

OSK VENTURES INTERNATIONAL BERHAD 200301033696 (636117-K)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

		(Audited)
	Note	As at 31.12.2020
		As at 30.09.2021
		RM'000
		RM'000
ASSETS		
Equipment		420
Intangible assets		3
Investment in joint venture		370
Investment securities		144,393
Investment in fund		20,310
Notes receivables		7,915
Trade and other receivables		1,340
Prepayments		171
Tax recoverable		21
Right-of-use asset		-
Cash, bank balances and cash management fund	A8	16,938
TOTAL ASSETS		191,881
LIABILITIES		
Deferred tax liability		1,756
Trade and sundry payables		5,882
Tax payable		68
Lease liability		-
TOTAL LIABILITIES		7,706
EQUITY		
Contributed share capital		186,267
Treasury shares, at cost	A5	(647)
		185,620
Reserves		(1,445)
TOTAL EQUITY		184,175
TOTAL LIABILITIES AND EQUITY		191,881
Net assets per share (RM)		0.94
		1.03

(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 2020 and the accompanying explanatory notes attached to these interim financial statements)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021
 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS AND STATEMENTS OF
 COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2021**

		Current quarter ended 30.09.2021	Comparative quarter ended 30.09.2020	Current year to date ended 30.09.2021	Comparative year to date ended 30.09.2020
	Note	RM'000	RM'000	RM'000	RM'000
Income					
Net fair value gain/(loss) on financial assets	B6	8,014	3,116	18,691	(4,416)
Interest income		105	333	385	1,726
Dividend income		364	201	1,523	2,063
Other income		-	-	-	1
		8,483	3,650	20,599	(626)
Expense					
Staff expenses		(737)	(789)	(2,252)	(2,322)
Net foreign exchange gain/(loss)		30	(27)	479	448
Administrative expenses		(361)	(480)	(1,112)	(1,196)
		(1,068)	(1,296)	(2,885)	(3,070)
Operating profit/(loss)		7,415	2,354	17,714	(3,696)
Finance cost		(3)	(1)	(9)	(3)
Share of result of a joint venture		(5)	(868)	(28)	(556)
Profit/(loss) before tax	B7	7,407	1,485	17,677	(4,255)
Income tax (expense)/benefit	B8	(44)	155	(53)	146
Profit/(loss) after tax for the period, representing total comprehensive income/(loss) for the period, net of tax		7,363	1,640	17,624	(4,109)
Profit/(loss) attributable to: Owners of the Company		7,363	1,640	17,624	(4,109)
Earnings/(loss) per share attributable to owners of the Company (sen):					
Basic	B13	3.75	0.83	8.97	(2.09)

(The above condensed consolidated income statements and statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2021**

	Attributable to owners of the Company			Total equity RM'000
	Contributed share capital	Treasury shares	Retained profits /(accumulated losses)	
	RM'000	RM'000	RM'000	
As at 01.01.2021	186,267	(647)	(1,445)	184,175
Total comprehensive income	-	-	17,624	17,624
As at 30.09.2021	186,267	(647)	16,179	201,799
As at 01.01.2020	186,267	(647)	(5,389)	180,231
Total comprehensive loss	-	-	(4,109)	(4,109)
As at 30.09.2020	186,267	(647)	(9,498)	176,122

(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 2020 and the accompanying explanatory notes attached to these interim financial statements)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2021**

	Year-To-Date ended	
	30.09.2021	30.09.2020
Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	17,677	(4,255)
Adjustments for:		
Amortisation of intangible assets	1	1
Depreciation of equipment	69	72
Depreciation of right-of-use asset	131	130
Net fair value (gain)/loss on financial assets	(18,691)	4,416
Effect of exchange rate changes	(364)	(150)
Interest income	(385)	(1,726)
Dividend income	(1,523)	(2,063)
Finance cost	9	3
Share of result of a joint venture	28	556
Operating loss before changes in working capital	(3,048)	(3,016)
Changes in working capital:		
Net changes in receivables	1,078	(1,071)
Net changes in payables	(5,087)	597
Proceeds from disposal of investment securities	34,345	108,123
Additions in investment securities	(31,107)	(99,519)
Additions in investment in funds	(4,383)	(12,887)
Additions in notes receivable	-	(2,090)
Net cash used in operations	(8,202)	(9,863)
Dividends received	1,511	2,153
Interest received	152	420
Income tax paid	(246)	(173)
Net cash used in operating activities	(6,785)	(7,463)
CASH FLOWS FROM INVESTING ACTIVITIES		
Withdrawal from cash management fund	4,142	82
Purchase of equipment	(8)	(11)
Net cash generated from investing activities	4,134	71
CASH FLOWS FROM FINANCING ACTIVITY		
Payment of lease liability, representing net cash used in financing activity	(136)	(131)
Net decrease in cash and cash equivalents	(2,787)	(7,523)
Effect of exchange rate changes	124	91
Cash and cash equivalents at beginning of period	6,937	13,356
Cash and cash equivalents at end of period	4,274	5,924
	A8	

(The above condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

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 2020, 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 2020 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 2020.

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 2020, except for the adoption of the Amendments and Annual Improvements to Standards effective as of 1 January 2021.

Effective for annual periods commencing on or after 1 January 2021

The Group has adopted the following Amendments to MFRSs effective as of 1 January 2021.

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform-Phase 2
Amendments to MFRS 16	Leases: Covid-19 Related Rent Concessions beyond 30 June 2021

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

2. Seasonal or cyclical factors

There were no significant seasonal or cyclical factors materially affecting the business of the Group in the current period. The Group's results were largely influenced by, amongst others, the market prices of quoted investments.

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.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting****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 September 2021. 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 01.01.2021/30.09.2021	1,151,800	-	-	0.56	646,527

6. Dividend Paid

No dividend was paid for the current quarter and year to date ended 30 September 2021.

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. Public Investment, Venture Capital and Private Equity - Investment in public equities, 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 THIRD QUARTER ENDED 30 SEPTEMBER 2021
**PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134")
Interim Financial Reporting**
7. Segmental information (cont'd)
Business Segments

	Public investment, 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
Current year to date ended 30 September 2021				
Income				
External income	18,287	2,312	-	20,599
Inter-segment income	376	2,775	(3,151)	-
Total	<u>18,663</u>	<u>5,087</u>	<u>(3,151)</u>	<u>20,599</u>
Results				
Profit from operations with external parties	15,876	9,118	(7,280)	17,714
Add : Inter-segment income	376	2,775	(3,151)	-
Less : Inter-segment expenses	(1,124)	(27)	1,151	-
Segment results	<u>15,128</u>	<u>11,866</u>	<u>(9,280)</u>	<u>17,714</u>
Finance cost				(9)
Share of result of a joint venture				<u>(28)</u>
Profit before tax				<u>17,677</u>
Tax expense				<u>(53)</u>
Profit for the period attributable to the owners of the Company				<u><u>17,624</u></u>

Preceding year to date ended 30 September 2020

Income				
External income	(1,307)	681	-	(626)
Inter-segment income	31	1,622	(1,653)	-
Total	<u>(1,276)</u>	<u>2,303</u>	<u>(1,653)</u>	<u>(626)</u>
Results				
(Loss)/profit from operations with external parties	(3,915)	219	-	(3,696)
Add : Inter-segment income	31	1,622	(1,653)	-
Less : Inter-segment expenses	(1,637)	(16)	1,653	-
Segment results	<u>(5,521)</u>	<u>1,825</u>	<u>-</u>	<u>(3,696)</u>
Finance cost				(3)
Share of result of a joint venture				<u>(556)</u>
Loss before tax				<u>(4,255)</u>
Tax benefit				<u>146</u>
Loss for the period attributable to the owners of the Company				<u><u>(4,109)</u></u>

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting****7. Segmental information (cont'd)****Geographical Segments**

All of the Group's investments are managed in Malaysia, although it has investments in other geographical locations. Hence, the Group considers that it does not have separate geographical reporting segments.

8. Cash, bank balances and cash management fund

	As at <u>30.09.2021</u> RM'000	As at <u>31.12.2020</u> RM'000	As at <u>30.09.2020</u> RM'000
Cash and cash equivalents	4,274	6,937	5,924
Cash Management Fund	5,859	10,001	16,948
	<u>10,133</u>	<u>16,938</u>	<u>22,872</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 THIRD QUARTER ENDED 30 SEPTEMBER 2021
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 30.09.2021 RM'000	Comparative quarter ended 30.09.2020 RM'000	Changes %	Current year to date ended 30.06.2021 RM'000	Comparative year to date ended 30.09.2020 RM'000	Changes %
Income	8,483	3,650	132	20,599	(626)	3,391
Profit/(loss) before tax	7,407	1,485	399	17,677	(4,255)	515
Profit/(loss) after tax	7,363	1,640	349	17,624	(4,109)	529
Profit/(loss) attributable to owners of the Company	7,363	1,640	349	17,624	(4,109)	529

The Group registered a profit after tax of RM17.62 million for the nine months ended 30 September 2021 as compared to a loss after tax of RM4.11 million for the preceding nine months ended 30 September 2020. This was mainly due to the fair value gain on financial assets of RM18.76 million from the private equity portfolio. During the same period, the public equity portfolio reported a net income of RM1.45 million resulting from dividend income after partially offset by fair value losses arising mainly from our investments in the Hong Kong and Malaysian markets.

For the current quarter under review, the Group registered a profit after tax of RM7.36 million as compared to RM1.64 million of the corresponding quarter in 2020. This was mainly due to the fair value gain on financial assets of RM8.01 million as compared to RM3.12 million of the corresponding quarter in 2020. The higher performance in the current quarter was mainly contributed by the upward valuation from the private equity portfolio. Meanwhile, the public equity portfolio suffered its first quarterly reversal in this financial year with a negative income of RM2.38 million. This was mainly attributed to the adverse performance of our investments in the Hong Kong and Malaysian markets.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

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 30.09.2021 RM'000	Immediate preceding quarter ended 30.06.2021 RM'000	Changes %
Income	8,483	2,779	205
Profit before tax	7,407	1,579	369
Profit after tax	7,363	2,106	250
Profit attributable to owners of the Company	7,363	2,106	250

The Group reported higher contributions for the current quarter as compared to the immediate preceding quarter. The higher income and profits were attributed to the upward valuation from the private equity investments which was tempered down by fair value losses in the public equity portfolio.

3. Current prospects and progress on previously announced financial estimate

(a) Current prospects

The key narrative for 2021 continues to be Covid-19 and its related risks. Overall, while emerging trends are positive, uncertainties remained as the sustainability of the nascent and divergent economy depends on the pandemic’s path.

Since the end of the current third quarter, our public portfolio has been performing positively and we expect this would continue to the end of this financial year. Nevertheless, we would remain cautious in our investing activities given the potential threat of inflation and interest rate hike. Meanwhile, our private equity portfolio is on a sound footing with the upward revaluations and fresh investments in new companies.

(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.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021
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 assets

	Current period ended <u>30.09.2021</u> RM’000	Comparative period ended <u>30.09.2020</u> RM’000
Proceeds from disposal of investments	34,345	108,123
Less: Cost of investment	(22,398)	(100,535)
Gain on disposal of investments	11,947	7,588
Less: Fair value recognised in prior year for realised investments	(11,737)	(5,508)
Fair value recognised in current year for realised investments	210	2,080
Add/(Less): Fair value recognised in current year for unrealised investments	18,481	(6,496)
Net fair value gain/(loss) on financial assets	<u>18,691</u>	<u>(4,416)</u>

7. Profit/(loss) before tax

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

	Current period ended <u>30.09.2021</u> RM’000	Comparative period ended <u>30.09.2020</u> RM’000
Interest income	(385)	(1,726)
Dividend income	(1,523)	(2,063)
Finance cost	9	3
Net fair value (gain)/loss on financial assets	(18,691)	4,416
Depreciation and amortisation	70	73
Depreciation of right-of-use asset	131	130
Other income	-	(1)
Net foreign exchange gain	<u>(479)</u>	<u>(448)</u>

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

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 <u>30.09.2021</u> RM’000	Comparative quarter ended <u>30.09.2020</u> RM’000	Current period ended <u>30.09.2021</u> RM’000	Comparative period ended <u>30.09.2020</u> RM’000
Provision for the current quarter/period to date:				
Malaysian income tax	(220)	(88)	(356)	(349)
Under provision for prior year	-	(1)	(3)	(1)
Deferred tax	176	244	306	496
	<u>(44)</u>	<u>155</u>	<u>(53)</u>	<u>146</u>

The deferred tax benefit for the current quarter ended 30 September 2021 of RM0.18 million mainly arose from fair value changes on financial assets.

9. Corporate proposals

Status of corporate proposals announced but not completed as at 24 November 2021 (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 24 November 2021.

10. Borrowings

As at 30 September 2021, there were no borrowings outstanding and the Group had not issued any debt securities.

11. Material litigation

As at 24 November 2021 (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 2021 (30 September 2020: Nil).

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**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>30.09.2021</u>	Comparative quarter ended <u>30.09.2020</u>	Current period ended <u>30.09.2021</u>	Comparative period ended <u>30.09.2020</u>
Basic earnings/(loss) per share				
Earnings/(loss) attributable to owners of the Company (RM'000)	7,363	1,640	17,624	(4,109)
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>3.75</u>	<u>0.83</u>	<u>8.97</u>	<u>(2.09)</u>

14. Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements for the financial year ended 31 December 2020 was unqualified.

By Order of the Board

YEE CHEE WAI
Executive Director / Chief Operating Officer

Kuala Lumpur
24 November 2021