

# OSK Ventures International Berhad (636117-K)

## QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

|  | Note | As at<br>31.12.2017<br>RM'000 | As at<br>31.12.2016<br>RM'000 |
|--|------|-------------------------------|-------------------------------|
| <b>ASSETS</b>                                |      |                               |                               |
| Equipment                                    |      | 48                            | 252                           |
| Intangible assets                            |      | 9                             | 8                             |
| Investment securities                        |      | 175,948                       | 93,107                        |
| Notes receivable                             |      | 2,033                         | -                             |
| Trade and other receivables                  |      | 9,552                         | 2,008                         |
| Prepayments                                  |      | - *                           | 55                            |
| Tax recoverable                              |      | 2,572                         | 2,644                         |
| Cash, bank balances and cash management fund | A8   | 27,202                        | 91,450                        |
| <b>TOTAL ASSETS</b>                          |      | <b>217,364</b>                | <b>189,524</b>                |
| <b>LIABILITIES</b>                           |      |                               |                               |
| Deferred tax liability                       |      | 2,351                         | 1,403                         |
| Trade and sundry payables                    |      | 1,250                         | 1,201                         |
| Tax payable                                  |      | 159                           | -*                            |
| <b>TOTAL LIABILITIES</b>                     |      | <b>3,760</b>                  | <b>2,604</b>                  |
| <b>EQUITY</b>                                |      |                               |                               |
| Contributed share capital                    |      | 186,268                       | 98,798                        |
| Treasury shares, at cost                     | A5   | (647)                         | (66)                          |
|  |      | 185,621                       | 98,732                        |
| Reserves                                     |      | 27,983                        | 88,188                        |
| <b>TOTAL EQUITY</b>                          |      | <b>213,604</b>                | <b>186,920</b>                |
| <b>TOTAL LIABILITIES AND EQUITY</b>          |      | <b>217,364</b>                | <b>189,524</b>                |
| Net assets per share (RM)                    |      | 1.09                          | 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 FOURTH QUARTER ENDED 31 DECEMBER 2017 AUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2017

|  |      | <b>Current<br/>quarter<br/>ended<br/>31.12.2017</b> | Comparative<br>quarter<br>ended<br>31.12.2016 | <b>Current<br/>year to date<br/>ended<br/>31.12.2017</b> | Comparative<br>year to date<br>ended<br>31.12.2016 |
|--|------|---|---|--|--|
|  | Note | <b>RM'000</b>                                       | RM'000  | <b>RM'000</b>  | RM'000   |
| <b>Income</b>  |      |   |   |  |  |
| Net fair value gain on financial instruments                           | B6   | 2,805   | 4,676   | 32,864   | 4,906  |
| Interest income  |      | 173   | 694   | 1,362  | 4,019  |
| Dividend income  |      | 485   | 455   | 2,936  | 1,743  |
| Redemption premium   |      | -   | -   | -  | 1,339  |
| Other income   |      | -   | 4   | 1  | 63   |
|  |      | <b>3,463</b>  | 5,829   | <b>37,163</b>  | 12,070   |
| <b>Expense</b>   |      |   |   |  |  |
| Staff expenses   |      | (653)   | (637)   | (2,606)  | (2,313)  |
| Net foreign exchange (loss)/gain                                       |      | (332)   | 675   | (108)  | 275  |
| Administrative expenses  |      | (428)   | (350)   | (1,760)  | (1,508)  |
|  |      | <b>(1,413)</b>                                      | (312)   | <b>(4,474)</b>   | (3,546)  |
| <b>Profit before tax</b>   | B7   | <b>2,050</b>  | 5,517   | <b>32,689</b>  | 8,524  |
| Income tax expense   | B8   | (69)  | (207)   | (1,475)  | (158)  |
| <b>Profit after tax for the period</b>                                 |      | <b>1,981</b>  | 5,310   | <b>31,214</b>  | 8,366  |
| Profit attributable to:<br>Owners of the Company                       |      | <b>1,981</b>  | 5,310   | <b>31,214</b>  | 8,366  |
| <b>Earnings per share attributable to owners of the Company (sen):</b> |      |   |   |  |  |
| Basic  | B13  | <b>1.00</b>   | 2.69  | <b>15.82</b>   | 4.23   |

(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 FOURTH QUARTER ENDED 31 DECEMBER 2017 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2017

|  | <b>Current<br/>quarter<br/>ended<br/>31.12.2017<br/>RM'000</b> | <b>Comparative<br/>quarter<br/>ended<br/>31.12.2016<br/>RM'000</b> | <b>Current<br/>year to date<br/>ended<br/>31.12.2017<br/>RM'000</b> | <b>Comparative<br/>year to date<br/>ended<br/>31.12.2016<br/>RM'000</b> |
|--|--|--|---|---|
| <b>Profit after tax for the period,<br/>representing total comprehensive<br/>income for the period</b> | <b>1,981</b>   | <b>5,310</b>   | <b>31,214</b>   | <b>8,366</b>  |
| Total comprehensive income attributable to:<br>Owners of the Company                                   | <b>1,981</b>   | <b>5,310</b>   | <b>31,214</b>   | <b>8,366</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 FOURTH QUARTER ENDED 31 DECEMBER 2017 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2017

|   | Attributable to owners of the Company |                 |                 |                            |  | Total equity   |
|---|---------------------------------------|-----------------|-----------------|----------------------------|--|----------------|
|   | 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                                    | -                                     | -               | -               | -                          | 31,214                                 | 31,214         |
| 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                       | -                                     | -               | -               | -                          | (3,949)                                | (3,949)        |
| Share buybacks by the Company                                 | -                                     | (581)           | -               | -                          | -                                      | (581)          |
| Total transactions with owners                                | -                                     | (581)           | -               | -                          | (3,949)                                | (4,530)        |
| <b>As at 31.12.2017</b>                                       | <b>186,268</b>                        | <b>(647)</b>    | -               | -                          | <b>27,983</b>                          | <b>213,604</b> |
| <br>  |                                       |                 |                 |                            |  |                |
| 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        |

<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 FOURTH QUARTER ENDED 31 DECEMBER 2017 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D.) FOR THE QUARTER ENDED 31 DECEMBER 2017

|   | <b>Current<br/>year to date<br/>ended<br/>31.12.2017<br/>RM'000</b> | <b>Comparative<br/>year to date<br/>ended<br/>31.12.2016<br/>RM'000</b> |
|---|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>           |   |   |
| Profit before tax                                     | <b>32,689</b>   | 8,524   |
| Adjustments for:                                      |   |   |
| Amortisation of intangible assets                     | <b>3</b>  | 3   |
| Depreciation of equipment                             | <b>81</b>   | 91  |
| Loss from winding up of subsidiaries                  | -   | 17  |
| Equipment written off                                 | <b>15</b>   | -   |
| Loss on disposal of equipment                         | <b>49</b>   | -   |
| Net fair value gain on financial instruments          | <b>(32,864)</b>   | (4,906)   |
| Effect on exchange rate changes                       | <b>631</b>  | 234   |
| Redemption premium received from debenture            | -   | (1,339)   |
| Interest income                                       | <b>(1,362)</b>  | (4,019)   |
| Dividend income                                       | <b>(2,936)</b>  | (1,743)   |
| Operating loss before changes in working capital      | <b>(3,694)</b>  | (3,138)   |
| Changes in working capital:                           |   |   |
| Net changes in receivables                            | <b>(7,442)</b>  | 907   |
| Net changes in payables                               | <b>49</b>   | 25  |
| Proceeds from disposal of investment securities       | <b>91,061</b>   | 42,669  |
| Proceeds from disposal of derivative financial assets | -   | 137   |
| Proceeds from debenture                               | -   | 15,558  |
| Redemption premium from debenture                     | -   | 1,339   |
| Additions in investment securities                    | <b>(141,038)</b>  | (73,126)  |
| Additions in notes receivable                         | <b>(2,023)</b>  | -   |
| Net cash used in operations                           | <b>(63,087)</b>   | (15,629)  |
| Dividends received                                    | <b>2,906</b>  | 1,677   |
| Interest received                                     | <b>1,345</b>  | 4,879   |
| Income tax paid                                       | <b>(296)</b>  | (110)   |
| Net cash used in operating activities                 | <b>(59,132)</b>   | (9,183)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>           |   |   |
| Redemption from cash management fund                  | <b>58,298</b>   | 7,934   |
| Purchase of equipment                                 | <b>(23)</b>   | (8)   |
| Purchase of software licences                         | <b>(4)</b>  | -   |
| Proceeds from disposal of equipment                   | <b>82</b>   | -   |
| Net cash generated from investing activities          | <b>58,353</b>   | 7,926   |

# OSK Ventures International Berhad (636117-K)

## QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017 AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D.) FOR THE QUARTER ENDED 31 DECEMBER 2017

|   | <b>Current<br/>year to date<br/>ended<br/>31.12.2017<br/>RM'000</b> | <b>Comparative<br/>year to date<br/>ended<br/>31.12.2016<br/>RM'000</b> |
|---|---|---|
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>             |   |   |
| Purchase of treasury shares                             | (581)   | (60)  |
| Shares issuance expenses                                | -   | (84)  |
| Dividend paid on ordinary shares                        | (3,949)   | -   |
| Net cash used in financing activities                   | <u>(4,530)</u>  | <u>(144)</u>  |
| <b>Net decrease in cash and cash equivalents</b>        | <b>(5,309)</b>  | <b>(1,401)</b>  |
| Effect of exchange rate changes                         | (641)   | (234)   |
| <b>Cash and cash equivalents at beginning of period</b> | <b>12,462</b>   | <b>14,097</b>   |
| <b>Cash and cash equivalents at end of period</b>       | <b>A8 6,512</b>   | <b>12,462</b>   |

(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)

### 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.

#### **Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

The application of these amendments has had no impact on the Group as the Group already assess the sufficiency of future taxable profits in a way that is consistent with these amendments.

# OSK Ventures International Berhad (636117-K)

## QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 Interpretations") issued but not yet effective**

At the date of authorisation of this Condensed Report, the following MFRSs, Amendments to MFRSs and IC Interpretations 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> |
|--|--|---|
| Amendments to MFRS 2                                     | Share-based Payment Transactions: Classification and Measurement                                   | 1 January 2018  |
| MFRS 9   | Financial Instruments  | 1 January 2018  |
| MFRS 15  | Revenue from Contracts with Customers  | 1 January 2018  |
|  | Clarifications to MFRS 15  | 1 January 2018  |
| Amendments to MFRS 140                                   | Investment Property: Transfer of Investment Property   | 1 January 2018  |
| Amendments to MFRS 1, MFRS 128                           | Annual Improvements to MFRS Standards 2014 - 2016 Cycle  | 1 January 2018  |
| IC Interpretation 22                                     | Foreign Currency Transactions and Advance Consideration  | 1 January 2018  |
| Amendments to MFRS 9                                     | Financial Instruments: Prepayment Features with Negative Compensation                              | 1 January 2019  |
| MFRS 16  | Leases   | 1 January 2019  |
| Amendments to MFRS 128                                   | Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures | 1 January 2019  |
| Amendments to MFRS 3, MFRS 11, MFRS 112, MFRS 123        | Annual Improvements to MFRS Standards 2015 - 2017 Cycle  | 1 January 2019  |
| IC Interpretation 23                                     | Uncertainty over Income Tax Treatments   | 1 January 2019  |
| MFRS 17  | Insurance Contracts  | 1 January 2021  |
| Amendments to MFRS 10, MFRS 128                          | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture              | Deferred  |

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.



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

#### 1. Basis of preparation (cont'd.)

##### MFRS 9 Financial Instruments

MFRS 9 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. During 2017, the Group has performed a detailed impact assessment of all three aspects of MFRS 9. The assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group in 2018 when the Group adopts MFRS 9.

Based on the analysis of the Group's financial assets and liabilities as at 31 December 2017 on the basis of facts and circumstances that exist at that date, the directors of the Group have assessed the impact of MFRS 9 to the Group's financial statements as follows:

##### (i) Classification and measurement

The Group does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of MFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value. Quoted equity shares currently held as fair value through profit or loss. Therefore, reclassification of these instruments is not required.

The equity shares in non-listed companies are intended to be held for the foreseeable future. No impairment losses were recognised in profit or loss during prior periods for these investments. Therefore, the application of MFRS 9 will not have a significant impact.

Loans and receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Therefore, reclassification for these instruments is not required.

##### (ii) Impairment

The Group will apply the simplified approach and record lifetime expected losses on all trade receivables.

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

#### 1. Basis of preparation (cont'd.)

##### **MFRS 15 Revenue from Contracts with Customers**

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group's principal activities are investment holding, undertake venture capital business, private equity business and management of investments of venture companies which is not part of the transfer of promised goods or services to customer. Therefore, MFRS 15 will not affect the Group's financial statements.

##### **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 ended 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.

# OSK Ventures International Berhad (636117-K)

## QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

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

#### 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 year to date results.

#### 5. Changes in debt and equity securities

##### Share buybacks / Treasury shares of the Company

During the year, the Company has purchased 1,000,000 ordinary shares for a total cash consideration of RM580,681 from open market at an average price of RM0.58 per share. 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 | 151,800                   |                  |                 | 0.43  | 65,846               |
| 21.11.2017       | 447,500                   | 0.57             | 0.54            | 0.56  | 250,240              |
| 22.11.2017       | 360,700                   | 0.60             | 0.58            | 0.60  | 214,843              |
| 23.11.2017       | 191,800                   | 0.60             | 0.60            | 0.60  | 115,598              |
|                  | 1,000,000                 |                  |                 | 0.58  | 580,681              |
| As at 31.12.2017 | 1,151,800                 | -                | -               | 0.56  | 646,527              |

#### 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.

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## QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 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<br>and<br>private equity<br>businesses | Holding<br>entity | Eliminations    | Consolidated                |
|--|--|-------------------|-----------------|-----------------------------|
|  | RM'000   | RM'000            | RM'000          | RM'000                      |
| <b>Current year to date ended 31 December 2017</b>                     |  |                   |                 |                             |
| <b>Income</b>  |  |                   |                 |                             |
| External income  | 35,898   | 1,265             | -               | <b>37,163</b>               |
| Inter-segment income   | 97   | 12,858            | (12,955)        | -                           |
| Total  | <u>35,995</u>  | <u>14,123</u>     | <u>(12,955)</u> | <u><b>37,163</b></u>        |
| <b>Results</b>   |  |                   |                 |                             |
| Profit from operations with external parties                           | 32,272   | 417               | -               | <b>32,689</b>               |
| Add : Inter-segment income   | 97   | 12,858            | (12,955)        | -                           |
| Less : Inter-segment expenses  | (2,231)  | (86)              | 2,317           | -                           |
| Profit before tax  | <u>30,138</u>  | <u>13,189</u>     | <u>(10,638)</u> | <u><b>32,689</b></u>        |
| Tax expense  |  |                   |                 | <u><b>(1,475)</b></u>       |
| <b>Profit for the period attributable to the owners of the Company</b> |  |                   |                 | <u><u><b>31,214</b></u></u> |

# OSK Ventures International Berhad (636117-K)

## QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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<br>and<br>private equity<br>businesses<br>RM'000 | Holding<br>entity<br>RM'000 | Eliminations<br>RM'000 | Consolidated<br>RM'000 |
|--|--|-----------------------------|------------------------|------------------------|
| <b>Preceding year to date ended 31 December 2016</b>                   |  |                             |                        |                        |
| <b>Income</b>  |  |                             |                        |                        |
| 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>          |
| <b>Results</b>   |  |                             |                        |                        |
| 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  |  |                             |                        | (158)                  |
| <b>Profit for the period attributable to the owners of the Company</b> |  |                             |                        | <u><u>8,366</u></u>    |

# OSK Ventures International Berhad (636117-K)

## QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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   |                          |                |           |                       | Total  |
|----------|-----------|-----------|--------------------------|----------------|-----------|-----------------------|--------|
| Malaysia | Singapore | Hong Kong | United States of America | Cayman Islands | Indonesia | British Virgin Island |        |
| RM'000   | RM'000    | RM'000    | RM'000                   | RM'000         | RM'000    | RM'000                | RM'000 |

##### Current year to date ended 31 December 2017

|   |         |       |       |       |    |       |   |                |
|---|---------|-------|-------|-------|----|-------|---|----------------|
| Income                                  | 29,933  | (580) | 4,240 | 4,151 | 17 | (599) | 1 | <b>37,163</b>  |
| Profit/(loss) before tax                | 32,714  | -     | (25)  | -     | -  | -     | - | <b>32,689</b>  |
| Segmental assets as at 31 December 2017 | 217,357 | -     | 7     | -     | -  | -     | - | <b>217,364</b> |

##### Preceding year to date ended 31 December 2016

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

# OSK Ventures International Berhad (636117-K)

## QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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<br><u>31.12.2017</u><br>RM'000 | As at<br><u>31.12.2016</u><br>RM'000 |
|---------------------------|--------------------------------------|--------------------------------------|
| Cash and cash equivalents | 6,512                                | 12,462                               |
| Cash Management Fund      | 20,690                               | 78,988                               |
|                           | <u>27,202</u>                        | <u>91,450</u>                        |

#### 9. Event subsequent to reporting period

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

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

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



## QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

### **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 RM31.21 million for the year ended ended 31 December 2017, an increase of RM22.84 million compared to a profit after tax of RM8.37 million for the preceding year ended 31 December 2016. This was mainly due to the higher net fair value gain on financial instruments of RM32.86 million for the current year under review.

For the current quarter under review, the Group posted a profit after tax of RM1.98 million as compared to a profit after tax of RM5.31 million of the corresponding quarter in 2016. This was mainly due to net fair value gain on financial instruments of RM2.81 million as compared to RM4.68 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 profit before tax of RM2.05 million in the fourth quarter of 2017 as compared to a loss before tax of RM15.85 million in the immediate preceding quarter. This was due to improvement in market value of investment securities held by the Group for the current quarter under review.

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

##### **(a) Future prospects**

For current financial year 2018, we will continue to seek for good investment opportunities to be added to both our private and public investment portfolios. We expect to increase our private equity/venture capital investments portfolio with new deals or additional injections of funds into our existing investments for expansion purposes. On the public investment portfolio, we will continue to pursue good investment leads while remaining cautious in view of the increasing share prices which have led to record performances in many leading global stock markets since second half of 2017. The Board and management will continue to work cautiously on optimising the performance and ensuring long-term sustainability of the Group.

##### **(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 FOURTH QUARTER ENDED 31 DECEMBER 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 gain on financial instruments

|  | Current<br>year to date<br>ended<br>31.12.2017<br>RM'000 | Comparative<br>year to date<br>ended<br>31.12.2016<br>RM'000 |
|--|--|--|
| Realised fair value gain on financial instruments *        | 4,724  | 5,890  |
| Unrealised fair value gain/(loss) on financial instruments | 28,140   | (984)  |
|  | <u>32,864</u>  | <u>4,906</u>   |

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

|   | Current<br>year to date<br>ended<br>31.12.2017<br>RM'000 | Comparative<br>year to date<br>ended<br>31.12.2016<br>RM'000 |
|---|--|--|
| Proceeds from disposal of financial instruments   | 91,061   | 42,806   |
| Less: Cost of investment                          | (120,734)  | (40,256)   |
| (Loss)/gain on disposal                           | (29,673)   | 2,550  |
| Add: Previously recognised fair value changes     | 34,397   | 3,340  |
| Realised fair value gain on financial instruments | <u>4,724</u>   | <u>5,890</u>   |

#### 7. Profit before tax

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

|  | Current<br>year to date<br>ended<br>31.12.2017<br>RM'000 | Comparative<br>year to date<br>ended<br>31.12.2016<br>RM'000 |
|--|--|--|
| Interest income                              | (1,362)  | (4,019)  |
| Dividend income                              | (2,936)  | (1,743)  |
| Redemption premium from debenture            | -  | (1,339)  |
| Net fair value gain on financial instruments | (32,864)   | (4,906)  |
| Depreciation and amortisation                | 84   | 94   |
| Other income                                 | (1)  | (63)   |
| Net foreign exchange loss/(gain)             | 108  | (275)  |
| Loss from winding up of subsidiaries         | -  | 17   |

# OSK Ventures International Berhad (636117-K)

## QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

### 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 expense

|   | Current<br>quarter ended<br><u>31.12.2017</u><br>RM'000 | Comparative<br>quarter ended<br><u>31.12.2016</u><br>RM'000 | Current<br>year to date<br>ended<br><u>31.12.2017</u><br>RM'000 | Comparative<br>year to date<br>ended<br><u>31.12.2016</u><br>RM'000 |
|---|---|---|---|---|
| Provision for the current quarter/<br>period to date: |   |   |   |   |
| Malaysian income tax                                  | (199)   | (86)  | (523)   | (96)  |
| Under provision for prior year                        | -   | -   | (4)   | -   |
| Deferred tax  | 130   | (121)   | (948)   | (62)  |
|   | <u>(69)</u>   | <u>(207)</u>  | <u>(1,475)</u>  | <u>(158)</u>  |

The deferred tax benefit for the current quarter ended 31 December 2017 of RM0.13 million is mainly arose from net fair value changes on financial instruments.

#### 9. Corporate proposals

**Status of corporate proposals announced but not completed as at 15 February 2018 (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 15 February 2018.

#### 10. Borrowings

As at 31 December 2017, there were no borrowings outstanding and the Group had not issued any debt securities.

#### 11. Material litigation

As at 15 February 2018 (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.

#### 12. Dividend

The Board of Directors recommends a final single-tier dividend of 5.0 sen (31 December 2016: 2.0 sen per ordinary share) per ordinary share for the year ended 31 December 2017. 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.

**PART B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for ACE Market****13. Earnings per share attributable to owners of the Company**

|  | Current<br>quarter ended<br><u>31.12.2017</u> | Comparative<br>quarter ended<br><u>31.12.2016</u> | Current<br>year to date<br>ended<br><u>31.12.2017</u> | Comparative<br>year to date<br>ended<br><u>31.12.2016</u> |
|--|---|---|---|---|
| <b>Basic earnings per share</b>                                      |   |   |   |   |
| Earnings attributable to owners of<br>the Company (RM'000)           | 1,981   | 5,310   | 31,214  | 8,366   |
| Weighted average number of ordinary<br>shares in issue ('000 shares) | 197,337                                       | 197,576   | 197,337   | 197,576   |
| Basic earnings per share (sen)                                       | 1.00  | 2.69  | 15.82   | 4.23  |

**14. 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  
22 February 2018