

OSK Ventures International Berhad (636117-K)

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

		(Audited) (Restated)	
	Note	As at 30.09.2016 RM'000	As at 31.12.2015 RM'000
ASSETS			
Equipment		274	335
Intangible assets		9	11
Investment securities		78,849	57,881
Debenture		-	15,558
Trade and other receivables		995	3,749
Prepayments		68	15
Tax recoverable		2,652	2,630
Cash, bank balances and cash management fund	A8	106,783	101,019
TOTAL ASSETS		189,630	181,198
LIABILITIES			
Deferred tax liability		1,283	1,341
Trade and sundry payables		6,646	1,176
TOTAL LIABILITIES		7,929	2,517
EQUITY			
Share capital		98,798	98,798
Treasury shares, at cost	A5	(8)	(6)
		98,790	98,792
Reserves		82,911	79,889
TOTAL EQUITY		181,701	178,681
TOTAL LIABILITIES AND EQUITY		189,630	181,198
Net assets per share (RM)		0.92	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 THIRD QUARTER ENDED 30 SEPTEMBER 2016 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016

		(Restated)		(Restated)	
	Current	Comparative	Current	Comparative	
	quarter	quarter	year to date	year to date	
	ended	ended	ended	ended	
Note	30.09.2016	30.09.2015	30.09.2016	30.09.2015	
	RM'000	RM'000	RM'000	RM'000	
Income					
Net fair value gain/(loss) on financial instruments	B6	4,183	(13,391)	230	(18,133)
Interest income		768	694	3,325	2,084
Dividend income		125	208	1,288	1,112
Redemption premium		1,339	-	1,339	-
Other income		-	-	59	456
		6,415	(12,489)	6,241	(14,481)
Expense					
Staff expenses		(608)	(603)	(1,676)	(1,881)
Net foreign exchange gain/(loss)		214	541	(400)	1,014
Administrative expenses		(405)	(351)	(1,158)	(1,061)
		(799)	(413)	(3,234)	(1,928)
Profit/(loss) before tax	B7	5,616	(12,902)	3,007	(16,409)
Income tax (expense)/benefit	B8	(98)	2,780	49	1,122
Profit/(loss) after tax for the period		5,518	(10,122)	3,056	(15,287)
Profit/(loss) attributable to: Owners of the Company		5,518	(10,122)	3,056	(15,287)
Earnings/(loss) per share attributable to owners of the Company (sen):					
Basic	B14	2.79	(5.16)	1.55	(7.79)
Diluted	B14	-	(5.16)	-	(7.79)

(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)

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	Current quarter ended 30.09.2016 RM'000	Comparative quarter ended 30.09.2015 RM'000	Current year to date ended 30.09.2016 RM'000	Comparative year to date ended 30.09.2015 RM'000
Profit/(loss) after tax for the period, representing total comprehensive income/(loss) for the period	5,518	(10,122)	3,056	(15,287)
Total comprehensive income/(loss) attributable to: Owners of the Company	5,518	(10,122)	3,056	(15,287)

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2016 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	Attributable to owners of the Company						Total equity RM'000
	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 income	-	-	-	-	-	3,056	3,056
Shares issuance expenses	-	-	(34)	-	-	-	(34)
Share buybacks by the Company	-	(2)	-	-	-	-	(2)
Total transactions with owners	-	(2)	(34)	-	-	-	(36)
As at 30.09.2016	98,798	(8)	84,328	3,192	-	(4,609)	181,701
As at 01.01.2015	97,872	(5)	84,363	3,192	11,255	(16,644)	180,033
Total comprehensive loss	-	-	-	-	-	(15,287)	(15,287)
Shares issued pursuant to the exercise of Warrants	643	-	-	-	-	-	643
Reversal of warrants reserve upon exercise of Warrants	-	-	-	-	(148)	148	-
Shares issuance expenses	-	-	-*	-	-	-	-*
Share buybacks by the Company	-	(1)	-	-	-	-	(1)
Total transactions with owners	643	(1)	-*	-	(148)	148	642
As at 30.09.2015	98,515	(6)	84,363	3,192	11,107	(31,783)	165,388

* 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 THIRD QUARTER ENDED 30 SEPTEMBER 2016 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	Current year to date ended 30.09.2016 RM'000	Comparative year to date ended 30.09.2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	3,007	(16,409)
Adjustments for:		
Amortisation of intangible assets	2	2
Depreciation of equipment	69	67
Capital returns received from investment securities	-	(391)
Net fair value (gain)/loss on financial instruments	(230)	18,133
Effect on exchange rate changes	256	(618)
Redemption premium received from debenture	(1,339)	-
Interest income	(3,325)	(2,084)
Dividend income	(1,288)	(1,112)
Operating loss before changes in working capital	<u>(2,848)</u>	<u>(2,412)</u>
Changes in working capital:		
Net changes in receivables	1,869	1,793
Net changes in payables	5,470	(808)
Proceeds from disposal of investment securities	21,278	25,434
Proceeds from disposal of derivative financial assets	-	491
Proceeds from debenture	15,558	-
Return of capital from investment securities	-	391
Redemption premium from debenture	1,339	-
Additions in investment securities and derivative financial assets	<u>(42,017)</u>	<u>(21,109)</u>
Net cash generated from operations	649	3,780
Dividends received	1,261	1,153
Interest received	4,185	1,579
Income tax paid	<u>(31)</u>	<u>(470)</u>
Net cash generated from operating activities	<u>6,064</u>	<u>6,042</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in cash management fund	(815)	(5,352)
Purchase of equipment	(8)	(25)
Net cash used in investing activities	<u>(823)</u>	<u>(5,377)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of Warrants	-	643
Purchase of treasury shares	(2)	(1)
Shares issuance expenses	(34)	-*
Net cash (used in)/generated from financing activities	<u>(36)</u>	<u>642</u>

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

	Current	Comparative
	year to date	year to date
	ended	ended
Note	30.09.2016	30.09.2015
	RM'000	RM'000
Net increase in cash and cash equivalents	5,205	1,307
Effect of exchange rate changes	(256)	618
Cash and cash equivalents at beginning of period	14,097	5,737
Cash and cash equivalents at end of period	19,046	7,662
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 THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 2	Share-based Payment: Classification and Measurement	1 January 2018
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 THIRD QUARTER ENDED 30 SEPTEMBER 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 30.09.2016	16,300			0.49	8,003

6. Dividend Paid

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

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2016				
Income				
External income	4,048	2,193	-	6,241
Inter-segment income	143	-	(143)	-
Total	<u>4,191</u>	<u>2,193</u>	<u>(143)</u>	<u>6,241</u>
Results				
Profit from operations with external parties	1,354	1,653	-	3,007
Add : Inter-segment revenue	143	-	(143)	-
Less : Inter-segment expenses	(60)	(83)	143	-
Profit before tax	<u>1,437</u>	<u>1,570</u>	<u>-</u>	<u>3,007</u>
Tax benefit				<u>49</u>
Profit for the period attributable to the owners of the Company				<u><u>3,056</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.)

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 September 2015				
Income				
External income	(16,042)	1,561	-	(14,481)
Total				
Results				
(Loss)/profit from operations with external parties	(17,214)	805	-	(16,409)
(Loss)/profit before tax	(17,214)	805	-	(16,409)
Tax benefit				1,122
Loss for the period attributable to the owners of the Company				(15,287)

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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. 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 September 2016

Income	3,954	2,271	(70)	14	185	(113)	6,241
Profit/(loss) before tax	3,166	-	(159)	-	-	-	3,007
Segmental assets as at 30 September 2016	189,098	-	532	-	-	-	189,630

Preceding year to date ended 30 September 2015

Income	(14,120)	505	1,373	(2,283)	-	44	(14,481)
(Loss)/profit before tax	(16,483)	-	74	-	-	-	(16,409)
Segmental assets as at 30 September 2015	166,493	-	1,279	-	-	-	167,772

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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>30.09.2016</u> RM'000	As at <u>30.09.2015</u> RM'000
Cash and cash equivalents	19,046	7,662
Cash Management Fund	87,737	56,711
	<u>106,783</u>	<u>64,373</u>

9. Event subsequent to reporting period

There was no material event subsequent to the end of the current quarter except for the following:

Striking off of an indirect subsidiary - VT Payment (M) Sdn. Bhd.

The Company's indirect subsidiary, VT Payment (M) Sdn. Bhd. (Co. No. 1098633-A) had on 22 September 2015 filed an application for striking off pursuant to Section 308(1) of the Companies Act, 1965 with the Companies Commission of Malaysia.

The notice of striking off pursuant to Section 308(4) of the Companies Act, 1965, issued by the Companies Commission of Malaysia was received on 18 October 2016.

The striking off of VT Payment (M) Sdn. Bhd. is not expected to have any material effect on the Group's net assets and earnings. The strike off was announced on 18 October 2016.

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.

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 profit after tax of RM3.06 million for the nine months ended 30 September 2016, as compared to a loss after tax of RM15.29 million for the preceding nine months ended 30 September 2015. This was mainly due to the net fair value gain on financial instruments of RM0.23 million, redemption premium from debenture of RM1.34 million and higher interest and dividend income recorded in the current period. During the preceding financial period, the loss was mainly attributed to a net fair value loss on financial instruments of RM18.13 million.

For the current quarter under review, the Group posted a profit after tax of RM5.52 million as compared to a loss after tax of RM10.12 million in 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 of RM4.18 million as compared to a net fair value loss of RM13.39 million 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 RM5.62 million in the third quarter of 2016 as compared to a profit before tax of RM2.25 million of the immediate preceding quarter. This was mainly due to higher income derived from net fair value gain on financial instruments and redemption premium earned in the current quarter under review.

3. Current prospects and progress on previously announced financial estimate

(a) Current prospects

Our portfolio of private companies in the technology, enterprise and education sectors have seen steady growth this year and with their plans of investing more in marketing to expand their customer base in Malaysia, we expect that the portfolio should continue to fare well. We maintain our strategy of investing selectively and in companies with a strong product offering, effective leadership and management team within our focus industries. We have a strong pipeline of deals and intend to close a number of investments in the near future. We have added well-position companies into our portfolio since last financial quarter. With the current positive cash position, we are actively building up our portfolio and continue to work on optimizing the Group's performance. Nevertheless, we will continue to be mindful of the recent increasing volatility in the market.

(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.

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

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>30.09.2016</u> RM’000	Comparative period ended <u>30.09.2015</u> RM’000
Realised fair value gain on financial instruments *	1,149	2,363
Unrealised fair value loss on financial instruments	(919)	(20,496)
	<u>230</u>	<u>(18,133)</u>

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

	Current period ended <u>30.09.2016</u> RM’000	Comparative period ended <u>30.09.2015</u> RM’000
Proceeds from disposal of financial instruments	21,278	25,925
Less: Cost of investment	(24,656)	(33,153)
Loss on disposal	(3,378)	(7,228)
Less: Previously recognised fair value changes	4,527	9,591
Realised fair value gain on financial instruments	<u>1,149</u>	<u>2,363</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 period ended <u>30.09.2016</u> RM'000	Comparative period ended <u>30.09.2015</u> RM'000
Interest income	(3,325)	(2,084)
Dividend income	(1,288)	(1,112)
Redemption premium from debenture	(1,339)	-
Net fair value (gain)/loss on financial instruments	(230)	18,133
Depreciation and amortisation	71	69
Capital Return from investment securities	-	(391)
Other income	(59)	(65)
Net foreign exchange loss/(gain)	400	(1,014)

8. Income tax (expense)/benefit

	Current quarter ended <u>30.09.2016</u> RM'000	Comparative quarter ended <u>30.09.2015</u> RM'000	Current period ended <u>30.09.2016</u> RM'000	Comparative period ended <u>30.09.2015</u> RM'000
Provision for the current quarter/ period to date:				
Malaysian income tax	(3)	(6)	(10)	(22)
Over provision for prior year	-	7	-	7
Deferred tax	(95)	2,779	59	1,137
	<u>(98)</u>	<u>2,780</u>	<u>49</u>	<u>1,122</u>

The deferred tax liability for the current quarter ended 30 September 2016 of RM0.10 million mainly arose from net fair value gain on financial instruments.

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

9. Status of corporate proposals announced but not completed as at 7 November 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.

On 13 September 2016, RHB Investment Bank had, on behalf of the Board, announced that the Board has fixed the issue price of the Special Issue Shares at RM0.80 per Special Issue Share ("Issue Price"). In determining the Issue Price for the Special Bumiputera Issue, the Board had taken into account a discount of approximately 10% to the unaudited net assets per share of the Company of RM0.89 as at 30 June 2016.

As at to date, none of the Special Issue Shares have been subscribed.

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10. Borrowings

As at 30 September 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>30.09.2016</u>	<u>31.12.2015</u>
	RM'000	RM'000
Realised accumulated losses	(26,437)	(32,058)
Unrealised retained profits *	21,828	24,393
Accumulated losses	<u>(4,609)</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 7 November 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 September 2016 (30 September 2015: Nil).

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

	Current quarter ended <u>30.09.2016</u>	Comparative quarter ended <u>30.09.2015</u>	Current period ended <u>30.09.2016</u>	Comparative period ended <u>30.09.2015</u>
Basic earnings/(loss) per share				
Earnings/(loss) attributable to owners of the Company (RM'000)	5,518	(10,122)	3,056	(15,287)
Weighted average number of ordinary shares in issue ('000 shares)	197,583	196,189	197,583	196,189
Effect of dilution on assumed exercise of warrants ('000 units)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issueable ('000 shares)	197,583	196,189	197,583	196,189
Basic earnings/(loss) per share (sen)	<u>2.79</u>	<u>(5.16)</u>	<u>1.55</u>	<u>(7.79)</u>
Diluted loss per share (sen)	<u>-</u>	<u>(5.16)</u>	<u>-</u>	<u>(7.79)</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.

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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	25,925	(25,925)	-
Net carrying value of investments disposed	(23,562)	23,562	-
Other income	852	(396)	456
Net foreign exchange gain	618	396	1,014

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 results of the comparative.

By Order of the Board

YEE CHEE WAI

Executive Director / Chief Operating Officer

Kuala Lumpur

14 November 2016