

OSK VENTURES INTERNATIONAL BERHAD 200301033696 (636117-K)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	As at 30.06.2023 RM'000	(Audited) As at 31.12.2022 RM'000
ASSETS			
Equipment		233	263
Intangible assets		3	4
Investment in joint venture		558	452
Investments held at fair value through profit or loss:			
- Investment securities		190,569	175,727
- Investment in funds		37,860	34,822
- Notes receivables		12,215	10,035
Other receivables		54	66
Prepayments		285	175
Tax recoverable		117	35
Right-of-use asset		87	175
Cash, bank balances and cash management fund	A8	2,793	8,024
TOTAL ASSETS		244,774	229,778
LIABILITIES			
Trade and other payables		608	1,179
Tax payable		15	37
Borrowing	B10	4,200	-
Lease liability		90	179
TOTAL LIABILITIES		4,913	1,395
EQUITY			
Share capital		186,267	186,267
Treasury shares, at cost	A5	(647)	(647)
		185,620	185,620
Reserves		54,241	42,763
TOTAL EQUITY		239,861	228,383
TOTAL LIABILITIES AND EQUITY		244,774	229,778
Net assets per share (RM)		1.22	1.16

(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 2022 and the accompanying explanatory notes attached to these interim financial statements)

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023
 UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS AND STATEMENTS OF
 COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2023**

	Note	Current quarter ended 30.06.2023 RM'000	Comparative quarter ended 30.06.2022 RM'000	Current year to date ended 30.06.2023 RM'000	Comparative year to date ended 30.06.2022 RM'000
Income					
Net fair value gain on financial assets	B6	11,986	(3,222)	17,112	6,093
Interest income		295	187	518	302
Dividend income		-	148	41	677
Other income		-	-	68	-
		12,281	(2,887)	17,739	7,072
Expense					
Staff expenses		(724)	(769)	(1,439)	(1,632)
Net foreign exchange gain/(loss)		12	245	(28)	400
Administrative expenses		(447)	(408)	(854)	(807)
		(1,159)	(932)	(2,321)	(2,039)
Operating profit/(loss)		11,122	(3,819)	15,418	5,033
Finance cost		(31)	(2)	(32)	(4)
Share of result of a joint venture		68	35	106	63
Profit/(loss) before tax	B7	11,159	(3,786)	15,492	5,092
Income tax (expense)/benefit	B8	(50)	8	(85)	85
Profit/(loss) after tax for the period, representing total comprehensive income/(loss) for the period, net of tax		11,109	(3,778)	15,407	5,177
Profit/(loss) attributable to: Owners of the Company		11,109	(3,778)	15,407	5,177
Earnings/(loss) per share attributable to owners of the Company (sen):					
Basic	B13	5.66	(1.92)	7.84	2.64

(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 2022 and the accompanying explanatory notes attached to these interim financial statements)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2023

	Attributable to owners of the Company			Total equity
	Share capital	Treasury shares	Reserves	
	RM'000	RM'000	RM'000	
As at 01.01.2023	186,267	(647)	42,763	228,383
Total comprehensive income	-	-	15,407	15,407
Dividends paid to shareholders	-	-	(3,929)	(3,929)
Total transactions with owners	-	-	(3,929)	(3,929)
As at 30.06.2023	186,267	(647)	54,241	239,861
As at 01.01.2022	186,267	(647)	27,691	213,311
Total comprehensive income	-	-	5,177	5,177
Dividends paid to shareholders	-	-	(3,929)	(3,929)
Total transactions with owners	-	-	(3,929)	(3,929)
As at 30.06.2022	186,267	(647)	28,939	214,559

(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 2022 and the accompanying explanatory notes attached to these interim financial statements)

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 FOR THE QUARTER ENDED 30 JUNE 2023**

	Year-To-Date Ended	
	30.06.2023	30.06.2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	15,492	5,092
Adjustments for:		
Amortisation of intangible assets	1	1
Depreciation of equipment	47	47
Depreciation of right-of-use asset	88	87
Equipment written off	3	3
Net fair value gain on financial assets	(17,112)	(6,093)
Effect of exchange rate changes	(111)	(175)
Interest income	(518)	(302)
Dividend income	(41)	(677)
Finance cost	32	4
Share of result of a joint venture	(106)	(63)
Operating loss before changes in working capital	(2,225)	(2,076)
Changes in working capital:		
Net changes in receivables	(98)	103
Net changes in payables	(582)	5,641
Proceeds from disposals/redemption of:		
- investment securities	-	49,393
- notes receivable	692	-
Capital return from investment in fund	209	391
Payments for acquisition of:		
- investment securities	-	(32,585)
- investment in funds	(1,256)	(80)
- notes receivable	(2,200)	(1,050)
Net cash (used in)/generated from operations	(5,460)	19,737
Dividends received	41	677
Interest received	125	107
Income tax paid	(189)	(490)
Net cash (used in)/generated from operating activities	(5,483)	20,031
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in cash management fund	1,579	(836)
Purchase of equipment	(20)	(17)
Net cash generated/(used in) investing activities	1,559	(853)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE QUARTER ENDED 30 JUNE 2023

	Year-To-Date Ended	
	30.06.2023	30.06.2022
Note	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of revolving credit	4,200	-
Dividend paid on ordinary shares	(3,929)	(3,929)
Interest paid	(19)	-
Payment of lease liability	(91)	(91)
Net cash generated/(used in) financing activities	161	(4,020)
Net (decrease)/increase in cash and cash equivalents	(3,763)	15,158
Effect of exchange rate changes	111	175
Cash and cash equivalents at beginning of period	3,707	4,565
Cash and cash equivalents at end of period	55	19,898

(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 2022 and the accompanying explanatory notes attached to these interim financial statements)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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 2022, 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 2022 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 2022.

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 2022, except for the adoption of the MFRSs, Amendments and Annual Improvements to Standards effective as of 1 January 2023.

Effective for annual periods commencing on or after 1 January 2023

The Group has adopted the following MFRSs and Amendments to MFRSs effective as of 1 January 2023.

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax Related to Assets and Liabilities arising from a Single Transaction

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 valuation of 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 SECOND QUARTER ENDED 30 JUNE 2023

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, other than in relation to valuation of investments.

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 2023. 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 01.01.2023/30.06.2023	1,151,800	-	-	0.56	646,527

6. Dividend Paid

On 16 May 2023, the Company paid a final single-tier dividend of 2.0 sen per ordinary share amounting to RM3.93 million in respect of financial year ended 31 December 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 SECOND QUARTER ENDED 30 JUNE 2023

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

7. Segmental information (cont'd)

(a) 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 June 2023				
Income				
External income	15,616	2,123	-	17,739
Inter-segment income	759	667	(1,426)	-
Total	<u>16,375</u>	<u>2,790</u>	<u>(1,426)</u>	<u>17,739</u>
Results				
Profit from operations with external parties	13,688	1,730	-	15,418
Add : Inter-segment income	759	667	(1,426)	-
Less : Inter-segment expenses	(1,257)	(169)	1,426	-
Segment results	<u>13,190</u>	<u>2,228</u>	<u>-</u>	<u>15,418</u>
Finance cost				(32)
Share of result of a joint venture				<u>106</u>
Profit before tax				15,492
Tax expense				<u>(85)</u>
Profit for the period attributable to the owners of the Company				<u><u>15,407</u></u>
Preceding year-to-date ended 30 June 2022				
Income				
External income	5,647	1,425	-	7,072
Inter-segment income	672	237	(909)	-
Total	<u>6,319</u>	<u>1,662</u>	<u>(909)</u>	<u>7,072</u>
Results				
Profit from operations with external parties	3,967	1,066	-	5,033
Add : Inter-segment income	672	237	(909)	-
Less : Inter-segment expenses	(879)	(30)	909	-
Segment results	<u>3,760</u>	<u>1,273</u>	<u>-</u>	<u>5,033</u>
Finance cost				(4)
Share of result of a joint venture				<u>63</u>
Profit before tax				5,092
Tax benefit				<u>85</u>
Profit for the period attributable to the owners of the Company				<u><u>5,177</u></u>

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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

7. Segmental information (cont'd)

(a) Business Segments (cont'd)

	Public investment, venture capital and private equity <u>businesses</u> RM'000	Holding <u>entity</u> RM'000	<u>Consolidated</u> RM'000
Assets and Liabilities as at 30 June 2023			
Segmental assets	213,398	31,376	244,774
Segmental liabilities	509	4,404	4,913
Assets and Liabilities as at 30 June 2022			
Segmental assets	198,650	23,759	222,409
Segmental liabilities	7,687	163	7,850

(b) 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>30.06.2023</u> RM'000	As at <u>31.12.2022</u> RM'000	As at <u>30.06.2022</u> RM'000
Cash and cash equivalents	55	3,707	19,898
Cash Management Fund	2,738	4,317	7,875
	<u>2,793</u>	<u>8,024</u>	<u>27,773</u>

9. Event subsequent to reporting period

There was no material event subsequent to the end of the current quarter.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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

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:

Incorporation of wholly-owned subsidiaries

- (i) On 26 May 2023, the Company had incorporated a wholly-owned subsidiary, OSK Ventures ET Fund I Ltd. ("OSKETF") with a paid-up capital of USD10,000 comprising of 10,000 ordinary shares. OSKETF was incorporated in the Federal Territory of Labuan, Malaysia under the Labuan Companies Act 1990. The principal activity of OSKETF is to undertake investment holding and private equity business.
- (ii) On 9 June 2023, the Company had incorporated a wholly-owned subsidiary, OSK Ventures GP Ltd. ("OSKGP") with a paid-up capital of USD10,000 comprising of 10,000 ordinary shares. OSKGP was incorporated in the Federal Territory of Labuan, Malaysia under the Labuan Companies Act 1990. The principal activity of OSKGP is the fund manager of private funds.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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 30.06.2023 RM'000	Comparative quarter ended 30.06.2022 RM'000	Changes %	Current year to date ended 30.06.2023 RM'000	Comparative year to date ended 30.06.2022 RM'000	Changes %
Income	12,281	(2,887)	525	17,739	7,072	151
Profit/(loss) before tax	11,159	(3,786)	395	15,492	5,092	204
Profit/(loss) after tax	11,109	(3,778)	394	15,407	5,177	198
Profit/(loss) attributable to owners of the Company	11,109	(3,778)	394	15,407	5,177	198

The Group registered a profit after tax of RM15.41 million for the six months ended 30 June 2023 as compared to RM5.18 million for the corresponding period ended 30 June 2022. The higher profit after tax was mainly due to upward valuation and foreign exchange gain from the private portfolio.

For the current quarter under review, the Group registered a profit after tax of RM11.11 million as compared to a loss after tax of RM3.78 million of the corresponding quarter in 2022. This was mainly due to higher fair value gain on financial assets of RM11.99 million as compared to fair value loss on financial assets of RM3.22 million of the corresponding quarter in 2022.

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

Financial review

	Current quarter ended 30.06.2023 RM'000	Immediate preceding quarter ended 31.03.2022 RM'000	Changes %
Income	12,281	5,458	125
Profit before tax	11,159	4,333	158
Profit after tax	11,109	4,298	158
Profit attributable to owners of the Company	11,109	4,298	158

The Group reported higher profit before tax for the current quarter as compared to the immediate preceding quarter due to higher valuation gain contributed from the private portfolio.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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

The rise in the global benchmark interest rates on the back of persistently high inflation rates has resulted in a significant change in risk appetite among investors toward private equity fundraising exercises and start-up investing. Nevertheless, as central banks are seen closer to the pivot point and inflationary pressure is slowly easing, the window of opportunity is opening up for us to take advantage of market opportunities despite the challenges ahead.

Our diversification strategy across multiple sectors and geographical locations continues to be the pillar driving our performance for the quarter under review and this is expected to continue in the second half of 2023, given the slightly neutral to positive economic outlook and potential improvement in investors’ appetite towards riskier asset class. **Given the Company's high exposure to forex risk, movement of the Ringgit vis-à-vis major currencies will have significant impact on our performance.** Barring **any other** unforeseen circumstances, we are cautiously optimistic on our performance for the rest of 2023.

(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

	Current year to date ended <u>30.06.2023</u> RM’000	Comparative year to date ended <u>30.06.2022</u> RM’000
Proceeds from disposal of investments	-	49,393
Less: Cost of investment	-	(46,564)
Gain on disposal of investments	-	2,829
Less: Fair value gain recognised in prior year for realised investments	-	(7,447)
Fair value loss recognised in current year for realised investments	-	(4,618)
Add: Fair value gain recognised in current year for unrealised investments	17,112	10,711
Net fair value gain on financial assets	<u>17,112</u>	<u>6,093</u>

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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 year to date ended <u>30.06.2023</u> RM'000	Comparative year to date ended <u>30.06.2022</u> RM'000
Net fair value gain on financial assets	(17,112)	(6,093)
Interest income	(518)	(302)
Dividend income	(41)	(677)
Other income	(68)	-
Finance cost	32	4
Equipment written off	3	3
Depreciation and amortisation	48	48
Depreciation of right-of-use asset	88	87
Net foreign exchange loss/(gain)	28	(400)

8. Income tax (expense)/benefit

	Current quarter ended <u>30.06.2023</u> RM'000	Comparative quarter ended <u>30.06.2022</u> RM'000	Current year to date ended <u>30.06.2023</u> RM'000	Comparative year to date ended <u>30.06.2022</u> RM'000
Provision for the current quarter/period to date:				
Malaysian income tax	(50)	(53)	(85)	(474)
Deferred tax	-	61	-	559
	<u>(50)</u>	<u>8</u>	<u>(85)</u>	<u>85</u>

9. Corporate proposals

Status of corporate proposals announced but not completed as at 22 August 2023 (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 22 August 2023.

10. Borrowing

As at 30 June 2023, the borrowing represents unsecured short term revolving credit facility of RM4.20 million denominated in Ringgit Malaysia.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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 22 August 2023 (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

At the Annual General Meeting held on 17 April 2023, the shareholders have approved a final single-tier dividend of 2.0 sen per ordinary share for the financial year ended 31 December 2022. The dividend was paid on 16 May 2023.

No interim dividend was declared for the current quarter ended 30 June 2023.

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

	Current quarter ended <u>30.06.2023</u>	Comparative quarter ended <u>30.06.2022</u>	Current year to date ended <u>30.06.2023</u>	Comparative year to date ended <u>30.06.2022</u>
Basic earnings/(loss) per share				
Earnings/(loss) attributable to owners of the Company (RM'000)	11,109	(3,778)	15,407	5,177
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>5.66</u>	<u>(1.92)</u>	<u>7.84</u>	<u>2.64</u>

14. Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements for the financial year ended 31 December 2022 was unqualified.

By Order of the Board

ONG YEE MIN
Executive Director/Chief Executive Officer

Kuala Lumpur
29 August 2023