

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2016 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016

		(Audited)	(Restated)
	Note	As at 30.06.2016 RM'000	As at 31.12.2015 RM'000
ASSETS			
Equipment		297	335
Intangible assets		10	11
Investment securities		69,318	57,881
Debenture		15,336	15,558
Trade and other receivables		5,046	3,749
Prepayments		86	15
Tax recoverable		2,654	2,630
Cash, bank balances and cash management fund	A8	86,326	101,019
TOTAL ASSETS		179,073	181,198
LIABILITIES			
Deferred tax liability		1,187	1,341
Trade and sundry payables		1,690	1,176
TOTAL LIABILITIES		2,877	2,517
EQUITY			
Share capital		98,798	98,798
Treasury shares, at cost	A5	(8)	(6)
		98,790	98,792
Reserves		77,406	79,889
TOTAL EQUITY		176,196	178,681
TOTAL LIABILITIES AND EQUITY		179,073	181,198
Net assets per share (RM)		0.89	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 SECOND QUARTER ENDED 30 JUNE 2016 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2016

		(Restated)		(Restated)	
	Current	Comparative	Current	Comparative	
	quarter	quarter	year to date	year to date	
	ended	ended	ended	ended	
Note	30.06.2016	30.06.2015	30.06.2016	30.06.2015	
	RM'000	RM'000	RM'000	RM'000	
Income					
Net fair value gain/(loss) on financial instruments	B6	573	(7,981)	(3,953)	(4,742)
Interest income		1,042	701	2,557	1,390
Dividend income		1,156	888	1,163	904
Other income		59	12	59	456
		2,830	(6,380)	(174)	(1,992)
Expense					
Staff expenses		(575)	(584)	(1,068)	(1,278)
Net foreign exchange gain/(loss)		392	117	(614)	473
Administrative expenses		(394)	(345)	(753)	(710)
		(577)	(812)	(2,435)	(1,515)
Profit/(loss) before tax	B7	2,253	(7,192)	(2,609)	(3,507)
Income tax benefit/(expense)	B8	123	(838)	147	(1,658)
Profit/(loss) after tax for the period		2,376	(8,030)	(2,462)	(5,165)
Profit/(loss) attributable to: Owners of the Company		2,376	(8,030)	(2,462)	(5,165)
Earnings/(loss) per share attributable to owners of the Company (sen):					
Basic	B14	1.20	(4.10)	(1.25)	(2.64)
Diluted	B14	-	(4.10)	-	(2.64)

(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 SECOND QUARTER ENDED 30 JUNE 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2016

	Current quarter ended 30.06.2016 RM'000	Comparative quarter ended 30.06.2015 RM'000	Current year to date ended 30.06.2016 RM'000	Comparative year to date ended 30.06.2015 RM'000
Profit/(loss) after tax for the period, representing total comprehensive income/(loss) for the period	2,376	(8,030)	(2,462)	(5,165)
Total comprehensive income/(loss) attributable to: Owners of the Company	2,376	(8,030)	(2,462)	(5,165)

(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)

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2016 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2016

	Attributable to owners of the Company						Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Capital redemption reserve RM'000	Warrant reserve RM'000	Accumulated losses RM'000	
As at 01.01.2016	98,798	(6)	84,362	3,192	-	(7,665)	178,681
Total comprehensive loss	-	-	-	-	-	(2,462)	(2,462)
Shares issuance expenses	-	-	(21)	-	-	-	(21)
Share buybacks by the Company	-	(2)	-	-	-	-	(2)
Total transactions with owners	-	(2)	(21)	-	-	-	(23)
As at 30.06.2016	98,798	(8)	84,341	3,192	-	(10,127)	176,196
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

* 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 2015 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 2016 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER ENDED 30 JUNE 2016

	Current year to date ended 30.06.2016 RM'000	Comparative year to date ended 30.06.2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(2,609)	(3,507)
Adjustments for:		
Amortisation of intangible assets	1	1
Depreciation of equipment	46	45
Capital returns received from investment securities	-	(391)
Net fair value loss on financial instruments	3,953	4,742
Effect on exchange rate changes	550	(291)
Interest income	(2,557)	(1,390)
Dividend income	(1,163)	(904)
Operating loss before changes in working capital	(1,779)	(1,695)
Changes in working capital:		
Net changes in receivables	(71)	1,712
Net changes in payables	514	(558)
Proceeds from disposal of investment securities	13,922	23,321
Proceeds from disposal of derivative financial assets	-	491
Return of capital from investment securities	-	391
Additions in investment securities and derivative financial assets	(29,089)	(14,821)
Net cash (used in)/generated from operations	(16,503)	8,841
Dividends received	854	910
Interest received	1,568	1,033
Income tax paid	(31)	(470)
Net cash (used in)/generated from operating activities	(14,112)	10,314
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption from/(addition in) cash management fund	15,498	(3,842)
Purchase of equipment	(8)	(3)
Net cash generated from/(used in) investing activities	15,490	(3,845)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of Warrants	-	379
Purchase of treasury shares	(2)	(1)
Shares issuance expenses	(21)	-*
Net cash (used in)/generated from financing activities	(23)	378

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2016 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D.) FOR THE QUARTER ENDED 30 JUNE 2016

	Current	Comparative
	year to date	year to date
	ended	ended
Note	30.06.2016	30.06.2015
	RM'000	RM'000
Net increase in cash and cash equivalents	1,355	6,847
Effect of exchange rate changes	(550)	291
Cash and cash equivalents at beginning of period	14,097	5,737
Cash and cash equivalents at end of period	14,902	12,875
A8		

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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 will have no material impact on the financial statements of the Group.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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
	Clarifications to MFRS 15	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.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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

Share buybacks / Treasury shares of the Company

On 27 May 2016, the Company has purchased 4,300 ordinary shares for a total cash consideration of RM1,959 from open market at an average price of RM0.46 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 01.01.2016	12,000			0.50	6,044
Share buyback on 27.05.2016	4,300	0.46	0.41	0.46	1,959
As at 30.06.2016	16,300			0.49	8,003

6. Dividend Paid

No dividend was paid during the quarter ended 30 June 2016.

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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 SECOND QUARTER ENDED 30 JUNE 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	Holding entity	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000
Current year to date ended 30 June 2016				
Income				
External income	(1,663)	1,489	-	(174)
Inter-segment income	95	-	(95)	-
Total	<u>(1,568)</u>	<u>1,489</u>	<u>(95)</u>	<u>(174)</u>
Results				
(Loss)/profit from operations with external parties	(3,736)	1,127	-	(2,609)
Add : Inter-segment revenue	95	-	(95)	-
Less : Inter-segment expenses	(40)	(55)	95	-
(Loss)/profit before tax	<u>(3,681)</u>	<u>1,072</u>	<u>-</u>	<u>(2,609)</u>
Tax benefit				<u>147</u>
Loss for the period attributable to the owners of the Company				<u><u>(2,462)</u></u>

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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 30 June 2015				
Income				
External income	(3,014)	1,022	-	(1,992)
Total				
Results				
(Loss)/profit from operations with external parties	(4,020)	513	-	(3,507)
(Loss)/profit before tax	(4,020)	513	-	(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 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. Income by geographical segment is based on income derived from those assets.

Domestic	Foreign					Total
Malaysia	Singapore	China	Indonesia	United States of America	British Virgin Island	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

Current year to date ended 30 June 2016

Income	174	753	(1,073)	4	36	(68)	(174)
Loss before tax	(2,523)	-	(86)	-	-	-	(2,609)
Segmental assets as at 30 June 2016	178,454	-	619	-	-	-	179,073

Preceding year to date ended 30 June 2015

Income	(3,889)	356	2,950	(1,408)	-	(1)	(1,992)
(Loss)/profit before tax	(3,549)	-	42	-	-	-	(3,507)
Segmental assets as at 30 June 2015	179,433	-	1,226	-	-	-	180,659

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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>30.06.2016</u> RM'000	As at <u>30.06.2015</u> RM'000
Cash and cash equivalents	14,902	12,875
Cash Management Fund	71,424	55,201
	<u>86,326</u>	<u>68,076</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 except for the following:

Deregistration of OSK Infrastructure Investments Limited, a wholly-owned subsidiary

The Company's wholly-owned subsidiary, OSK Infrastructure Investments Limited (Company No. 1143769) ("OSKIIL") had on 14 July 2016 applied to the Companies Registry of Hong Kong for deregistration of the company pursuant to Section 750 of the Companies Ordinance (Cap. 622) of Hong Kong ("the Deregistration").

The Deregistration of OSKIIL is not expected to have any material effect on the Group's net assets and earnings for the financial year ending 31 December 2016. The Deregistration was announced on 14 July 2016.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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

The Group registered a loss after tax of RM2.46 million for the six months ended 30 June 2016, lower by 52% or RM2.71 million from a loss after tax of RM5.17 million for the preceding six months ended 30 June 2015. The loss was mainly due to the net fair value loss on financial instruments of RM3.95 million and RM4.74 million respectively.

For the current quarter under review, the Group posted a profit after tax of RM2.38 million as compared to a loss after tax of RM8.03 million of the corresponding quarter in 2015. The profit after tax was mainly due to higher income earned in the current quarter and a net fair value gain on financial instruments as against a net fair value loss in the corresponding quarter in 2015.

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 RM2.25 million in the second quarter of 2016 as compared to a loss before tax of RM4.86 million of the immediate preceding quarter. This was mainly due to higher income derived from dividend and interest income as well as achieving a net fair value gain on financial instruments in the current quarter under review as compared to immediate preceding quarter.

3. Current prospects and progress on previously announced financial estimate

(a) Current prospects

Our focus industries of technology, enterprise and education sectors are viewed to be relatively more stable industries in the midst of these volatile times while the consumer retail and financial services sectors are seeing some stress in their growth. Businesses with elevated inventories have started to face cash flow concerns and their corporate earnings to see further weakening. Our portfolio of listed companies has a mixed performance but we will be adding on positions for well-positioned companies in the next six months. As for our portfolio of private companies, they have been seeing steady growth as their product offerings provide their target clients with effective solutions. We expect that this portfolio should continue to fare well in the next 12 months and intend to continue to invest into private companies within our focus industries.

(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.

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 financial estimate, forecast, projection and internal targets previously announced

Not applicable.

5. Financial estimate, forecast or projection / profit guarantee

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

6. Net fair value gain/(loss) on financial instruments

	Current period ended <u>30.06.2016</u> RM’000	Comparative period ended <u>30.06.2015</u> RM’000
Realised fair value gain on financial instruments *	733	2,278
Unrealised fair value loss on financial instruments	(4,686)	(7,020)
	<u>(3,953)</u>	<u>(4,742)</u>

* Realised fair value gain on financial instruments is arrived at based on the following:

	Current period ended <u>30.06.2016</u> RM’000	Comparative period ended <u>30.06.2015</u> RM’000
Proceeds from disposal of financial instruments	13,922	23,812
Less: Cost of investment	(16,877)	(29,666)
Loss on disposal	(2,955)	(5,854)
Less: Previously recognised fair value changes	3,688	8,132
Realised fair value gain on financial instruments	<u>733</u>	<u>2,278</u>

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2016

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 period ended <u>30.06.2016</u> RM'000	Comparative period ended <u>30.06.2015</u> RM'000
Interest income	(2,557)	(1,390)
Dividend income	(1,163)	(904)
Net fair value loss on financial instruments	3,953	4,742
Depreciation and amortisation	47	46
Capital Return from investment securities	-	(391)
Other income	(59)	(65)
Net foreign exchange loss/(gain)	614	(473)

8. Income tax benefit/(expense)

	Current quarter ended <u>30.06.2016</u> RM'000	Comparative quarter ended <u>30.06.2015</u> RM'000	Current period ended <u>30.06.2016</u> RM'000	Comparative period ended <u>30.06.2015</u> RM'000
Provision for the current quarter/ period to date:				
Malaysian income tax	(2)	(8)	(7)	(16)
Deferred tax	125	(830)	154	(1,642)
	<u>123</u>	<u>(838)</u>	<u>147</u>	<u>(1,658)</u>

The deferred tax benefit for the current quarter ended 30 June 2016 of RM0.13 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 8 August 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.

As at the reporting date, MITI is in the process of indentifying Bumiputera investors for the Special Issue Shares.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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 30 June 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>30.06.2016</u>	<u>31.12.2015</u>
	RM'000	RM'000
Realised accumulated losses	(31,487)	(32,058)
Unrealised retained profits *	21,360	24,393
Accumulated losses	<u>(10,127)</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 8 August 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 30 June 2016 (30 June 2015: Nil).

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2016**PART B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for ACE Market****14. Earnings/(loss) per share attributable to owners of the Company**

	Current quarter ended <u>30.06.2016</u>	Comparative quarter ended <u>30.06.2015</u>	Current period ended <u>30.06.2016</u>	Comparative period ended <u>30.06.2015</u>
Basic earnings/(loss) per share				
Earnings/(loss) attributable to owners of the Company (RM'000)	2,376	(8,030)	(2,462)	(5,165)
Weighted average number of ordinary shares in issue ('000 shares)	197,584	195,769	197,584	195,769
Effect of dilution on assumed exercise of warrants ('000 units)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issueable ('000 shares)	197,584	195,769	197,584	195,769
Basic earnings/(loss) per share (sen)	<u>1.20</u>	<u>(4.10)</u>	<u>(1.25)</u>	<u>(2.64)</u>
Diluted loss per share (sen)	<u>-</u>	<u>(4.10)</u>	<u>-</u>	<u>(2.64)</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.

PART B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for ACE Market**16. Comparatives**

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

Condensed Consolidated Income Statement:

	As previously <u>reported</u> RM'000	<u>Reclassification</u> RM'000	<u>As restated</u> RM'000
Proceeds from disposal of financial instruments	23,812	(23,812)	-
Net carrying value of investments disposed	(21,534)	21,534	-
Other income	638	(182)	456
Net foreign exchange gain	291	182	473

Condensed Consolidated Statement of Financial Position:

	As previously <u>reported</u> RM'000	<u>Reclassification</u> RM'000	<u>As restated</u> RM'000
Non-current assets - investment securities	2,529	(2,529)	-
Current assets - investment securities	55,352	(55,352)	-
Assets - investment securities	-	57,881	57,881
Non-current assets - trade receivable	2,845	(2,845)	-
Current assets - trade and other receivables	904	(904)	-
Assets - trade and other receivables	-	3,749	3,749

The Group presents assets and liabilities in order of their liquidity (rather than split between current and non-current) as this presentation is more relevant. The reclassification does not change the financial position and result of the comparative.

By Order of the Board

YEE CHEE WAI

Executive Director / Chief Operating Officer

Kuala Lumpur
15 August 2016