

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2019

		(Audited)	
	Note	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
ASSETS			
Equipment		550	599
Intangible assets		4	6
Investment in joint venture		646	338
Investment securities		146,610	137,717
Investment in fund		1,037	1,037
Notes receivables		3,009	2,481
Trade and other receivables		1,280	1,327
Prepayments		292	510
Tax recoverable		2,110	2,612
Right-of-use asset		249	-
Cash, bank balances and cash management fund	A8	23,999	36,730
TOTAL ASSETS		179,786	183,357
LIABILITIES			
Deferred tax liability		1,814	2,054
Trade and sundry payables		1,776	7,131
Tax payable		46	63
Lease liability		255	-
TOTAL LIABILITIES		3,891	9,248
EQUITY			
Contributed share capital		186,268	186,268
Treasury shares, at cost	A5	(647)	(647)
		185,621	185,621
Reserves		(9,726)	(11,512)
TOTAL EQUITY		175,895	174,109
TOTAL LIABILITIES AND EQUITY		179,786	183,357
Net assets per share (RM)		0.90	0.89

(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 2018 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 2019 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2019

		Current quarter ended 30.06.2019	Comparative quarter ended 30.06.2018	Current year to date ended 30.06.2019	Comparative year to date ended 30.06.2018
	Note	RM'000	RM'000	RM'000	RM'000
Income					
Net fair value (loss)/gain on financial assets	B6	(122)	233	1,648	(12,234)
Interest income		276	267	767	591
Dividend income		1,148	1,824	1,236	2,188
Other income		-	-	1	-
		1,302	2,324	3,652	(9,455)
Expense					
Staff expenses		(942)	(953)	(1,545)	(2,077)
Net foreign exchange gain		336	800	192	233
Administrative expenses		(386)	(421)	(727)	(718)
		(992)	(574)	(2,080)	(2,562)
Operating profit/(loss)		310	1,750	1,572	(12,017)
Finance cost		(2)	-	(11)	-
Share of result of a joint venture		180	-	308	-
Profit/(loss) before tax	B7	488	1,750	1,869	(12,017)
Income tax expense	B8	(58)	(39)	(98)	(90)
Profit/(loss) after tax for the period		430	1,711	1,771	(12,107)
Profit/(loss) attributable to: Owners of the Company		430	1,711	1,771	(12,107)
Earnings/(loss) per share attributable to owners of the Company (sen):					
Basic	B13	0.22	0.87	0.90	(6.16)

(The above condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 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 2019 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2019

	Current quarter ended 30.06.2019 RM'000	Comparative quarter ended 30.06.2018 RM'000	Current year to date ended 30.06.2019 RM'000	Comparative year to date ended 30.06.2018 RM'000
Profit/(loss) after tax for the period, representing total comprehensive income/(loss) for the period	430	1,711	1,771	(12,107)
Total comprehensive income/(loss) attributable to: Owners of the Company	430	1,711	1,771	(12,107)

(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 2018 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 2019 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2019

	<u>Attributable to owners of the Company</u>			Total equity RM'000
	Contributed share capital RM'000	Treasury shares RM'000	(Accumulated losses)/ retained profits RM'000	
As at 01.01.2019	186,268	(647)	(11,512)	174,109
Total comprehensive income	-	-	1,771	1,771
Winding up of subsidiary	-	-	15	15
Total transactions with owners	-	-	15	15
As at 30.06.2019	186,268	(647)	(9,726)	175,895
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

(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 2018 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 2019 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER ENDED 30 JUNE 2019

	Year-To-Date ended	
	30.06.2019	30.06.2018
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	1,869	(12,017)
Adjustments for:		
Amortisation of intangible assets	2	2
Depreciation of equipment	49	34
Depreciation of right-of-use asset	83	-
Equipment written off	-	*
Loss from winding up of subsidiary	15	-
Net fair value (gain)/loss on financial assets	(1,648)	12,234
Effect on exchange rate changes	(166)	(433)
Interest income	(767)	(591)
Dividend income	(1,236)	(2,188)
Finance cost	11	-
Share of result of a joint venture	(308)	-
Operating loss before changes in working capital	(2,096)	(2,959)
Changes in working capital:		
Net changes in receivables	772	2,139
Net changes in payables	(5,355)	680
Proceeds from disposal of investment securities	39,465	72,206
Proceeds from notes receivable	-	2,023
Additions in investment securities	(46,710)	(73,933)
Additions in notes receivable	(533)	(1,962)
Net cash used in operations	(14,457)	(1,806)
Dividends received	1,198	1,793
Interest received	294	571
Interest paid	(5)	-
Income tax refund/(paid)	148	(329)
Net cash (used in)/generated from operating activities	(12,822)	229
CASH FLOWS FROM INVESTING ACTIVITIES		
Withdrawal from cash management fund	14,652	12,478
Acquisition of shares in a joint venture	-	(403)
Purchase of equipment	-	(616)
Net cash generated from investing activities	14,652	11,459

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D) FOR THE QUARTER ENDED 30 JUNE 2019

	Year-To-Date ended	
	30.06.2019	30.06.2018
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITY		
Dividend paid on ordinary shares	-	(9,822)
Payment of lease liability	(82)	-
Net cash used in financing activities	<u>(82)</u>	<u>(9,822)</u>
Net increase in cash and cash equivalents	1,748	1,866
Effect of exchange rate changes	173	389
Cash and cash equivalents at beginning of period	14,691	6,512
Cash and cash equivalents at end of period	16,612	8,767

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 2018 and the accompanying explanatory notes attached to these interim financial statements)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019

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 2018, 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 2018 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 2018.

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 2018, except for the adoption of the Amendments and Annual Improvements to Standards effective as of 1 January 2019.

Effective for annual periods commencing on or after 1 January 2019

The Group has adopted the following MFRSs, Amendments to MFRSs and Issue Committee ("IC Interpretation") effective as of 1 January 2019.

MFRS 16	Leases
Amendments to MFRS 9	Financial Instruments: Prepayment Features with Negative Compensation
Amendments to MFRS 119	Employee Benefits: Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 3, MFRS 11, MFRS 112 and MFRS 123	Annual Improvements to MFRS Standards 2015 - 2017 Cycle
IC Interpretation 23	Uncertainty over Income Tax Treatments

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.

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019

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

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 and IC Interpretation 132	1 January 2020
Amendments to MFRS 3	Business Combinations: Definition of a Business 1 January 2020
Amendments to MFRS 101	Presentation of Financial Statements: Definition of Material 1 January 2020
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material 1 January 2020
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 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.

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019

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

There were no share buybacks during the quarter ended 30 June 2019. 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 01.01.2019/30.06.2019	1,151,800	-	-	0.56	646,527

6. Dividend Paid

No dividend was paid during the quarter ended 30 June 2019.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019

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 - 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.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019

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

7. Segmental information (cont'd.)

Business Segments

	Venture capital and private equity businesses	Holding entity	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000

Current year to date ended 30 June 2019

Income

External income	3,434	218	-	3,652
Inter-segment income	29	1,518	(1,547)	-
Total	<u>3,463</u>	<u>1,736</u>	<u>(1,547)</u>	<u>3,652</u>

Results

Profit/(loss) from operations with external parties	1,766	(188)	(6)	1,572
Add : Inter-segment income	29	1,518	(1,547)	-
Less : Inter-segment expenses	(1,527)	(20)	1,547	-
Segment results	<u>268</u>	<u>1,310</u>	<u>(6)</u>	<u>1,572</u>
Finance cost				(11)
Share of result of a joint venture				308
Profit before tax				<u>1,869</u>
Tax expense				<u>(98)</u>
Profit for the period attributable to the owners of the Company				<u><u>1,771</u></u>

Preceding year to date ended 30 June 2018

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	-
Segment results	<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>

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019

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	United Kingdom	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

Current year to date ended 30 June 2019

Income	(364)	(135)	725	3,054	-	-	372	3,652
Profit before tax	1,869	-	-	-	-	-	-	1,869
Segmental assets as at 30 June 2019	179,786	-	-	-	-	-	-	179,786

Preceding 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

* Denotes amount less than RM1,000

OSK Ventures International Berhad (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019

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>30.06.2019</u> RM'000	As at <u>31.12.2018</u> RM'000	As at <u>30.06.2018</u> RM'000
Cash and cash equivalents	16,612	14,691	8,767
Cash Management Fund	7,387	22,039	8,212
	<u>23,999</u>	<u>36,730</u>	<u>16,979</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:

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

Further to the Company's announcement made on 30 October 2018, pursuant to Section 751(3) of the Companies Ordinance (Cap. 622) of Hong Kong, the Company's wholly-owned subsidiary, OSK Ventures International Limited (Company No. 1061002) ("OSKVIL") had been duly dissolved from the Companies Registry of Hong Kong with effect from 15 March 2019.

The Deregistration of OSKVIL did not have any material effect on the Group's net assets and earnings for the financial year ending 31 December 2019. The Deregistration was announced on 19 March 2019.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019

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 30.06.2019 RM'000	Comparative quarter ended 30.06.2018 RM'000	Changes %	Current year to date ended 30.06.2019 RM'000	Comparative year to date ended 30.06.2018 RM'000	Changes %
Income	1,302	2,324	(44)	3,652	(9,455)	139
Profit/(loss) before tax	488	1,750	(72)	1,869	(12,017)	116
Profit/(loss) after tax	430	1,711	(75)	1,771	(12,107)	115
Profit/(loss) attributable to Owners of the Company	430	1,711	(75)	1,771	(12,107)	115

The Group registered a profit after tax of RM1.77 million for the six months ended 30 June 2019 as compared to a loss after tax of RM12.11 million for the preceeding six months ended 30 June 2018. This was mainly due to the net fair value gain on financial assets of RM1.65 million as compared to a net fair value loss on financial assets of RM12.23 million in the preceeding six months ended 30 June 2018.

For the current quarter under review, the Group posted a lower profit after tax of RM0.43 million as compared to RM1.71 million of the corresponding quarter in 2018. This was mainly due to decrease in dividend income and net fair value loss on financial assets of RM0.12 million in the current quarter under review.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019**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 30.06.2019 RM'000	Immediate preceding quarter ended 30.03.2019 RM'000	Changes %
Income	1,302	2,350	(45)
Profit before tax	488	1,381	(65)
Profit after tax	430	1,341	(68)
Profit attributable to Owners of the Company	430	1,341	(68)

The Group recorded a profit before tax of RM0.49 million in the second quarter of 2019 as compared to RM1.38 million in the immediate preceding quarter. This was mainly due to decrease in the 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**

Volatility in the global market remained high during the second quarter of 2019 mainly due to the on-going trade conflicts between U.S. and China; the heightened geostrategic tension in the Middle East; and the increasing possibility of a slowdown in the major economies including the U.S., China and Germany. Given the increasing anxiety, there is a trend to invest in gold. On the domestic front, the Malaysian stock market is still under performing as compared to most major stock markets as at end of June 2019. This is despite the better clarity of government policies and increased foreign direct investments (FDI) for Q1 2019. Going forward, in an environment of volatile market conditions, we would remain cautious and vigilant, while continuously reviewing our risk-reward matrix in building up a resilient public investment portfolio.

On our private investment, while we did not close any new deals during the second quarter of 2019, we are in negotiations on a few deals which we expect to close by end of this year. On another note, we have completed an exit from a small investment in an Indonesian business after the end of the reporting quarter with a reasonable return. Nevertheless, at this juncture, we do not foresee any further divestment for this year as all our private investments are still in the early to growing years.

(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 (loss)/gain on financial assets

	Current period ended <u>30.06.2019</u> RM’000	Comparative period ended <u>30.06.2018</u> RM’000
Realised fair value gain on financial assets *	1,549	3,036
Unrealised fair value gain/(loss) on financial assets	99	(15,270)
	<u>1,648</u>	<u>(12,234)</u>

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

	Current period ended <u>30.06.2019</u> RM’000	Comparative period ended <u>30.06.2018</u> RM’000
Proceeds from disposal of financial assets	39,465	72,206
Less: Cost of investment	(43,235)	(58,474)
(Loss)/gain on disposal	(3,770)	13,732
Add/(less): Previously recognised fair value changes	5,319	(10,696)
Realised fair value gain on financial assets	<u>1,549</u>	<u>3,036</u>

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019

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

7. Profit/(loss) before tax

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

	Current period ended <u>30.06.2019</u> RM'000	Comparative period ended <u>30.06.2018</u> RM'000
Interest income	(767)	(591)
Dividend income	(1,236)	(2,188)
Finance cost	11	-
Net fair value (gain)/loss on financial assets	(1,648)	12,234
Depreciation and amortisation	51	36
Depreciation of right-of-use asset	83	-
Other income	(1)	-
Loss on winding up subsidiary	15	-
Net foreign exchange gain	(192)	(233)

8. Income tax expense

	Current quarter ended <u>30.06.2019</u> RM'000	Comparative quarter ended <u>30.06.2018</u> RM'000	Current period ended <u>30.06.2019</u> RM'000	Comparative period ended <u>30.06.2018</u> RM'000
Provision for the current quarter/ period to date:				
Malaysian income tax	(172)	(192)	(338)	(369)
Deferred tax	114	153	240	279
	<u>(58)</u>	<u>(39)</u>	<u>(98)</u>	<u>(90)</u>

The deferred tax benefit for the current quarter ended 30 June 2019 of RM0.11 million mainly arose from net fair value changes on financial assets.

9. Corporate proposals

Status of corporate proposals announced but not completed as at 20 August 2019 (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 20 August 2019.

10. Borrowings

As at 30 June 2019, there were no borrowings outstanding and the Group had not issued any debt securities.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019

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

11. Material litigation

As at 20 August 2019 (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 2019 (30 June 2018: Nil).

13. Earnings/(loss) per share attributable to owners of the Company

	Current quarter ended <u>30.06.2019</u>	Comparative quarter ended <u>30.06.2018</u>	Current period ended <u>30.06.2019</u>	Comparative period ended <u>30.06.2018</u>
Basic earnings/(loss) per share				
Earnings/(loss) attributable to owners of the Company (RM'000)	430	1,711	1,771	(12,107)
Weighted average number of ordinary shares in issue ('000 shares)	196,445	196,445	196,445	196,445
Basic earnings/(loss) per share (sen)	<u>0.22</u>	<u>0.87</u>	<u>0.90</u>	<u>(6.16)</u>

14. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2018 was unqualified.

By Order of the Board

YEE CHEE WAI
Executive Director / Chief Operating Officer

Kuala Lumpur
20 August 2019