

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2018

		(Audited)	
	Note	As at 30.06.2018 RM'000	As at 31.12.2017 RM'000
ASSETS			
Equipment		630	48
Intangible assets		7	9
Investment in joint venture		403	-
Investment securities		165,441	175,948
Notes receivable		2,016	2,033
Trade and other receivables		1,476	9,552
Prepayments		6,352	- *
Tax recoverable		2,614	2,572
Cash, bank balances and cash management fund	A8	16,979	27,202
TOTAL ASSETS		195,918	217,364
LIABILITIES			
Deferred tax liability		2,072	2,351
Trade and sundry payables		1,930	1,250
Tax payable		241	159
TOTAL LIABILITIES		4,243	3,760
EQUITY			
Contributed share capital		186,268	186,268
Treasury shares, at cost	A5	(647)	(647)
		185,621	185,621
Reserves		6,054	27,983
TOTAL EQUITY		191,675	213,604
TOTAL LIABILITIES AND EQUITY		195,918	217,364
Net assets per share (RM)		0.98	1.09

* 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 2017 and the accompanying explanatory notes attached to these interim financial statements)

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2018

		Current quarter ended 30.06.2018	Comparative quarter ended 30.06.2017	Current year to date ended 30.06.2018	Comparative year to date ended 30.06.2017
	Note	RM'000	RM'000	RM'000	RM'000
Income					
Net fair value gain/(loss) on financial instruments	B6	233	30,075	(12,234)	45,317
Interest income		267	308	591	971
Dividend income		1,824	1,896	2,188	2,008
		2,324	32,279	(9,455)	48,296
Expense					
Staff expenses		(953)	(650)	(2,077)	(1,321)
Net foreign exchange gain		800	84	233	254
Administrative expenses		(421)	(422)	(718)	(738)
		(574)	(988)	(2,562)	(1,805)
Operating profit/(loss)		1,750	31,291	(12,017)	46,491
Share of results of a joint venture		-	-	-	-
Profit/(loss) before tax	B7	1,750	31,291	(12,017)	46,491
Income tax expense	B8	(39)	(1,751)	(90)	(2,201)
Profit/(loss) after tax for the period		1,711	29,540	(12,107)	44,290
Profit/(loss) attributable to: Owners of the Company		1,711	29,540	(12,107)	44,290
Earnings/(loss) per share attributable to owners of the Company (sen):					
Basic	B13	0.87	14.96	(6.16)	22.43

(The above condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements)

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2018

	Current quarter ended 30.06.2018	Comparative quarter ended 30.06.2017	Current year to date ended 30.06.2018	Comparative year to date ended 30.06.2017
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) after tax for the period, representing total comprehensive income/(loss) for the period	1,711	29,540	(12,107)	44,290
Total comprehensive income/(loss) attributable to: Owners of the Company	1,711	29,540	(12,107)	44,290

(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 2017 and the accompanying explanatory notes attached to these interim financial statements)

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2018

	Attributable to owners of the Company					
	Contributed share capital	Treasury shares	Share premium	Capital redemption reserve	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 01.01.2018	186,268	(647)	-	-	27,983	213,604
Total comprehensive loss	-	-	-	-	(12,107)	(12,107)
Dividends paid to owners of the Company	-	-	-	-	(9,822)	(9,822)
Total transactions with owners	-	-	-	-	(9,822)	(9,822)
As at 30.06.2018	186,268	(647)	-	-	6,054	191,675
As at 01.01.2017	98,798	(66)	84,278	3,192	718	186,920
Total comprehensive income	-	-	-	-	44,290	44,290
Transferred pursuant to the Companies Act 2016 ⁽¹⁾	87,470	-	(84,278)	(3,192)	-	-
Dividends paid to owners of the Company	-	-	-	-	(3,949)	(3,949)
Total transactions with owners	-	-	-	-	(3,949)	(3,949)
As at 30.06.2017	186,268	(66)	-	-	41,059	227,261

⁽¹⁾ In accordance with Section 618 of Companies Act 2016, any amount standing to the credit of the Group's share premium and capital redemption reserves has 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 2017 and the accompanying explanatory notes attached to these interim financial statements)

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER ENDED 30 JUNE 2018

	Year-To-Date ended	
	30.06.2018	30.06.2017
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(12,017)	46,491
Adjustments for:		
Amortisation of intangible assets	2	1
Depreciation of equipment	34	45
Equipment written off	-*	-
Net fair value loss/(gain) on financial instruments	12,234	(45,317)
Effect on exchange rate changes	(433)	310
Interest income	(591)	(971)
Dividend income	(2,188)	(2,008)
Operating loss before changes in working capital	(2,959)	(1,449)
Changes in working capital:		
Net changes in receivables	2,139	(3,787)
Net changes in payables	680	22
Proceeds from disposal of investment securities	72,206	48,154
Proceeds from notes receivable	2,023	-
Additions in investment securities	(73,933)	(106,681)
Additions in notes receivable	(1,962)	-
Net cash used in operations	(1,806)	(63,741)
Dividends received	1,793	1,472
Interest received	571	971
Income tax (paid)/refund	(329)	99
Net cash generated from/(used in) operating activities	229	(61,199)
CASH FLOWS FROM INVESTING ACTIVITIES		
Withdrawal from cash management fund	12,478	60,698
Acquisition of shares in a joint venture	(403)	-
Purchase of equipment	(616)	(4)
Purchase of software licences	-	(4)
Net cash generated from investing activities	11,459	60,690
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid on ordinary shares	(9,822)	(3,949)
Net cash used in financing activities	(9,822)	(3,949)

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D) FOR THE QUARTER ENDED 30 JUNE 2018

	Year-To-Date ended	
	30.06.2018	30.06.2017
	RM'000	RM'000
Net increase/(decrease) in cash and cash equivalents	1,866	(4,458)
Effect of exchange rate changes	389	(310)
Cash and cash equivalents at beginning of period	6,512	12,462
Cash and cash equivalents at end of period	8,767	7,694

A8

* Denotes amount less than RM1,000

(The above condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018

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 2017, 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 2017 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 2017.

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 2017, except for the adoption of the Amendments and Annual Improvements to Standards effective as of 1 January 2018.

Effective for annual periods commencing on or after 1 January 2018

The Group has adopted the following MFRSs, Amendments to MFRSs and Issue Committee ("IC Interpretation") effective as of 1 January 2018.

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers Clarifications to MFRS 15
Amendments to MFRS 2	Share-based Payment Transactions: Classification and Measurement
Amendments to MFRS 1, MFRS 128	Annual Improvements to MFRS Standards 2014 - 2016 Cycle
Amendments to MFRS 140	Investment Property: Transfer of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018

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 introduced new requirements for classification and measurement, impairment and hedge accounting. The Group has adopted and performed a detailed impact assessment of MFRS 9 to the Group's financial statements.

Based on the assessment, the application of MFRS 9 has no impact on the financial statements as the Group's accounting treatment is consistent with the requirements.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 established a new five-stage model that apply to revenue arising from contracts with customers and superseded MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations.

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

MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective

MFRSs, Amendments to MFRSs and IC Interpretation		Effective for annual periods beginning on or after
MFRS 16	Leases	1 January 2019
Amendments to MFRS 9	Financial Instruments: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119	Employee Benefits: Plan Amendment, Curtailment or Settlement	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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018

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.)

MFRSs, Amendments to MFRSs and IC Interpretation	Effective for annual periods beginning on or after
Amendments to MFRS 2, MFRS 3, MFRS 6, MFRS 14, MFRS 101, MFRS 108, MFRS 134, MFRS 137, MFRS 138, IC Interpretation 12, IC Interpretation 19, IC Interpretation 20, IC Interpretation 22, IC Interpretation 132, MFRS 17	1 January 2020
Amendments to Reference to the Conceptual Framework in MFRS Standards	
Insurance Contracts	1 January 2021
Amendments to MFRS 10, MFRS 128	Deferred
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	

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.

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 year to date results.

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018

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 June 2018. 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 01.01.2018/30.06.2018	1,151,800	-	-	0.56	646,527

6. Dividend Paid

On 27 March 2018, the Company declared a final single-tier dividend of 5.0 sen per ordinary share amounting to a dividend payable of RM9.82 million in respect of financial year ended 31 December 2017. The dividend was paid on 17 May 2018.

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 - 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 SECOND QUARTER ENDED 30 JUNE 2018

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

7. Segmental information (cont'd.)

Business Segments

Current year to date ended 30 June 2018	Venture capital and private equity <u>businesses</u>	Holding <u>entity</u>	<u>Eliminations</u>	<u>Consolidated</u>
	RM'000	RM'000	RM'000	RM'000
Income				
External income	(9,699)	244	-	(9,455)
Inter-segment income	25	3,497	(3,522)	-
Total	<u>(9,674)</u>	<u>3,741</u>	<u>(3,522)</u>	<u>(9,455)</u>

Results

Loss from operations with external parties	(11,896)	(121)	-	(12,017)
Add : Inter-segment income	25	3,497	(3,522)	-
Less : Inter-segment expenses	(1,610)	(12)	1,622	-
(Loss)/profit before tax	<u>(13,481)</u>	<u>3,364</u>	<u>(1,900)</u>	<u>(12,017)</u>
Tax expense				<u>(90)</u>
Loss for the period attributable to the owners of the Company				<u><u>(12,107)</u></u>

Preceding year to date ended 30 June 2017

Income

External income	47,364	932	-	48,296
Inter-segment income	49	715	(764)	-
Total	<u>47,413</u>	<u>1,647</u>	<u>(764)</u>	<u>48,296</u>

Results

Profit from operations with external parties	45,968	523	-	46,491
Add : Inter-segment income	49	715	(764)	-
Less : Inter-segment expenses	(721)	(43)	764	-
Profit before tax	<u>45,296</u>	<u>1,195</u>	<u>-</u>	<u>46,491</u>
Tax expense				<u>(2,201)</u>
Profit for the period attributable to the owners of the Company				<u><u>44,290</u></u>

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018

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	
Current year to date ended 30 June 2018								
Income	(11,945)	738	(846)	2,943	279	(624)	-	(9,455)
Loss before tax	(12,017)	-	- *	-	-	-	-	(12,017)
Segmental assets as at 30 June 2018	195,913	-	5	-	-	-	-	195,918
Preceding year to date ended 30 June 2017								
Income	44,439	(68)	1,907	1,959	-	58	1	48,296
Profit/(loss) before tax	46,498	-	(7)	-	-	-	-	46,491
Segmental assets as at 30 June 2017	232,042	-	31	-	-	-	-	232,073

* Denotes amount less than RM1,000

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018

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

8. Cash, bank balances and cash management fund

	As at <u>30.06.2018</u> RM'000	As at <u>31.12.2017</u> RM'000	As at <u>30.06.2017</u> RM'000
Cash and cash equivalents	8,767	6,512	7,694
Cash Management Fund	8,212	20,690	18,290
	<u>16,979</u>	<u>27,202</u>	<u>25,984</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

During the reporting period, the Company has formed the following joint venture:

Joint Venture - OSK-SBI Venture Partners Ltd.

On 18 May 2018, the Company subscribed One Hundred Thousand (100,000) ordinary shares of USD1.00 each representing 50% of the enlarged share capital of OSK-SBI Venture Partners Ltd. (Company No. LL14744) ("OSK-SBI") for a total cash consideration of USD100,000.

OSK-SBI was incorporated in the Federal Territory of Labuan, Malaysia under the Labuan Companies Act, 1990 with a total paid-up share capital of USD200,000 comprising 200,000 ordinary shares of USD1.00 each. The principal activity of OSK-SBI is the fund manager of a private fund.

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018

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

Financial review

	Current quarter ended 30.06.2018 RM'000	Comparative quarter ended 30.06.2017 RM'000	Changes %	Current year to date ended 30.06.2018 RM'000	Comparative year to date ended 30.06.2017 RM'000	Changes %
Income	2,324	32,279	(93)	(9,455)	48,296	(120)
Profit/(loss) before tax	1,750	31,291	(94)	(12,017)	46,491	(126)
Profit/(loss) after tax	1,711	29,540	(94)	(12,107)	44,290	(127)
Profit/(loss) attributable to Owners of the Company	1,711	29,540	(94)	(12,107)	44,290	(127)

The Group registered a loss after tax of RM12.11 million for the six months ended 30 June 2018 as compared to a profit after tax of RM44.29 million for the preceeding six months ended 30 June 2017. This was mainly due to the net fair value loss on financial instruments of RM12.23 million as compared to a net fair value gain on financial instruments of RM45.32 million in the preceeding six months ended 30 June 2017.

For the current quarter under review, the Group posted a profit after tax of RM1.71 million as compared to a profit after tax of RM29.54 million of the corresponding quarter in 2017. This was mainly due to net fair value gain on financial instruments of RM0.23 million as compared to RM30.08 million in the corresponding quarter in 2017.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018**PART B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for ACE Market****2. Material change in quarterly results before taxation for the current quarter compared with the immediate preceding quarter****Financial review**

	Current quarter ended 30.06.2018 RM'000	Immediate preceding quarter ended 31.03.2018 RM'000	Changes %
Income	2,324	(11,779)	120
Profit/(loss) before tax	1,750	(13,767)	113
Profit/(loss) after tax	1,711	(13,818)	112
Profit/(loss) attributable to Owners of the Company	1,711	(13,818)	112

The Group recorded a profit before tax of RM1.75 million in the second quarter of 2018 as compared to a loss before tax of RM13.77 million in the immediate preceding quarter. This was due to higher income derived from dividend income in the current quarter and a net fair value gain on financial instruments against a net fair value loss in the immediate preceding quarter.

3. Current prospects and progress on previously announced financial estimate**(a) Current prospects**

This year has been eventful with increased volatility in both the Malaysian market as well as the global market mainly due to inflation concerns and the trade war between the US and China. The escalation of the trade war is expected to ripple through global supply chains, raise costs for businesses and consumers and roil global stock markets, which have been volatile in anticipation of a prolonged trade fight between the US and China. We expect the markets to continue to see high volatility. Nevertheless, we will continue to pursue good investment leads for our public investment portfolio and to divest when opportunities arise. Meanwhile, our private investment portfolio is growing and we are pleased to report two new additions to the portfolio for this quarter with more additions expected to be reported in the next two quarters based on our current pipeline.

(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.

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018

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

4. Statement of the Board of Directors’ opinion on achievability of financial estimate, forecast, projection and internal targets previously announced

Not applicable.

5. Financial estimate, forecast or projection / profit guarantee

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

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

	Current period ended <u>30.06.2018</u> RM’000	Comparative period ended <u>30.06.2017</u> RM’000
Realised fair value gain on financial instruments *	3,036	2,990
Unrealised fair value (loss)/gain on financial instruments	(15,270)	42,327
	<u>(12,234)</u>	<u>45,317</u>

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

	Current period ended <u>30.06.2018</u> RM’000	Comparative period ended <u>30.06.2017</u> RM’000
Proceeds from disposal of financial instruments	72,206	48,154
Less: Cost of investment	(58,474)	(80,358)
Gain/(loss) on disposal	13,732	(32,204)
(Less)/add: Previously recognised fair value changes	(10,696)	35,194
Realised fair value gain on financial instruments	<u>3,036</u>	<u>2,990</u>

7. Profit/(loss) before tax

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

	Current period ended <u>30.06.2018</u> RM’000	Comparative period ended <u>30.06.2017</u> RM’000
Interest income	(591)	(971)
Dividend income	(2,188)	(2,008)
Net fair value loss/(gain) on financial instruments	12,234	(45,317)
Depreciation and amortisation	36	46
Net foreign exchange gain	(233)	(254)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018**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 quarter ended 30.06.2018 RM'000	Comparative quarter ended 30.06.2017 RM'000	Current period ended 30.06.2018 RM'000	Comparative period ended 30.06.2017 RM'000
Provision for the current quarter/ period to date:				
Malaysian income tax	(192)	(110)	(369)	(155)
Deferred tax	153	(1,641)	279	(2,046)
	<u>(39)</u>	<u>(1,751)</u>	<u>(90)</u>	<u>(2,201)</u>

The deferred tax benefit for the current quarter ended 30 June 2018 of RM0.15 million mainly arose from net fair value changes on financial instruments.

9. Corporate proposals

Status of corporate proposals announced but not completed as at 8 August 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 as at 8 August 2018.

10. Borrowings

As at 30 June 2018, there were no borrowings outstanding and the Group had not issued any debt securities.

11. Material litigation

As at 8 August 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

There was no dividend proposed in the current quarter ended 30 June 2018 (30 June 2017: Nil).

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018**PART B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for ACE Market****13. Earnings/(loss) per share attributable to owners of the Company**

	Current quarter ended <u>30.06.2018</u>	Comparative quarter ended <u>30.06.2017</u>	Current period ended <u>30.06.2018</u>	Comparative period ended <u>30.06.2017</u>
Basic earnings/(loss) per share				
Earnings/(loss) attributable to owners of the Company (RM'000)	1,711	29,540	(12,107)	44,290
Weighted average number of ordinary shares in issue ('000 shares)	196,445	197,445	196,445	197,445
Basic earnings/(loss) per share (sen)	<u>0.87</u>	<u>14.96</u>	<u>(6.16)</u>	<u>22.43</u>

14. Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements for the financial year ended 31 December 2017 was unqualified.

By Order of the Board

YEE CHEE WAI
Executive Director / Chief Operating OfficerKuala Lumpur
15 August 2018