

OSK VENTURES INTERNATIONAL BERHAD 200301033696 (636117-K)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022

		(Audited)
	Note	As at 31.12.2021
		As at 31.3.2022
		RM'000
		RM'000
ASSETS		
Equipment		320
Intangible assets		2
Investment in joint venture		405
Investment securities		163,688
Investment in funds		29,008
Notes receivables		6,558
Trade and other receivables		479
Prepayments		322
Tax recoverable		31
Right-of-use asset		306
Cash, bank balances and cash management fund	A8	23,416
TOTAL ASSETS		224,535
LIABILITIES		
Deferred tax liability		61
Trade and sundry payables		1,385
Tax payable		512
Lease liability		311
TOTAL LIABILITIES		2,269
EQUITY		
Share capital		186,267
Treasury shares, at cost	A5	(647)
Reserves		36,646
TOTAL EQUITY		222,266
TOTAL LIABILITIES AND EQUITY		224,535
Net assets per share (RM)		1.13

(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 2021 and the accompanying explanatory notes attached to these interim financial statements)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS AND STATEMENTS OF
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2022

	Note	Quarter and Year-To-Date Ended	
		31.3.2022 RM'000	31.3.2021 RM'000
Income			
Net fair value gain on financial assets	B6	9,315	8,867
Interest income		115	153
Dividend income		529	317
		9,959	9,337
Expense			
Staff expenses		(863)	(734)
Net foreign exchange gain		155	442
Administrative expenses		(399)	(334)
		(1,107)	(626)
Operating profit		8,852	8,711
Finance cost		(2)	(3)
Share of result of a joint venture		28	(17)
Profit before tax	B7	8,878	8,691
Income tax benefit/(expense)	B8	77	(536)
Profit after tax for the period, representing total comprehensive income for the period, net of tax		8,955	8,155
Profit attributable to: Owners of the Company		8,955	8,155
Earnings per share attributable to owners of the Company (sen):			
Basic	B13	4.56	4.15

(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 2021 and the accompanying explanatory notes attached to these interim financial statements)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2022

	Attributable to owners of the Company			Total equity
	Share capital	Treasury shares	Reserves	
	RM'000	RM'000	RM'000	
As at 01.01.2022	186,267	(647)	27,691	213,311
Total comprehensive income	-	-	8,955	8,955
As at 31.3.2022	186,267	(647)	36,646	222,266
As at 01.01.2021	186,267	(647)	(1,445)	184,175
Total comprehensive income	-	-	8,155	8,155
As at 31.3.2021	186,267	(647)	6,710	192,330

(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 2021 and the accompanying explanatory notes attached to these interim financial statements)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2022

	Year-To-Date Ended	
	31.3.2022	31.3.2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,878	8,691
Adjustments for:		
Amortisation of intangible assets	*	*
Depreciation of equipment	24	23
Equipment written off	1	-
Depreciation of right-of-use asset	44	44
Net fair value gain on financial assets	(9,315)	(8,867)
Effect of exchange rate changes	(120)	(403)
Interest income	(115)	(153)
Dividend income	(529)	(317)
Finance cost	2	3
Share of result of a joint venture	(28)	17
Operating loss before changes in working capital	(1,158)	(962)
Changes in working capital:		
Net changes in receivables	(172)	1,047
Net changes in payables	(124)	(5,098)
Proceeds from disposal of investment securities	35,977	25,123
Capital return from investment in fund	6	-
Additions in investment securities	(21,868)	(12,752)
Additions in investment in funds	-	(147)
Additions in notes receivable	(1,050)	-
Net cash generated from operations	11,611	7,211
Dividends received	410	306
Interest received	45	62
Income tax paid	(318)	(129)
Net cash generated from operating activities	11,748	7,450
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in cash management fund	(8,083)	(10,865)
Purchase of equipment	(10)	-
Net cash used in investing activities	(8,093)	(10,865)

* Denotes amount less than RM1,000.

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE QUARTER ENDED 31 MARCH 2022**

		Year-To-Date Ended	
		31.3.2022	31.3.2021
	Note	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITY			
Payment of lease liability, representing net cash used in financing activity		<u>(45)</u>	<u>(45)</u>
Net increase/(decrease) in cash and cash equivalents		3,610	(3,460)
Effect of exchange rate changes		120	144
Cash and cash equivalents at beginning of period		4,565	6,937
Cash and cash equivalents at end of period	A8	8,295	3,621

(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 2021 and the accompanying explanatory notes attached to these interim financial statements)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

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 2021, 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 2021 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 2021.

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 2021, except for the adoption of the MFRSs, Amendments and Annual Improvements to Standards effective as of 1 January 2022.

Effective for annual periods commencing on or after 1 January 2022

The Group has adopted the following MFRSs and Amendments to MFRSs effective as of 1 January 2022.

MFRS 1, MFRS 9 and MFRS 141	Annual Improvement to MFRS Standards 2018 - 2020
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract

The adoption of the above MFRSs and 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 FIRST QUARTER ENDED 31 MARCH 2022

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 31 March 2022. 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 01.01.2022/31.3.2022	1,151,800	-	-	0.56	646,527

6. Dividend Paid

There was no dividend paid during the current quarter and year to date ended 31 March 2022. At the Annual General Meeting held on 27 April 2022, the shareholders have approved a final single-tier dividend of 2.0 sen per ordinary share for the financial year ended 31 December 2021. The dividend is payable on 25 May 2022.

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 FIRST QUARTER ENDED 31 MARCH 2022
**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 31 March 2022				
Income				
External income	9,624	335	-	9,959
Inter-segment income	521	123	(644)	-
Total	<u>10,145</u>	<u>458</u>	<u>(644)</u>	<u>9,959</u>
Results				
Profit from operations with external parties	8,699	153	-	8,852
Add : Inter-segment income	521	123	(644)	-
Less : Inter-segment expenses	(627)	(17)	644	-
Segment results	<u>8,593</u>	<u>259</u>	<u>-</u>	<u>8,852</u>
Finance cost				(2)
Share of result of a joint venture				<u>28</u>
Profit before tax				8,878
Tax benefit				<u>77</u>
Profit for the period attributable to the owners of the Company				<u><u>8,955</u></u>

Preceding year-to-date ended 31 March 2021

Income				
External income	8,665	672	-	9,337
Inter-segment income	12	324	(336)	-
Total	<u>8,677</u>	<u>996</u>	<u>(336)</u>	<u>9,337</u>
Results				
Profit from operations with external parties	8,179	7,812	(7,280)	8,711
Add : Inter-segment income	12	324	(336)	-
Less : Inter-segment expenses	(329)	(7)	336	-
Segment results	<u>7,862</u>	<u>8,129</u>	<u>(7,280)</u>	<u>8,711</u>
Finance cost				(3)
Share of result of a joint venture				<u>(17)</u>
Profit before tax				8,691
Tax expense				<u>(536)</u>
Profit for the period attributable to the owners of the Company				<u><u>8,155</u></u>

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**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>31.3.2022</u> RM'000	As at <u>31.12.2021</u> RM'000	As at <u>31.3.2021</u> RM'000
Cash and cash equivalents	8,295	4,565	3,621
Cash Management Fund	15,121	7,039	20,866
	<u>23,416</u>	<u>11,604</u>	<u>24,487</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 FIRST QUARTER ENDED 31 MARCH 2022

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 31.3.2022 RM'000	Comparative quarter ended 31.3.2021 RM'000	Changes %
Income	9,959	9,337	7
Profit before tax	8,878	8,691	2
Profit after tax	8,955	8,155	10
Profit attributable to owners of the Company	8,955	8,155	10

The Group registered a profit after tax of RM8.96 million for the three months ended 31 March 2022 as compared to RM8.16 million for the corresponding quarter ended 31 March 2021. This was mainly due to the net income of RM13.81 million generated from the private equity portfolio. During the same period, the public equity portfolio reported a negative income of RM3.90 million resulting from fair value losses arising from our investments in the United States (US) and Hong Kong (HK) markets.

2. Material change in quarterly results before taxation for the current quarter compared with the immediate preceding quarter

Financial review

	Current quarter ended 31.3.2022 RM'000	Immediate preceding quarter ended 31.12.2021 RM'000	Changes %
Income	9,959	12,739	(22)
Profit before tax	8,878	11,255	(21)
Profit after tax	8,955	11,513	(22)
Profit attributable to owners of the Company	8,955	11,513	(22)

The Group reported lower contributions for the current quarter as compared to the immediate preceding quarter. The lower income and profit were due to lower valuation from public portfolio investments in the US and HK markets.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

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

3. Current prospects and progress on previously announced financial estimate

(a) Current prospects

While the alternative investment space continues to attract interest, we are seeing strong liquidity pullbacks and decreased valuations with the heightened geopolitical risks, inflation and recessionary concerns. For the year ahead, we take a cautious risk-adjusted approach towards the deployment of funds and our existing portfolio.

(b) Progress and steps to achieve financial estimate, forecast, projection and internal targets previously announced

There was no financial forecast previously announced by the Group.

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

Not applicable.

5. Financial estimate, forecast or projection / profit guarantee

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

6. Net fair value gain on financial assets

	Quarter and Year-To-Date Ended	
	<u>31.3.2022</u>	<u>31.3.2021</u>
	RM’000	RM’000
Proceeds from disposal of investments	35,977	25,123
Less: Cost of investment	(33,100)	(13,276)
Gain on disposal of investments	<u>2,877</u>	<u>11,847</u>
Less: Fair value gain recognised in prior year for realised investments	(7,196)	(10,286)
Fair value (loss)/gain recognised in current year for realised investments	<u>(4,319)</u>	<u>1,561</u>
Add: Fair value gain recognised in current year for unrealised investments	<u>13,634</u>	<u>7,306</u>
Net fair value gain on financial assets	<u><u>9,315</u></u>	<u><u>8,867</u></u>

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

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

7. Profit before tax

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

	Quarter and Year-To-Date Ended	
	<u>31.3.2022</u>	<u>31.3.2021</u>
	RM'000	RM'000
Interest income	(115)	(153)
Dividend income	(529)	(317)
Finance cost	2	3
Net fair value gain on financial assets	(9,315)	(8,867)
Equipment written off	1	-
Depreciation and amortisation	24	23
Depreciation of right-of-use asset	44	44
Net foreign exchange gain	(155)	(442)

8. Income tax benefit/(expense)

	Quarter and Year-To-Date Ended	
	<u>31.3.2022</u>	<u>31.3.2021</u>
	RM'000	RM'000
Provision for the current quarter/period to date:		
Malaysian income tax	(421)	(61)
Deferred tax	498	(475)
	<u>77</u>	<u>(536)</u>

The deferred tax benefit for the current quarter ended 31 March 2022 of RM0.50 million mainly arose from fair value changes on financial assets.

9. Corporate proposals

Status of corporate proposals announced but not completed as at 20 May 2022 (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 May 2022.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**PART B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for ACE Market****10. Borrowings**

As at 31 March 2022, there were no borrowings outstanding and the Group had not issued any debt securities.

11. Material litigation

As at 20 May 2022 (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 declaration

No dividend has been declared for the current quarter and year to date ended 31 March 2022 (31 March 2021: Nil).

At the Annual General Meeting held on 27 April 2022, the shareholders have approved a final single-tier dividend of 2.0 sen per ordinary share for the financial year ended 31 December 2021. The dividend is payable on 25 May 2022.

13. Earnings per share attributable to owners of the Company

	Quarter and Year-To-Date Ended	
	<u>31.3.2022</u>	<u>31.3.2021</u>
Basic earnings per share		
Earnings attributable to owners of the Company (RM'000)	8,955	8,155
Weighted average number of ordinary shares in issue ('000 shares)	196,445	196,445
Basic earnings per share (sen)	<u>4.56</u>	<u>4.15</u>

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

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

14. Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements for the financial year ended 31 December 2021 was unqualified.

By Order of the Board

ONG YEE MIN
Executive Director / Chief Executive Officer

Kuala Lumpur
20 May 2022