

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	As at 31.12.2016 RM'000	As at 31.12.2015 RM'000
ASSETS			
Equipment		252	335
Intangible assets		8	11
Investment securities		93,107	57,881
Debenture		-	15,558
Trade and other receivables		2,008	3,749
Prepayments		55	15
Tax recoverable		2,644	2,630
Cash, bank balances and cash management fund	A8	91,450	101,019
TOTAL ASSETS		189,524	181,198
LIABILITIES			
Deferred tax liability		1,403	1,341
Trade and sundry payables		1,201	1,176
Tax payable		-*	-
TOTAL LIABILITIES		2,604	2,517
EQUITY			
Share capital		98,798	98,798
Treasury shares, at cost	A5	(66)	(6)
		98,732	98,792
Reserves		88,188	79,889
TOTAL EQUITY		186,920	178,681
TOTAL LIABILITIES AND EQUITY		189,524	181,198
Net assets per share (RM)		0.95	0.90

* Denotes amount less than RM1,000

(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 FOURTH QUARTER ENDED 31 DECEMBER 2016 AUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2016

		Current quarter ended 31.12.2016	Comparative quarter ended 31.12.2015	Current year to date ended 31.12.2016	Comparative year to date ended 31.12.2015
	Note	RM'000	RM'000	RM'000	RM'000
Income					
Net fair value gain/(loss) on financial instruments	B6	4,676	10,464	4,906	(7,669)
Interest income		694	662	4,019	2,746
Dividend income		455	7	1,743	1,119
Redemption premium		-	-	1,339	-
Other income		4	1	63	457
		5,829	11,134	12,070	(3,347)
Expense					
Staff expenses		(637)	(551)	(2,313)	(2,432)
Net foreign exchange gain		675	2,760	275	3,774
Administrative expenses		(350)	(463)	(1,508)	(1,524)
		(312)	1,746	(3,546)	(182)
Profit/(loss) before tax	B7	5,517	12,880	8,524	(3,529)
Income tax (expense)/benefit	B8	(207)	131	(158)	1,253
Profit/(loss) after tax for the period		5,310	13,011	8,366	(2,276)
Profit/(loss) attributable to: Owners of the Company		5,310	13,011	8,366	(2,276)
Earnings/(loss) per share attributable to owners of the Company (sen):					
Basic	B14	2.69	6.62	4.23	(1.16)

(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 FOURTH QUARTER ENDED 31 DECEMBER 2016 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2016

	Current quarter ended 31.12.2016	Comparative quarter ended 31.12.2015	Current year to date ended 31.12.2016	Comparative year to date ended 31.12.2015
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) after tax for the period, representing total comprehensive income/(loss) for the period	5,310	13,011	8,366	(2,276)
Total comprehensive income/(loss) attributable to: Owners of the Company	5,310	13,011	8,366	(2,276)

(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 FOURTH QUARTER ENDED 31 DECEMBER 2016 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2016

	Attributable to owners of the Company						Total equity RM'000
	Share capital	Treasury shares	Share premium	Capital redemption reserve	Warrant reserve	Retained profits/ (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	-	-	-	-	-	8,366	8,366
Shares issuance expenses	-	-	(84)	-	-	-	(84)
Winding up of subsidiaries	-	-	-	-	-	17	17
Share buybacks by the Company	-	(60)	-	-	-	-	(60)
Total transactions with owners	-	(60)	(84)	-	-	17	(127)
As at 31.12.2016	98,798	(66)	84,278	3,192	-	718	186,920
As at 01.01.2015	97,872	(5)	84,363	3,192	11,255	(16,644)	180,033
Total comprehensive loss	-	-	-	-	-	(2,276)	(2,276)
Shares issued pursuant to the exercise of Warrants	926	-	-	-	-	-	926
Reversal of warrants reserve upon exercise of Warrants	-	-	-	-	(213)	213	-
Reversal of warrants reserve pursuant to expired Warrants	-	-	-	-	(11,042)	11,042	-
Shares issuance expenses	-	-	(1)	-	-	-	(1)
Share buybacks by the Company	-	(1)	-	-	-	-	(1)
Total transactions with owners	926	(1)	(1)	-	(11,255)	11,255	924
As at 31.12.2015	98,798	(6)	84,362	3,192	-	(7,665)	178,681

(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 FOURTH QUARTER ENDED 31 DECEMBER 2016 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER ENDED 31 DECEMBER 2016

	Current year to date ended 31.12.2016 RM'000	Comparative year to date ended 31.12.2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	8,524	(3,529)
Adjustments for:		
Amortisation of intangible assets	3	3
Depreciation of equipment	91	90
Loss from winding up of subsidiaries	17	-
Capital returns received from investment securities	-	(391)
Net fair value (gain)/loss on financial instruments	(4,906)	7,669
Effect on exchange rate changes	234	(3,377)
Redemption premium received from debenture	(1,339)	-
Interest income	(4,019)	(2,746)
Dividend income	(1,743)	(1,119)
Operating loss before changes in working capital	<u>(3,138)</u>	<u>(3,400)</u>
Changes in working capital:		
Net changes in receivables	907	3,156
Net changes in payables	25	(532)
Proceeds from disposal of investment securities	42,669	61,891
Proceeds from disposal of derivative financial assets	137	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	(73,126)	(22,517)
Net cash (used in)/ generated from operations	<u>(15,629)</u>	<u>39,480</u>
Dividends received	1,677	1,160
Interest received	4,879	2,240
Income tax paid	(110)	(470)
Net cash (used in)/generated from operating activities	<u>(9,183)</u>	<u>42,410</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Withdrawal from/(addition in) cash management fund	7,934	(35,563)
Purchase of equipment	(8)	(28)
Net cash generated from/(used in) investing activities	<u>7,926</u>	<u>(35,591)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of Warrants	-	926
Purchase of treasury shares	(60)	(1)
Shares issuance expenses	(84)	(1)
Net cash (used in)/generated from financing activities	<u>(144)</u>	<u>924</u>

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D.) FOR THE QUARTER ENDED 31 DECEMBER 2016

	Current	Comparative
	year to date	year to date
	ended	ended
Note	31.12.2016	31.12.2015
	RM'000	RM'000
Net (decrease)/increase in cash and cash equivalents	(1,401)	7,743
Effect of exchange rate changes	(234)	617
Cash and cash equivalents at beginning of period	14,097	5,737
Cash and cash equivalents at end of period	12,462	14,097
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 FOURTH QUARTER ENDED 31 DECEMBER 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 MFRSs and Amendments to MFRSs 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

The adoption of the above MFRS and Amendments to MFRSs did not have any material impact on the financial statements of the Group.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016**PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting****1. Basis of preparation (Cont'd.)****MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective**

At the date of authorisation of this Condensed Report, the following MFRSs, Amendments to MFRSs and Issue Committee ("IC") Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Amendments to MFRSs and IC Interpretation	Effective for annual periods beginning on or after	
MFRS 9	Financial Instruments	1 January 2018
MFRS 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 Transactions: Classification and Measurement	1 January 2018
Amendments to MFRS 1, MFRS 128	Annual Improvements to MFRSs 2014 - 2016 Cycle	1 January 2018
Amendments to MFRS 12	Annual Improvements to MFRSs 2014 - 2016 Cycle	1 January 2017
Amendments to MFRS 4	Insurance Contracts: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	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
Amendments to MFRS 140	Investment Property: Transfer of Investment Property	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018

The adoption of the above MFRSs, Amendments to MFRSs and IC Interpretation will have no material impact on the financial performance or position of the Group in the period of initial application, other than as described below.

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

1. Basis of preparation (Cont'd.)

MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective (cont'd.)

MFRS 9 Financial Instruments

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

2. Seasonal or cyclical factors

There were no significant seasonal or cyclical factors that will materially affect the business of the Group in the current period. However, the Group's results are largely influenced by, amongst others, the market prices of quoted investments as well as the timing of disposal of investments by the Group.

3. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the financial statements for the current period.

4. Significant estimates and changes estimates

There were no significant changes in estimates that have a material effect to the Group in the financial period to date results.

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

5. Changes in debt and equity securities

Share buybacks / Treasury shares of the Company

During the year, the Company has purchased 139,800 ordinary shares for a total cash consideration of RM59,802 from open market at an average price of RM0.43 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
21.11.2016	2,000	0.48	0.48	0.50	1,004
07.12.2016	50,300	0.41	0.41	0.41	20,782
14.12.2016	28,000	0.45	0.40	0.43	11,989
19.12.2016	55,200	0.44	0.41	0.44	24,068
	139,800			0.43	59,802
As at 31.12.2016	151,800			0.43	65,846

6. Dividend Paid

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

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

7. Segmental information

The segment information has been prepared in accordance with the disclosure requirements of MFRS 8: *Operating Segments*. For management purposes, the Group is organised into the following major business segments based services, which are regularly provided to and reviewed by the management team:

1. Venture Capital and Private Equity Businesses - Investment in high growth entities, management of private funds and holding of long term investments.
2. Holding Entity - Investment holding.

Segment revenue and results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The inter-segment transactions have been entered into in the ordinary course of business at terms mutually agreed between the companies concerned and are not more favourable than those arranged with independent third parties. These transactions have been eliminated to arrive at the Group's results.

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 2016				
Income				
External income	9,234	2,836	-	12,070
Inter-segment income	104	6,357	(6,461)	-
Total	<u>9,338</u>	<u>9,193</u>	<u>(6,461)</u>	<u>12,070</u>
Results				
Profit from operations with external parties	6,472	2,067	(15)	8,524
Add : Inter-segment income	98	6,357	(6,455)	-
Less : Inter-segment expenses	(368)	(87)	455	-
Profit before tax	<u>6,202</u>	<u>8,337</u>	<u>(6,015)</u>	<u>8,524</u>
Tax expense				<u>(158)</u>
Profit for the period attributable to the owners of the Company				<u>8,366</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 businesses RM'000	Holding entity RM'000	Eliminations RM'000	Consolidated RM'000
Preceding year to date ended 31 December 2015				
Income				
External income	(5,553)	2,206	-	(3,347)
Inter-segment income	134,603	18,736	(153,339)	-
Total	<u>129,050</u>	<u>20,942</u>	<u>(153,339)</u>	<u>(3,347)</u>
Results				
(Loss)/profit from operations with external parties	(4,670)	1,141	-	(3,529)
Add : Inter-segment income	136,757	18,736	(155,493)	-
Less : Inter-segment expenses	(1,231)	(111)	1,342	-
Loss before tax	<u>130,856</u>	<u>19,766</u>	<u>(154,151)</u>	<u>(3,529)</u>
Tax benefit				<u>1,253</u>
Loss for the period attributable to the owners of the Company				<u><u>(2,276)</u></u>

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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					
Malaysia	Singapore	Hong Kong	Indonesia	United States of America	British Virgin Island	Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

Current year to date ended 31 December 2016

Income	5,860	5,564	546	(94)	169	25	12,070
Profit/(loss) before tax	8,541	-	(17)	-	-	-	8,524
Segmental assets as at 31 December 2016	188,857	-	667	-	-	-	189,524

Preceding year to date ended 31 December 2015

Income	(2,422)	(848)	2,141	(1,976)	-	(242)	(3,347)
(Loss)/profit before tax	(3,703)	-	174	-	-	-	(3,529)
Segmental assets as at 31 December 2015	180,511	-	687	-	-	-	181,198

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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 31.12.2016 RM'000	As at 31.12.2015 RM'000
Cash and cash equivalents	12,462	14,097
Cash Management Fund	78,988	86,922
	<u>91,450</u>	<u>101,019</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:

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. did not have any material effect on the Group's net assets and earnings. The strike off was announced on 18 October 2016.

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").

Pursuant to Section 751(3) of the Companies Ordinance (Cap. 622) of Hong Kong, the Company's wholly-owned subsidiary, OSKIIL had been dissolved from the Companies Registry of Hong Kong on 25 November 2016.

The Deregistration of OSKIIL did not have any material effect on the Group's net assets and earnings for the financial year ended 31 December 2016. The Deregistration was announced on 25 November 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 RM8.37 million for the year ended 31 December 2016, as compared to a loss after tax of RM2.28 million in 2015. This was mainly due to the net fair value gain on financial instruments of RM4.91 million, redemption premium from debenture of RM1.34 million and higher interest and dividend income recorded in the current year. During the preceding financial year, the loss was attributed to a net fair value loss on financial instruments of RM7.67 million.

For the current quarter under review, the Group posted a profit after tax of RM5.31 million as compared to a profit after tax of RM13.01 million in the corresponding quarter in 2015. This was mainly due to net fair value gain on financial instruments of RM4.68 million as compared to RM10.46 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 tax of RM5.52 million in the fourth quarter of 2016 as compared to a profit before tax of RM5.62 million in the immediate preceding quarter. This was mainly due to additional redemption premium of RM1.34 million earned in the immediate preceding quarter.

3. Future prospects and progress on previously announced financial estimate

(a) Future prospects

The Malaysian economy is forecasted to grow between 4% and 5% for the year 2017 with domestic demand and improving commodity prices amongst the main contributors. Nevertheless, we expect to have another challenging year with the rise of protectionism sentiment in the US while growth in major economies such as China and Japan are anticipated to be slower.

Companies with strong growth continue to be our focus for our private investment portfolio which has seen three new additions since the last quarterly report in November 2016. We have a good investment pipeline in place and expect more additions to the portfolio during this financial year. Our existing investee companies are growing steadily with a robust clientele and are purposeful in their product offering within the industries they operate in. Our public investment portfolio has seen a healthy volume of movements and with our strong net cash position, we continue to seek out pockets of opportunities to optimize the portfolio return.

We will continue to strive to optimise our performance to ensure long-term sustainability and profitability through continuous efforts to seek new opportunities for both our portfolios.

(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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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 year to date ended <u>31.12.2016</u> RM’000	Comparative year to date ended <u>31.12.2015</u> RM’000
Realised fair value gain on financial instruments *	5,890	5,199
Unrealised fair value loss on financial instruments	(984)	(12,868)
	<u>4,906</u>	<u>(7,669)</u>

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

	Current year to date ended <u>31.12.2016</u> RM’000	Comparative year to date ended <u>31.12.2015</u> RM’000
Proceeds from disposal of financial instruments	42,806	62,382
Less: Cost of investment	(40,256)	(133,821)
Gain/(loss) on disposal	<u>2,550</u>	<u>(71,439)</u>
Less: Previously recognised fair value changes	3,340	76,638
Realised fair value gain on financial instruments	<u>5,890</u>	<u>5,199</u>

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

7. Profit/(loss) before tax

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

	Current year to date ended <u>31.12.2016</u> RM'000	Comparative year to date ended <u>31.12.2015</u> RM'000
Interest income	(4,019)	(2,746)
Dividend income	(1,743)	(1,119)
Redemption premium from debenture	(1,339)	-
Net fair value (gain)/loss on financial instruments	(4,906)	7,669
Depreciation and amortisation	94	93
Capital Return from investment securities	-	(391)
Other income	(63)	(66)
Net foreign exchange gain	(275)	(3,774)
Loss from winding up of subsidiaries	17	-

8. Income tax (expense)/benefit

	Current quarter ended <u>31.12.2016</u> RM'000	Comparative quarter ended <u>31.12.2015</u> RM'000	Current year to date ended <u>31.12.2016</u> RM'000	Comparative year to date ended <u>31.12.2015</u> RM'000
Provision for the current quarter/ period to date:				
Malaysian income tax	(86)	(13)	(96)	(35)
Over provision for prior year	-	-	-	7
Deferred tax	(121)	144	(62)	1,281
	<u>(207)</u>	<u>131</u>	<u>(158)</u>	<u>1,253</u>

The deferred tax liability for the current quarter ended 31 December 2016 of RM0.12 million mainly arose from net fair value gain on financial instruments.

9. Corporate proposals

Status of corporate proposals announced but not completed as at 17 February 2017 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report)

There were no corporate proposals previously announced but not completed as at 17 February 2017.

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 December 2016, there were no borrowings outstanding and the Group had not issued any debt securities.

11. The retained profits/(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 retained profits/(accumulated losses) of the Group as at the reporting date is as follows:

Analysed by:	As at	As at
	31.12.2016	31.12.2015
	RM'000	RM'000
Realised accumulated losses	(15,742)	(32,058)
Unrealised retained profits *	16,460	24,393
Retained profits/(accumulated losses)	<u>718</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 17 February 2017 (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

The Board of Directors recommends a final single-tier dividend of 2.0 sen (2015: Nil) per ordinary share for the year ended 31 December 2016. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting. The entitlement date for the final single-tier dividend shall be determined by the Board of Directors.

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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>31.12.2016</u>	Comparative quarter ended <u>31.12.2015</u>	Current year to date ended <u>31.12.2016</u>	Comparative year to date ended <u>31.12.2015</u>
Basic earnings/(loss) per share				
Earnings/(loss) attributable to owners of the Company (RM'000)	5,310	13,011	8,366	(2,276)
Weighted average number of ordinary shares in issue ('000 shares)	197,576	196,539	197,576	196,539
Basic earnings/(loss) per share (sen)	<u>2.69</u>	<u>6.62</u>	<u>4.23</u>	<u>(1.16)</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.

16. Comparatives

Certain comparatives have been reclassified to conform with current year's presentation as follows:

Condensed Consolidated Income Statements:

	As previously <u>reported</u> RM'000	<u>Reclassification</u> RM'000	As <u>reclassified</u> RM'000
Proceeds from disposal of financial instruments	62,382	(62,382)	-
Net carrying value of investments disposed	(57,183)	57,183	-
Net fair value loss on financial instruments	-	(7,669)	(7,669)
Other income	4,231	(3,774)	457
Net foreign exchange gain	-	3,774	3,774

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

	As previously <u>reported</u> RM'000	<u>Reclassification</u> RM'000	As <u>reclassified</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 comparatives.

By Order of the Board

YEE CHEE WAI**Executive Director / Chief Operating Officer**

Kuala Lumpur

24 February 2017