

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2016

| | | (Audited) |
|--|-------|-----------------------|
| | Note | As at 31.12.2015 |
| | | As at 31.03.2016 |
| | | RM'000 |
| | | RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Equipment | | 316 |
| Intangible assets | | 10 |
| Investment securities | | 2,529 |
| Trade receivables | | 2,845 |
| | | <u>5,700</u> |
| Current assets | | |
| Investment securities | | 60,166 |
| Debenture | | 14,816 |
| Trade and other receivables | | 1,526 |
| Prepayments | | 52 |
| Tax recoverable | | 2,526 |
| Cash, bank balances and cash management fund | A8 | 91,282 |
| | | <u>170,368</u> |
| TOTAL ASSETS | | <u><u>176,068</u></u> |
| LIABILITIES | | |
| Non-current liability | | |
| Deferred tax liability | | 1,312 |
| | | <u>1,341</u> |
| Current liability | | |
| Trade and sundry payables | | 934 |
| TOTAL LIABILITIES | | <u>2,246</u> |
| EQUITY | | |
| Share capital | | 98,798 |
| Treasury shares, at cost | A5(a) | (6) |
| | | <u>98,792</u> |
| Reserves | | 75,030 |
| TOTAL EQUITY | | <u>173,822</u> |
| TOTAL LIABILITIES AND EQUITY | | <u><u>176,068</u></u> |
| Net assets per share (RM) | | <u>0.88</u> |
| | | 0.90 |

(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 2015 and the accompanying explanatory notes attached to these interim financial statements)

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2016

| | | (Restated) | | (Restated) |
|---|------|----------------|-------------|----------------|
| | | Current | Comparative | Current |
| | | quarter | quarter | year to date |
| | | ended | ended | ended |
| | Note | 31.03.2016 | 31.03.2015 | 31.03.2016 |
| | | RM'000 | RM'000 | RM'000 |
| | | RM'000 | RM'000 | RM'000 |
| Revenue | B6 | 1,522 | 3,944 | 1,522 |
| Interest income | | 1,515 | 689 | 1,515 |
| Dividend income | | 7 | 16 | 7 |
| Net fair value changes on financial instruments | B6 | (4,526) | 3,239 | (4,526) |
| Other income | | - | 506 | - |
| Administrative expenses | | (1,858) | (765) | (1,858) |
| (Loss)/profit before tax | B7 | (4,862) | 3,685 | (4,862) |
| Income tax benefit/(expense) | B8 | 24 | (820) | 24 |
| (Loss)/profit after tax for the period | | (4,838) | 2,865 | (4,838) |
| (Loss)/profit attributable to: Owners of the Company | | (4,838) | 2,865 | (4,838) |
| (Loss)/earnings per share attributable to owners of the Company (sen): | | | | |
| Basic | B14 | (2.45) | 1.46 | (2.45) |
| Diluted | B14 | - | 1.38 | - |

(The above condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to these interim financial statements)

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2016

| | Current quarter ended 31.03.2016 RM'000 | Comparative quarter ended 31.03.2015 RM'000 | Current year to date ended 31.03.2016 RM'000 | Comparative year to date ended 31.03.2015 RM'000 |
|--|--|--|---|---|
| (Loss)/profit after tax for the period, representing total comprehensive (loss)/income for the period | (4,838) | 2,865 | (4,838) | 2,865 |
| Total comprehensive (loss)/income attributable to: Owners of the Company | (4,838) | 2,865 | (4,838) | 2,865 |

(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 2015 and the accompanying explanatory notes attached to these interim financial statements)

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2016

| | Attributable to owners of the Company | | | | | | Total equity |
|--------------------------------|---------------------------------------|-----------------|---------------|----------------------------|-----------------|--------------------|----------------|
| | Share capital | Treasury shares | Share premium | Capital redemption reserve | Warrant reserve | Accumulated losses | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| As at 01.01.2016 | 98,798 | (6) | 84,362 | 3,192 | - | (7,665) | 178,681 |
| Total comprehensive loss | - | - | - | - | - | (4,838) | (4,838) |
| Shares issuance expenses | - | - | (21) | - | - | - | (21) |
| Total transactions with owners | - | - | (21) | - | - | - | (21) |
| As at 31.03.2016 | 98,798 | (6) | 84,341 | 3,192 | - | (12,503) | 173,822 |
| As at 01.01.2015 | 97,872 | (5) | 84,363 | 3,192 | 11,255 | (16,644) | 180,033 |
| Total comprehensive income | - | - | - | - | - | 2,865 | 2,865 |
| As at 31.03.2015 | 97,872 | (5) | 84,363 | 3,192 | 11,255 | (13,779) | 182,898 |

(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 2015 and the accompanying explanatory notes attached to these interim financial statements)

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER ENDED 31 MARCH 2016

| | Current year to date ended 31.03.2016 RM'000 | Comparative year to date ended 31.03.2015 RM'000 |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| (Loss)/profit before tax | (4,862) | 3,685 |
| Adjustments for: | | |
| Amortisation of intangible assets | 1 | 1 |
| Depreciation of equipment | 23 | 23 |
| Capital returns received from investment securities | - | (391) |
| Net loss/(gain) on disposal of investment securities | 289 | (1,356) |
| Net gain on disposal of derivative financial assets | - | (150) |
| Net fair value loss/(gain) on financial instruments | 4,237 | (1,733) |
| Unrealised loss/(gain) on foreign exchange | 1,006 | (294) |
| Interest income | (1,515) | (689) |
| Dividend income | (7) | (16) |
| Operating loss before changes in working capital | (828) | (920) |
| Changes in working capital: | | |
| Net changes in receivables | (37) | 1,011 |
| Net changes in payables | (241) | (910) |
| Proceeds from disposal of investment securities | 3,716 | 15,979 |
| Proceeds from disposal of derivative financial assets | - | 383 |
| Return of capital from investment securities | - | 391 |
| Additions in investment securities and derivative financial assets | (12,314) | (3,212) |
| Net cash (used in)/generated from operations | (9,704) | 12,722 |
| Dividends received | 7 | 57 |
| Interest received | 851 | 517 |
| Income tax refund/(paid) | 99 | (101) |
| Net cash (used in)/generated from operating activities | (8,747) | 13,195 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Redemption from/(addition in) cash management fund | 8,448 | (471) |
| Purchase of equipment | (4) | - |
| Net cash generated from/(used in) investing activities | 8,444 | (471) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Shares issuance expenses | (21) | - |
| Net cash used in financing activities | (21) | - |

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D.) FOR THE QUARTER ENDED 31 MARCH 2016

| | Current | Comparative |
|---|---------------------|---------------------|
| | year to date | year to date |
| | ended | ended |
| Note | 31.03.2016 | 31.03.2015 |
| | RM'000 | RM'000 |
| Net (decrease)/increase in cash and cash equivalents | (324) | 12,724 |
| Effect of exchange rate changes | (965) | 294 |
| Cash and cash equivalents at beginning of period | 14,097 | 5,737 |
| Cash and cash equivalents at end of period | 12,808 | 18,755 |
| A8 | | |

(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 2015 and the accompanying explanatory notes attached to these interim financial statements)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016

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 2015, 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 2015 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 2015.

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 2015, except for the adoption of the Amendments and Annual Improvements to Standards effective as of 1 January 2016.

Effective for annual periods commencing on or after 1 January 2016

The Group has adopted the following MFRS and Amendments to MFRSs and Annual Improvement to Standards effective as of 1 January 2016.

| | |
|--|--|
| MFRS 14 | Regulatory Deferral Accounts |
| Amendments to MFRS 5, MFRS 7, MFRS 119, MFRS 134 | Annual Improvements to MFRSs 2012 - 2014 Cycle |
| Amendments to MFRS 10, MFRS 12 and MFRS 128 | Investment Entities: Applying the Consolidation Exception |
| Amendments to MFRS 11 | Accounting for Acquisitions of Interests in Joint Operations |
| Amendments to MFRS 101 | Presentation of Financial Statements: Disclosure Initiative |
| 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 127 | Equity Method in Separate Financial Statements |

Adoption of the above MFRS and 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 FIRST QUARTER ENDED 31 MARCH 2016

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 15 | Revenue from Contracts with Customers | 1 January 2018 |
| MFRS 16 | Leases | 1 January 2019 |
| Amendments to MFRS 10, MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred |
| Amendments to MFRS 107 | Statement of Cash Flows: Disclosure Initiative | 1 January 2017 |
| Amendments to MFRS 112 | Recognition of Deferred Tax Assets for Unrealised Losses | 1 January 2017 |

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.

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.

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016

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. 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.

5. Changes in debt and equity securities

(a) Share buybacks / Treasury shares of the Company

There were no share buybacks during the quarter ended 31 March 2016. 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 01.01.2016/31.03.2016 | 12,000 | | | 0.50 | 6,044 |

6. Dividend Paid

No dividend was paid during the quarter ended 31 March 2016.

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016

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 FIRST QUARTER ENDED 31 MARCH 2016

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 RM'000 | Holding entity RM'000 | Eliminations RM'000 | Consolidated RM'000 |
|--|--|-----------------------------|------------------------|------------------------|
| Current year to date ended 31 March 2016 | | | | |
| Revenue | | | | |
| External revenue | 712 | 810 | - | 1,522 |
| Inter-segment revenue | 48 | - | (48) | - |
| Total | <u>760</u> | <u>810</u> | <u>(48)</u> | <u>1,522</u> |
| Results | | | | |
| (Loss)/profit from operations with external parties | (5,489) | 627 | - | (4,862) |
| Add : Inter-segment revenue | 48 | - | (48) | - |
| Less : Inter-segment expenses | (20) | (28) | 48 | - |
| Segment results | <u>(5,461)</u> | <u>599</u> | <u>-</u> | <u>(4,862)</u> |
| Tax benefit | | | | <u>24</u> |
| Loss for the period attributable to the owners of the Company | | | | <u>(4,838)</u> |

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016

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 March 2015 | | | | |
| Revenue | | | | |
| External revenue | 3,432 | 512 | - | 3,944 |
| Total | | | | |
| Results | | | | |
| Profit from operations with external parties | 3,463 | 222 | - | 3,685 |
| Segment results | 3,463 | 222 | - | 3,685 |
| Tax expense | | | | (820) |
| Profit for the period attributable to the owners of the Company | | | | 2,865 |

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016

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 | | | | |
|----------|-----------|-----------------------|--------|-----------|--------|
| Malaysia | Singapore | British Virgin Island | China | Indonesia | Total |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |

Current year to date ended 31 March 2016

| | | | | | | |
|--------------------------------------|---------|-----|---|-------|---|----------------|
| Revenue | 854 | 664 | - | - | 4 | 1,522 |
| Loss before tax | (4,757) | - | - | (105) | - | (4,862) |
| Segmental assets as at 31 March 2016 | 175,477 | - | - | 591 | - | 176,068 |

Preceding year to date ended 31 March 2015

| | | | | | | |
|--------------------------------------|---------|-----|------|-------|-------|---------|
| Revenue | 1,439 | 172 | (84) | 2,731 | (314) | 3,944 |
| Profit before tax | 3,348 | - | - | 337 | - | 3,685 |
| Segmental assets as at 31 March 2015 | 185,167 | - | - | 1,962 | - | 187,129 |

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016

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>31.03.2016</u> RM'000 | As at <u>31.03.2015</u> RM'000 |
|---------------------------|--------------------------------------|--------------------------------------|
| Cash and cash equivalents | 12,808 | 18,755 |
| Cash Management Fund | 78,474 | 51,830 |
| | <u>91,282</u> | <u>70,585</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.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016

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

For the first quarter ended 31 March 2016 (“1Q16”), the Group posted revenue of RM1.52 million, a decrease of 61% or RM2.42 million as compared to RM3.94 million for the preceding quarter ended 31 March 2015 (“1Q15”). The Group posted a loss after tax of RM4.84 million in 1Q16 as compared to profit after tax of RM2.87 million in 1Q15. This was mainly due to net fair value loss on financial instruments and a weakened market for our listed portfolio in the current quarter 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 RM4.86 million in the first quarter of 2016 as compared to profit before tax of RM12.88 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 prospects and progress on previously announced financial estimate

(a) Current prospects

The economic outlook remains challenging for the rest of 2016 with policy and political developments in major economies, depressed commodity prices, industry disruptions and volatile valuations. Across the local markets there are signs of tightening credit and liquidity which the management views as an opportunity to build the Group's private equity and venture capital investment portfolio.

For the year ahead we continue to look to invest in both listed and non-listed companies within our focus sectors seeking funding for rapid expansion and to ensure long-term sustainability and financial returns.

(b) Progress and steps to achieve financial estimate, forecast, projection and internal targets previously announced

There was no financial forecast previously announced by the Group.

4. Statement of the Board of Directors’ opinion on achievability of financial estimate, forecast, projection and internal targets previously announced

Not applicable.

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016

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

5. Financial estimate, forecast or projection / profit guarantee

There was no financial estimate, forecast or projection and profit guarantee issued by the Group.

6. Revenue

| | Current period ended 31.03.2016 RM'000 | (Restated) Comparative period ended 31.03.2015 RM'000 |
|---|---|---|
| Interest income | 1,515 | 689 |
| Dividend income | 7 | 16 |
| Net fair value gain of financial instruments* | - | 3,239 |
| | <u>1,522</u> | <u>3,944</u> |

* The analysis of net fair value (loss)/gain of financial instruments is as follow:

| | Current period ended 31.03.2016 RM'000 | Comparative period ended 31.03.2015 RM'000 |
|---|---|---|
| Proceeds from disposal | 3,716 | 16,362 |
| Less: Cost of investment | (5,748) | (20,409) |
| Loss on disposal | (2,032) | (4,047) |
| Less: Previously recognised fair value changes | 1,743 | 5,553 |
| (Loss)/gain on disposal, as recognised in profit or loss | (289) | 1,506 |
| Net fair value changes (loss)/gain of financial instruments | (4,237) | 1,733 |
| Net fair value (loss)/gain of financial instruments | <u>(4,526)</u> | <u>3,239</u> |

Comparatives

Certain comparatives have been restated to conform with current quarter's presentation as follows:

| | As previously report RM'000 | Reclassification RM'000 | As restated RM'000 |
|---|-----------------------------------|----------------------------|-----------------------|
| Proceeds from disposal of financial instruments | 16,362 | (16,362) | - |
| Net carrying value of investments disposed | (14,856) | 14,856 | - |
| Net fair value changes on financial instruments | 1,733 | 1,506 | 3,239 |

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016

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

7. (Loss)/profit before tax

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

| | Current period ended <u>31.03.2016</u> RM'000 | Comparative period ended <u>31.03.2015</u> RM'000 |
|--|--|--|
| Interest income | (1,515) | (689) |
| Dividend income | (7) | (16) |
| Loss/(gain) on disposal of financial instruments | 289 | (1,506) |
| Depreciation and amortisation | 24 | 24 |
| Capital Return from investment securities | - | (391) |
| Other income | - | (53) |
| Realised foreign exchange gain | - | (62) |
| Unrealised foreign exchange loss/(gain) | 1,006 | (294) |

8. Income tax benefit/(expense)

| | Current quarter ended <u>31.03.2016</u> RM'000 | Comparative quarter ended <u>31.03.2015</u> RM'000 | Current period ended <u>31.03.2016</u> RM'000 | Comparative period ended <u>31.03.2015</u> RM'000 |
|---|--|---|--|--|
| Provision for the current quarter/ period to date: | | | | |
| Malaysian income tax | (5) | (8) | (5) | (8) |
| Deferred tax | 29 | (812) | 29 | (812) |
| | <u>24</u> | <u>(820)</u> | <u>24</u> | <u>(820)</u> |

The deferred tax benefit for the current quarter ended 31 March 2016 of RM0.03 million mainly arose from net fair value loss 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. Status of corporate proposals announced but not completed as at 13 May 2016

Proposed Special Bumiputera Issue

On 19 February 2016, RHB Investment Bank had, on behalf of the Board, announced that the Company proposes to undertake an issuance of 25,600,000 new ordinary shares of 50 sen each to Bumiputera investors to be identified and/or approved by Ministry of International Trade and Industry Malaysia (“MITI”) at an issue price to be determined after obtaining all relevant approvals. On even date, RHB Investment Bank had, on behalf of the Board, announced that Equity Compliance Unit of the Securities Commission Malaysia had, vide its letter dated 15 February 2016, approved a proposal by OSKVI to comply with the Bumiputera Equity Condition.

On 11 March 2016, RHB Investment Bank had, on behalf of the Board, announced that Bursa Malaysia Securities Berhad (“Bursa Securities”) had, vide its letter dated 11 March 2016, approved the listing of and quotation for 25,600,000 new ordinary shares of 50 sen each to be issued pursuant to the Proposed Special Bumiputera Issue on the ACE Market of Bursa Securities subject to the following conditions:

- (a) OSKVI and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Special Bumiputera Issue;
- (b) OSKVI and RHB Investment Bank to inform Bursa Securities upon the completion of the Proposed Special Bumiputera Issue;
- (c) OSKVI to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Special Bumiputera Issue has been completed; and
- (d) The 25,600,000 new ordinary shares of 50 sen each in OSKVI can only be issued after MITI has approved the Bumiputera investors to be nominated to subscribe for these shares.

The proceeds to be raised from the Proposed Special Bumiputera Issue would depend on the actual issue price and the actual number of Special Issue Shares to be issued, which will be determined at a later date. Such proceeds will be used for the Group's working capital requirements which include amongst others, investment activities and general operating expenses.

The shareholders had approved the Proposed Special Bumiputera Issue at an extraordinary general meeting held on 18 April 2016.

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016

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

10. Borrowings

As at 31 March 2016, 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>31.03.2016</u> | <u>31.12.2015</u> |
| | RM'000 | RM'000 |
| Realised accumulated losses | (34,569) | (32,058) |
| Unrealised retained profits * | 22,066 | 24,393 |
| Accumulated losses | <u>(12,503)</u> | <u>(7,665)</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 13 May 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 March 2016 (31 March 2015: Nil).

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016

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 <u>31.03.2016</u> | Comparative quarter ended <u>31.03.2015</u> | Current period ended <u>31.03.2016</u> | Comparative period ended <u>31.03.2015</u> |
|--|--|--|--|--|
| Basic (loss)/earnings per share | | | | |
| (Loss)/earnings attributable to owners of the Company (RM'000) | (4,838) | 2,865 | (4,838) | 2,865 |
| Weighted average number of ordinary shares in issue ('000 shares) | 197,585 | 195,735 | 197,585 | 195,735 |
| Effect of dilution on assumed exercise of warrants ('000 units) | - | 11,259 | - | 11,259 |
| Adjusted weighted average number of ordinary shares in issue and issueable ('000 shares) | 197,585 | 206,994 | 197,585 | 206,994 |
| Basic (loss)/earnings per share (sen) | <u>(2.45)</u> | <u>1.46</u> | <u>(2.45)</u> | <u>1.46</u> |
| Diluted earnings per share (sen) | <u>-</u> | <u>1.38</u> | <u>-</u> | <u>1.38</u> |

15. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2015 was unqualified.

By Order of the Board

YEE CHEE WAI
Executive Director / Chief Operating Officer

Kuala Lumpur
20 May 2016