

# OSK Ventures International Berhad (636117-K)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

		(Audited)	
	Note	As at 30.09.2017 RM'000	As at 31.12.2016 RM'000
<b>ASSETS</b>			
Equipment		203	252
Intangible assets		10	8
Investment securities		174,978	93,107
Trade and other receivables		1,126	2,008
Prepayments		8	55
Tax recoverable		2,572	2,644
Cash, bank balances and cash management fund	A8	40,153	91,450
<b>TOTAL ASSETS</b>		<b>219,050</b>	<b>189,524</b>
<b>LIABILITIES</b>			
Deferred tax liability		2,482	1,403
Trade and sundry payables		4,054	1,201
Tax payable		310	-*
<b>TOTAL LIABILITIES</b>		<b>6,846</b>	<b>2,604</b>
<b>EQUITY</b>			
Contributed share capital		186,268	98,798
Treasury shares, at cost	A5	(66)	(66)
		186,202	98,732
Reserves		26,002	88,188
<b>TOTAL EQUITY</b>		<b>212,204</b>	<b>186,920</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>219,050</b>	<b>189,524</b>
Net assets per share (RM)		1.07	0.95

\* 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 2016 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 2017 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2017

		<b>Current quarter ended 30.09.2017</b>	Comparative quarter ended 30.09.2016	<b>Current year to date ended 30.09.2017</b>	Comparative year to date ended 30.09.2016
	Note	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Income</b>					
Net fair value (loss)/gain on financial instruments	B6	(15,258)	4,183	30,059	230
Interest income		218	768	1,189	3,325
Dividend income		443	125	2,451	1,288
Redemption premium		-	1,339	-	1,339
Other income		1	-	1	59
		<b>(14,596)</b>	6,415	<b>33,700</b>	6,241
<b>Expense</b>					
Staff expenses		(632)	(608)	(1,953)	(1,676)
Net foreign exchange (loss)/gain		(30)	214	224	(400)
Administrative expenses		(594)	(405)	(1,332)	(1,158)
		<b>(1,256)</b>	(799)	<b>(3,061)</b>	(3,234)
<b>(Loss)/profit before tax</b>	B7	<b>(15,852)</b>	5,616	<b>30,639</b>	3,007
Income tax benefit/(expense)	B8	795	(98)	(1,406)	49
<b>(Loss)/profit after tax for the period</b>		<b>(15,057)</b>	5,518	<b>29,233</b>	3,056
(Loss)/profit attributable to: Owners of the Company		<b>(15,057)</b>	5,518	<b>29,233</b>	3,056
<b>(Loss)/earnings per share attributable to owners of the Company (sen):</b>					
Basic	B14	<b>(7.63)</b>	2.79	<b>14.81</b>	1.55

(The above condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 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 2017 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2017

	<b>Current quarter ended 30.09.2017 RM'000</b>	<b>Comparative quarter ended 30.09.2016 RM'000</b>	<b>Current year to date ended 30.09.2017 RM'000</b>	<b>Comparative year to date ended 30.09.2016 RM'000</b>
<b>(Loss)/profit after tax for the period, representing total comprehensive (loss)/income for the period</b>	<b>(15,057)</b>	<b>5,518</b>	<b>29,233</b>	<b>3,056</b>
Total comprehensive (loss)/income attributable to: Owners of the Company	<b>(15,057)</b>	<b>5,518</b>	<b>29,233</b>	<b>3,056</b>

(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 2016 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 2017 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2017

	Attributable to owners of the Company					Total equity RM'000
	Contributed share capital	Treasury shares	Share premium	Capital redemption reserve	Retained profits/ (accumulated losses)	
	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>As at 01.01.2017</b>	<b>98,798</b>	<b>(66)</b>	<b>84,278</b>	<b>3,192</b>	<b>718</b>	<b>186,920</b>
Total comprehensive income	-	-	-	-	29,233	29,233
Transferred pursuant to the Companies Act 2016 <sup>(1)</sup>	<b>87,470</b>	-	<b>(84,278)</b>	<b>(3,192)</b>	-	-
Dividends paid to owners of the Company	-	-	-	-	<b>(3,949)</b>	<b>(3,949)</b>
Total transactions with owners	-	-	-	-	<b>(3,949)</b>	<b>(3,949)</b>
<b>As at 30.09.2017</b>	<b>186,268</b>	<b>(66)</b>	-	-	<b>26,002</b>	<b>212,204</b>
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

<sup>(1)</sup> With the enactment of the Companies Act 2016, any amount standing to the credit of the Group's share premium and capital redemption reserves shall become part of the Group's contributed share capital.

(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 2016 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 2017 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2017

	<b>Current year to date ended 30.09.2017 RM'000</b>	<b>Comparative year to date ended 30.09.2016 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	<b>30,639</b>	3,007
Adjustments for:		
Amortisation of intangible assets	<b>2</b>	2
Depreciation of equipment	<b>69</b>	69
Equipment written off	<b>1</b>	-
Net fair value gain on financial instruments	<b>(30,059)</b>	(230)
Effect on exchange rate changes	<b>394</b>	256
Redemption premium received from debenture	<b>-</b>	(1,339)
Interest income	<b>(1,189)</b>	(3,325)
Dividend income	<b>(2,451)</b>	(1,288)
Operating loss before changes in working capital	<b>(2,594)</b>	(2,848)
Changes in working capital:		
Net changes in receivables	<b>929</b>	1,869
Net changes in payables	<b>2,853</b>	5,470
Proceeds from disposal of investment securities	<b>70,322</b>	21,278
Proceeds from debenture	<b>-</b>	15,558
Redemption premium from debenture	<b>-</b>	1,339
Additions in investment securities	<b>(122,134)</b>	(42,017)
Net cash (used in)/generated from operations	<b>(50,624)</b>	649
Dividends received	<b>2,451</b>	1,261
Interest received	<b>1,189</b>	4,185
Income tax refund/(paid)	<b>55</b>	(31)
Net cash (used in)/generated from operating activities	<b>(46,929)</b>	6,064
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Redemption from/(addition in) cash management fund	<b>55,528</b>	(815)
Purchase of equipment	<b>(21)</b>	(8)
Purchase of software licences	<b>(4)</b>	-
Net cash generated from/(used in) investing activities	<b>55,503</b>	(823)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Purchase of treasury shares	<b>-</b>	(2)
Shares issuance expenses	<b>-</b>	(34)
Dividend paid on ordinary shares	<b>(3,949)</b>	-
Net cash used in financing activities	<b>(3,949)</b>	(36)

# OSK Ventures International Berhad (636117-K)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2017

	<b>Current year to date ended 30.09.2017 RM'000</b>	<b>Comparative year to date ended 30.09.2016 RM'000</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,625</b>	5,205
Effect of exchange rate changes	(394)	(256)
<b>Cash and cash equivalents at beginning of period</b>	<b>12,462</b>	14,097
<b>Cash and cash equivalents at end of period</b>	<b>16,693</b>	19,046

Note

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 2016 and the accompanying explanatory notes attached to these interim financial statements)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

### 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 2016, 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 2016 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 2016.

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 2016, except for the adoption of the Amendments and Annual Improvements to Standards effective as of 1 January 2017.

#### **Effective for annual periods commencing on or after 1 January 2017**

The Group has adopted the following Amendments to MFRSs effective as of 1 January 2017.

Amendments to MFRS 12	Annual Improvements to MFRS Standards 2014 - 2016 Cycle
Amendments to MFRS 107	Statement of Cash Flows: Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses

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

#### **MFRSs, Amendments to MFRSs and Issue Committee ("IC") Interpretation issued but not yet effective**

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

<b>MFRSs, Amendments to MFRSs and IC Interpretations</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 9	Financial Instruments
	1 January 2018

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017****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 Issue Committee ("IC Interpretation") issued but not yet effective (cont'd.)**

<b>MFRSs, Amendments to MFRSs and IC Interpretations</b>		<b>Effective for annual periods beginning on or after</b>
MFRS 15	Revenue from Contracts with Customers	1 January 2018
	Clarifications to MFRS 15	1 January 2018
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 2	Share-based Payment Transactions: Classification and Measurement	1 January 2018
Amendments to MFRS 1, MFRS 128	Annual Improvements to MFRS Standards 2014 - 2016 Cycle	1 January 2018
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 140	Investment Property: Transfer of Investment Property	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019

The adoption of the above MFRSs, Amendments to MFRSs and IC Interpretations 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.



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

#### **1. Basis of preparation (Cont'd.)**

##### **Companies Act 2016**

The Companies Act 2016 ("New Act") was enacted to replace the Companies Act, 1965 in Malaysia and came into operation on 31 January 2017, except for Section 241 and Division 8 of Part III of the New Act.

In accordance with the New Act, the Group had transferred a total of RM87.47 million from its share premium and capital redemption reserve accounts to the contributed share capital.

The adoption of the New Act did not have any financial impact on the Group for the current financial year as any accounting implications will only be applied prospectively, if applicable, and the effect of adoption will mainly be on the disclosures to the annual report and financial statements of the Group for the financial year ending 31 December 2017.

#### **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.

# OSK Ventures International Berhad (636117-K)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

### 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

There were no share buybacks during the quarter ended 30 September 2017. The shares repurchased previously are being held as treasury shares and treated in accordance with the requirements of Section 127 of the Companies Act 2016. 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 01.01.2017/30.09.2017	151,800	-	-	0.43	65,846

#### 6. Dividend Paid

During the current year to date, a final single-tier dividend of 2.0 sen per ordinary share amounting to RM3.95 million in respect of the financial year ended 31 December 2016 was paid on 11 May 2017.

# OSK Ventures International Berhad (636117-K)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

### 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.

# OSK Ventures International Berhad (636117-K)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

### 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
<b>Current year to date ended 30 September 2017</b>				
<b>Income</b>				
External income	32,571	1,129	-	<b>33,700</b>
Inter-segment income	73	1,491	(1,564)	-
Total	<u>32,644</u>	<u>2,620</u>	<u>(1,564)</u>	<u><b>33,700</b></u>
<b>Results</b>				
Profit from operations with external parties	30,185	454	-	<b>30,639</b>
Add : Inter-segment income	73	1,491	(1,564)	-
Less : Inter-segment expenses	(1,499)	(65)	1,564	-
Profit before tax	<u>28,759</u>	<u>1,880</u>	<u>-</u>	<u><b>30,639</b></u>
Tax expense				<u><b>(1,406)</b></u>
<b>Profit for the period attributable to the owners of the Company</b>				<u><u><b>29,233</b></u></u>

# OSK Ventures International Berhad (636117-K)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

### 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
<b>Preceding year to date ended 30 September 2016</b>				
<b>Income</b>				
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>
<b>Results</b>				
Profit from operations with external parties	1,354	1,653	-	3,007
Add : Inter-segment income	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				49
<b>Profit for the period attributable to the owners of the Company</b>				<u><u>3,056</u></u>

# OSK Ventures International Berhad (636117-K)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

### 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 30 September 2017

Income	27,895	(667)	3,061	(6)	3,416	1	<b>33,700</b>
Profit/(loss) before tax	30,653	-	(14)	-	-	-	<b>30,639</b>
Segmental assets as at 30 September 2017	219,039	-	11	-	-	-	<b>219,050</b>

##### Preceding 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

# OSK Ventures International Berhad (636117-K)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

### 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>30.09.2017</u> RM'000	As at <u>31.12.2016</u> RM'000	As at <u>30.09.2016</u> RM'000
Cash and cash equivalents	16,693	12,462	19,046
Cash Management Fund	23,460	78,988	87,737
	<u>40,153</u>	<u>91,450</u>	<u>106,783</u>

#### 9. Event subsequent to reporting period

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

#### 10. Changes in the composition of the Group

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

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

#### **1. Review of the performance of the Company and its subsidiaries**

The Group registered a profit after tax of RM29.23 million for the nine months ended 30 September 2017, an increase of RM26.17 million compared to a profit after tax of RM3.06 million for the preceding nine months ended 30 September 2016. This was mainly due to the net fair value gain on financial instruments of RM30.06 million and RM0.23 million respectively.

For the current quarter under review, the Group posted a loss after tax of RM15.06 million as compared to a profit after tax of RM5.52 million of the corresponding quarter in 2016. The loss after tax was due to decrease in income earned in the current quarter and net fair value loss on financial instruments of RM15.26 million as compared to net fair value gain on financial instruments of RM4.18 million in the corresponding quarter in 2016.

#### **2. Material change in quarterly results before taxation for the current quarter compared with the immediate preceding quarter**

The Group recorded a loss before tax of RM15.85 million in the third quarter of 2017 as compared to a profit before tax of RM31.29 million in the immediate preceding quarter. This was mainly due to decrease in market value in quoted investments held by the Group for the current quarter under review.

#### **3. Current prospects and progress on previously announced financial estimate**

##### **(a) Current prospects**

For the coming financial year, we will be maintaining our focus on companies with strong growth prospects and good product offering for our private investment portfolio. We have a strong pipeline of deals in various stages and we intend to close a number of these investments within the next twelve months. Meanwhile, our public investment portfolio has been seeing a healthy growth in volume and geographical diversity since the beginning of this year which we expect to continue in this current quarter. Nevertheless, we will continue to be mindful of the increasing volatility in the market and strive to optimise our performance to ensure long-term sustainability and profitability through continuous effort 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.

#### **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.



# OSK Ventures International Berhad (636117-K)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

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

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

	Current period ended <u>30.09.2017</u> RM'000	Comparative period ended <u>30.09.2016</u> RM'000
Realised fair value gain on financial instruments *	4,574	1,149
Unrealised fair value gain/(loss) on financial instruments	25,485	(919)
	<u>30,059</u>	<u>230</u>

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

	Current period ended <u>30.09.2017</u> RM'000	Comparative period ended <u>30.09.2016</u> RM'000
Proceeds from disposal of financial instruments	70,322	21,278
Less: Cost of investment	(101,621)	(24,656)
Loss on disposal	(31,299)	(3,378)
Add: Previously recognised fair value changes	35,873	4,527
Realised fair value gain on financial instruments	<u>4,574</u>	<u>1,149</u>

#### 7. (Loss)/profit before tax

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

	Current period ended <u>30.09.2017</u> RM'000	Comparative period ended <u>30.09.2016</u> RM'000
Interest income	(1,189)	(3,325)
Dividend income	(2,451)	(1,288)
Redemption premium from debenture	-	(1,339)
Net fair value gain on financial instruments	(30,059)	(230)
Depreciation and amortisation	71	71
Other income	(1)	(59)
Net foreign exchange (gain)/loss	<u>(224)</u>	<u>400</u>

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

#### 8. Income tax benefit/(expense)

	Current quarter ended <u>30.09.2017</u> RM'000	Comparative quarter ended <u>30.09.2016</u> RM'000	Current period ended <u>30.09.2017</u> RM'000	Comparative period ended <u>30.09.2016</u> RM'000
Provision for the current quarter/ period to date:				
Malaysian income tax	(169)	(3)	(324)	(10)
Under provision for prior year	(4)	-	(4)	-
Deferred tax	968	(95)	(1,078)	59
	<u>795</u>	<u>(98)</u>	<u>(1,406)</u>	<u>49</u>

The deferred tax benefit for the current quarter ended 30 September 2017 of RM0.97 million mainly arose from net fair value loss on financial instruments.

#### 9. Corporate proposals

**Status of corporate proposals announced but not completed as at 10 November 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 10 November 2017.

#### 10. Borrowings

As at 30 September 2017, there were no borrowings outstanding and the Group had not issued any debt securities.

#### 11. The retained profits 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 of the Group as at the reporting date is as follows:

Analysed by:	As at <u>30.09.2017</u> RM'000	As at <u>31.12.2016</u> RM'000
	Realised accumulated losses	(19,343)
Unrealised retained profits *	45,345	16,460
Retained profits	<u>26,002</u>	<u>718</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.

# OSK Ventures International Berhad (636117-K)

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

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

#### 12. Material litigation

As at 10 November 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

There was no dividend proposed in the current quarter ended 30 September 2017 (30 September 2016: Nil).

#### 14. (Loss)/earnings per share attributable to owners of the Company

	Current quarter ended <u>30.09.2017</u>	Comparative quarter ended <u>30.09.2016</u>	Current period ended <u>30.09.2017</u>	Comparative period ended <u>30.09.2016</u>
<b>Basic (loss)/earnings per share</b>				
(Loss)/earnings attributable to owners of the Company (RM'000)	(15,057)	5,518	29,233	3,056
Weighted average number of ordinary shares in issue ('000 shares)	197,445	197,583	197,445	197,583
Basic (loss)/earnings per share (sen)	<u>(7.63)</u>	<u>2.79</u>	<u>14.81</u>	<u>1.55</u>

#### 15. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2016 was unqualified.

#### By Order of the Board

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**YEE CHEE WAI**

**Executive Director / Chief Operating Officer**

Kuala Lumpur  
17 November 2017