

OSK Ventures International Berhad (636117-K)

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

		(Audited)
	Note	As at 31.12.2017
		As at 30.09.2018
		RM'000
		RM'000
ASSETS		
Equipment		48
Intangible assets		9
Investment in joint venture		-
Investment securities		175,948
Investment in fund		-
Notes receivable		2,033
Trade and other receivables		9,552
Prepayments		- *
Tax recoverable		2,572
Cash, bank balances and cash management fund	A8	27,202
TOTAL ASSETS		217,364
LIABILITIES		
Deferred tax liability		2,351
Trade and sundry payables		1,250
Tax payable		159
TOTAL LIABILITIES		3,760
EQUITY		
Contributed share capital		186,268
Treasury shares, at cost	A5	(647)
		185,621
Reserves		27,983
TOTAL EQUITY		213,604
TOTAL LIABILITIES AND EQUITY		217,364
Net assets per share (RM)		1.09
		1.00

* 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 THIRD QUARTER ENDED 30 SEPTEMBER 2018 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2018

		Current quarter ended 30.09.2018	Comparative quarter ended 30.09.2017	Current year to date ended 30.09.2018	Comparative year to date ended 30.09.2017
	Note	RM'000	RM'000	RM'000	RM'000
Income					
Net fair value gain/(loss) on financial instruments	B6	5,962	(15,258)	(6,272)	30,059
Interest income		222	218	813	1,189
Dividend income		412	443	2,600	2,451
Other income		-	1	-	1
		6,596	(14,596)	(2,859)	33,700
Expense					
Staff expenses		(807)	(632)	(2,884)	(1,953)
Net foreign exchange gain		249	(30)	482	224
Administrative expenses		(419)	(594)	(1,137)	(1,332)
		(977)	(1,256)	(3,539)	(3,061)
Operating profit/(loss)		5,619	(15,852)	(6,398)	30,639
Share of result of a joint venture		(167)	-	(167)	-
Profit/(loss) before tax	B7	5,452	(15,852)	(6,565)	30,639
Income tax (expense)/benefit	B8	(501)	795	(591)	(1,406)
Profit/(loss) after tax for the period		4,951	(15,057)	(7,156)	29,233
Profit/(loss) attributable to: Owners of the Company		4,951	(15,057)	(7,156)	29,233
Earnings/(loss) per share attributable to owners of the Company (sen):					
Basic	B13	2.52	(7.63)	(3.64)	14.81

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2018 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2018

	Current quarter ended 30.09.2018	Comparative quarter ended 30.09.2017	Current year to date ended 30.09.2018	Comparative year to date ended 30.09.2017
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) after tax for the period, representing total comprehensive income/(loss) for the period	4,951	(15,057)	(7,156)	29,233
Total comprehensive income/(loss) attributable to: Owners of the Company	4,951	(15,057)	(7,156)	29,233

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2018 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2018

	Attributable to owners of the Company					
	Contributed			Capital	Retained	Total
	share	Treasury	Share	redemption	profits	equity
	capital	shares	premium	reserve		
	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	-	-	-	-	(7,156)	(7,156)
Dividends paid to owners of the Company	-	-	-	-	(9,822)	(9,822)
Total transactions with owners	-	-	-	-	(9,822)	(9,822)
As at 30.09.2018	186,268	(647)	-	-	11,005	196,626
As at 01.01.2017	98,798	(66)	84,278	3,192	718	186,920
Total comprehensive income	-	-	-	-	29,233	29,233
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 30.09.2017	186,268	(66)	-	-	26,002	212,204

⁽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 THIRD QUARTER ENDED 30 SEPTEMBER 2018 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2018

	Year-To-Date ended	
	30.09.2018	30.09.2017
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(6,565)	30,639
Adjustments for:		
Amortisation of intangible assets	2	2
Depreciation of equipment	58	69
Equipment written off	- *	1
Net fair value loss/(gain) on financial instruments	6,272	(30,059)
Effect on exchange rate changes	(500)	394
Share of result of a joint venture	167	-
Interest income	(813)	(1,189)
Dividend income	(2,600)	(2,451)
Operating loss before changes in working capital	(3,979)	(2,594)
Changes in working capital:		
Net changes in receivables	7,279	929
Net changes in payables	(36)	2,853
Proceeds from disposal of investment securities	108,857	70,322
Proceeds from notes receivable	2,023	-
Additions in investment securities	(110,064)	(122,134)
Additions in investment in fund	(1,037)	-
Additions in notes receivable	(1,962)	-
Net cash generated from/(used in) operations	1,081	(50,624)
Dividends received	2,544	2,451
Interest received	742	1,189
Income tax (paid)/refund	(473)	55
Net cash generated from/(used in) operating activities	3,894	(46,929)
CASH FLOWS FROM INVESTING ACTIVITIES		
Withdrawal from cash management fund	7,136	55,528
Acquisition of shares in a joint venture	(403)	-
Purchase of equipment	(626)	(21)
Purchase of software licences	-	(4)
Net cash generated from investing activities	6,107	55,503
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 THIRD QUARTER ENDED 30 SEPTEMBER 2018 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D) FOR THE QUARTER ENDED 30 SEPTEMBER 2018

	Year-To-Date ended	
	30.09.2018	30.09.2017
	RM'000	RM'000
Net increase in cash and cash equivalents	179	4,625
Effect of exchange rate changes	402	(394)
Cash and cash equivalents at beginning of period	6,512	12,462
Cash and cash equivalents at end of period	7,093	16,693

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 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	1 January 2020
MFRS 17	1 January 2021
Amendments to MFRS 10, MFRS 128	Deferred
Amendments to Reference to the Conceptual Framework in MFRS Standards	
Insurance Contracts	
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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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 01.01.2018/30.09.2018	1,151,800	-	-	0.56	646,527

6. Dividend Paid

During the current year to date, a final single-tier dividend of 5.0 sen per ordinary share amounting to RM9.82 million in respect of financial year ended 31 December 2017 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2018	Venture capital and private equity businesses	Holding entity	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000
Income				
External income	(3,256)	397	-	(2,859)
Inter-segment income	38	4,196	(4,234)	-
Total	<u>(3,218)</u>	<u>4,593</u>	<u>(4,234)</u>	<u>(2,859)</u>

Results

Loss from operations with external parties	(6,230)	(168)	-	(6,398)
Add : Inter-segment income	38	4,196	(4,234)	-
Less : Inter-segment expenses	(2,315)	(19)	2,334	-
Segment results	<u>(8,507)</u>	<u>4,009</u>	<u>(1,900)</u>	<u>(6,398)</u>
Share of result of a joint venture				<u>(167)</u>
Loss before tax				<u>(6,565)</u>
Tax expense				<u>(591)</u>
Loss for the period attributable to the owners of the Company				<u><u>(7,156)</u></u>

Preceding year to date ended 30 September 2017

Income

External income	32,571	1,129	-	33,700
Inter-segment income	73	1,491	(1,564)	-
Total	<u>32,644</u>	<u>2,620</u>	<u>(1,564)</u>	<u>33,700</u>

Results

Profit from operations with external parties	30,185	454	-	30,639
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>30,639</u>
Tax expense				<u>(1,406)</u>
Profit for the period attributable to the owners of the Company				<u><u>29,233</u></u>

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2018								
Income	(5,171)	567	(1,269)	3,131	279	(396)	-	(2,859)
Loss before tax	(6,565)	-	- *	-	-	-	-	(6,565)
Segmental assets as at 30 September 2018	200,506	-	5	-	-	-	-	200,511
Preceding year to date ended 30 September 2017								
Income	27,895	(667)	3,061	3,416	-	(6)	1	33,700
Profit/(loss) before tax	30,653	-	(14)	-	-	-	-	30,639
Segmental assets as at 30 September 2017	219,039	-	11	-	-	-	-	219,050

* Denotes amount less than RM1,000

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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>30.09.2018</u> RM'000	As at <u>31.12.2017</u> RM'000	As at <u>30.09.2017</u> RM'000
Cash and cash equivalents	7,093	6,512	16,693
Cash Management Fund	13,554	20,690	23,460
	<u>20,647</u>	<u>27,202</u>	<u>40,153</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 current year to date, the changes in the composition of the Group are as follow:

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.

Deregistration of OSK Ventures International Limited, a wholly-owned subsidiary

The Company's wholly-owned subsidiary, OSK Ventures International Limited (Company No. 1061002) ("OSKVIL") had on 30 October 2018 applied to the Companies Registry of Hong Kong for deregistration of the company pursuant to Section 750 of the Companies Ordinance (Cap. 622) of Hong Kong ("the Deregistration").

The Deregistration of OSKVIL is not expected to have any material effect on the Group's net assets and earnings for the financial year ending 31 December 2018. The Deregistration was announced on 30 October 2018.

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 30.09.2018 RM'000	Comparative quarter ended 30.09.2017 RM'000	Changes %	Current year to date ended 30.09.2018 RM'000	Comparative year to date ended 30.09.2017 RM'000	Changes %
Income	6,596	(14,596)	145	(2,859)	33,700	(108)
Profit/(loss) before tax	5,452	(15,852)	134	(6,565)	30,639	(121)
Profit/(loss) after tax	4,951	(15,057)	133	(7,156)	29,233	(124)
Profit/(loss) attributable to Owners of the Company	4,951	(15,057)	133	(7,156)	29,233	(124)

The Group registered a loss after tax of RM7.16 million for the nine months ended 30 September 2018 as compared to a profit after tax of RM29.23 million for the preceding nine months ended 30 September 2017. This was mainly due to the net fair value loss on financial instruments of RM6.27 million as compared to a net fair value gain on financial instruments of RM30.06 million in the preceding nine months ended 30 September 2017.

For the current quarter under review, the Group posted a profit after tax of RM4.95 million as compared to a loss after tax of RM15.06 million of the corresponding quarter in 2017. This was mainly due to net fair value gain on financial instruments of RM5.96 million as compared to net fair value loss on financial instruments of RM15.26 million in the corresponding quarter in 2017.

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 30.09.2018 RM'000	Immediate preceding quarter ended 30.06.2018 RM'000	Changes %
Income	6,596	2,324	184
Profit before tax	5,452	1,750	212
Profit after tax	4,951	1,711	189
Profit attributable to Owners of the Company	4,951	1,711	189

The Group recorded a profit before tax of RM5.45 million in the third quarter of 2018 as compared to a profit before tax of RM1.75 million in the immediate preceding quarter. This was mainly due to increase 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**

The global markets were impacted adversely by uncertainties in the global economy partly including the continued escalation of the trade war between US and China, the upward movement of interest rate by the US Federal Reserve and a less than robust reported earnings growth in some of the big US corporations. On the local front, the market has been on the downward trend as the economy has slowed down, attributed to the Government measures to tighten its purse and the impact of the external environment. As we expect high volatility to continue, we have put in place measures and strategies for our portfolio. Meanwhile, our private investment portfolio is growing well and we are pleased to report one new addition to the portfolio for this quarter with more additions expected to be reported in the next quarter based on our current pipeline. The portfolio companies are in growth mode although we do not foresee any material exits for FYE December 2018.

(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.

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 30.09.2018 RM’000	Comparative period ended 30.09.2017 RM’000
Realised fair value gain on financial instruments *	5,080	4,574
Unrealised fair value (loss)/gain on financial instruments	(11,352)	25,485
	<u>(6,272)</u>	<u>30,059</u>

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

	Current period ended 30.09.2018 RM’000	Comparative period ended 30.09.2017 RM’000
Proceeds from disposal of financial instruments	108,857	70,322
Less: Cost of investment	(93,730)	(101,621)
Gain/(loss) on disposal	15,127	(31,299)
(Less)/add: Previously recognised fair value changes	(10,047)	35,873
Realised fair value gain on financial instruments	<u>5,080</u>	<u>4,574</u>

7. Profit/(loss) before tax

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

	Current period ended 30.09.2018 RM’000	Comparative period ended 30.09.2017 RM’000
Interest income	(813)	(1,189)
Dividend income	(2,600)	(2,451)
Net fair value loss/(gain) on financial instruments	6,272	(30,059)
Depreciation and amortisation	60	71
Other income	-	(1)
Net foreign exchange gain	(482)	(224)

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)/benefit**

	Current quarter ended 30.09.2018 RM'000	Comparative quarter ended 30.09.2017 RM'000	Current period ended 30.09.2018 RM'000	Comparative period ended 30.09.2017 RM'000
Provision for the current quarter/ period to date:				
Malaysian income tax	(158)	(169)	(527)	(324)
Under provision for prior year	-	(4)	-	(4)
Deferred tax	(343)	968	(64)	(1,078)
	<u>(501)</u>	<u>795</u>	<u>(591)</u>	<u>(1,406)</u>

The deferred tax liability for the current quarter ended 30 September 2018 of RM0.34 million mainly arose from net fair value gain on financial instruments.

9. Corporate proposals

Status of corporate proposals announced but not completed as at 7 November 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 7 November 2018.

10. Borrowings

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

11. Material litigation

As at 7 November 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 September 2018 (30 September 2017: Nil).

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>30.09.2018</u>	Comparative quarter ended <u>30.09.2017</u>	Current period ended <u>30.09.2018</u>	Comparative period ended <u>30.09.2017</u>
Basic earnings/(loss) per share				
Earnings/(loss) attributable to owners of the Company (RM'000)	4,951	(15,057)	(7,156)	29,233
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>2.52</u>	<u>(7.63)</u>	<u>(3.64)</u>	<u>14.81</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
14 November 2018