to RM102.43 million in 2014. This decrease was due to lower disposals of financial instruments done during the year which in turn resulted in lower proceeds being derived. Meanwhile, the Group posted a loss after tax of RM2.28 million in 2015 compared to the loss after tax of RM13.70 million in 2014. The loss was mainly attributable to net fair value losses arising from quoted financial instruments.

For the current quarter under review ("4Q15"), the Group posted revenues of RM37.13 million, registering an increase of 43% or RM11.12 million as compared to RM26.01 million in the corresponding quarter of 2014 ("4Q14"). The higher revenues were mainly due to the proceeds arising from the disposal of Green Packet shares during the quarter. The Group posted a profit after tax of RM13.01 million in 4Q15 as compared to loss after tax of RM18.09 million in 4Q14. This was mainly due to fair market valuation gain of the public equity portfolio of RM7.63 million in 4Q15 as compared to the fair market valuation loss of RM20.07 million in 4Q14.

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 RM12.88 million in the fourth quarter of 2015 as compared to loss before tax of RM12.90 million of the immediate preceding quarter. This was mainly due to the increase 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

Based on the recently revised 2016 Malaysian Budget that was announced on 28 January 2016, the Malaysian economy is forecasted to remain resilient and continue to grow albeit at a rate of 4% - 4.5% in 2016, driven mainly by domestic demand with private expenditure being the main anchor.

Despite the current economic headwinds, we envision that there will be opportunities from businesses operating within our focus sectors seeking funding for rapid expansion which will ultimately lead to potential transactions. With our current positive cash balances, we are cautiously active in seeking out these opportunities. In terms of our current listed portfolio, we are continuing our efforts to realise and manage these investments for sustainable returns.

The Board and management will continue to seek opportunities in optimising the performance of the Group and to ensure long-term sustainability and profitability.

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

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 31.12.2015 RM’000	Comparative year to date ended 31.12.2014 RM’000
Interest income	2,746	1,397
Dividend income	1,119	1,713
Proceeds from disposal of financial instruments *	62,382	99,316
	<u>66,247</u>	<u>102,426</u>

* The analysis of gain on disposal of financial instruments is as follow:

	Current year to date ended 31.12.2015 RM’000	Comparative year to date ended 31.12.2014 RM’000
Proceeds from disposal	62,382	99,316
Less: Cost of investment	(133,821)	(89,388)
(Loss)/gain on disposal	<u>(71,439)</u>	<u>9,928</u>
Less: Previously recognised fair value changes	76,638	(4,168)
Gain on disposal, as recognised in profit or loss	<u>5,199</u>	<u>5,760</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. Profit/(loss) before tax

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

	Current year to date ended <u>31.12.2015</u> RM'000	Comparative year to date ended <u>31.12.2014</u> RM'000
Interest income	(2,746)	(1,397)
Dividend income	(1,119)	(1,713)
Gain on disposal of financial instruments	(5,199)	(5,760)
Depreciation and amortisation	93	118
Capital Return from investment securities	(391)	(3,583)
Other income	(66)	(141)
Gain on disposal of motor vehicle	-	(30)
Realised foreign exchange gain	(397)	(317)
Unrealised foreign exchange gain	(3,377)	(16)

8. Income tax (expense)/benefit

	Current quarter ended <u>31.12.2015</u> RM'000	Comparative quarter ended <u>31.12.2014</u> RM'000	Current year to date ended <u>31.12.2015</u> RM'000	Comparative year to date ended <u>31.12.2014</u> RM'000
Provision for the current quarter/ year to date:				
Malaysian income tax	(13)	(238)	(35)	(1,410)
Over/(under) provision for prior year	-	-	7	(18)
Deferred tax	144	533	1,281	(1,023)
	<u>131</u>	<u>295</u>	<u>1,253</u>	<u>(2,451)</u>

The deferred tax benefit for the current quarter ended 31 December 2015 of RM0.14 million mainly arose from net fair value loss on financial instruments.

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

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 11 February 2016 (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 11 February 2016.

10. Borrowings

As at 31 December 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
	31.12.2015	31.12.2014
	RM'000	RM'000
Realised accumulated losses	(32,058)	(36,557)
Unrealised retained profits *	24,393	19,913
Accumulated losses	<u>(7,665)</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 11 February 2016 (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 31 December 2015 (31 December 2014: Nil).

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14. Earnings/(loss) per share attributable to owners of the Company

	Current quarter ended <u>31.12.2015</u>	Comparative quarter ended <u>31.12.2014</u>	Current year to date ended <u>31.12.2015</u>	Comparative year to date ended <u>31.12.2014</u>
Basic earnings/(loss) per share				
Earnings/(loss) attributable to owners of the Company (RM'000)	13,011	(18,092)	(2,276)	(13,700)
Weighted average number of ordinary shares in issue ('000 shares)	196,539	195,736	196,539	195,736
Effect of dilution on assumed exercise of warrants ('000 units)	-	14,929	-	14,929
Adjusted weighted average number of ordinary shares in issue and issueable ('000 shares)	196,539	210,665	196,539	210,665
Basic earnings/(loss) per share (sen)	<u>6.62</u>	<u>(9.24)</u>	<u>(1.16)</u>	<u>(7.00)</u>
Diluted (loss) per share (sen)	<u>-</u>	<u>(8.59)</u>	<u>-</u>	<u>(6.50)</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
18 February 2016