OSKVI

ANNUAL REPORT 2012

CONTENTS

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting ("AGM") of the Company will be held at the Auditorium, 11th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur on Wednesday, 10 April 2013 at 11.30 a.m. to transact the following business:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2012 together with the Reports of the Directors and the Auditors thereon. **[Please refer to Explanatory Note (i)]**

2. To approve the payment of Directors' fees of RM245,000.00 for the financial year ended 31 December 2012. **Ordinary Resolution 1**

3. To re-elect the following Directors who retire in accordance with Article 99 of the Company's Articles of Association and being eligible, offer themselves for re-election:

   (a) Tan Sri Ong Leong Huat @ Wong Joo Hwa **Ordinary Resolution 2**

   (b) Dr. Ngo Get Ping **Ordinary Resolution 3**

4. To re-appoint Dato' Nik Mohamed Din Bin Datuk Nik Yusoff who retires pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting of the Company. **Ordinary Resolution 4**

5. To re-appoint Messrs. Ernst & Young as the Company's Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration. **Ordinary Resolution 5**

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without any modification, to pass the following Ordinary Resolutions:

6. **AUTHORITY TO ISSUE SHARES** **Ordinary Resolution 6**

   "THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the total issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

NOTICE OF ANNUAL GENERAL MEETING

7. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL")** **Ordinary Resolution 7**

"THAT, subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, if applicable, the Company be and is hereby authorised to purchase such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:

(i) the aggregate number of shares purchased does not exceed 10% of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;

(ii) an amount not exceeding the Company's share premium account of RM84.36 million for the financial year ended 31 December 2012 at the time of the purchase(s) will be allocated by the Company for the purchase of own shares; and

(iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends;

AND THAT the authority conferred by this resolution shall commence immediately and shall continue to be in force until the conclusion of the next Annual General Meeting of the Company following the passing of this Ordinary Resolution, unless earlier revoked or varied by an Ordinary Resolution of the shareholders of the Company in a general meeting;

AND THAT authority be and is hereby given to the Directors of the Company to act and take all such steps and do all things as are necessary or expedient to implement, finalise and give full effect to the aforesaid purchase."

8. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
CHIN MUN YEE (MAICSA 7019243)
Company Secretaries

Kuala Lumpur
19 March 2013

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 4 April 2013 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.

2. A member entitled to attend and vote at the Meeting is entitled to appoint up to a maximum of three (3) proxies to attend and vote in his stead. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

3. A proxy may but does not need to be a member of the Company and if not a member he need not be a qualified legal practitioner, an approved Company auditor or a person approved by the Registrar. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

4. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its attorney duly authorised.

5. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

6. The instrument appointing a proxy must be deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

7. Retirement of Directors

   Mr. Foo San Kan who retires by rotation in accordance with Article 94 of the Company's Articles of Association, has expressed his intention not to seek re-election. Hence, he will retain office until the close of the Ninth AGM.

   Mr. Ong Ju Yan who retires by rotation in accordance with Article 94 of the Company's Articles of Association, has expressed his intention not to seek re-election. Hence, he will retain office until the close of the Ninth AGM.

   Tan Sri Datuk Dr. Omar Bin Abdul Rahman who retires pursuant to Section 129(6) of the Companies Act, 1965, has expressed his intention not to seek re-appointment. Hence, he will retain office until the close of the Ninth AGM.

   Dato' Seri Abdul Azim Bin Mohd Zabidi has expressed his intention to retire at the conclusion of the Ninth AGM. Hence, he will retain office until the close of the Ninth AGM.

   Mr. Wong Chong Kim has expressed his intention to retire at the conclusion of the Ninth AGM. Hence, he will retain office until the close of the Ninth AGM.

NOTICE OF ANNUAL GENERAL MEETING

8. Explanatory Notes on Special Business

   (i) Item 1 of the Agenda

   This Agenda item is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

   (ii) Ordinary Resolution 6 – Authority to Issue Shares

   This is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate"). The previous mandate was not utilised and accordingly no proceeds were raised.

   The proposed resolution, if passed, will provide flexibility to the Directors to undertake fund raising activities, including, but not limited to placement of shares for the funding of the Company's future investment projects, working capital and/or acquisitions, by the issuance of shares in the Company to such persons at any time, as the Directors may deem fit, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of next Annual General Meeting of the Company.

   (iii) Ordinary Resolution 7 – Proposed Renewal

   The proposed resolution, if passed, will allow the Company to purchase the Company's shares up to 10% of the total issued and paid-up capital of the Company by utilising the funds allocated which shall not exceed the share premium account of the Company.

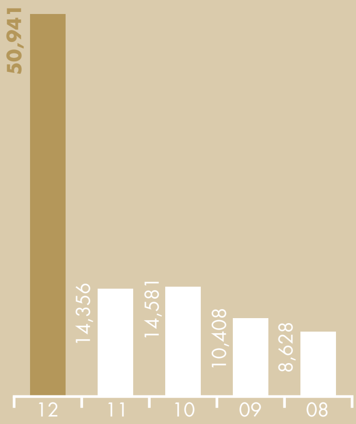
   Please refer to the Share Buy-Back Statement dated 19 March 2013 for further information.

FIVE-YEAR GROUP FINANCIAL SUMMARY

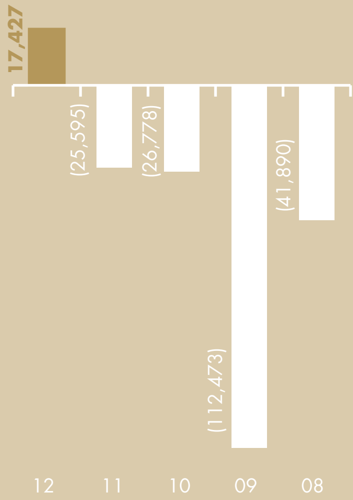
(RM'000)	2012	2011	2010 *	2009	2008
Revenue	**50,941**	14,356	14,581	10,408	8,628
Profit/(Loss) Before Tax	**17,427**	(25,595)	(26,778)	(112,473)	(41,890)
Profit/(Loss) Attributable To Equity Owners Of The Company	**14,394**	(27,896)	(17,666)	(114,424)	(42,325)
Total Assets	**204,000**	207,613	237,953	231,454	324,177
Total Liabilities	**23,417**	30,003	31,057	29,894	11,205
Net Assets Attributable To Equity Owners Of The Company (Shareholders' Funds)	**180,583**	171,083	199,100	193,893	306,987
Number Of Outstanding Ordinary Shares As Issued And Fully Paid ('000 shares), exclude treasury shares held	**195,739**	195,741	195,743	146,808	146,810
Basic Earnings/(Loss) Per Share (sen)	**7.35**	(14.25)	(11.21)	(77.94)	(28.36)
Gross Dividends Per Share (sen)	**2.50**	-	-	-	-
Net Assets Per Share Attributable To Equity Owners Of The Company (RM)	**0.92**	0.87	1.02	1.32	2.09
Closing Price At End Of The Year (RM)	**0.375**	0.305	0.400	0.665	0.650

* Since year 2010, the Group accounted for its investments in associated companies by Fair Value Through Profit or Loss (listed associated companies are marked to market) to reflect a fairer financial performance and profit as compared to equity accounting previously adopted. In accordance with the prevailing accounting standards, the above changes were applied propectively and the comparatives for 2008 to 2009 were not restated.

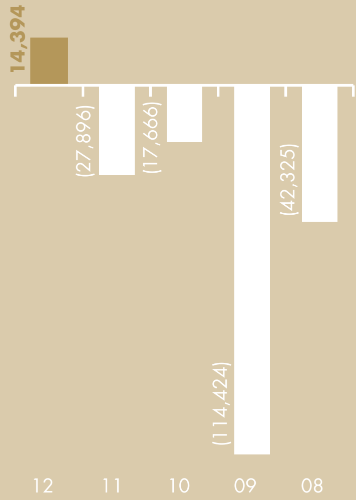
FIVE-YEAR GROUP FINANCIAL SUMMARY



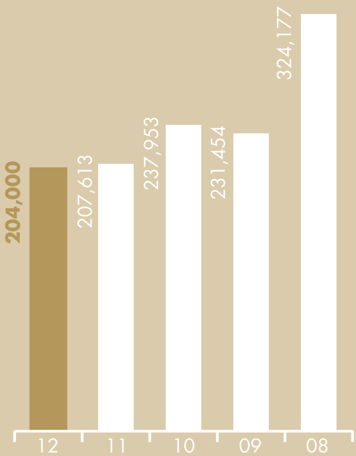
Revenue
(RM'000)



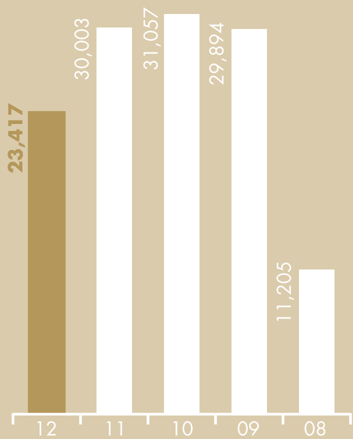
Profit/(Loss) Before Tax
(RM'000)



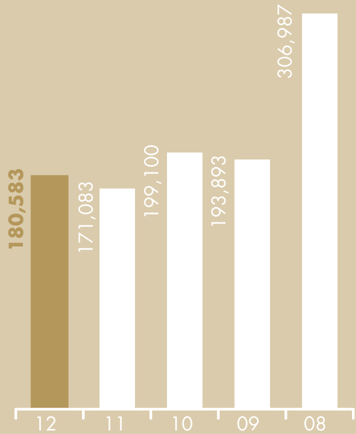
Profit/(Loss) Attributable To Equity Owners Of The Company
(RM'000)



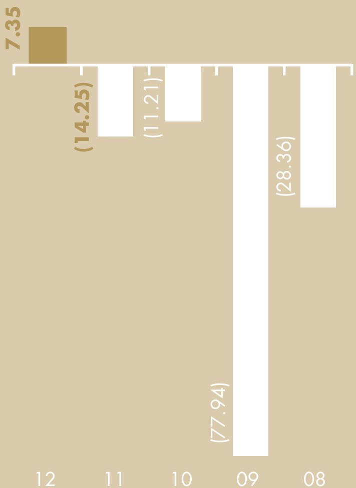
Total Assets
(RM'000)



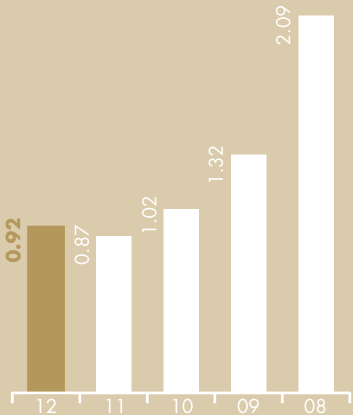
Total Liabilities
(RM'000)



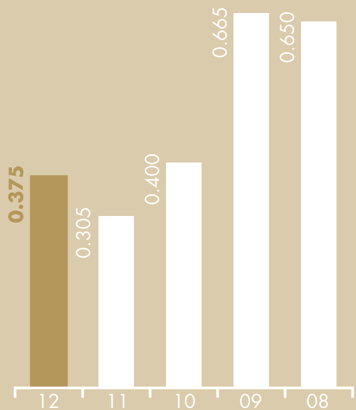
Net Assets Attributable To Equity Owners Of The Company
(RM'000)



Basic Earnings/(Loss) Per Share
(sen)



Net Assets Per Share Attributable To Equity Owners Of The Company
(RM)



Closing Price At End Of The Year
(RM)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Nik Mohamed Din Bin Datuk Nik Yusoff	-	*Non-Independent Non-Executive Chairman*
Yee Chee Wai	-	*Executive Director/Chief Operating Officer*
Ong Ju Yan	-	*Executive Director*
Ong Yee Min	-	*Executive Director*
Tan Sri Ong Leong Huat @ Wong Joo Hwa *(Appointed on 5 February 2013)*	-	*Non-Independent Non-Executive Director*
Wong Chong Kim	-	*Non-Independent Non-Executive Director*
Foo San Kan	-	*Senior Independent Non-Executive Director*
Tan Sri Datuk Dr. Omar Bin Abdul Rahman	-	*Independent Non-Executive Director*
Dato' Seri Abdul Azim Bin Mohd. Zabidi	-	*Independent Non-Executive Director*
Dr. Ngo Get Ping *(Appointed on 7 March 2013)*	-	*Independent Non-Executive Director*

AUDIT COMMITTEE

Foo San Kan – *Chairman*
Tan Sri Datuk Dr. Omar Bin Abdul Rahman
Dato' Seri Azim Bin Mohd. Zabidi

RISK MANAGEMENT COMMITTEE

Tan Sri Datuk Dr. Omar Bin Abdul Rahman – *Chairman*
Foo San Kan
Wong Chong Kim

NOMINATING COMMITTEE

Tan Sri Datuk Dr. Omar Bin Abdul Rahman – *Chairman*
Foo San Kan
Dato' Seri Azim Bin Mohd. Zabidi

REMUNERATION COMMITTEE

Tan Sri Datuk Dr. Omar Bin Abdul Rahman – *Chairman*
Foo San Kan
Dato' Seri Azim Bin Mohd. Zabidi

OPTION COMMITTEE
(Dissolved on 5 February 2013)

Foo San Kan – *Chairman*
Ong Ju Yan

COMPANY SECRETARIES

Chua Siew Chuan *(MAICSA 0777689)*
Chin Mun Yee *(MAICSA 7019243)*

AUDITORS

Ernst & Young (AF: 0039)
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

PRINCIPAL BANKERS

Malayan Banking Berhad
Bangkok Bank Berhad
RHB Bank Berhad

SOLICITORS

Cheang & Ariff
Naqiz & Partners

REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel. No. : (603) 2084 9000
Fax No. : (603) 2094 9940

REGISTERED OFFICE

9th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel. No. : (603) 2166 6225
Fax No. : (603) 2166 6220

PRINCIPAL BUSINESS ADDRESS

15th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel. No. : (603) 2161 7233
Fax No. : (603) 2161 0254

STOCK EXCHANGE LISTING

ACE Market, Bursa Malaysia Securities Berhad

STOCK NAME AND CODE

OSKVI (0053)

CORPORATE STRUCTURE
AS AT 20 FEBRUARY 2013

OSK VENTURES INTERNATIONAL BERHAD (636117-K)

- **100%** OSK Venture Equities Sdn. Bhd.
- **100%** OSK Technology Ventures Sdn. Bhd.
- **100%** OSK Private Equity Management Sdn. Bhd.
- **100%** OSK Capital Partners Sdn. Bhd.
- **100%** OSK Ventures International Limited
- **100%** OSK Infrastructure Investments Limited

DIRECTORS' **PROFILE**

DIRECTORS' PROFILE

DATO' NIK MOHAMED DIN BIN DATUK NIK YUSOFF
NON-INDEPENDENT NON-EXECUTIVE CHAIRMAN

Dato' Nik Mohamed Din bin Datuk Nik Yusoff, aged 70, a Malaysian, is the Non-Independent Non-Executive Chairman of the Company. He was first appointed to the Board of the Company on 5 December 2003 as the Executive Chairman and was then re-designated to his current position on 5 February 2013.

Dato' Nik Mohamed Din is a lawyer by profession. He read law at Lincoln's Inn, London and was admitted to the English Bar in 1968. He then served as a Magistrate for the Malaysian Judicial Services in 1969. Thereafter, he joined private legal practice at Mah, Kok and Din as a lawyer for 13 years. In 1984, he left legal practice to join the stockbroking business and assumed the position of the Executive Chairman as well as a shareholder of O.S.K. & Partners Sendirian Berhad (now known as OSK Investment Bank Berhad).

In 1985, Dato' Nik Mohamed Din was elected Chairman and in 1988 appointed by the Minister of Finance as the first Executive Chairman of the Kuala Lumpur Stock Exchange ("KLSE") (now known as Bursa Malaysia Securities Berhad) and he held this position for 12 years. Upon expiry of his 3rd term of appointment as Executive Chairman of the KLSE, Dato' Nik Mohamed Din returned to the OSK group as an Executive Chairman of OSK Holdings Berhad and thereafter was re-designated as Non-Independent Non-Executive Chairman on 28 December 2009.

Dato' Nik Mohamed Din is the Non-Executive Chairman of OSK Holdings Berhad, OSK Property Holdings Berhad, Jerasia Capital Berhad and QBE Insurance (Malaysia) Berhad. He is also a Director of OSK Investment Bank Berhad, OSK Trustees Berhad, Malaysian Trustees Berhad, OSK-UOB Investment Management Berhad, Federation of Public Listed Companies Bhd, Datin Seri Ting Sui Ngit Foundation and RHB Capital Berhad.

Dato' Nik Mohamed Din does not have any family relationship with other Directors and/or major shareholders of the Company. He has no conflict of interest other than disclosed under Additional Disclosures (Recurrent Related Party Transactions) which appears on page 41 of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Dato' Nik Mohamed Din attended all the four (4) Board Meetings of the Company held during the financial year ended 31 December 2012.

YEE CHEE WAI
EXECUTIVE DIRECTOR/CHIEF OPERATING OFFICER

Yee Chee Wai, aged 48, is the Executive Director/Chief Operating Officer of the Company. He was appointed to the Board of the Company on 18 April 2008.

Mr. Yee is a member of the Malaysian Institute of Accountants as a Chartered Accountant and Malaysian Institute of Certified Public Accountants as a Certified Public Accountant.

He began his career in the investment banking industry with Affin Investment Bank Berhad and his last posting in the industry before joining OSK Venture Equities Sdn. Bhd. in August 2007 was with Public Investment Bank Berhad, where he worked for more than 6 years as General Manager. He began his career as an auditor with an international accounting firm based in Malaysia in 1984.

Mr. Yee is also a Director of mTouche Technology Berhad and Maxwell International Holdings Berhad and an Alternate Director to Mr. Ong Ju Yan, a Director of Green Packet Berhad.

Mr. Yee does not have any family relationship with other Directors and/or major shareholders of the Company. He has no conflict of interest other than disclosed under Additional Disclosures (Recurrent Related Party Transactions) which appears on page 41 of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Mr. Yee attended all the four (4) Board Meetings of the Company held during the financial year ended 31 December 2012.

DIRECTORS' PROFILE

ONG JU YAN
EXECUTIVE DIRECTOR

Ong Ju Yan, aged 33, a Malaysian, is the Executive Director of the Company. He was appointed to the Board of the Company on 28 August 2006.

Mr. Ong is currently the Chief Operating Officer and Head of Investment Banking for OSK Investment Bank Berhad ("OSKIB"). His responsibilities include managing the Group's investment banking and institutional securities businesses as well as handling the Group's regional expansion and integration strategies. He has over 10 years of experience in financial services, having started his career with Morgan Stanley in New York and Singapore and later joining OSKIB in Malaysia where he has a regional management role.

He holds a B.A. in Economics from Yale University and served as Yale's Country Director for Malaysia from 2005 to 2010.

Mr. Ong is also a director of Green Packet Berhad and KE-ZAN Holdings Berhad.

Mr. Ong is the nephew of Mr. Wong Chong Kim, a Director of the Company. He is also the brother of Ms. Ong Yee Min, a Director of the Company and the son of Tan Sri Ong Leong Huat @ Wong Joo Hwa, a Director and a major shareholder of the Company. He has no conflict of interest other than disclosed under Additional Disclosures (Recurrent Related Party Transactions) which appears on page 41 of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Mr. Ong attended all the four (4) Board Meetings of the Company held during the financial year ended 31 December 2012.

ONG YEE MIN
EXECUTIVE DIRECTOR

Ms. Ong Yee Min, aged 29, is the Executive Director of the Company. She was appointed to the Board of the Company on 1 September 2011.

Ms. Ong's work background is rooted in banking. Upon graduation in 2004, she joined Citibank Berhad, Malaysia, initially as a Relationship Associate in the Corporate and Investment Banking department and was later elevated to the position of Relationship Manager. In this last position, she was responsible for managing client relationships in the banking sector. Her varied portfolio focused on cash management, trade solution consultancy, treasury and capital market products, amongst others. She left Citibank in 2011.

She holds a B.A. in Business (Banking and Finance) and a B.A. in Computing both awarded by Monash University, Australia.

Ms. Ong is the niece of Mr. Wong Chong Kim, a Director of the Company. She is also the sister of Mr. Ong Ju Yan, a Director of the Company and the daughter of Tan Sri Ong Leong Huat @ Wong Joo Huat, a Director and a major shareholder of the Company. She has no conflict of interest other than disclosed under Additional Disclosures (Recurrent Related Party Transactions) which appears on page 41 of this Annual Report. She has no conviction for any offences within the past ten (10) years.

Ms. Ong attended all the four (4) Board Meetings of the Company held during the financial year ended 31 December 2012.

DIRECTORS' PROFILE

TAN SRI ONG LEONG HUAT @ WONG JOO HWA
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Tan Sri Ong Leong Huat @ Wong Joo Hwa, aged 69, a Malaysian, was first appointed to the Board on 5 December 2003 as a Non-Independent Non-Executive Director who was then retired at the Annual General Meeting held on 14 April 2010. He was re-appointed as the Non-Independent Non-Executive Director of the Company on 5 February 2013.

He holds a Capital Markets and Services Representative's licence issued by the Securities Commission of Malaysia under the Capital Markets and Services Act 2007 for dealing in securities. Tan Sri Ong was a Director of MESDAQ from July 1999 to March 2002, a member of the Capital Market Advisory Council appointed by the Securities Commission in 2004 to advise on issues relating to the implementation of the Capital Market Master Plan. He was previously a member of the Securities Market Consultative Panel of Bursa Malaysia.

For over 17 years since 1969, he was attached to a leading financial institution where he last held the position of Senior General Manager. He has been the Managing Director/CEO of OSK Securities Berhad (now known as OSK Investment Bank Berhad) from July 1985 to January 2007 and thereafter the Group Managing Director/CEO of OSK Investment Bank Berhad. He was then re-designated as a Non-Independent Non-Executive Director of OSK Investment Bank Berhad, a position he stills holds.

Tan Sri Ong is also the CEO/Group Managing Director of OSK Holdings Berhad, the Managing Director/CEO of OSK Property Holdings Berhad, an Independent Non-Executive Director of Bursa Malaysia Berhad, a Non-Independent Non-Executive Director of RHB Bank Berhad and RHB Investment Bank Berhad and a Director of KE-ZAN Holdings Berhad.

Tan Sri Ong is the brother of Mr. Wong Chong Kim, a Director of the Company. He is also father to Mr. Ong Ju Yan and Ms. Ong Yee Min, Directors of the Company. He has no conflict of interest other than disclosed under Additional Disclosures (Recurrent Related Party Transactions) which appears on page 41 of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Disclosure on the meeting attendance during the financial year ended 31 December 2012 is not applicable as Tan Sri Ong was re-appointed to the Board of the Company after the financial year 2012.

WONG CHONG KIM
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Wong Chong Kim, aged 56, a Malaysian, is a Non-Independent Non-Executive Director of the Company. He was appointed to the Board of the Company on 22 July 2004. He is a member of Risk Management Committee of the Company.

Mr. Wong is a Chartered Accountant and a member of the Malaysian Institute of Accountants. He is also a Fellow of the Association of Chartered Certified Accountants. He holds a Capital Markets and Services Representative's Licence for dealing in securities issued by the Securities Commission under the Capital Markets and Services Act 2007. He joined OSK Investment Bank Berhad ("OSKIB") as Finance Manager in 1985 and was appointed to the Board of OSKIB in 1989 as an Executive Director. He then resigned from the Board of OSKIB and appointed as Deputy Chief Executive Officer of OSKIB on 29 January 2007. Prior to this, he was the Accountant and Assistant Credit Manager of a leading financial institution in 1983 for 2 years.

Mr. Wong is also the Non-Independent Non-Executive Director of OSK Holdings Berhad and OSK Property Holdings Berhad and a Director of KE-ZAN Holdings Berhad.

Mr. Wong is the uncle of Mr. Ong Ju Yan and Ms. Ong Yee Min, Directors of the Company. He is also the brother of Tan Sri Ong Leong Huat @ Wong Joo Hwa, a Director and a major shareholder of the Company. He has no conflict of interest other than disclosed under Additional Disclosures (Recurrent Related Party Transactions) which appears on page 41 of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Mr. Wong attended all the four (4) Board Meetings of the Company held during the financial year ended 31 December 2012.

DIRECTORS' PROFILE

FOO SAN KAN
SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Foo San Kan, aged 64, a Malaysian, is the Senior Independent Non-Executive Director of the Company. He was appointed to the Board of the Company on 22 July 2004. He is the Chairman of the Audit Committee and a member of the Nominating Committee, Remuneration Committee and Risk Management Committee of the Company.

Mr. Foo was the Country Managing Partner of Ernst & Young Malaysia from 1997 to 2002 before he retired as a practicing accountant. He has 34 years of experience in the accounting profession, the first 4 years in the U.K. and the other 30 years were spent in various positions in Ernst & Young offices in East and West Malaysia. He is a Chartered Accountant of the Malaysian Institute of Accountants. He is also a member of the Malaysian Institute of Certified Public Accountants, a Fellow of the Institute of Chartered Accountants in England and Wales as well as the Chartered Tax Institute of Malaysia.

Mr. Foo is the Chairman of OSK Investment Bank Berhad and a Director of OSK Holdings Berhad, OSK Property Holdings Berhad, Symphony House Berhad, Allianz Malaysia Berhad, Allianz Life Insurance Malaysia Berhad, Allianz General Insurance Company (Malaysia) Berhad, OSK Trustees Berhad and Malaysian Trustees Berhad.

Mr. Foo does not have any family relationship with other Directors and/or major shareholders of the Company. He has no conflict of interest other than disclosed under Additional Disclosures (Recurrent Related Party Transactions) which appears on page 41 of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Mr. Foo attended all the four (4) Board Meetings of the Company held during the financial year ended 31 December 2012.

TAN SRI DATUK DR. OMAR BIN ABDUL RAHMAN
INDEPENDENT NON-EXECUTIVE DIRECTOR

Tan Sri Datuk Dr. Omar bin Abdul Rahman, aged 80, a Malaysian, is the Independent Non-Executive Director of the Company. He was appointed to the Board of the Company on 22 July 2004. He is the Chairman of the Remuneration Committee, Nominating Committee and Risk Management Committee and a member of the Audit Committee of the Company.

Tan Sri Datuk Dr. Omar obtained a Bachelor of Veterinary Science Degree from Sydney University, Australia and a Certificate in Pathology from University of Queensland in 1958 and 1959 respectively. He then completed the Doctorate of Philosophy from Cambridge University, United Kingdom in 1966. He was a Science Advisor in the Prime Minister's Department from 1984 to 2001, the Executive Chairman of Kumpulan Modal Perdana Sdn. Bhd. from 2001 to April 2007 and President cum CEO of The Malaysia University of Science and Technology ("MUST") from 2007 to 2009. As Science Advisor he was also active in the science and technology scene internationally. He served on the United Nations Council for Science and Technology for Development ("UNCSTD") and also on a number of other United Nations Educational Scientific and Cultural Organisation ("UNESCO") committees, as well as on the Organisation of Islamic Conference Standing Committee on Science and Technology Cooperation ("COMSTECH"). He is currently a member of UNESCO's Committee on Ethics in Science & Technology ("COMEST").

Nationally, Tan Sri Datuk Dr. Omar serves on a number of national committees shaping a science and technology policy for Malaysia. He is also the founder of the Academy of Sciences Malaysia, Malaysian Technology Development Corporation ("MTDC"), Technology Park Malaysia Corporation ("TPM") and Composites Technology Research Malaysia Sdn Bhd ("CTRM"). He started his professional career in 1960 in veterinary research. Later, he was the Founding Dean of the Faculty of Veterinary Medicine and Animal Sciences and the first professor appointed by University Pertanian Malaysia, now University Putra Malaysia ("UPM"). His last position at UPM was Deputy Vice-Chancellor of Academic Affairs. He is now also a professor emeritus of UPM and was bestowed the Tokoh Akademik Negara for the year 2010 by the Ministry of Higher Education.

Tan Sri Datuk Dr. Omar is also a Director of Green Packet Berhad, Kotra Industries Berhad and BCT Technology Berhad.

Tan Sri Datuk Dr. Omar does not have any family relationship with other Directors and/or major shareholders of the Company. He has no conflict of interest other than disclosed under Additional Disclosure (Recurrent Related Party Transactions) which appears on page 41 of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Tan Sri Datuk Dr. Omar attended three (3) out of four (4) Board Meetings of the Company held during the financial year ended 31 December 2012.

DIRECTORS' PROFILE

DATO' SERI ABDUL AZIM BIN MOHD. ZABIDI
INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Seri Abdul Azim bin Mohd. Zabidi, aged 53, a Malaysian, is the Independent Non-Executive Director of the Company. He was appointed to the Board of the Company on 22 July 2004. He is a member of the Remuneration Committee, Nominating Committee and Audit Committee of the Company.

Dato' Seri Abdul Azim was the Chairman of Bank Simpanan Nasional ("BSN"), Malaysia's National Savings Bank, a position he held for 10 years till June 2009. During his tenure at BSN, he was also active in the work undertaken by the World Savings Banks Institute ("WSBI"), Brussels, Belgium. In 2000, in recognition of this, he was appointed President (Asia Pacific) for WSBI and elevated to its Board of Directors in 2003. In September 2006 until April 2009, he was elected as the Vice President and Treasurer of WSBI.

Dato' Seri Abdul Azim's extensive involvement in unit trusts/mutual funds and fund management culminated in him being elected President of the Federation of Malaysian Unit Trust Managers in 1998 through 2003. During this period, he was appointed Member of the Steering Committee of the International Investment Funds Association ("IIFA"), Montreal, Canada, a post that he held until 2008.

On the Malaysian scene, during the period from 2000 to 2004, Dato' Seri Abdul Azim was selected by the Government to be a member of the National Economic Consultative Council II, where he served on the Islamic Banking and Finance Committee, selected by the Securities Commission to be a member of its Capital Market Advisory Council, selected by the Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad) to be a member of its Index Committee and Deputy Chairman of its Board of Advisors for the Malaysian Central Depository.

Dato' Seri Abdul Azim is a Fellow of the Institute of Chartered Secretaries and Administrators, United Kingdom. He also holds a Master of Arts in Business Law from London Metropolitan University, United Kingdom.

Dato' Seri Abdul Azim is also a Director of Tadmax Resources Berhad (formerly known as Wijaya Baru Global Berhad), Timberwell Berhad, XOX Berhad and Wang-Zheng Berhad.

Dato' Seri Abdul Azim does not have any family relationship with the other Directors and/or major shareholders of the Company. He has no conflict of interest other than disclosed under Additional Disclosures (Recurrent Related Party Transactions) which appears on page 41 in this Annual Report. He has no conviction for any offences within the past ten (10) years.

Dato' Seri Abdul Azim attended three (3) out of four (4) Board Meetings of the Company held during the financial year ended 31 December 2012.

DR. NGO GET PING
INDEPENDENT NON-EXECUTIVE DIRECTOR

Dr. Ngo Get Ping, aged 54, a Malaysian, was appointed to the Board of the Company on 7 March 2013 as an Independent Non-Executive Director.

Dr. Ngo graduated from University of Oxford (UK) with a DPhil in Metallurgy in 1984. He was given the best student award by the Institute of Civil Engineer, UK, in 1980.

He was the contract manager for Intraco (S) Pte Ltd, a soil specialist construction company in 1985 and thereafter joined GIC (Singapore) Pte Ltd as an Investment Officer in 1986. He was an Associate Director with James Capel Asia Pte Ltd from 1988 to 1993 and a Senior Vice President with Nomura Securities Singapore Pte Ltd from 1994 to 1996. Prior to his retirement in 2006, he was the Head of Sales and Deputy Country Head with CLSA Singapore Pte Ltd for a period of ten (10) years.

Dr. Ngo is also an Independent Non-Executive Director in Tiong Nam Logistics Holdings Berhad, OSK Investment Bank Berhad, OSK Holdings Berhad and OSK Property Holdings Berhad.

Dr. Ngo does not have any family relationship with other Directors and/or major shareholders of the Company. He has no conflict of interest other than disclosed under Additional Disclosures (Recurrent Related Party Transactions) which appears on page 41 of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Disclosure on the meeting attendance during the financial year ended 31 December 2012 is not applicable as Dr. Ngo was appointed to the Board of the Company after the financial year 2012.

CHAIRMAN'S **STATEMENT**

DATO' NIK MOHAMED DIN BIN DATUK NIK YUSOFF

CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDER,

On behalf of the Board of Directors it is my pleasure and privilege to present the Annual Report for OSK Ventures International Berhad ("OSKVI") for the financial year ended 31 December 2012 ("FYE 2012").

FINANCIAL PERFORMANCE

I am pleased to report that despite a challenging macro environment, OSKVI brought the year to a close with revenues of RM 50.9 million, representing a year-on-year growth of approximately 255%. We also recorded a net profit of RM 15.9 million compared to the net loss of RM 26.0 million in 2011. This higher net profit was a result of higher revenues and an improvement in the overall market prices of our investee companies.

DIVIDENDS

In view of our improved financial strength, an interim single-tier dividend of 2.5sen per share was paid on 18 September 2012 for the financial year ended 31 December 2012, translating in a dividend pay-out ratio of 34%.

CORPORATE DEVELOPMENTS

During the FYE 2012, we obtained our shareholders' approval at the last Annual General Meeting held on 10 April 2012 to purchase up to 10% of the issued and paid-up ordinary share capital of OSKVI. In the year 2012, OSKVI had bought back 2,000 ordinary shares of RM0.50 each from the open market at an average price of RM0.45 per share, of which all were retained as treasury shares.

CORPORATE AND SOCIAL RESPONSIBILITY INITIATIVES

OSKVI is firmly committed to undertaking responsible corporate practices and upholding the agenda of sustainability, elements which are important to our industry. 2012 was a landmark year for our Corporate Social Responsibility ("CSR") initiatives with the formal establishment of our CSR policy and our inaugural CSR event for the children of Rainbow Home.

OUTLOOK FOR 2013

The prospects for the global economy for 2013 are clouded by uncertainties mainly due to continued fragilities in advanced economies, in particular the United States of America and the European Union. Growth in most Asian economies, however, is expected to remain relatively favourable, with strong intra-regional trade and domestic demand. As such, we will continue to work on identifying good investment opportunities in the Asian region, delivering solutions to businesses that need funding for sustainable growth and to deliver good returns for our stakeholders.

ACKNOWLEDGMENTS

On behalf of the Board of Directors, I wish to extend our appreciation to all stakeholders, especially our shareholders, business partners, management personnel and employees for their support and contributions over the past year. We continue being committed towards generating better and sustainable returns to our stakeholders and contributing towards the venture capital and private equity industries.

I look forward to your continued support in the coming year as we work hard to take OSKVI up to the next level of success.

Thank you.

Dato' Nik Mohamed Din bin Datuk Nik Yusoff
Chairman

SUSTAINABILITY REPORT FOR 2012

Our values revolve around developing OSKVI as a long term, sustainable business that delivers value for all our stakeholders including; our employees, clients, suppliers, business partners, shareholders and the wider environment and community that we operate in. We believe that by managing our business responsibly, we support the creation of a financially stable organisation and deliver value for our shareholders. As such, in 2012 we undertook an exercise to identify and articulate our sustainability priorities. We introduced a framework which provides a direction for our initiatives and ensures that these are aligned to our sustainability strategies. The three pillars are: Employee Welfare which encompasses the Health and Safety Policy, Environmental Policy and the Corporate Social Responsibility for charitable and volunteering causes.

EMPLOYEE WELFARE

We value our employees and are committed to providing them with a healthy, safe and secure workplace. Our workforce is provided extensive opportunities to learn and develop themselves both professionally and personally. We endeavour to provide our employees with the right environment and competitive awards, all of which contribute to a highly committed team. In our journey to create an inspiring workplace, commitment to develop our people and giving them the right skills to help deliver our business strategy, the employees had an average of 29 training hours in 2012, an equivalent of 3-4 business days, tailored to their individual requirements.

OSKVI also provides financial assistance through the "Further Education Assistance" programme for employees to pursue a further education if they wish to do so.

In line with the government's aspirations for a stronger venture capital and private equity industry, we are dedicated to bringing into our fold Malaysian students through our Internship Programme. Launched in 2012, we believe that this encourages the entry of future talents and improving the general exposure of the industry.

ENVIRONMENTAL MANAGEMENT

In 2012, we undertook an exercise to identify and articulate our environmental policy as we understand that our business operations have an environmental impact. The facilitation of a clean environmental and effective environmental protection is a fundamental aspect of sustainable business operations. We are working towards bringing down our energy consumption with several key initiatives done in 2012 such as:

- Encouraging all officers to turn off lights and air conditioners for empty offices
- Recycling for papers
- Opting for electronic-based processes where applicable

We believe that this is an on-going initiative and will continue to incorporate environmental considerations into our processes.

CORPORATE SOCIAL RESPONSIBILITY

OSKVI is committed to working in partnership with the local communities where we work to support and benefit the communities. In 2012 we launched our CSR programme 'OSKVI Community Programme' which aims to base our charitable and volunteering activities around two themes to make a positive social impact: education and social welfare. For our inaugural event in 2012 we co-hosted a trip to Port Dickson for the children of Rainbow Home together with OSK Property Holdings Berhad.

Through this policy we enable our employees to get involved in volunteering activities for 1-2 business days per annum and encourage them to use their knowledge, skills and resources to make a positive contribution to the local communities.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of OSK Ventures International Berhad ("the Company") recognises and subscribes to the importance of the principles and recommendations set out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012"). The Board remains committed in ensuring the highest standards of corporate governance in the Company and will strive to continuously improve on its governance process and structure towards enhancing long-term shareholder value.

The Board views the corporate governance as synonymous with four key concepts, namely transparency, integrity, accountability and corporate performance.

The Board is pleased to provide the following statement, which outlines the main corporate governance that has been in place throughout the financial year.

A. THE BOARD OF DIRECTORS ("BOARD")

a) Duties and Responsibilities of the Board

The Board is responsible for the stewardship of the business and affairs of the Company on behalf of the shareholders with a view of enhancing their long-term value. The Board is responsible for establishing corporate goals and providing the strategic direction for the Company. The Board also plays a critical role in ensuring that sound and prudent policies and practices are in place and performs the oversight role in the management of the Company's businesses.

The Board aims to develop the Company as a long term, sustainable business that delivers value for all stakeholders and the wider environment and community that the Company is operating in. In line with this, the Board has formulated the Sustainability Policy together with other related policies which include Occupational Safety and Health Policy, Environmental Policy, Corporate Social Responsibility / Charitable and Volunteering Policy and Anti-Corruption Policy.

In manifestation of its commitment to MCCG 2012, the Board has established a Board Charter to ensure that all Board members are aware of their fiduciary duties and responsibilities, various legislations and regulations affecting their conduct, the need for safeguarding the interests of the shareholders, customers and other stakeholders and that highest standards of corporate governance are applied in all their dealings in respect and on behalf of the Company.

The major responsibilities of the Board as outlined in the Board's Terms of Reference and Board Charter include amongst others, the following:

- review and approve the strategies, business plans and policies;
- establish key performance indicators;
- oversee the conduct of the Company's business to evaluate whether the business is being properly managed and sustained;
- ensure competent management and succession planning;
- ensure establishment of risk management structure and policies;
- review the adequacy and integrity of the Company's internal control systems;
- establish procedures governing self-serving practices and conflicts of interest;
- establish Board Committees, whenever necessary;
- ensure the Company's activities are conducive towards promoting the economic well-being of the community; and
- approve transactions or activities which are beyond the individual discretionary powers of Management, Management Committees or Board Committees delegated by the Board.

Details of the Board Committees are set out on pages 28 to 34 of this Annual Report.

The Board reserves certain powers for itself and has delegated certain matters, such as the day-to-day management of the Company to the Executive Directors. Such delegations are subject to strict approving authority limits. These matters relate to:

- recurring revenue expenditures (within ordinary course of business);
- other non-recurring expenditures;
- capital expenditures;
- investment and disposal of quoted investments;
- inter-company loans and advances;
- corporate guarantees and other commitments;
- bank loans; and
- investments in subsidiary or associated companies.

The Executive Committee was established by the Board and it was empowered to exercise the powers and duties of the Board between Board meetings and while the Board is not in session, to implement the policy decisions of the Board.

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)

b) Composition of the Board

For the financial year ended 31 December 2012, the Board comprised four (4) Executive Directors and four (4) Non-Executive Directors, three (3) of whom are Independent Directors. The Independent Non-Executive Directors make up one-third of the membership of the Board. The Board views the number of its Independent Directors as ideal to provide the necessary check and balance to the Board's decision-making process. The Independent Non-Executive Directors have fulfilled their role as independent directors through objective participation in Board deliberations and the exercise of independent judgement.

The Board deems the Board composition is appropriate in terms of its membership and size. There is a good mix of skills and core competencies in the Board membership. The Board is well represented by individuals with diverse professional backgrounds and experiences in the areas of technology, finance, accounting, economics and law.

In ensuring that each of the Directors possesses good integrity and character, the Company has adopted the Code of Ethics for its Directors.

One of the recommendations of the MCCG 2012 states that the positions of Chairman and Chief Executive Officer should be held by different individuals, and the Chairman must be a non-executive member of the Board.

The Company does not have a Chief Executive Officer but an Executive Director/Chief Operating Officer, Mr. Yee Chee Wai.

The Board has established the roles and responsibilities of the Chairman, which are distinct from the roles and responsibilities of the Executive Director/Chief Operating Officer. This segregation between the responsibilities of the Chairman and Executive Director/Chief Operating Officer ensures an appropriate balance of roles, responsibilities and accountability at Board level.

Dato' Nik Mohamed Din Bin Datuk Nik Yusoff, who was previously the Executive Chairman, was re-designated as the Non-Independent Non-Executive Chairman of the Company on 5 February 2013. On the same date, the Board appointed Tan Sri Ong Leong Huat @ Wong Joo Hwa as a Non-Independent Non-Executive Director of the Company. On 7 March 2013, Dr. Ngo Get Ping was appointed by the Board as an Independent Non-Executive Director of the Company.

The profiles of the Directors are set out in the Directors' Profile on pages 11 to 16 of this Annual Report.

The Board noted that one of the recommendations of the MCCG 2012 states that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Tan Sri Datuk Dr. Omar Bin Abdul Rahman ("Tan Sri Omar"), Dato' Seri Abdul Azim Bin Mohd. Zabidi ("Dato' Seri Azim") and Mr. Foo San Kan, who are the Independent Directors of the Company, have served on the Board for more than nine (9) years.

Tan Sri Omar and Mr. Foo San Kan who shall retire at the Ninth Annual General Meeting ("AGM") in accordance with Section 129(6) of the Companies Act, 1965 and Article 94 of the Company's Articles of Association respectively, have expressed their intention not to seek re-appointment or re-election. Whereas, Dato' Seri Azim has expressed his intention to retire at the conclusion of the Ninth AGM. Mr. Wong Chong Kim, who is a Non-Independent Non-Executive Director of the Company, and Mr. Ong Ju Yan, who is an Executive Director of the Company, have also expressed their intention to retire at the conclusion of the Ninth AGM. Accordingly, Tan Sri Omar, Dato' Seri Azim, Mr. Foo San Kan, Mr. Wong Chong Kim and Mr. Ong Ju Yan will retain office until the close of the Ninth AGM.

The Board, upon the recommendation from the Nominating Committee, will appoint an additional independent director, who fulfils the requirement(s) under Rule 15.09(1)(c) of the ACE Market Listing Requirements ("Listing Requirement(s)") of Bursa Malaysia Securities Berhad ("Bursa Securities") after the conclusion of the Ninth AGM.

With the above new appointment and after the retirement of the five (5) Directors, the Board will comprise two (2) Executive Directors and four (4) Non-Executive Directors, two (2) of whom are Independent Directors, in compliance with the Listing Requirements of Bursa Securities. Nevertheless, the Board noted one of the recommendations of the MCCG 2012 which states that the Board must comprise a majority of independent directors where the Chairman of the Board is not an independent director. The Board endeavours to fulfill the said recommendation in the coming years.

The Board is supportive of gender diversity in the boardroom as recommended by the MCCG 2012 and has developed the Gender Diversity Policy to promote the representation of women in the composition of the Board. Presently, Ms. Ong Yee Min is the only female Director on the Board.

STATEMENT ON CORPORATE GOVERNANCE

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)

c) Supply of Information

The quality of information supplied to the Board is imperative as it leads to good decision-making. In order to monitor the Company's performance against its strategic objectives, the Board is supplied with both financial and non-financial information, which include:

- strategy and budget for the year;
- quarterly performance reports of the Group;
- operation report;
- market share and market responses to the Group's strategies;
- investments, acquisitions and disposal of assets;
- major operational and financial issues;
- risks related to its investments and businesses and major non-compliance issues; and
- manpower and human resource matters.

The Chairman of the Audit Committee will report to the Directors at Board meetings of any salient audit findings deliberated at the Audit Committee meetings which require the Board's notice or direction.

The Chairman of the Risk Management Committee will report to the Directors at Board meetings of salient issues and views raised at the Risk Management Committee meetings which require the Board's discussion on actions to be taken by the Management.

To ensure that the Board receives information on a timely manner, the notices of meetings are sent to the Directors at least seven (7) days in advance and the meeting papers are delivered at least three (3) days before the meeting. This provides the Board with sufficient time to go through the meeting papers and to raise important issues during the meeting. All proceedings of the meetings are properly minuted and kept by the Company Secretaries.

The Board has unrestricted access to the Company's information and receives regular information updates from the Management. Corporate announcements released to Bursa Securities are sent to all the Directors on the same day of release.

The Board members have complete and unhindered access to the Senior Management and Company Secretaries at any time. The Board may consult with other Group employees and seek additional information where appropriate. Likewise, the Directors have access to independent professional advice whenever such services are needed to assist them in carrying out their duties.

The Board can conduct or direct any investigation to fulfill its responsibilities and can retain, at the Company's expense (where appropriate), any legal, accounting or other services that it considers necessary to perform its duties.

d) Company Secretaries

The Company Secretaries are responsible for ensuring the Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation. The Company Secretaries advise the Board on issues relating to corporate governance, compliance with laws, rules, procedures and regulatory requirements.

The Company Secretaries attend and ensure that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory register of the Company.

The Code of Ethics for Company Secretaries has been in place and the Board ensures that the Company Secretaries appointed have the relevant experiences and skills.

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)

e) Board Meetings

During the financial year under review, four (4) Board meetings were held. Details of the Directors' attendance are as follows:

Directors	Attendance
1. Dato' Nik Mohamed Din Bin Datuk Nik Yusoff	4/4
2. Yee Chee Wai	4/4
3. Ong Ju Yan	4/4
4. Ong Yee Min	4/4
5. Wong Chong Kim	4/4
6. Foo San Kan	4/4
7. Tan Sri Datuk Dr. Omar Bin Abdul Rahman	3/4
8. Dato' Seri Abdul Azim Bin Mohd. Zabidi	3/4

All Directors have complied with the minimum requirements on attendance at Board meetings as stipulated in the Listing Requirements of Bursa Securities (minimum 50% attendance).

The Board meetings for each of the financial year are scheduled before the end of the preceding financial year. This is to allow the Directors to organise and plan their activities ahead to ensure that they are able to attend all Board meetings that have been scheduled for the following year.

All the Directors have participated fully in the discussions during the Board meetings. There is no Board dominance by any individual and the Directors are free to express their views and opinions during the Board meetings. In arriving at board decisions, the view of the majority prevails at all times.

The Directors also observe the requirement that they do not participate in the deliberations on matters of which they have a material personal interest, and abstain from voting in such matters.

The Directors are aware that they must notify the other Board members of their interest in contracts that is in conflict, or appears to be in conflict with an interest of the Company by disclosing the nature and extent of that interest during the Board meetings.

The Board's decisions are recorded accurately in the meeting minutes and the draft minutes of meetings are made available to all Board members before the next meeting.

f) Appointment of Directors

The Nominating Committee established by the Board, is responsible for screening, evaluating and recommends to the Board the suitable candidates for appointment as Directors as well as filling the vacant seats on Board Committees.

In respect of the appointment of Directors, the Company practices a clear and transparent nomination process which involves the following five (5) stages :

Stage 1 : Identification of candidates
Stage 2 : Evaluation of suitability of candidates
Stage 3 : Meeting up with candidates
Stage 4 : Final deliberation by the Nominating Committee
Stage 5 : Recommendation to the Board

The Company also adopted 'Fit and Proper' standards for Directors in ensuring that the Directors are of high calibre, sound judgement, high integrity and creditability on a continuing basis.

The Directors observe the recommendation of the MCCG 2012 that they are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment.

STATEMENT ON CORPORATE GOVERNANCE

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)

f) Appointment of Directors (Cont'd)

The Nominating Committee has a formal assessment mechanism in place to assess on an annual basis, the effectiveness of the Board as a whole and the contribution of each individual director, including the Independent Non-Executive Directors.

In respect of the financial year under review, the Nominating Committee had conducted the annual review of the Board's effectiveness as a whole, the performance of the Board Committees and the performance assessment of each individual Director. The performance assessment ratings on the Board's effectiveness, the Board Committees and individual Directors were rated as "Good".

In line with the recommendations of the MCCG 2012, the Nominating Committee has also performed an annual review on the independency of Independent Directors as well as the proportion of the female to male Board members.

The Nominating Committee comprises three (3) Independent Non-Executive Directors. The details are set out on pages 30 to 32 of this Annual Report.

g) Re-appointment and Re-election of Directors

Pursuant to Section 129 of the Companies Act, 1965, Directors who are over the age of seventy (70) years shall retire at every AGM and may offer themselves for re-appointment to hold office until the next AGM.

The Articles of Association of the Company ("Articles") provides that all Directors who have been appointed by the Board are subject to re-election by shareholders at the First AGM. The Articles also provide that one-third (1/3) (or the number nearest to one-third, if number is not three or multiple of three) of the Directors are to retire by rotation at every AGM. All the Directors are subject to retirement at an interval of at least once in every three (3) years.

The performance of those Directors who are subject to re-appointment and re-election at the AGM will be assessed by the Nominating Committee whereupon recommendations are submitted to the Board for decision on such proposed re-appointment and/or re-election of the Directors concerned for shareholders' approval at the forthcoming AGM.

The Directors who are standing for re-appointment and re-election at the forthcoming Ninth AGM of the Company to be held on 10 April 2013 are as stated in the Notice of the Ninth AGM.

h) Remuneration of Directors

The Remuneration Committee is responsible for developing a formal and transparent policy and framework on the remuneration of the Directors (including that of the Executive Directors) for recommendations and approval by the Board of Directors. In determining the level and make-up of the Director's remuneration, the Remuneration Committee considers amongst others, the following:

- a remuneration framework that supports the Group's objectives, culture and strategies;
- the Group's performance for the year;
- the individual's performance against established criteria and performance related elements, responsibility and accountability;
- for Non-Executive Directors, the remuneration is in line with the level of contribution and taking into account factors such as efforts and time spent and the responsibilities entrusted upon them;
- the level of expertise, knowledge and experience; and
- the Group's policy with regard to Directors' fee, salaries, allowances, bonuses, options and benefits-in-kind and termination/retirement benefits.

The Remuneration Committee comprises entirely of Non-Executive Directors and the details are set out on pages 29 to 30 of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)

h) Remuneration of Directors (Cont'd)

The Remuneration Committee carries out an annual review of the Directors' remuneration whereupon recommendations are submitted to the Board for approval. Such annual review shall ensure the remuneration package of the Directors remains sufficiently attractive to attract and retain Directors.

The Executive Directors do not participate in the decision with regards to their remuneration. The determination of the remuneration package of Directors is a matter for the Board as a whole following the relevant recommendation made by the Remuneration Committee, with the Director concerned abstaining from deliberations and voting on his/her own remuneration.

The Directors are paid an annual fee of RM30,000 each with additional fee paid to the Chairman of the Audit Committee.

The proposed Directors' fees for the financial year 2012 will be tabled at the Ninth AGM for approval by the shareholders.

Details of the Directors' remuneration for the financial year ended 31 December 2012 are as follows:

2012	**Executive RM**	**Non-Executive RM**	**Total RM**
Amount received/receivable from the Company:			
Fee - Provision for the year	**120,000**	**125,000**	**245,000**
Defined contribution plan	148	-	148
Salaries, bonuses and other emoluments	1,233	-	1,233
	1,381	-	1,381
	121,381	**125,000**	**246,381**
Amount received/receivable from the Group:			
Fee - Provision for the year	**120,000**	**125,000**	**245,000**
Defined contribution plan	102,480	-	102,480
Salaries, bonuses and other emoluments	688,000	-	688,000
	790,480	-	790,480
	910,480	**125,000**	**1,035,480**

The number of Directors of the Company whose total remuneration fall within the following bands:

2012	**Executive**	**Non-Executive**	**Total**
Group			
RM50,000/- and below	2	4	6
RM250,001/- up to RM300,000/-	1	-	1
RM550,001/- up to RM600,000/-	1	-	1
	4	**4**	**8**

STATEMENT ON CORPORATE GOVERNANCE

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)

i) Continuing Education of Directors

All the Directors of the Company have completed the Mandatory Accreditation Programme (MAP) prescribed by Bursa Securities for directors of public listed companies.

Directors' training is an on-going process as the Directors recognise the need to continually develop and refresh their skills and knowledge and to update themselves on the developments in the related industry and business landscape.

All the Directors have attended trainings during the financial year ended 31 December 2012. Some of these training programmes, seminars and forums are as follows:

1. Data Protection in Malaysia;
2. Competition Act 2010;
3. Goods and Services Tax Briefing;
4. Malaysian Institute of Accountants – Compliance : Are you Meeting the Requirements? Directors and Officers' Guide on Liability, Duties and Obligations;
5. Sustainability Training for Directors and Practitioners;
6. Malaysian Code on Corporate Governance 2012 Seminar;
7. Foreign Account Tax Compliance Act (FATCA) for Senior Management;
8. Advocacy Sessions on Disclosure for CEO's and CFO's;
9. Trends in Cash Management and Centralization; and
10. Bursa Securities' Half Day Governance Programme.

The Directors will continue to participate in other training programmes to keep abreast with the latest developments in the capital markets, relevant changes in laws and regulations and corporate governance matters, from time to time.

j) Effective Communication with Shareholders

The Board recognises the importance of shareholder communication as a key component to upholding the principles and best practices of corporate governance for the Group. As such, maintaining an effective communication policy between members of the public and the Company is important. The Group practices accurate and timely dissemination of information to the shareholders and the investing public.

Apart from complying with the continuing disclosure requirements as stipulated in the Listing Requirements of Bursa Securities, the Board also observes the recommendation of the MCCG 2012 with regard to strengthening communication and engagement with the shareholders.

The following are some of the channels used by the Company to disseminate information on a timely basis to the shareholders and the investing public:

a) Annual Report communicates comprehensive information of the financial results and activities undertaken by Group.

b) The AGM has been the main forum of dialogue for the shareholders to raise their concerns, if any, pertaining to the Company.

c) Quarterly announcements and corporate disclosures to Bursa Securities are available on the website www.bursamalaysia.com.

d) Press releases provide up-to-date information on the Group's key corporate initiatives and new product and service launches.

e) The Company's website www.oskvi.com provides corporate information of the Group.

Where possible and applicable, the Group provides additional disclosure of information on a voluntary basis. The Board believes that on-going communication with shareholders is vital to shareholders and investors to make informed investment decisions.

STATEMENT ON CORPORATE GOVERNANCE

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)

k) Investors Relations

The Board recognises that effective and timely communication is essential in maintaining good relations with the investors. Other than the Company's website which provides comprehensive, accurate and timely corporate information to the general investing public, there is assigned personnel in the Group who is in-charge of addressing inquiries from shareholders, investors and the public.

Mr. Yee Chee Wai, aged 48, is the Executive Director/Chief Operating Officer of the Company. He is one of the key management personnel in charge of addressing the inquiries from shareholders, investors and the public. Mr. Yee is a member of the Malaysian Institute of Accountants as a Chartered Accountant and Malaysian Institute of Certified Public Accountants as a Certified Public Accountant.

He began his career in investment banking industry with Affin Investment Bank Berhad and his last posting in the industry before joining OSK Venture Equities Sdn. Bhd. in August 2007 was with Public Investment Bank Berhad, where he worked for more than 6 years as a General Manager. He began his career as an auditor with an international accounting firm based in Malaysia in 1984.

Mr. Foo San Kan has been identified by the Board as the Senior Independent Non-Executive Director of the Company to whom the concerns of shareholders and other stakeholders may be conveyed.

The Board is committed to embark on various initiatives in the coming years to further improve its investors relations and dialogues with shareholders, institutional investors and key stakeholders.

The Board has adopted a Whistle-Blowing Policy which sets out the principle and grievance procedures for employees to raise genuine concerns of possible improprieties perpetrated within the Group.

The Board will continue to ensure that the Company's activities are conducive towards promoting the economic well-being of its community and in line with the Government's economy objectives.

B. ACCOUNTABILITY AND AUDIT

a) Financial Reporting

The Board is responsible for presenting a balanced, clear and meaningful assessment of the Group's financial positions and prospects to shareholders, investors and regulatory authorities. The quarterly results and annual financial statements are reviewed by the Audit Committee and recommended to the Board for approval before releasing to the public via the Bursa website. The Audit Committee also reviews the appropriateness of the Company's and Group's accounting policies and the changes to these policies as well as ensures the financial statements comply with accounting standards and other regulatory requirements.

The details of the financial statements of the Company are set out on pages 45 to 103 of this Annual Report.

b) Related Party Transactions

All the related party transactions are submitted to the Audit Committee on a quarterly basis.

Details of these transactions are set out under the Additional Disclosures on page 41 and the Notes to Financial Statements on pages 94 to 95 of this Annual Report.

c) Internal Control

The Board acknowledges its responsibilities in setting up and maintaining an effective system of internal control in order to ensure an effective risk management environment. In achieving this, the Board ensured that the system of internal control had taken into consideration of risk assessment processes, management's integrity and materiality threshold. The Board also considered the adequacy of internal controls in addressing these risks.

The Board recognises that risks cannot be eliminated completely. Nevertheless, with the implementation of an effective system of internal control, the Directors and Senior Management of the Group aim to provide reasonable assurance of effective and efficient operations and compliance with internal procedures and guidelines.

The Statement on Risk Management and Internal Control, which provides an overview of the state of internal control within the Group, is set out on pages 38 to 40 of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

B. ACCOUNTABILITY AND AUDIT (CONT'D)

d) Relationship with Auditors

The Board has established formal and transparent relationships with both the internal and external auditors through the Audit Committee. The Audit Committee meets with the internal and external auditors respectively to discuss the audit plan, audit findings and the Group's financial statements. The external auditors also meet the Audit Committee of the Company at least twice a year without the presence of the Management. In addition, the external auditors are invited to attend the AGM and are available to answer the shareholders' questions relating to the audited financial statements.

The Audit Committee is responsible to review the adequacy of the audit scope, functions and resources of the internal and external auditors to carry out their duties according to the annual audit plan. The details of audit/non-audit fees paid/payable to the internal and external auditors are set out below:

2012	Group (RM)	Company (RM)
Audit fees paid to external auditors	105,160	34,000
Non-audit fees paid to external auditors	20,000	20,000
Fee paid to internal auditors	36,000	36,000

The non-audit fee paid to external auditors is in relation to the assignment carried out by the external auditors in reviewing the Statement on Risk Management and Internal Control and conducting audit review on subsidiaries not audited by Messrs. Ernst & Young, Malaysia or a member firm of Ernst & Young Global for the financial year ended 2012.

The external auditors, Messrs Ernst & Young and other auditors of the subsidiaries, who performs the statutory audit function for the Group are independent.

C. BOARD COMMITTEES

To assist the Board to carry out its responsibilities, the Board has established the following Committees and adopted charters setting out the matters relevant to the composition, responsibilities and administration of these Committees:

- Audit Committee;
- Remuneration Committee;
- Nominating Committee;
- Risk Management Committee; and
- Option Committee.

Following each Committee meeting, the Board will receive a copy of the minutes of meetings from the relevant Committee.

The composition of each Committee, terms of reference, the activities carried out during the year and the number of meetings attended during the year 2012 are set out below.

a) Audit Committee

The Audit Committee comprises entirely Independent Non-Executive Directors, assists the Board in the review of the effectiveness of internal controls and risk management processes of the Company.

The details of the activities carried out by the Audit Committee during the year are set out in the Audit Committee Report on pages 35 to 37 of this Annual Report. In addition to the activities set out in the Audit Committee Report, the Audit Committee has reviewed and recommended to the Board for adoption, the Guidelines on the Performance Evaluation of External Auditors to assess the suitability and independence of external auditors.

C. BOARD COMMITTEES (CONT'D)

b) Remuneration Committee

The Remuneration Committee, comprising entirely of Non-Executive Directors, all of whom are Independent Non-Executive Directors:

Composition

Chairman — Tan Sri Datuk Dr. Omar Bin Abdul Rahman
Independent Non-Executive Director

Members — Foo San Kan
Senior Independent Non-Executive Director

Dato' Seri Abdul Azim Bin Mohd. Zabidi
Independent Non-Executive Director

Authority

The Committee is granted the authority by the Board to provide formal and transparent procedures for developing the remuneration policy and framework for directors and key senior management staff.

The Committee shall ensure that compensation is competitive and consistent with the remuneration and employment conditions of the industry as well as the Company's culture, objectives and strategy.

Functions and Duties

(I) Remuneration Framework

- To recommend a framework of remuneration for directors and key senior management staff for the full Board's approval;
- The remuneration framework shall support the Company's culture, objectives and strategy and shall reflect the experience, level of responsibility and commitment undertaken by the directors and senior management staff;
- There shall be a balance in determining the remuneration package, which shall be sufficient to attract and retain directors of calibre, and yet not excessive to the extent the Company's funds are used to subsidise the excessive remuneration packages; and
- The framework shall cover all aspects of remuneration including director's fees, salaries, allowance, bonuses, options, benefits-in-kind and termination/retirement benefits.

(II) Remuneration Packages

- To review and recommend remuneration packages for the executive directors and each individual directors;
- The remuneration package shall be structured such that it is competitive and consistent with the Company's culture, objectives and strategy;
- The remuneration of each Board member may differ based on their level of expertise, knowledge and experience. For executive directors, the component parts of remuneration are structured so as to link rewards to corporate and individual performance. As for non-executive directors, the level of remuneration shall be linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board;
- Executive Directors should not participate in decisions of their own remuneration; and
- The remuneration packages of non-executive directors shall be determined by the full Board. The Director(s) concerned shall abstain from discussion of his own remuneration.

STATEMENT ON CORPORATE GOVERNANCE

C. BOARD COMMITTEES (CONT'D)

b) Remuneration Committee (Cont'd)

Frequency of Meeting

The Committee is to meet at least once a year or as and when deemed fit and necessary.

There was one (1) meeting held during the financial year. The attendance of the members of Remuneration Committee are as follows:

Members	Attendance
Tan Sri Datuk Dr. Omar Bin Abdul Rahman	1/1
Foo San Kan	1/1
Dato' Seri Abdul Azim Bin Mohd. Zabidi	1/1

Key activities undertaken by the Remuneration Committee during the year were to:

- review and recommend the bonus for the Executive Director for the financial year 2011; and
- review and propose the Directors' fees for the financial year 2011.

c) Nominating Committee

The Nominating Committee comprises exclusively of Non-Executive Directors, all of whom are Independent Non-Executive Directors:

Composition

Chairman — Tan Sri Datuk Dr. Omar Bin Abdul Rahman
Independent Non-Executive Director

Members — Foo San Kan
Senior Independent Non-Executive Director

Dato' Seri Abdul Azim Bin Mohd. Zabidi
Independent Non-Executive Director

Authority

The Committee is granted the authority by the Board to provide a formal and transparent procedure for the appointment of directors as well as assessment of effectiveness of individual directors, the Board and the performance of key senior management staff.

Functions and Duties

(I) Establish Minimum Requirements for the Board and Key Senior Management Staff;

- To establish minimum requirements for the board i.e. required mix of skills, experience, qualification and other core competencies required of a director;
- To establish minimum requirements for the key senior management staff; and
- The requirements and criteria shall be approved by the full board.

C. BOARD COMMITTEES (CONT'D)

c) Nominating Committee (Cont'd)

Functions and Duties (Cont'd)

(II) Establish Assessment Mechanism

- To establish a mechanism for the formal assessment on the effectiveness of the Board as a whole and the contribution of each director to the effectiveness of the Board, the contribution of the Board's various committees and the performance of the key senior management staff;
- Annual assessment shall be conducted based on an objective performance criterion and the performance criteria shall be approved by the full Board;
- To establish an appropriate framework or policy on succession planning for Executive Directors and/or senior management staff; and
- The succession planning framework or policy shall be approved by the full Board.

(III) Recommendation and Assessment

- To recommend and assess the nominees for directorship, board committee members as well as nominees for key senior management staff;
- The actual decision as to who shall be nominated shall be the responsibility of the full Board;
- To recommend to the Board the removal of a director from the board/management if the director is ineffective, errant and negligent in discharging his or her responsibilities; and
- To recommend to the Board the removal of key senior management staff if they are ineffective, errant and negligent in discharging their responsibilities.

(IV) Overseeing the Board and Key Senior Management Staff

- To oversee the overall composition of the board, in terms of the appropriate size and skills, experiences and other qualities including core competencies which Non-Executive Directors should bring to the Board, the independency of each Independent Director, the balance between Executive Directors, Non-Executive Directors and Independent Directors as well as the proportion of female to male Board members through annual review;
- To ascertain "independency" of Independent Directors pursuant to the criteria as set out in the Listing Requirements of Bursa Malaysia Securities Berhad;
- To oversee the appointment, management succession planning and performance evaluation of key senior management staff; and
- To ensure that all directors receive an appropriate continuous training program in order to keep abreast with the latest development in the industry.

Frequency of Meeting

The Committee is to meet as and when required or at least once a year.

There was one (1) meeting held during the financial year. The attendance of the members of Nominating Committee are as follows:

Members	Attendance
Tan Sri Datuk Dr. Omar Bin Abdul Rahman	1/1
Foo San Kan	1/1
Dato' Seri Abdul Azim Bin Mohd. Zabidi	1/1

C. BOARD COMMITTEES (CONT'D)

c) Nominating Committee (Cont'd)

Frequency of Meeting (Cont'd)

Key activities undertaken by the Nominating Committee during the year were to:

- assess the effectiveness of the Board as a whole and the contribution of the various Board Committees;
- review and assess the performance of the Executive Chairman, Chief Operating Officer, Executive Directors and Non-Executive Directors;
- assess the overall composition of the Board in terms of its appropriate size, mix of skills, experience, core competencies and the balance between assessment Executive Directors, Non-Executive Directors and Independent Directors;
- review the training programmes attended by Directors during the financial year; and
- recommend to the Board, the re-election of the Directors who will be retiring at the AGM of the Company.

d) Risk Management Committee

The Risk Management Committee comprises entirely of Non-Executive Directors with a minimum of three (3) members, the majority of whom are Independent Non-Executive Directors:

Composition

Chairman — Tan Sri Datuk Dr. Omar Bin Abdul Rahman
Independent Non-Executive Director

Members — Foo San Kan
Senior Independent Non-Executive Director

Wong Chong Kim
Non-Independent Non-Executive Director

Authority

The Committee is authorised to review the risk management infrastructure and processes of the Company.

Functions and Duties

(a) To review and recommend appropriate risk management strategies and policies for the Board's approval;

(b) To review and assess adequacy of risk management policies and framework in identifying, measuring, monitoring and managing risks and the extent to which these are operating effectively;

(c) To ensure that adequate infrastructure, resources and systems are in place for risk management;

(d) To review periodic reports from the Risk Management Team on risk exposures, risk portfolio compositions and risk management activities; and

(e) To note and adopt minutes of the Committee of the respective subsidiaries, if any.

C. BOARD COMMITTEES (CONT'D)

d) Risk Management Committee (Cont'd)

Frequency of Meeting

The Committee shall preferably meet on a quarterly basis, but in any event, no less than four (4) times a year, or whenever deemed necessary.

There were four (4) meetings held during the financial year. The attendance of the members of Risk Management Committee are as follows:

Members	Attendance
Tan Sri Datuk Dr. Omar Bin Abdul Rahman	3/4
Foo San Kan	4/4
Wong Chong Kim	4/4

Key activities undertaken by the Risk Management Committee during the year were to:

- establish parameters and guidelines for the reporting of the Group's risk management activities and rolling out the reports;
- assess the Group's risk management infrastructure including policies, processes, structure and system;
- review the investment concentration risk profile of the Group as well as the investment portfolio performance vis-a-vis overall investment strategy and objectives; and
- evaluate the key risk indicators of the Group and any significant risk and control issues highlighted by the Risk Management team.

e) Option Committee
(Dissolved on 5 February 2013)

The Option Committee comprises one (1) Independent Non-Executive Director and one (1) Executive Director:

Composition

Chairman — Foo San Kan
Senior Independent Non-Executive Director

Members — Ong Ju Yuan
Executive Director

Authority

The Committee is authorised to administer the ESOS Scheme ("Scheme") at its discretion with such powers and duties as are conferred upon it.

The Committee may meet together for the dispatch of business, adjourn or otherwise regulate its meetings as it deems fit and to do all acts and things and enter into any transactions, agreements, deeds, documents of arrangements, make rules, regulations or impose terms and conditions which the Committee may in its discretion consider necessary or desirable for giving full effect to the Scheme.

The decision of the Committee shall be final and binding.

The Committee, the Board and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising from any event relating to the delay on the part of the Company in issuing and allotting shares or in procuring the Bursa Securities to list the shares for which the Grantee is entitled to subscribe.

STATEMENT ON CORPORATE GOVERNANCE

C. BOARD COMMITTEES (CONT'D)

e) Option Committee (Cont'd)

Functions and Duties

(a) To determine the participation and the quantity of allocation under the Scheme which shall be based on the performance of any Eligible Executive, the performance of his business unit/department/division/ subsidiary and the overall performance of the Group.

(b) To grade the performance of each Eligible Executive and to classify each Eligible Executive into various performance grades.

(c) To determine the allocation based on the criteria set out under the By-Law of the Scheme which will be made to each Eligible Executive over the duration of the Scheme.

(d) To determine the number of options to be offered to the Eligible Executive under the Scheme depending on the seniority and performance of the Eligible Executive and his/her length of service and contribution to the Group as at the Offer Date.

(e) To make an Offer to any Eligible Executive based on performance, seniority and length of service of the Eligible Executive and contribution to the Group and subject the Maximum Allowable Allotment set out in the By-Law of the Scheme.

(f) To introduce additional categories of Eligible Executive who are eligible to participate in the Scheme during the duration of the Scheme, subject to the approval of the Board.

(g) To suspend and/or cancel the rights of any Grantee who is being subjected to disciplinary proceedings to exercise his Option pending the outcome of such disciplinary proceedings and in additional may impose such terms and conditions as it shall deem appropriate in its discretion, on the rights of exercise of the Option having regard to the nature of the charges made or brought against such Grantee.

(h) To consider cases in the event of cessation of employment of a Grantee by reason of retirement, ill-health, injury, disability, redundancy, retrenchment, transfer of any other circumstances during the Option Period, on a cased basis may allow the Grantee to exercise his Option provided such Option shall remain exercisable during the Option Period.

(i) To add, amend and/or delete the By-Law(s) of the Scheme by resolution from time to time.

Frequency of Meeting

The Committee is to meet at least once a year or as when deemed fit and necessary over the duration of the Scheme.

There was no meeting held during the year.

After the expiration of the Scheme on 10 April 2012, the Option Committee has been dissolved on 5 February 2013.

This Statement on Corporate Governance was approved by the Board of Directors of the Company on 7 March 2013.

AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee Report for the financial year ended 31 December 2012.

MEMBERSHIP

The Audit Committee ("Committee") consists of the following members:-

Foo San Kan
Chairman, Senior Independent Non-Executive Director

Tan Sri Datuk Dr. Omar Bin Abdul Rahman
Independent Non-Executive Director

Dato' Seri Abdul Azim Bin Mohd. Zabidi
Independent Non-Executive Director

ATTENDANCE OF MEETINGS

During the financial year ended 31 December 2012, the Committee held a total of four (4) meetings. The details of attendance of the Committee members are as follows:-

Name of Committee Member	No. of meetings attended
Foo San Kan	4 / 4
Tan Sri Datuk Dr. Omar Bin Abdul Rahman	3 / 4
Dato' Seri Abdul Azim Bin Mohd. Zabidi	3 / 4

COMPOSITION AND TERMS OF REFERENCE

Composition

The Committee shall be appointed by the Board from amongst the Directors of the Group with at least three (3) members, a majority of whom must be independent. At least one (1) member of the Committee:-

- must be a member of the Malaysian Institute of Accountants; or
- if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years of working experience and
  - he must have passed the examinations specified in Part I of the 1st Schedule to the Accountants Act, 1967; or
  - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule to the Accountants Act, 1967; or
- fulfills such other requirements as prescribed by Bursa Malaysia Securities Berhad.

The Committee shall be chaired by an independent director. No alternate director is to be appointed as a member of the Committee. The term of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every three (3) years. In the event of any vacancy in the Committee resulting in the non-compliance of the Listing Requirement, the vacancy must be filled within three (3) months.

Frequency of Meetings

The Committee shall preferably meet on a quarterly basis, but in any event, no less than four (4) times a year, or whenever deemed necessary.

Head of Group Finance and Accounts and the representatives of the external auditors and internal auditors, are invited to attend the Committee meetings.

The Company Secretary shall be the Secretary to the Committee.

Quorum

The quorum of meetings of the Committee shall be two (2) members and the majority of members present must be independent directors.

Authority

The Committee shall within its terms of reference:-

1. have the authority to investigate any activity within its terms of reference;
2. have the resources which are required to perform its duties;
3. have full and unrestricted access to any information as required to perform their duties;
4. be able to obtain independent professional or other advice;
5. be able to convene meetings with the external auditors, internal auditors or both, excluding the attendance of other directors and employees of the Group, and with other external parties, whenever deemed necessary;
6. have the authority to form management / sub-committee(s) if deemed necessary and fit; and
7. have the authority to delegate any of its responsibilities to any person or committee(s) that is deemed fit.

AUDIT COMMITTEE REPORT

DUTIES AND RESPONSIBILITIES

1. Internal Audit

- To oversee the internal audit function and ensure compliance with relevant regulatory requirements;
- To review the adequacy of the audit scope, functions and resources of the firm of internal auditors (that was engaged to undertake the internal audit function) and that it has the necessary authority to carry out its work;
- To review the internal audit programme, processes, the results of the internal audit activities or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit.

2. Internal Controls

- To review the effectiveness of internal controls and risk management processes.

3. External Audit

- To review the appointment of external auditors, the audit fee and any question of resignation or dismissal and to make recommendations to the Board;
- To assess the objectivity, performance and independence of external auditors;
- To review with the external auditors, the audit scope and plan, including any changes to the nature, timing and extent of the audit;
- To review the external auditors' management letter and response;
- To review the audit findings raised by the external auditors and ensure that issues are managed and rectified appropriately and on a timely manner;
- To review the assistance given by the employees of the Group to the external auditors;
- To have direct communication channels with the external auditors and to meet with the external auditors without the presence of management, at least twice a year;
- To discuss issues and reservations arising from the interim and final audit and any matter the external auditors may wish to discuss (in the absence of management where necessary);
- To approve the provision of non-audit services by the external auditors; and
- To ensure that there are proper checks and balances in place so that the provision of non-audit services does not interfere with the exercise of independent judgement of the auditors.

4. Financial Reporting

- To ensure fair and transparent reporting and prompt publication of the financial statements; and
- To review and report to the Board of Directors on the quarterly results and year-end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-
  - any change in or implementation of accounting policies and practices;
  - significant adjustments arising from the audit;
  - the going concern assumption;
  - significant and unusual events; and
  - compliance with accounting standards and other regulatory requirements.

5. Related Party Transactions

- To review any related party transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that may raise questions on management integrity.

6. Other Matters

- To consider any other functions or duties as may be agreed to by the Committee and the Board.

SUMMARY OF ACTIVITIES

During the year under review, the activities of the Committee are as follows:-

Internal Audit

1. Reviewed the adequacy of the scope, functions and resources of the firm of internal auditors (that was engaged to undertake the internal audit function) and that it has the necessary authority to carry out its work; and
2. Reviewed and discussed the internal audit reports and ensured that corrective actions had been taken to rectify the weaknesses highlighted in the audit reports.

AUDIT COMMITTEE REPORT

Financial Reporting

1. Reviewed the quarterly results and year end financial statements and ensured that the financial reporting and disclosure requirements of relevant authorities had been complied with, focusing particularly on:-
   - any change in or implementation of accounting policies and practices;
   - significant adjustments arising from the audit, if any;
   - the going concern assumption;
   - significant and unusual events; and
   - compliance with accounting standards and other regulatory requirements.

External Audit

1. Reviewed the audit plan and scope of work presented by external auditors;
2. Reviewed the annual audited financial statements of the Group with the external auditors prior to submission to the Board for approval; and
3. Reviewed and discussed the observations, recommendations and the Management's comments in respect of the issues raised by the external auditors on their evaluation of the internal control system.

Related Party Transactions

1. Reviewed the related party transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that may raise questions on management integrity.

INTERNAL AUDIT FUNCTION

The Board recognises the importance of the internal audit function and the independent status required for it to carry out its functions effectively. The Group has outsourced its internal audit function to BDO Governance Advisory Sdn. Bhd. ("BDO") as the Internal Auditors. In line with good corporate governance practices, the outsourced internal audit function is independent of the activities and operations of the Group. BDO reports directly to the Audit Committee.

The principle responsibilities of the internal audit function is to provide assurance of effective functioning of internal controls of the Group and compliance to policies and procedures and recommended business practices; and to identify opportunities to enhance efficiency and effectiveness of operations.

The professional fees incurred for the internal audit function in respect of financial year ended 31 December 2012 amounted to RM36,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires listed companies to establish a sound risk management framework and internal control system to safeguard shareholders' investments and the Group's assets. The Bursa Malaysia Securities Berhad's ("Bursa Securities") ACE Market Listing Requirements require Directors of public listed companies to include a statement in their annual reports on the state of their internal controls. The Bursa Securities' Guidance Note 11: Internal Control and Corporate Governance Statement requires a listed corporation be guided by the *Statement of Risk Management and Internal Control: Guidelines for Directors of Listed Issuers* issued by Taskforce on Internal Control with the support and endorsement of the Bursa Securities, in making this statement. Set out below is the Board's Statement on Risk Management and Internal Control, which has been prepared in accordance with the Guidance.

BOARD RESPONSIBILITIES

The Board recognises the importance of a sound risk management framework and internal control system for good corporate governance and acknowledges its primary responsibility to ensure that principal risks in the Group are identified, measured and managed with appropriate internal control system, and to ensure that the effectiveness, adequacy and integrity of the internal control system are reviewed on an ongoing basis. The Board also acknowledges that a sound internal control system reduces, but cannot eliminate, the possibility of poor judgement in decision-making; human error; breakdown in internal control due to collusion; control processes being deliberately circumvented by employees and others; management overriding controls and occurrence of unforeseeable circumstances. A sound internal control system therefore provides reasonable, but not absolute, assurance that the Group will not be hindered in achieving its business objectives.

TYPE OF RISKS

The principal businesses of the Group are venture capital and investment activities. There have been no significant changes in the nature of these activities during the financial year.

The risk exposure faced by the Group during the financial year can be broadly categorised into market and operational risks as follows:-

Market Risk - Market risk is the risk of potential losses due to unfavourable changes in the market value of financial or non-financial assets held by the Group. The Group is exposed to market risks from venture capital and investment activities.

Operational Risk - Operational risk is the risk of opportunity cost or economic loss due to inadequate policies and procedures, human error, lack of basic internal control, liquidity problem, non-compliance with the regulatory requirements, management failure, unauthorized activities and fraud.

RISK MANAGEMENT FRAMEWORK

The Board confirms that an ongoing process for identifying, measuring and managing the Group's principal risks is in place throughout the year under review. This process is carried out via the following risk management governance structure:-

- **The Board** - is fully responsible for the risk management of the Group and has carried out its duties by having regular Board meetings to review and approve business strategies, risk management policies and business performance of the Group.

- **The Committees** - whose key function is to review the adequacy and effectiveness of risk management, internal control and governance systems of the Group. The Audit Committee's main role is to review, on behalf of the Board, the internal control system necessary to manage the key risks inherent in the business and to present its findings to the Board. The Audit Committee assumes its roles and responsibilities via an independent professional firm of internal auditors. In addition, the Board Risk Management Committee plays a significant role in contributing to the establishment of a more conducive risk management environment. The Board Risk Management Committee meets regularly to oversee the development of general risk policies and procedures to monitor and evaluate the numerous risks that may arise from the various business activities in the Group.

The other management committee set up in the Group to manage specific areas of risks is the Executive Committee.

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

The Board encourages a strong risk governance culture which shapes the Group's attitude towards risk by establishing a sound control environment via the following:

- Written communication of the Group's values, expected code of conduct, policies and procedures;
- Board Charter which sets out the responsibilities and function of the Board of Directors, each of its committees and the individual directors;
- Management's philosophy and operating style, as guided by the business strategy and investment manual approved by the Board; and
- Organisational structure, assigning authority, responsibilities and clear reporting lines which segregate the function and duties of each employee in the investment and finance divisions of the Group.

The Board and Committees play an important oversight role in the following key control processes:

- Understanding and ensuring the adequacy of risk management practices by establishing a conducive control environment in respect of the overall attitude, awareness and actions of Directors and management regarding the internal control system and its importance to the Group;
- Development and maintenance of risk management framework by active participation in objectives and strategy-setting process of the Group and regular involvement in formulating the Group's investment criteria and ensuring that this is communicated and executed appropriately;
- Continual monitoring and assessment of the financial performance of the investee companies against key performance indicators and peers comparison as integral part of the performance measurement of the Group;
- Monthly reporting by management to the Executive Committee on key business performance, operating statistics, corporate developments and other regular matters. This allows for an effective monitoring of significant variances and deviation from standard operating procedures and budget;
- Identifying risk exposure from the financial assets that have impacted or are likely to impact the Group's achievement of objectives and strategies and deliberating whether findings indicate a need for more extensive monitoring of system of risk management and enhancement of control processes;
- Recommendations of necessary actions to manage risk to an acceptable level of risk tolerance in a timely manner.
- Assessing possibility of emerging operational risk likely to happen in future due to changing economy environment and the need to put in place appropriate controls;
- Recruitment of experienced, skilled and professional staff with the necessary calibre to fulfill the respective responsibilities and job functions;
- Clear Group structure, reporting lines of responsibilities and appropriate levels of delegation;
- Documented policies, procedures and limits of approving authorities for key aspects of the businesses. This provides a sound framework of authority and accountability within the organisation and facilitates proper corporate decision-making at the appropriate level in the organisation's hierarchy;
- Establishment of proper set of checklists to facilitate proper business proposal evaluation;
- Ensuring quality of internal and external reporting deliverables which requires proper records keeping and maintenance of effective processes that generate timely, relevant and reliable information within and outside the Group;
- Engagement of external professional services firms to conduct independent financial and legal due diligence review on proposed investments;
- Establishment of an effective segregation of duties via independent checks, review and reconciliation activities to prevent human errors, fraud and abuses;
- Engagement of an independent firm of internal auditors to review the effectiveness of risk identification procedures and control processes implemented by management, and report directly to the Audit Committee during the Audit Committee meetings. The independent firm of internal auditors provides assurance over the operation and validity of the internal control system in relation to the level of risk involved using Risk-Based-Auditing methodology;
- Review of risk management reports and investment performance reports presented by independent risk management team on quarterly basis. Independent risk assessment is conducted periodically by an independent risk management team which reports directly to the Board's Risk Management Committee. The reports assist Risk Management Committee in assessing the effectiveness of the Group in managing its investment activities; and

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- The Audit Committee regularly convenes meetings to deliberate on the findings and recommendations for improvement by internal auditors, external auditors as well as regulatory authorities. The Audit Committee reviews the actions taken to rectify the findings on a timely manner, and evaluates the effectiveness and adequacy of the Group's internal control system.

The Board has undertaken a review on risk management and internal control system and believes that the risk management and internal control system of the Group is in place for the year under review and up to the date of issuance of the financial statements is effective and adequate to safeguard the shareholders' investment, the interests of regulators and employees. The Board has also received assurance from the Chief Operating Officer and Chief Financial Officer that the Group's risk management and internal control system is, in all material aspects, effective and adequate throughout the year under review, based on the risk management and internal control system of the Group.

Moving forward, the Group will continue to improve and enhance the existing risk management and internal control system, taking into consideration the changing business environment and market conditions.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report of the Group for the year ended 31 December 2012 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the internal control system.

ADDITIONAL DISCLOSURES

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

In accordance with prescribed thresholds under Rule 10.09(1) of the Listing Requirements, details of OSK Ventures International Berhad ("OSKVI" or "the Company") Group's recurrent related party transactions made during the financial year ended 31 December 2012 pursuant to the shareholders' mandate obtained by the Company at the Eighth Annual General Meeting are as follows:

Name of Company/ Group Involved	Nature of Transaction	Name of Related Party	*Relationship with OSKVI – Interested Directors , Major Shareholders and Persons Connected	Actual Value (RM)
Finexasia	Annual fees, hosting fee, user access fee, website maintenance and software development fee paid by OSKIB Group	OSKIB Group	OLH, WCK, KCM, OJY, OYM, OYS, OYC, OJX (See Note 1)	7,997,518*

Note:-

* Actual value incurred for the period from 1 January 2012 to 14 November 2012, being the completion date of the disposal of 59.95% equity interest in Finexasia.com Sdn. Bhd. ("Finexasia") by OSK Venture Equities Sdn. Bhd. ("OSKVE"), a wholly-owned subsidiary of the Company, to RHB Capital Berhad.

The following disclosure is pursuant to the Circular to Shareholders dated 19 March 2012 :

(1) Finexasia is owned by OSKVE and OSK Investment Bank Berhad ("OSKIB"), each of which holds an equity interest of 59.95% and 40.05% respectively in Finexasia. OSKVE is a wholly-owned subsidiary of OSKVI, whereas OSKIB is a wholly-owned subsidiary of OSK Holdings Berhad ("OSK").

Tan Sri Ong Leong Huat ("OLH") is a Director of OSK and OSKIB and also a major shareholder of OSK and OSKVI. He is the brother of Mr. Wong Chong Kim ("WCK") who is a Director of OSK and OSKVI and Deputy Chief Executive Officer of OSKIB.

Puan Sri Khor Chai Moi ("KCM") is the spouse of OLH. She is a shareholder of OSKVI and also deemed to have interest in OSKVI shares held by the other corporations by virtue of Section 6A(4) of the Companies Act, 1964 ("the Act"). These other corporations are Dindings Consolidated Sdn. Bhd. ("DCSB"), Land Management Sdn. Bhd. ("LMSB"), Pengerang Jaya Pte. Ltd. and PJ Equity Sdn. Bhd.

Mr. Ong Ju Yan ("OJY") and Ms. Ong Yee Min ("OYM") are Directors and shareholders of OSKVI and the children of OLH and KCM.

Ms. Ong Yin Suen ("OYS"), Ms. Ong Yee Ching ("OYC") and Mr. Ong Ju Xing ("OJX") are the children of OLH and KCM and also the shareholders of OSKVI.

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

There was no material contract entered by the Company or its subsidiaries involving directors' and substantial shareholders' interest during the financial year ended 31 December 2012.

DEPOSITORY RECEIPT (DR) PROGRAMME

The Company did not sponsor any DR programme during the financial year ended 31 December 2012.

IMPOSITION OF SANCTIONS/PENALTIES

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by relevant regulatory bodies for the financial year ended 31 December 2012.

ADDITIONAL DISCLOSURES

EXECUTIVE SHARE OPTION SCHEME

The Company had granted options under the Executive Share Option Scheme ("ESOS") governed by the By-Laws that was approved by the Company's shareholders at the Extraordinary General Meeting held on 17 November 2006. The ESOS was implemented on 11 April 2007 and is to be in force for a period of five (5) years from the date of implementation. The ESOS had expired on 10 April 2012 and the information of ESOS is as follows:-

	For the period from 1 January 2012 to 10 April 2012	Since commencement of the ESOS on 11 April 2007
Total number of options or shares granted	-	1,314,100
Total number of options exercised or shares vested	-	-
Total options or shares outstanding	-	-

Granted to Directors	For the period from 1 January 2012 to 10 April 2012	Since commencement of the ESOS on 11 April 2007
Aggregate options or shares granted	-	1,200,000
Aggregate options exercised or shares vested	-	-
Aggregate options or shares outstanding	-	-

Granted to Directors	For the period from 1 January 2012 to 10 April 2012	Since commencement of the ESOS on 11 April 2007
Aggregate maximum allocation in percentage	-	28.10
Actual percentage granted	-	3.45

VARIATION OF RESULTS

There were no variations between the audited results for the financial year and the unaudited results previously announced.

PROFIT FORECAST/PROFIT GUARANTEE

The Company did not issue any profit forecast/profit guarantee in any public documents during the current financial year.

CORPORATE SOCIAL RESPONSIBILITIES (CSR)

Information pertaining to the Company's corporate social responsibility activities for the year 2012 is presented in the Sustainability Report for 2012 on page 19 of this Annual Report.

STATEMENT OF RESPONSIBILITY BY DIRECTORS
IN RESPECT OF THE PREPARATION OF THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are responsible to ensure that the annual financial statements of the Group and of the Company are drawn up in accordance with Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards issued by International Accounting Standards Board, the provisions of the Companies Act, 1965, and the Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible to ensure that the annual financial statements of the Group and of the Company are prepared with reasonable accuracy from the accounting records of the Group and of the Company so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2012, and of the results of their operations and cash flows for the financial year.

In preparing the financial statements, which include the opening balances in MFRS statements of financial position of the Group and of the Company as of 1 January 2011 (the transition date to MFRS Framework), the Directors have:

- applied the appropriate and relevant accounting policies on a consistent basis;
- made judgments and estimates that are reasonable and prudent; and
- prepared the annual audited financial statements on a going concern basis.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

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FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are described in Note 14(a) to the financial statements. There have been no significant changes in the nature of these activities during the year except for the disposal of a subsidiary as disclosed in Note 10 to the financial statements.

FINANCIAL RESULTS

	Group	Company
	RM	RM
Profit from continuing operations, net of tax	12,104,556	7,331,130
Profit from discontinued operation, net of tax	3,819,494	-
Profit, net of tax	**15,924,050**	**7,331,130**
Profit attributable to:		
- Owners of the Company	14,394,342	7,331,130
- Non-controlling interest	1,529,708	-
	15,924,050	**7,331,130**

In the opinion of the Directors, the results of the operations of the Group and of the Company during the year were not substantially affected by any item, transaction or event of a material and unusual nature.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the year other than as disclosed in the financial statements.

DIVIDENDS

The amounts of dividends paid by the Company since 31 December 2011 were as follows:

	RM
In respect of the financial year ended 31 December 2012:	
Interim tax exempt (single-tier) dividend of 2.5 sen per share on 195,739,533 ordinary shares declared on 9 August 2012 and paid on 18 September 2012	**4,893,541**

The Directors do not recommend the payment of a final dividend in respect of the current financial year.

DIRECTORS

The Directors of the Company in office since the date of last report and at the date of this report are:

Dato' Nik Mohamed Din Bin Datuk Nik Yusoff
Yee Chee Wai
Ong Ju Yan
Ong Yee Min
Wong Chong Kim
Tan Sri Datuk Dr. Omar Bin Abdul Rahman
Dato' Seri Abdul Azim Bin Mohd. Zabidi
Foo San Kan
Tan Sri Ong Leong Huat @ Wong Joo Hwa (Appointed on 5 February 2013)

DIRECTORS' BENEFITS

Neither at the end of the year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 28 to the financial statements.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the year in shares, warrants and options over shares in the Company and its related corporations during the year were as follows:

	Number of Ordinary Shares of RM0.50 each			
	1.1.2012	**Acquired**	**Disposed**	**31.12.2012**
Direct Interest:				
Dato' Nik Mohamed Din Bin Datuk Nik Yusoff	3,257,615	-	-	3,257,615
Wong Chong Kim	677,400	122,100	-	799,500
Foo San Kan	668,000	-	-	668,000
Ong Ju Yan	443,869	-	-	443,869
Ong Yee Min	68,148	-	-	68,148
Indirect Interest:				
Wong Chong Kim*	-	560,000	-	560,000
Yee Chee Wai **	1,000	-	-	1,000

	Number of Warrants 2010/2015			
	1.1.2012	**Acquired**	**Disposed**	**31.12.2012**
Direct Interest:				
Dato' Nik Mohamed Din Bin Datuk Nik Yusoff	1,617,048	-	-	1,617,048
Wong Chong Kim	413,792	-	-	413,792
Ong Ju Yan	221,934	-	-	221,934
Ong Yee Min	34,074	-	-	34,074
Indirect Interest:				
Yee Chee Wai **	844	-	-	844

Each warrant 2010/2015 entitles the registered holder to subscribe for 1 new ordinary share in the Company at a subscription price of RM0.50 per share, at any time before the expiry date of 7 October 2015. Salient terms of warrant 2010/2015 are disclosed in Note 19 to the financial statements.

* Pursuant to Section 134(12)(c) of the Companies Act, 1965 in relation to shares held by the child of the Director.

** Pursuant to Section 134(12)(c) of the Companies Act, 1965 in relation to shares and warrants held by the spouse of the Director.

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONT'D)

	Number of Options over Ordinary Shares of RM0.50 each			
	1.1.2012	**Forfeited**	**Expired**	**31.12.2012**
Dato' Nik Mohamed Din Bin Datuk Nik Yusoff	225,000	-	(225,000)	-
Wong Chong Kim	225,000	-	(225,000)	-
Tan Sri Datuk Dr. Omar Bin Abdul Rahman	75,000	-	(75,000)	-
Dato' Seri Abdul Azim Bin Mohd. Zabidi	75,000	-	(75,000)	-
Foo San Kan	75,000	-	(75,000)	-

The options over ordinary shares were granted pursuant to the Company's Executive Share Option Scheme, as disclosed in Note 20 to the financial statements.

Other than as disclosed above, none of the other Directors in office at the end of the year had any interest in shares in the Company or its related corporations during the year.

TREASURY SHARES

The details of treasury shares are disclosed in Note 22 to the financial statements.

EXECUTIVE SHARE OPTION SCHEME

The details of the Company's ESOS are disclosed in Note 20 to the financial statements.

OTHER STATUTORY INFORMATION

(a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

   (i) it necessary to write off any bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent in respect of these financial statements; and

   (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D)

(d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

  (i) any charge on the assets of the Group or of the Company which has arisen since the end of the year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the year.

(f) In the opinion of the Directors:

  (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the year in which this report is made.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 5 February 2013.

Dato' Nik Mohamed Din Bin Datuk Nik Yusoff **Yee Chee Wai**

Kuala Lumpur, Malaysia

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Dato' Nik Mohamed Din Bin Datuk Nik Yusoff and Yee Chee Wai, being two of the Directors of OSK Ventures International Berhad, state that in the opinion of the Directors, the accompanying financial statements set out on pages 53 to 103 are drawn up in accordance with Malaysian Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2012 and of the financial performance and the cash flows of the Group and of the Company for the year then ended. The financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

The supplementary information set out in Note 33 to the financial statements on page 103, have been prepared in all material aspects, in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 5 February 2013.

Dato' Nik Mohamed Din Bin Datuk Nik Yusoff **Yee Chee Wai**

Kuala Lumpur, Malaysia

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Teo Yen Lin, being the officer primarily responsible for the financial management of OSK Ventures International Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 53 to 103 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Teo Yen Lin at
Kuala Lumpur in the Federal Territory
on 5 February 2013 **Teo Yen Lin**

Before me,
Commissioner for Oaths
Kuala Lumpur, Malaysia

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OSK VENTURES INTERNATIONAL BERHAD (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of OSK Ventures International Berhad, which comprise the statements of financial position as at 31 December 2012 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 53 to 103.

Directors' responsibility for the financial statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the directors deem necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2012 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 14(a) to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
OSK VENTURES INTERNATIONAL BERHAD (Incorporated in Malaysia)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 33 on page 103 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

(a) As stated in Note 2(a) to the financial statements, OSK Ventures International Berhad adopted Malaysian Financial Reporting Standards on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by Directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the income statements, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2011 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 31 December 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the year then ended.

(b) This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Teoh Soo Hock
No. 2477/10/13(J)
Chartered Accountant

Kuala Lumpur, Malaysia
5 February 2013

INCOME STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

		Group		Company	
		2012	2011	2012	2011
	Note	RM	RM	RM	RM
Revenue	4	42,443,146	5,310,727	58,836,217	956,814
Other income		1,446,400	2,603,480	-	745,349
Loss on derecognition of embedded derivative		(116,950)	-	-	-
Net fair value loss on financial instruments		(27,161,705)	(34,335,829)	-	-
Administrative expenses		(3,428,902)	(3,070,818)	(701,754)	(863,788)
Impairment losses	5	-	-	(49,237,800)	(8,946,000)
Operating profit/(loss)		13,181,989	(29,492,440)	8,896,663	(8,107,625)
Finance costs		(1,180,277)	(1,336,121)	(1,180,277)	(1,336,121)
Profit/(loss) before tax	6	12,001,712	(30,828,561)	7,716,386	(9,443,746)
Income tax benefit/(expense)	9	102,844	65,538	(385,256)	(131,000)
Profit/(loss) for the year from continuing operations		12,104,556	(30,763,023)	7,331,130	(9,574,746)
Profit from discontinued operation, net of tax	10	3,819,494	4,782,563	-	-
		15,924,050	**(25,980,460)**	**7,331,130**	**(9,574,746)**
Profit/(loss) attributable to:					
Owners of the Company		14,394,342	(27,895,824)	7,331,130	(9,574,746)
Non-controlling interest		1,529,708	1,915,364	-	-
		15,924,050	**(25,980,460)**	**7,331,130**	**(9,574,746)**
Earning/(loss) per share attributable to equity owners of the Company (sen):					
Basic and diluted	11	7.35	(14.25)		
Basic and diluted - continuing operations	11	6.18	(15.72)		
Basic and diluted - discontinued operation	11	1.17	1.47		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Profit/(loss) after tax for the year, representing total comprehensive income/(loss) for the year, net of tax	**15,924,050**	**(25,980,460)**	**7,331,130**	**(9,574,746)**
Total comprehensive income/(loss) attributable to:				
Owners of the Company	14,394,342	(27,895,824)	7,331,130	(9,574,746)
Non-controlling interest	1,529,708	1,915,364	-	-
	15,924,050	**(25,980,460)**	**7,331,130**	**(9,574,746)**

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Note	2012 RM	2011 RM	Group As at 1.1.2011 RM
Assets				
Non-current assets				
Equipment	12	496,527	1,025,493	1,183,189
Intangible assets	13	1,279	573,673	560,230
Investments securities	15	-	132,148,899	139,425,532
		497,806	133,748,065	141,168,951
Current assets				
Investments securities	15	122,634,902	18,998,636	33,226,651
Derivative financial assets	16	4,191,266	7,723,847	10,797,249
Trade and other receivables	17	163,548	2,671,595	602,341
Prepayments		31,956	69,570	57,320
Tax recoverable		-	-	2,189,669
Cash, bank balances and deposits	18	76,480,887	44,401,018	49,910,430
		203,502,559	73,864,666	96,783,660
Total assets		**204,000,365**	**207,612,731**	**237,952,611**
Equity				
Share capital	19	97,872,267	97,872,267	97,872,267
Reserves	21	82,713,402	73,212,601	101,228,238
Treasury shares	22	(2,621)	(1,719)	(957)
Equity attributable to owners of the Company		180,583,048	171,083,149	199,099,548
Non-controlling interest		-	6,526,267	7,795,903
Total equity		180,583,048	177,609,416	206,895,451
Liabilities				
Non-current liability				
Deferred tax liability	23	556,900	1,045,000	1,241,538
Current liabilities				
Deferred income	24	-	22,740	48,380
Sundry payables	25	794,433	827,500	767,242
Tax payable		65,984	108,075	-
Short term borrowing	26	22,000,000	28,000,000	29,000,000
		22,860,417	28,958,315	29,815,622
Total liabilities		23,417,317	30,003,315	31,057,160
Total equity and liabilities		**204,000,365**	**207,612,731**	**237,952,611**

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

				Company
		2012	**2011**	**As at 1.1.2011**
	Note	**RM**	**RM**	**RM**
Assets				
Non-current assets				
Investments in subsidiaries	14(a)	13,307,003	15,944,803	15,944,803
Current assets				
Trade and other receivables	17	27,079,009	82,797	156,222
Amounts due from subsidiaries	14(b)	132,363,938	200,904,286	199,260,506
Prepayments		21,788	36,997	20,025
Cash, bank balances and deposits	18	67,543,311	27,584,176	30,443,252
		227,008,046	228,608,256	229,880,005
Total assets		**240,315,049**	**244,553,059**	**245,824,808**
Equity				
Share capital	19	97,872,267	97,872,267	97,872,267
Reserves	21	80,337,268	77,899,679	87,594,238
Treasury shares	22	(2,621)	(1,719)	(957)
Total equity		178,206,914	175,770,227	185,465,548
Liabilities				
Current liabilities				
Sundry payables	25	412,760	344,825	339,581
Amounts due to subsidiaries	14(b)	39,629,391	40,386,507	31,019,679
Tax payable		65,984	51,500	-
Short term borrowing	26	22,000,000	28,000,000	29,000,000
		62,108,135	68,782,832	60,359,260
Total liabilities		62,108,135	68,782,832	60,359,260
Total equity and liabilities		**240,315,049**	**244,553,059**	**245,824,808**

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

Group

	Attributable to owners of the Company									
	Share capital (Note 19)	Treasury shares (Note 22)	Share premium (Note 21)	Capital redemption reserve (Note 21)	Equity compensation reserve (Note 21)	Warrants reserve (Note 21)	(Accumulated losses)/ retained profit (Note 21)	Total	Non-controlling interest	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 January 2012	97,872,267	(1,719)	84,362,809	3,191,600	423,000	11,255,311	(26,020,119)	171,083,149	6,526,267	177,609,416
Total comprehensive income	-	-	-	-	-	-	14,394,342	14,394,342	1,529,708	15,924,050
Transactions with owners										
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(1,056,770)	(1,056,770)
Dividends paid to shareholders	-	-	-	-	-	-	(4,893,541)	(4,893,541)	-	(4,893,541)
Disposal of a subsidiary (Note 10)	-	-	-	-	-	-	-	-	(6,999,205)	(6,999,205)
Expiry of ESOS	-	-	-	-	(423,000)	-	423,000	-	-	-
Share buyback	-	(902)	-	-	-	-	-	(902)	-	(902)
Total transactions with owners	-	(902)	-	-	(423,000)	-	(4,470,541)	(4,894,443)	(8,055,975)	(12,950,418)
At 31 December 2012	**97,872,267**	**(2,621)**	**84,362,809**	**3,191,600**	**-**	**11,255,311**	**(16,096,318)**	**180,583,048**	**-**	**180,583,048**
At 1 January 2011	97,872,267	(957)	84,482,622	3,191,600	423,000	11,255,311	1,875,705	199,099,548	7,795,903	206,895,451
Total comprehensive (loss) / income	-	-	-	-	-	-	(27,895,824)	(27,895,824)	1,915,364	(25,980,460)
Transactions with owners										
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(3,185,000)	(3,185,000)
Rights issue expenses	-	-	(119,813)	-	-	-	-	(119,813)	-	(119,813)
Share buyback	-	(762)	-	-	-	-	-	(762)	-	(762)
Total transactions with owners	-	(762)	(119,813)	-	-	-	-	(120,575)	(3,185,000)	(3,305,575)
At 31 December 2011	**97,872,267**	**(1,719)**	**84,362,809**	**3,191,600**	**423,000**	**11,255,311**	**(26,020,119)**	**171,083,149**	**6,526,267**	**177,609,416**

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

Company

	Non-distributable							
	Share capital (Note 19)	Treasury shares (Note 22)	Share premium (Note 21)	Equity compensation reserve (Note 21)	Capital redemption reserve (Note 21)	Warrants reserve (Note 21)	Accumulated Losses (Note 21)	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM
At 1 January 2012	97,872,267	(1,719)	84,362,809	423,000	3,191,600	11,255,311	(21,333,041)	175,770,227
Total comprehensive income	-	-	-	-	-	-	7,331,130	7,331,130
Transactions with owners								
Expiry of ESOS	-	-	-	(423,000)	-	-	423,000	-
Dividends paid to shareholders	-	-	-	-	-	-	(4,893,541)	(4,893,541)
Share buyback	-	(902)	-	-	-	-	-	(902)
Total transactions with owners	-	(902)	-	(423,000)	-	-	(4,470,541)	(4,894,443)
At 31 December 2012	**97,872,267**	**(2,621)**	**84,362,809**	**-**	**3,191,600**	**11,255,311**	**(18,472,452)**	**178,206,914**
At 1 January 2011	97,872,267	(957)	84,482,622	423,000	3,191,600	11,255,311	(11,758,295)	185,465,548
Total comprehensive loss	-	-	-	-	-	-	(9,574,746)	(9,574,746)
Transactions with owners								
Rights issue expenses	-	-	(119,813)	-	-	-	-	(119,813)
Share buyback	-	(762)	-	-	-	-	-	(762)
Total transactions with owners	-	(762)	(119,813)	-	-	-	-	(120,575)
At 31 December 2011	**97,872,267**	**(1,719)**	**84,362,809**	**423,000**	**3,191,600**	**11,255,311**	**(21,333,041)**	**175,770,227**

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Cash flows from operating activities				
Profit/(loss) before tax from continuing operations	12,001,712	(30,828,561)	7,716,386	(9,443,746)
Profit before tax from discontinued operation (Note 10)	5,425,506	5,233,243	-	-
	17,427,218	(25,595,318)	7,716,386	(9,443,746)
Adjustments for:				
Amortisation of intangible assets	9,074	9,495	-	-
Depreciation of equipment	252,579	270,316	-	-
Gain on disposal of equipment	-	(123,955)	-	-
Capital returns received from investment securities	-	(2,154,459)	-	(573,629)
Impairment loss on amount due from a subsidiary	-	-	46,600,000	8,946,000
Impairment loss on cost of investment of a subsidiary	-	-	2,637,800	-
Realisation of embedded derivative	(1,331,450)	-	-	-
Loss on derecognition of embedded derivative	116,950	-	-	-
Gain/(loss) on disposals of investment securities	(36,367,926)	256,166	-	-
Gain on disposal of derivative financial assets	(925,303)	(105,383)	-	-
Net fair value loss on financial instruments	27,161,705	34,335,829	-	-
Gain on disposal of a subsidiary	(1,439,418)	-	-	-
Interest income	(2,464,903)	(1,439,496)	(1,836,217)	(956,814)
Interest expense	1,180,277	1,336,121	1,180,277	1,336,121
Dividend income	(1,744,325)	(4,486,670)	(57,000,000)	-
Unrealised loss/(gain) on foreign exchange	166,046	(4,803)	-	-
Operating profit/(loss) before working capital changes	2,040,524	2,297,843	(701,754)	(692,068)
Decrease/(increase) in operating assets				
Receivables	1,275,693	(2,329,437)	58,895	(60,656)
Amounts due from subsidiaries	-	-	21,940,348	(10,589,780)
Proceeds from disposals of:				
- investment securities	82,606,058	5,829,008	-	-
- derivative financial assets	2,256,981	1,362,824	-	-
Purchase of:				
- investment securities	(42,686,386)	(15,304,030)	-	-
- derivative financial assets	-	(1,796,364)	-	-
Capital return from investment securities	-	2,154,459	-	573,629
Realisation of embedded derivative	1,214,500	-	-	-
Increase/(decrease) in operating liabilities				
Payables	428,054	33,125	60,373	3,751
Amounts due to subsidiaries	-	-	(757,117)	9,366,828
Cash generated from/(used in) operations - carried forward	47,135,424	(7,752,572)	20,600,745	(1,398,296)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Cash generated from/(used in) operations - brought forward	47,135,424	(7,752,572)	20,600,745	(1,398,296)
Dividends received	1,721,306	4,470,450	30,000,000	-
Interest received	2,306,455	1,703,649	1,796,320	1,073,923
Interest paid	(1,172,715)	(1,334,628)	(1,172,715)	(1,334,628)
Taxes (paid)/refund	(1,223,503)	1,716,064	(370,772)	(79,500)
Net cash generated from/(used in) operating activities	48,766,967	(1,197,037)	50,853,578	(1,738,501)
Cash flows from investing activities				
Proceeds from disposals of equipment	-	171,059	-	-
Net cash outflow arising on disposal of a subsidiary (Note 10)	(4,565,081)	-	-	-
Purchase of equipment	(4,758)	(159,724)	-	-
Purchase of software licence	-	(22,938)	-	-
Net cash used in investing activities	(4,569,839)	(11,603)	-	-
Cash flows from financing activities				
Share buyback	(902)	(762)	(902)	(762)
Rights issue expenses	-	(119,813)	-	(119,813)
Dividends paid to shareholders	(4,893,541)	-	(4,893,541)	-
Dividend paid to non-controlling interest	(1,056,770)	(3,185,000)	-	-
Repayment of revolving credit	(6,000,000)	(1,000,000)	(6,000,000)	(1,000,000)
Net cash used in financing activities	(11,951,213)	(4,305,575)	(10,894,443)	(1,120,575)
Net increase/(decrease) in cash and cash equivalents	32,245,915	(5,514,215)	39,959,135	(2,859,076)
Effects of exchange rate changes	(166,046)	4,803	-	-
Cash and cash equivalents at beginning of year	44,401,018	49,910,430	27,584,176	30,443,252
Cash and cash equivalents at end of year (Note 18)	**76,480,887**	**44,401,018**	**67,543,311**	**27,584,176**

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2012

1. GENERAL INFORMATION

The Company is a public company limited by shares, incorporated under the Companies Act, 1965, domiciled in Malaysia, and is listed on ACE Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The principal place of business of the Company is located at 15th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur. During the financial year, the registered office of the Company was shifted from 20th Floor to 9th Floor of Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur.

The Company is an investment holding company. The principal activities of the subsidiaries are described in Note 14(a). There have been no significant changes in the nature of these activities during the year except for the disposal of a subsidiary as disclosed in Note 10.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 5 February 2013.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and the Companies Act, 1965 in Malaysia. These financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group and the Company have adopted the MFRSs Framework which is mandated for periods beginning on or after 1 January 2012.

For all periods up to and including the year ended 31 December 2011, the Group and the Company prepared its financial statements in accordance with Financial Reporting Standards ("FRSs"). The financial statements for the year ended 31 December 2012 are the first set of financial statements of the Group and of the Company that are prepared in accordance with MFRSs. Further details on the adoption of MFRSs are disclosed in Note 2(b).

The financial statements of the Group and of the Company have also been prepared on the historical costs basis. The financial statements are presented in Ringgit Malaysia ("RM") unless otherwise indicated.

(b) First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

These financial statements, for the year ended 31 December 2012, are the first the Group has prepared its financial statements with MFRSs. For periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS") in Malaysia.

Accordingly, the Group has prepared financial statements which comply with MFRS for the period ending on or after 31 December 2012, together with the comparative period data as at and for the year ended 31 December 2011, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening statement of financial position was prepared as at 1 January 2011, the Group's date of transition to MFRS.

<u>**Estimates**</u>

The estimates at 1 January 2011 and at 31 December 2011 are consistent with those made for the same dates in accordance with FRS.

The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 January 2011, the date of transition to MFRS and as of 31 December 2011.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2012

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

(b) First-time adoption of Malaysian Financial Reporting Standards ("MFRS") (Cont'd)

Business combinations

MFRS 3 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses for MFRS that occurred before 1 January 2011. Use of this exemption means that the FRS carrying amounts of assets and liabilities, that are required to be recognised under MFRS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with MFRS. Assets and liabilities that do not qualify for recognition under MFRS are excluded from the opening MFRS statement of financial position. The Group did not recognise or exclude any previously recognised amounts as a result of MFRS recognition requirements. MFRS 1 also requires that the FRS carrying amount of goodwill must be used in the opening MFRS statement of financial position (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with MFRS 1, the Group has tested goodwill for impairment at the date of transition to MFRS. No goodwill impairment was deemed necessary at 1 January 2011.

Other than the above exemption on estimates and business combinations, the Group did not apply any other exemptions as stipulated in MFRS 1.

As there are no adjustments required to be made as at the date of transition, accordingly, no statement of reconciliation of equity is presented in the financial statements.

(c) MFRSs, Amendments to MFRSs and Issues Committee ("IC") Interpretation issued but not yet effective

The Group had not adopted the following MFRSs, Amendments to MFRSs and IC Interpretations which have been issued but not yet effective:

MFRSs, Amendments to MFRSs and IC Interpretation		Effective for financial periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 1	Government Loans	1 January 2013
Amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134	Annual Improvements 2009-2011 Cycle	1 January 2013
Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendment to IC Interpretation 2	Annual Improvements 2009-2011 Cycle	1 January 2013

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

(d) Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(i) Judgements

There were no significant judgements made in applying the accounting policies of the Group which may have significant effects of the amounts recognised in the financial statements.

Classification of financial assets

The Group classifies all of its financial assets as fair value through profit or loss and loans and receivables.

For the financial year ended 31 December 2012, the decrease in fair value of financial assets amounted to RM27,161,705 (2011: RM34,355,829).

(ii) Estimation uncertainties

Assumptions and other sources of estimation at the reporting date that potentially pose a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next period are discussed below:

Measurement of an embedded derivative

The loan agreement as disclosed in Note 17 contains a host debt instrument and a derivative. The fair value for the embedded derivative and host contract should be bifurcated, with fair value of embedded derivative being determined first and the difference between the fair value of the whole contract and the embedded derivative is assigned to the host contract. However, the fair value of the embedded derivative cannot be reliably measured as the range of the reasonable fair value estimates is significant and the probabilities of various outcomes cannot be reasonably assessed. As such, the fair value of the host contract is determined first and the difference between the fair value of whole and host is assigned to embedded derivative.

Impairment of unquoted investment carried at fair value through profit or loss

Impairment of unquoted investment carried at fair value through profit or loss is measured as the difference between the asset's carrying amount and the fair value of the investment's underlying assets, which is based on the underlying asset's current market value.

Impairment assessment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The detailed disclosure on the assessment of impairment of goodwill is disclosed in Note 13.

Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the subsidiaries and default or significant delay in payments.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2012

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

(d) Significant accounting judgements and estimates (Cont'd)

(ii) Estimation uncertainties (Cont'd)

Impairment of loans and receivables (Cont'd)

Whether there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience of assets with similar credit risk characteristics. The carrying amount of the Company's amounts owing from subsidiaries at the reporting date is disclosed in Note 14(b). An impairment loss of RM46,600,000 (2011: RM8,946,000) was recognised as an expense in the current year (Note 5).

Impairment of investment in subsidiaries

The Company assesses at each reporting date whether there is any objective evidence that its investment in subsidiaries is impaired. This involves assessing net assets of the subsidiaries as at year end and measuring the recoverable amounts which include the fair value less cost to sell and value in use using valuation techniques. Valuation techniques include the use of discounted cash flow analysis, considering the current market value indicators. These estimates provide reasonable approximation to the computation of recoverable amount.

Based on management's assessment, an impairment loss of RM2,637,800 (2011: RM Nil) was recognised as an expense in current year (Note 5).

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statements of financial position.

The accounting policy for goodwill is set out in Note 3(e). Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in income statement on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in income statements of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

(c) Equipment and depreciation

Equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statements during the year in which they are incurred.

Subsequent to recognition, equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The policy for the recognition and measurement of losses is in accordance with Note 3(d).

Depreciation of equipment is provided on a straight line basis to write off the cost of each asset to their residual value over the estimated useful life at the following annual rates:

Furniture and fittings	10%
Motor vehicles	15%
Office equipment	15%
Renovation	10%
Computer equipment	20%

Upon the disposal of an item of equipment, the difference between the net disposal proceed and the carrying amount is recognised in the income statements.

The residual values, useful life and depreciation method are reviewed at each year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of equipment.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the income statements.

(d) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2012

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Impairment of non-financial assets (Cont'd)

Impairment lossess are recognised in income statements except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment lossess may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in income statements unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(e) Intangible assets

(i) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the income statements. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(ii) Software license

The Group has developed the following criteria to identify computer software or license to be classified as equipment or intangible asset:

- Software or license that is embedded in computer-controlled equipment, including operating system that cannot operate without that specific software is an integral part of the related hardware is treated as equipment; and

- Application software that is being used on a computer is generally easily replaced and is not an integral part of the related hardware is classified as intangible asset.

Software licenses acquired separately are measured on initial recognition at cost. Following initial recognition, software licenses are carried at cost less any accumulated amortisation and any accumulated impairment losses. Due to the risk of technological changes, the useful lives of all software licenses are generally assessed as finite and are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the software licenses may be impaired. The amortisation period and the amortisation method for software license are reviewed at least at each reporting date. The software license classified as intangible asset is amortised over its useful life at an annual rate of 15%.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

(g) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The Group and the Company only have financial assets at fair value through profit or loss and loans and receivables as at reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in income statements. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in income statements as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current based on management's strategic intent.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in income statements when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in income statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial assets (Cont'd)

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

(h) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in income statements.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

(i) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(j) Statements of cash flows and cash and cash equivalents

The statements of cash flows are prepared using the indirect method. Changes in cash and cash equivalents are classified into operating, investing and financing activities.

Cash and cash equivalents include cash on hand and at bank, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value.

(k) Provisions for liabilities

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Operating leases - the Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(m) Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in income statements on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

(n) Employee benefits

(i) Short term benefits

Salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the income statement as incurred.

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF").

(iii) Share-based compensation

Eligible executives of the Group receive compensation in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments of the Company, which is equity-settled, share based compensation plan.

The fair value of the share options granted to employees by the Group is recognised as employee cost with a corresponding increase in the equity compensation reserve within equity. The proceeds received net of any directly attributable transaction costs are credited to equity when these options are exercised. The fair value of expired share options will be transferred directly to retained profits.

The share options granted to employees by the Group vest immediately upon acceptance of the offer by employees. The fair value of share options is measured at grant date, computed using a binomial model and the number of share options granted.

(o) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of the asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in income statements in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Segment reporting

For management purposes, the Group is organised into business segments as the Group's risk and rate of return are affected predominantly by its business activities. The Group's geographical segments are based on the location of the operations of the Group's assets. Revenue by geographical segment is based on income derived from those assets. Additional disclosures on each of these segments are shown in Note 31, including the factors used to identify the reportable segments and the measurement basis of segment information.

(q) Income taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in income statements except to the extent that the tax relates to items recognised outside income statements, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Income taxes (Cont'd)

(ii) Deferred tax (Cont'd)

Deferred tax relating to items recognised outside income statements is recognised outside income statements. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(r) Revenue and income recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable.

Income from the business activities of the Group is recognised using the following bases:

(i) Sale of investments

Realised gain or loss from disposal of investments is measured as the difference between the net disposal proceeds and the carrying amounts of the investments and is recognised upon disposal of investments.

(ii) Interest income

Interest income on securities are recognised on an effective yield basis.

(iii) Dividend income

Dividend income from investments is recognised when the right to receive payment is established.

(iv) Revenue from services

Revenue from services comprise fees in relation to user access, annual subscriptions, telestock services, website maintenance and hosting services. These revenue are recognised on an accrual basis over the period of services.

Revenue from software development, advertising and other services are recognised upon the performance of such services.

(v) Other income

Other income is recognised when the right of the Company over such income is established.

(s) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2012

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Foreign currencies (Cont'd)

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in income statements except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to income statements of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in income statements for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the income statements.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

The exchange rates used in translation are as follows:

	2012 RM	2011 RM	As at 1.1.2011 RM
Closing rate			
United States Dollar	3.06	3.17	3.06
Singapore Dollar	2.50	2.44	2.38
Hong Kong Dollar	0.40	0.41	0.39
100 Cambodian Riel	0.08	-*	-*
100 Indonesian Rupiah	0.03	0.04	0.03

NOTES TO THE FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Foreign currencies (Cont'd)

(iii) Foreign operations (Cont'd)

	2012 RM	2011 RM	As at 1.1.2011 RM
Average rate			
United States Dollar	3.09	3.06	3.22
Singapore Dollar	2.47	2.43	2.36
Hong Kong Dollar	0.40	0.39	0.42
100 Cambodian Riel	0.08	-*	-*
100 Indonesian Rupiah	0.03	0.04	0.04

* Not applicable

(t) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in income statements. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include sundry payables, amounts due to subsidiaries, and loans and borrowings.

Sundry payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in income statements when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in income statements.

NOTES TO THE FINANCIAL STATEMENTS
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4. REVENUE

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Gain on disposal of derivative financial assets	925,303	105,383	-	-
Gain/(loss) on disposal of investment securities	36,367,926	(256,166)	-	-
Gain on disposal of a subsidiary	1,439,418	-	-	-
Interest income	1,966,174	974,840	1,836,217	956,814
Dividend income	1,744,325	4,486,670	57,000,000	-
	42,443,146	**5,310,727**	**58,836,217**	**956,814**

5. IMPAIRMENT LOSSES

	Company	
	2012 RM	2011 RM
In respect of:		
Amount due from a subsidiary (Note 14(b))	46,600,000	8,946,000
Investment in a subsidiary (Note 14(a))	2,637,800	-
	49,237,800	**8,946,000**

6. PROFIT/(LOSS) BEFORE TAX

The following amounts have been included in arriving at profit/(loss) before tax:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Auditors' remuneration:				
(i) Statutory audit				
- current year:	105,160	86,955	34,000	28,000
- Continuing operations	99,955	80,955	34,000	28,000
- Discontinued operation	5,205	6,000	-	-
- Under/(over) provision in prior year	6,187	(20,037)	3,000	(6,000)
(ii) Other services				
- current year	20,000	3,000	20,000	3,000
Profit from investment venture*	-	(5,360)	-	-
Capital returns received from investment securities	-	(2,154,459)	-	(573,629)
Gain from realisation of embedded derivative	(1,331,450)	-	-	-
Loss on derecognition of embedded derivative	116,950	-	-	-
Employee benefits expenses (excluding executive Directors' remuneration) (Note 7):	2,462,589	2,966,607	3,162	3,112
- Continuing operations	980,210	975,783	3,162	3,112
- Discontinued operation	1,482,379	1,990,824	-	-
Directors' remuneration (Note 8)	1,035,480	746,726	246,381	241,800
Rental of office and parking space:	222,805	218,078	-	-
- Continuing operations	140,874	126,232	-	-
- Discontinued operation	81,931	91,846	-	-

6. PROFIT/(LOSS) BEFORE TAX (CONT'D)

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Depreciation of equipment (Note 12):	252,579	270,316	-	-
- Continuing operations	123,375	124,013	-	-
- Discontinued operation	129,204	146,303	-	-
Gain on disposal of equipment:	-	(123,955)	-	-
- Continuing operations	-	(123,190)	-	-
- Discontinued operation	-	(765)	-	-
Interest expense	1,180,277	1,336,121	1,180,277	1,336,121
Amortisation of intangible assets (Note 13):	9,074	9,495	-	-
- Continuing operations	334	334	-	-
- Discontinued operation	8,740	9,161	-	-
Realised loss on foreign exchange	173,971	314,684	-	92,305
Unrealised loss/(gain) on foreign exchange	166,046	(4,803)	-	-

* Profit from investment venture represents share of profit from a short term joint investment in another company, which was disposed of in prior year.

7. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Salaries and bonuses	2,220,677	2,602,664	-	-
Defined contribution plan	204,773	273,439	-	-
Other staff related expenses	37,139	90,504	3,162	3,112
	2,462,589	**2,966,607**	**3,162**	**3,112**

8. DIRECTORS' REMUNERATION

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Directors of the Company				
Executive:				
Salaries, bonuses and other emoluments	688,000	454,500	1,233	15,000
Directors' fees	120,000	100,000	120,000	100,000
Defined contribution plan	102,480	67,226	148	1,800
	910,480	**621,726**	**121,381**	**116,800**
Non-executive:				
Directors' fees	**125,000**	**125,000**	**125,000**	**125,000**
Total Directors' remuneration (Note 6)	**1,035,480**	**746,726**	**246,381**	**241,800**

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8. DIRECTORS' REMUNERATION (CONT'D)

The number of Directors of the Company in office at the end of the financial year and whose total remuneration from the Group falling within the respective band are as follows:

	Number of Directors	
	2012	**2011**
Executive Directors:		
Below RM50,000	2	1
RM50,001 - RM100,000	-	2
RM250,001 - RM300,000	1	-
RM450,001 - RM500,000	-	1
RM550,001 - RM600,000	1	-
Non-executive Directors:		
Below RM50,000	4	4
	8	**8**

9. INCOME TAX (BENEFIT)/EXPENSE

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Malaysian income tax:				
Current year	372,000	131,000	372,000	131,000
Under provision in prior years	13,256	-	13,256	-
	385,256	131,000	385,256	131,000
Deferred tax (Note 23):				
Relating to origination and reversal of temporary differences	(488,100)	(169,336)	-	-
Over provision in prior year	-	(27,202)	-	-
	(488,100)	(196,538)	-	-
Income tax attributable to continuing operations	(102,844)	(65,538)	385,256	131,000
Income tax attributable to discontinued operation	1,606,012	450,680	-	-
	1,503,168	**385,142**	**385,256**	**131,000**

Two subsidiaries of the Company, namely OSK Technology Ventures Sdn. Bhd. ("OSKTV") and OSK Venture Equities Sdn. Bhd. ("OSKVE") were previously granted the Venture Capital Company tax exemption incentive pursuant to the Income Tax (Exemption) (No. 3) Order 2001, which was repealed by Income Tax (Exemption) (No.11) Order 2005 and by Income Tax (Exemption) (Amendment) (No.2) Order 2006.

The Income Tax (Exemption) (Amendment) (No.2) Order 2006 exempts a Venture Capital Company ("VCC") from payment of tax in respect of statutory income on all sources of income (other than interest income arising from savings or fixed deposits and profits from syariah-based deposits) for 10 years if 70% of the invested funds of the VCC are invested in venture company and in the form of start-up or early stage financing and if 50% of the invested funds of the VCC are invested in venture company and in the form of seed capital. The tax exempt status is subject to annual certification by the Securities Commission ("SC").

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9. INCOME TAX (BENEFIT)/EXPENSE (CONT'D)

The tax exempt periods for OSKTV and OSKVE are effective from Year of Assessment ("YA") 2002 to YA 2011 and from YA 2003 to YA 2012 inclusive, respectively. OSKTV did not meet certain criteria for the the above mentioned tax exemption for YA 2011. On 29 May 2012, OSKVE obtained approval from the SC in respect of the above mentioned tax exemption for YA 2011.

The domestic income tax is calculated at the statutory tax rate of 25% (2011: 25%) of the estimated assessable profit for the year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdiction.

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax (benefit)/expense at the effective income tax rate of the Group and the Company are as follows:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Profit/(loss) before tax				
- Continuing operations	12,001,712	(30,828,561)	7,716,386	(9,443,746)
Profit before tax				
- Discontinued operation	5,425,506	5,233,243	-	-
	17,427,218	(25,595,318)	7,716,386	(9,443,746)
Tax at Malaysian statutory tax rate of 25%	4,356,805	(6,398,829)	1,929,097	(2,360,937)
Effect of different tax rate in foreign jurisdiction	253,130	142,937	-	-
Expenses not deductible for tax purposes	1,157,223	675,510	12,692,903	2,497,256
Income not subjected to tax	(4,108,839)	(3,068,996)	(14,250,000)	-
Utilisation of previously unrecognised tax losses	(5,142,880)	(5,319)	-	(5,319)
Deferred tax assets not recognised	4,808,037	9,019,385	-	-
Underprovision of deferred tax in prior year	(2,976)	11,406	-	-
Under provision of income tax in prior year	182,668	9,048	13,256	-
Income tax expense for the year	**1,503,168**	**385,142**	**385,256**	**131,000**

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2012 RM	2011 RM
Unutilised tax losses	20,212,000	36,369,000
Unrealised fair value losses on financial instruments	50,059,000	35,241,000
	70,271,000	**71,610,000**

The unutilised tax losses carried forward are available indefinitely for offset against future taxable profits of the subsidiaries subject to no substantial changes in the shareholdings of the subsidiaries under Section 44(5A) and (5B) of the Income Tax Act, 1967 and guidelines issued by the tax authorities.

Pursuant to Section 60FA(3)(a), the tax losses of the Company are not allowed to be carried forward to subsequent years of assessment.

No deferred tax assets were recognised as it is not probable that the Group will be able to generate sufficient taxable income for the utilisation of these tax benefits in foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
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10. DISCONTINUED OPERATION

On 28 May 2012, the Company announced that its wholly-owned subsidiary, OSK Venture Equities Sdn. Bhd. ("OSKVE"), had entered into a Conditional Share Purchase Agreement ("CSPA") with RHB Capital Berhad ("RHBC") in relation to the Proposed Disposal of 6,811,111 ordinary shares of RM1.00 each representing 59.95% equity interest in Finexasia.com Sdn. Bhd. ("Finexasia"), for a cash consideration of RM12,500,000. The completion of the CSPA is subject to the fulfillment of the conditions precedent (unless waived in accordance with the terms of the CSPA). On 14 November 2012, the conditions precedent of the CSPA have been fully met and the disposal was completed on the same day.

Finexasia was previously reported in the internet financial solutions business segment. Following the completion of the disposal, the results of Finexasia up to the date of disposal are presented separately on the income statements as "profit from discontinued operation, net of tax".

Statement of comprehensive income disclosures

The results of Finexasia up to the date of disposal, 14 November 2012 are as follows:

	2012 RM	2011 RM
Revenue	8,497,618	9,046,360
Expenses	(3,072,112)	(3,813,117)
Profit before tax from discontinued operation	5,425,506	5,233,243
Income tax expense	(1,606,012)	(450,680)
Profit from discontinued operation, net of tax	3,819,494	4,782,563

Statement of cash flows disclosures

The cash flows attributable to Finexasia up to the date of disposal, 14 November 2012 are as follows:

	2012 RM	2011 RM
Operating	3,207,096	4,796,082
Investing	374,962	429,374
Financing	(2,638,700)	(7,952,778)
Net cash inflows/(outflows)	943,358	(2,727,322)

10. DISCONTINUED OPERATION (CONT'D)

The disposal had the following effects on the financial position of the Group as at the reporting date:

	2012 RM	2011 RM
Equipment (Note 12)	281,145	405,591
Intangible assets (Note 13)	33,681	42,421
Other investment	86	86
Trade and other receivables	1,288,713	54,138
Prepayments	162,721	26,864
Cash and bank balances	17,011,351	16,067,992
Trade and other payables	(491,423)	(244,893)
Tax payable	(809,856)	(56,576)
Net assets	17,476,418	**16,295,623**
Less: Non-controlling interest	(6,999,205)	
Net assets disposal	10,477,213	
Add: Attributable goodwill (Note 13)	529,639	
	11,006,852	
Sales proceeds, net transaction costs	(12,446,270)	
Gain on disposal of Group	**(1,439,418)**	

Net Cash Outflow arising from the disposal:

Cash consideration	12,500,000
Less: Transaction costs	(53,730)
Less: Cash and cash equivalents of a subsidiary disposed	(17,011,351)
Net cash outflow of the Group	**(4,565,081)**

11. EARNING/(LOSS) PER SHARE

Basic earning/(loss) per share is calculated by dividing the profit/(loss) for the year, net of tax attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year, excluding treasury shares held by the Company.

		Group
	2012	2011
Profit/(loss) for the year attributable to owners of the Company (RM)	14,394,342	(27,895,824)
Profit/(loss) for the year attributable to owners of the Company (RM) - Continuing operations	12,104,556	(30,763,023)
Profit for the year attributable to owners of the Company (RM) - Discontinued operation	2,289,786	2,867,199
Weighted average number of ordinary shares in issue*	195,739,810	195,741,832
Basic earning/(loss) per share (sen)	**7.35**	**(14.25)**
Basic earning/(loss) per share (sen) - Continuing operations	**6.18**	**(15.72)**
Basic earning per share (sen) - Discontinued operation	**1.17**	**1.47**

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the year.

The outstanding warrants have been excluded from the computation of diluted earning/(loss) per share as their effect is antidilutive.

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12. EQUIPMENT

	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Computer equipment RM	Total RM
Group						
2012						
Cost						
At 1 January 2012	132,808	453,969	3,449,147	402,440	217,700	4,656,064
Additions	-	-	2,228	-	2,530	4,758
Attributable to discontinued operation (Note 10)	(23,315)	-	(3,279,843)	(197,507)	(184,483)	(3,685,148)
At 31 December 2012	109,493	453,969	171,532	204,933	35,747	975,674
Accumulated depreciation						
At 1 January 2012	49,514	96,469	3,245,473	185,535	53,580	3,630,571
Charge for the year (Note 6)	12,218	68,095	103,365	30,521	38,380	252,579
Attributable to discontinued operation (Note 10)	(6,829)	-	(3,200,834)	(121,766)	(74,574)	(3,404,003)
At 31 December 2012	54,903	164,564	148,004	94,290	17,386	479,147
Net carrying amount	**54,590**	**289,405**	**23,528**	**110,643**	**18,361**	**496,527**
2011						
Cost						
At 1 January 2011	132,808	812,446	3,436,794	395,730	80,098	4,857,876
Additions	-	-	12,353	6,710	140,661	159,724
Disposal	-	(358,477)	-	-	(3,059)	(361,536)
At 31 December 2011	132,808	453,969	3,449,147	402,440	217,700	4,656,064
Accumulated depreciation						
At 1 January 2011	36,241	342,041	3,127,012	153,880	15,513	3,674,687
Charge for the year (Note 6)	13,273	68,095	118,461	31,655	38,832	270,316
Disposal	-	(313,667)	-	-	(765)	(314,432)
At 31 December 2011	49,514	96,469	3,245,473	185,535	53,580	3,630,571
Net carrying amount	**83,294**	**357,500**	**203,674**	**216,905**	**164,120**	**1,025,493**

Included in equipment of the Group are fully depreciated assets which are still in use as follows:

	2012 RM	2011 RM	As at 1.1.2011 RM
Office equipment	79,939	2,677,716	2,653,728
Renovation	-	82,534	-
Furniture and fittings	7,620	7,620	-
	87,559	**2,767,870**	**2,653,728**

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13. INTANGIBLE ASSETS

	Goodwill on consolidation RM	Software licenses RM	Total RM
Group			
2012			
Cost			
At 1 January 2012	529,639	69,035	598,674
Attributable to discontinued operation (Note 10)	(529,639)	(66,810)	(596,449)
At 31 December 2012	-	2,225	2,225
Accumulated amortisation			
At 1 January 2012	-	25,001	25,001
Amortisation (Note 6)	-	9,074	9,074
Attributable to discontinued operation (Note 10)	-	(33,129)	(33,129)
At 31 December 2012	-	946	946
Net carrying amount	**-**	**1,279**	**1,279**
2011			
Cost			
At 1 January 2011	529,639	46,097	575,736
Additions	-	22,938	22,938
At 31 December 2011	529,639	69,035	598,674
Accumulated amortisation			
At 1 January 2011	-	15,506	15,506
Amortisation (Note 6)	-	9,495	9,495
At 31 December 2011	-	25,001	25,001
Net carrying amount	**529,639**	**44,034**	**573,673**

Impairment test for goodwill

The allocation of goodwill according to business segment is as follows:

	Group		
	2012 RM	2011 RM	As at 1.1.2011 RM
Internet financial solution business	**-**	**529,639**	**529,639**

The Group had on 28 May 2012, entered into a Conditional Share Purchase Agreement with RHB Capital Berhad in relation to the proposed Disposal of 6,811,111 ordinary shares of RM1.00 each representing 59.95% equity interest in Finexasia.com Sdn. Bhd., for a cash consideration of RM12,500,000 resulting in a gain on disposal of RM1,439,418 to the Group. The disposal of shares was completed on 14 November 2012.

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14. SUBSIDIARIES

(a) Investments in subsidiaries

	Company		
	2012 RM	**2011 RM**	**As at 1.1.2011 RM**
Unquoted shares, at cost			
In Malaysia	15,944,802	15,944,802	15,944,802
Outside Malaysia	1	1	1
	15,944,803	15,944,803	15,944,803
Allowance for impairment	(2,637,800)	-	-
	13,307,003	**15,944,803**	**15,944,803**

Movement in allowance account:

	Company		
	2012 RM	**2011 RM**	**As at 1.1.2011 RM**
At 1 January	-	-	-
Charge for the year (Note 5)	2,637,800	-	-
At 31 December	**2,637,800**	**-**	**-**

Details of the subsidiaries, all of which are incorporated in Malaysia, except for OSK Ventures International Limited and OSK Infrastructure Investments Limited which are incorporated in Hong Kong, are as follows:

(i) Held by the Company

Name of companies	**Principal activities**	**Proportion of ownership interest (%) 2012**	**2011**
OSK Venture Equities Sdn. Bhd.	To undertake venture capital business and management of investments in securities of venture companies.	100	100
OSK Technology Ventures Sdn. Bhd.	To undertake venture capital business.	100	100
OSK Private Equity Management Sdn. Bhd.	To undertake the management of investments in securities of venture companies.	100	100
OSK Capital Partners Sdn. Bhd.	To undertake investment holding and private equity business.	100	100
OSK Ventures International Limited^	To undertake investment holding and private equity business.	100	100
OSK Infrastructure Investments Limited^	To undertake investment holding and private equity business.	100	100

14. SUBSIDIARIES (CONT'D)

(a) Investments in subsidiaries (Cont'd)

(ii) Held through a subsidiary, OSK Venture Equities Sdn Bhd

Name of companies	Principal activities	Proportion of ownership interest (%) 2012	2011
Finexasia.com Sdn. Bhd.	Development and provisionof internet financial solutions and related activities.	-	59.95
Stock188.com Sdn. Bhd.	Application service provider to facilitate access to online equity trading, other online information and financial services.	-	100

These subsidiaries were disposed of on 14 November 2012 as disclosed in Note 10.

The Company and its subsidiaries are audited by Messrs. Ernst & Young, Malaysia except as indicated as follows:

^ Not audited by Messrs. Ernst & Young, Malaysia or a member firm of Ernst & Young Global

(b) Amounts due from/(to) subsidiaries

	Company 2012 RM	2011 RM	As at 1.1.2011 RM
Amounts due from subsidiaries	259,209,938	281,150,286	270,560,506
Less: Allowance for impairment	(126,846,000)	(80,246,000)	(71,300,000)
	132,363,938	**200,904,286**	**199,260,506**

The amounts due from/(to) subsidiaries are unsecured, interest free and repayable on demand.

Movements in allowance account:

	Company 2012 RM	2011 RM	As at 1.1.2011 RM
At 1 January	80,246,000	71,300,000	71,300,000
Charge for the year (Note 5)	46,600,000	8,946,000	-
At 31 December	**126,846,000**	**80,246,000**	**71,300,000**

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15. INVESTMENTS SECURITIES

	2012		2011		As at 1.1.2011	
	Carrying amount RM	Market value of quoted investments RM	Carrying amount RM	Market value of quoted investments RM	Carrying amount RM	Market value of quoted investments RM
Group						
Current						
Investment securities						
Quoted shares in Malaysia	98,526,260	98,526,260	18,167,436	18,167,436	17,638,060	17,638,060
Quoted shares outside Malaysia	22,034,611	22,034,611	831,200	831,200	-	-
Unquoted shares in Malaysia	-	-	-	-	15,588,591	15,588,591
Unquoted shares outside Malaysia	2,074,031	-	-	-	-	-
	122,634,902	**120,560,871**	**18,998,636**	**18,998,636**	**33,226,651**	**33,226,651**
Non-current						
Investment securities						
Quoted shares in Malaysia	-	-	128,377,868	128,377,868	133,899,501	133,899,501
Unquoted shares outside Malaysia	-	-	3,771,031	-	5,526,031	-
	-	**-**	**132,148,899**	**128,377,868**	**139,425,532**	**133,899,501**
Total investment securities	**122,634,902**	**120,560,871**	**151,147,535**	**147,376,504**	**172,652,183**	**167,126,152**
Add: Derivative financial assets (Note 16)	4,191,266	4,191,266	7,723,847	7,723,847	10,797,249	10,797,249
Total financial assets at fair value through profit or loss	**126,826,168**	**124,752,137**	**158,871,382**	**155,100,351**	**183,449,432**	**177,923,401**

Details of major quoted investment securities are as follows:

	Equity interest held (%)		
	2012	2011	As at 1.1.2011
Counter:			
Green Packet Berhad	17.51	18.38	16.23
mTouche Technology Berhad	20.89	32.27	24.00
eBworx Berhad	- *	25.36	23.28

	Market value		
	2012 RM	2011 RM	As at 1.1.2011 RM
Counter:			
Green Packet Berhad	53,802,402	69,519,958	77,839,642
mTouche Technology Berhad	11,847,832	17,606,039	19,806,794
eBworx Berhad	- *	28,283,320	21,796,320

* Investment was fully disposed during the year.

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16. DERIVATIVE FINANCIAL ASSETS

	Group		
	Carrying amount/ market value of quoted investments		
	2012 RM	2011 RM	As at 1.1.2011 RM
Current			
Derivative financial assets			
Quoted warrants in Malaysia	**4,191,266**	**7,723,847**	**10,797,249**

Details of major warrants held are as follows:

	Number of warrants		
	2012	2011	As at 1.1.2011
Counter:			
Green Packet Berhad	23,505,653	24,575,653	24,575,653
mTouche Technology Berhad (WA)	- *	16,532,423	16,532,423
mTouche Technology Berhad (WB)	6,405,900	14,146,400	14,146,400

	Market value		
	2012 RM	2011 RM	As at 1.1.2011 RM
Counter:			
Green Packet Berhad	3,290,791	4,669,374	8,355,722
mTouche Technology Berhad (WA)	- *	991,945	743,959
mTouche Technology Berhad (WB)	576,531	1,414,640	1,697,568

* Investment was fully disposed during the year.

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17. TRADE AND OTHER RECEIVABLES

	Group		
	2012 RM	**2011 RM**	**As at 1.1.2011 RM**
Trade receivables			
Third parties	-	2,482,203	9,961
Other receivables			
Dividend receivable	39,239	16,220	-
Interest receivable	75,347	44,744	308,897
Deposits	48,962	73,927	95,333
Sundry receivables	-	54,501	188,150
	163,548	189,392	592,380
Total trade and other receivables	163,548	2,671,595	602,341
Add: Cash, bank balances and deposits (Note 18)	76,480,887	44,401,018	49,910,430
Total loans and receivables	**76,644,435**	**47,072,613**	**50,512,771**

	Company		
	2012 RM	**2011 RM**	**As at 1.1.2011 RM**
Other receivables			
Dividend receivable	27,000,000	-	-
Interest receivable	74,509	34,613	151,722
Deposits	4,500	4,500	4,500
Sundry receivables	-	43,684	-
Total receivables	27,079,009	82,797	156,222
Add: Cash, bank balances and deposits (Note 18)	67,543,311	27,584,176	30,443,252
Add: Amounts due from subsidiaries (Note 14(b))	132,363,938	200,904,286	199,260,506
Total loans and receivables	**226,986,258**	**228,571,259**	**229,859,980**

In previous year, the Group's primary exposure to credit risk arose through its trade receivables. The Group's trading terms with its customers are mainly on credit, generally for a period of 30 days (2011: 30 days) unless modified by terms of agreement on a case-by-case basis.

On 18 November 2011, the Group entered into a loan agreement with a third party ("borrower") which entitled the Group to full principal repayment SGD1,000,000 (or RM2,481,000 equivalent) from the borrower and equity participation in an entity ("the Entity") when it was successfully listed in the stock exchange in Hong Kong within six months from the date of agreement.

The loan agreement contains an embedded derivative, of which the fair value of the whole contract was bifurcated into fair value of the host contract and the fair value of embedded derivative.

In April 2012, the Entity was successfully listed on the Main Board of Hong Kong Stock Exchange and the Group had received full principal repayment of SGD1 million from the borrower.

Pursuant to the loan agreement, the Group had, on 12 October 2012, agreed to allow the borrower to make cash settlement in substitution of the transfer of shares held by the borrower in the Entity to the Group by the last quarter of 2012. The embedded derivative had been realised in November 2012 by way of cash settlement from the borrower at an amount of RM1.21 million. This was recorded as a gain in income statement of the Group.

18. CASH, BANK BALANCES AND DEPOSITS

			Group
	2012 RM	2011 RM	As at 1.1.2011 RM
Cash on hand and at banks	1,373,156	877,792	1,015,539
Deposits with a licensed investment bank	75,107,731	43,523,226	48,894,891
	76,480,887	**44,401,018**	**49,910,430**

			Company
	2012 RM	2011 RM	As at 1.1.2011 RM
Cash on hand and at banks	70,510	53,949	43,252
Deposits with a licensed investment bank	67,472,801	27,530,227	30,400,000
	67,543,311	**27,584,176**	**30,443,252**

The weighted average effective interest rate and average maturity of deposits at the reporting date are as follows:

			Group
	2012	2011	As at 1.1.2011
Weighted average effective interest rate (%)	3.04	3.18	2.78
Average maturity (days)	12	12	17

			Company
	2012	2011	As at 1.1.2011
Weighted average effective interest rate (%)	3.17	3.17	2.79
Average maturity (days)	13	14	19

19. SHARE CAPITAL

	Group / Company			
	Number of ordinary shares		Amount	
	2012	2011	2012 RM	2011 RM
Authorised				
At beginning/end of year	**500,000,000**	**500,000,000**	**250,000,000**	**250,000,000**
Issued and fully paid				
At beginning/end of year	**195,744,533**	**195,744,533**	**97,872,267**	**97,872,267**

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19. SHARE CAPITAL (CONT'D)

During the current year, the Company has not issued any new shares.

(a) On 8 October 2010, the Company issued 97,872,266 units of free detachable Warrants 2010/2015 ("Warrants") pursuant to the rights issue completed on 12 October 2010. Warrants were listed on Bursa Malaysia Securities Berhad on 12 October 2010.

The Warrants are constituted by a Deed Poll dated 24 August 2010 and the main features of the Warrants are as follows:

(i) Each Warrant entitles the holder to subscribe for 1 new ordinary share of RM0.50 each in the Company at a price of RM0.50 per share;

(ii) The Warrants may be exercised at any time up to 7 October 2015;

(iii) The shares arising from the exercise of Warrants shall rank pari passu in all respect with the existing ordinary shares of the Company, save and except that the new shares shall not be entitled to any dividends, rights, allotments and/or distributions, unless the exercise of warrants is effected before the book closure of the share registers for the determination of the entitlement to such rights or distributions.

As at 31 December 2012, 97,872,266 units of warrants remained unexercised.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

20. EXECUTIVE SHARE OPTION SCHEME

The Executive Share Option Scheme ("ESOS") of the Company is governed by the by-laws approved by the Company's shareholders at the Extraordinary General Meeting held on 17 November 2006. The ESOS was implemented on 11 April 2007 and is to be in force for a duration of 5 years from the date of implementation.

The salient features of the ESOS are as follows:

(a) Eligible grantees are employees and Directors of the Group who have been in the full time employment or under an employment contract of the Group for a period of at least twelve full months of continuous service and whose employment have been confirmed in writing on or prior to the date of the offer for employees and in the case of Directors have been appointed as Directors of the Group on or prior to the date of the offer. The eligibility for participation in the ESOS shall be based on the performance of the eligible grantees and shall be at the discretion of the ESOS Committee appointed by the Board of Directors;

(b) The total number of shares to be offered shall not exceed in aggregate 10% of the issued and paid-up share capital of the Company at any point of time during the duration of the ESOS and out of which not more than 50% of the shares shall be allocated, in aggregate, to Directors and senior management. In addition, not more than 10% of the shares available under the ESOS shall be allocated to any individual Director or employee who, either singly or collectively through his/her associates, hold 20% or more in the issued and paid-up capital of the Company;

(c) The option price for each share, as determined by the ESOS Committee, shall be at a discount of not more than 10% from the weighted average of the market quotation of the Company's shares in the daily list issued by Bursa Malaysia for the 5 market days preceding the date of offer, or at par value of the ordinary shares of the Company, whichever is higher;

(d) The shares to be allotted upon any exercise of the option shall upon allotment and issue rank pari passu in all respects with the existing ordinary shares of the Company provided always that the new shares so allotted will not be entitled to any dividends, rights, allotments and/or other distributions unless such new shares are specified as being credited to the Securities Account of the Grantee in the Record of Depositors maintained by the Company with Bursa Depository and requested by the Company from Bursa Depository for the purpose of determining persons entitled to such dividends, rights, allotments, and/or distributions in accordance with the Company's Articles of Association;

(e) The employees' entitlements to the options are vested at the grant date;

(f) No option shall be granted for less than 1,000 shares and shall not be more than the maximum allowable allotment for each eligible grantee allowed under their respective categories; and

20. EXECUTIVE SHARE OPTION SCHEME (CONT'D)

(g) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respect with the existing ordinary shares of the Company.

The number of options granted since implementation of ESOS on 11 April 2007 was 1,314,100 at an option price of RM2.57. The movement in ESOS during the year is as follows:

	Number of options over ordinary shares of RM0.50 each			
	At beginning of year	Forfeited	Expired	At end of year
2012	**900,000**	**(225,000)**	**(675,000)**	**-**
2011	**900,000**	**-**	**-**	**900,000**

The ESOS has expired on 10 April 2012.

The fair value of share options granted by the Company is estimated as at the date of grant using the binomial model, taking into account the terms and conditions upon which the options were granted. The assumptions at date of grant was as follows:

	On 11 April 2007
Fair value of ESOS granted (RM)	0.47
Weighted average share price (RM)	2.49
Weighted average exercise price (RM)	2.57
Expiry date	10 April 2012
Expected volatility (%)	30.00
Risk-free interest rate (%)	4.50
Expected dividend yield (%)	6.15

Actual volatility in the future may differ from the expected volatility, nonetheless the expected volatility reflects the Group's best estimate of future volatility over the remaining option period. No other features of the option grant were incorporated into the measurement of fair value.

21. RESERVES

		Group		
	Note	2012 RM	2011 RM	As at 1.1.2011 RM
Share premium		84,362,809	84,362,809	84,482,622
Equity compensation reserve	(a)	-	423,000	423,000
Capital redemption reserve	(b)	3,191,600	3,191,600	3,191,600
Warrants reserve	(c)	11,255,311	11,255,311	11,255,311
		98,809,720	99,232,720	99,352,533
(Accumulated losses)/retained profits		(16,096,318)	(26,020,119)	1,875,705
		82,713,402	**73,212,601**	**101,228,238**

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21. RESERVES (CONT'D)

		Company		
	Note	2012 RM	2011 RM	As at 1.1.2011 RM
Share premium		84,362,809	84,362,809	84,482,622
Equity compensation reserve	(a)	-	423,000	423,000
Capital redemption reserve	(b)	3,191,600	3,191,600	3,191,600
Warrants reserve	(c)	11,255,311	11,255,311	11,255,311
		98,809,720	99,232,720	99,352,533
Accumulated losses		(18,472,452)	(21,333,041)	(11,758,295)
		80,337,268	**77,899,679**	**87,594,238**

(a) Equity compensation reserve

Equity compensation reserve relates to share options of the Company that was granted to eligible employees of the Group. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

(b) Capital redemption reserve

Capital redemption reserve arose from the cancellation of treasury shares.

(c) Warrants reserve

Warrants reserve relates to the fair value of the warrants issued. During the year, the movements in the Company's warrants are as follows:

	Number of warrants		Amount	
	2012	2011	2012 RM	2011 RM
At beginning/end of year	**97,872,266**	**97,872,266**	**11,255,311**	**11,255,311**

22. TREASURY SHARES

	Group and Company		
	2012 RM	2011 RM	As at 1.1.2011 RM
At cost:			
At beginning of year	1,719	957	2,725,300
Cancellation	-	-	(2,725,300)
Share buybacks	902	762	957
At end of year	**2,621**	**1,719**	**957**

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22. TREASURY SHARES (CONT'D)

	Number of shares		
	2012	**2011**	**As at 1.1.2011**
Number of treasury shares:			
At beginning of year	4,000	2,000	3,191,600
Cancellation	-	-	(3,191,600)
Share buybacks	2,000	2,000	2,000
At end of year	6,000	4,000	2,000
Total number of outstanding shares in issue after set off (excluding treasury shares held)	195,738,533	195,740,533	195,742,533
Total number of issued and fully paid ordinary shares	**195,744,533**	**195,744,533**	**195,744,533**

The shareholders of the Company, by an ordinary resolution passed in the Annual General Meeting ("AGM") held on 17 April 2008, approved the Company's plan to repurchase its own ordinary shares subject to the conditions of:

(i) the aggregate number of shares purchased does not exceed 10 per cent of the total issued and paid-up share capital of the Company as quoted on the Bursa Securities as at the point of purchase;

(ii) an amount not exceeding the Company's last audited retained profit and/or the share premium account at the time of the purchase(s) will be allocated by the Company for the purchase of own shares; and

(iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends.

The Directors are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan is to the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds.

The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. The Company may distribute the treasury shares as dividend to the shareholders or re-sell the treasury shares in accordance with Section 67A of the Companies Act, 1965.

All the shares repurchased were conducted through OSK Investment Bank Berhad, a related party in the ordinary course of business on terms similar to those arranged with independent stockbroking third parties.

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22. TREASURY SHARES (CONT'D)

Details of the share buybacks during the year are as follows:

	Number of ordinary shares	Highest price RM	Lowest price RM	Average cost* RM	Total amount paid RM
2012					
At beginning of year	4,000			0.43	1,719
Share buyback in					
- May 2012	1,000	0.42	0.42	0.46	461
- November 2012	1,000	0.39	0.39	0.44	441
At end of year	**6,000**			**0.44**	**2,621**
2011					
At beginning of year	2,000			0.48	957
Share buyback in					
- June 2011	1,000	0.35	0.35	0.39	391
- November 2011	1,000	0.33	0.31	0.37	371
At end of year	**4,000**			**0.43**	**1,719**

* Average cost included transaction costs.

23. DEFERRED TAXATION

	Group		
	2012 RM	2011 RM	As at 1.1.2011 RM
As at 1 January	1,045,000	1,241,538	12,632,289
Recognised in income statements (Note 9)	(488,100)	(196,538)	(11,390,751)
At 31 December	**556,900**	**1,045,000**	**1,241,538**

Deferred tax liability represents temporary differences arising from net fair value gain on financial instruments.

24. DEFERRED INCOME

This represents advance fees received from the subscribers of a discontinued operation.

25. SUNDRY PAYABLES

	Group		
	2012 RM	2011 RM	As at 1.1.2011 RM
Accruals	753,598	811,647	752,883
Others	40,835	15,853	14,359
	794,433	827,500	767,242
Add: Short term borrowing (Note 26)	22,000,000	28,000,000	29,000,000
Total financial liabilities carried at amortised cost	**22,794,433**	**28,827,500**	**29,767,242**

	Company		
	2012 RM	2011 RM	As at 1.1.2011 RM
Accruals	371,924	329,332	325,582
Others	40,836	15,493	13,999
	412,760	344,825	339,581
Add: Short term borrowing (Note 26)	22,000,000	28,000,000	29,000,000
Total financial liabilities carried at amortised cost	**22,412,760**	**28,344,825**	**29,339,581**

26. SHORT TERM BORROWING

The short term borrowing of the Group and of the Company consists of an unsecured revolving credit which is subject to an interest charge at 5.37% (2011: 4.64%) per annum. The revolving credit is repayable on a monthly basis.

27. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The following Directors of the Company are members of key management personnel of the Company. The Directors' remuneration are disclosed in Note 8.

Executive Directors

Dato' Nik Mohamed Din Bin Datuk Nik Yusoff
Yee Chee Wai
Ong Ju Yan
Ong Yee Min

Non-executive Directors

Wong Chong Kim
Tan Sri Datuk Dr. Omar Bin Abdul Rahman
Dato' Seri Abdul Azim Bin Mohd. Zabidi
Foo San Kan

The terms and conditions of the share options granted are the same as those offered to the executives of the Group (Note 20). The movements of share options granted to the key management personnel during the year are as follows:

	Number of options over ordinary shares of RM0.50 each			
	At beginning of year	Forfeited	Expired	At end of year
2012	**900,000**	**(225,000)**	**(675,000)**	**-**
2011	**900,000**	**-**	**-**	**900,000**

NOTES TO THE FINANCIAL STATEMENTS
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28. SIGNIFICANT RELATED PARTY TRANSACTIONS AND RELATIONSHIPS

(a) Transactions with related parties

	Nature of transactions	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
(i) Subsidiaries of OSK Holdings Berhad* ("OSKH")					
OSK Investment Bank Berhad	Brokerage fees	107,652	72,319	80	80
	Group support fees	104,143	119,400	-	-
	Interest received	(2,464,903)	(1,439,496)	(1,836,217)	(956,814)
	Annual fees income	(715,219)	(820,000)	-	-
	Proceeds from disposal of equipment	-	(171,059)	-	-
	User access fees income	(7,151,398)	(7,606,635)	-	-
	Corporate website maintenance income	(105,260)	(92,000)	-	-
	Software development, subscription and hosting fees income	(9,587)	(7,800)	-	-
OSK Indochina Bank Limited	Interest received	(86,751)	-	-	-
DMG & Partners Securities Pte Ltd	Share of OSK China Investment Advisory Co.'s cost	-	3,950	-	3,950
KE-ZAN Holdings Berhad	Rental and utility deposits	-	5,443	-	-
	Rental of office and parking space	196,014	195,488	-	-
OSK Trustees Berhad	Hosting fees income	(4,187)	(4,800)	-	-
OSK-UOB Unit Trust Management Berhad	Hosting fees income	(10,467)	(12,000)	-	-
	Corporate website maintenance income	-	(1,000)	-	-
OSK Hong Kong Securities Limited	Corporate website maintenance income	-	(800)	-	-
OSK International Investment Hong Kong Ltd	Corporate website maintenance income	-	(5,400)	-	-
OSK-UOB Islamic Fund Management Berhad	Corporate website maintenance income	(1,400)	-	-	-

28. SIGNIFICANT RELATED PARTY TRANSACTIONS AND RELATIONSHIPS (CONT'D)

(a) Transactions with related parties (Cont'd)

	Nature of transactions	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
(ii) Other related party					
Le Design Sdn Bhd	Office equipment maintenance and renovation cost	2,645	14,275	-	-

* OSKH is deemed a related party by virtue of a common substantial shareholder. Certain directors of the Company are also Directors of OSKH.

Balances outstanding with subsidiaries and related parties are reflected in the statements of financial position.

(b) Transactions with other related parties

(i) The Group holds a long term interest in Willowglen MSC Berhad ("Willowglen"), included in investment securities as disclosed in Note 15, amounting to RM14,244,145 (2011: RM12,968,550). Willowglen, a company listed on the Main Market of Bursa Malaysia Securities Berhad, is a related party by virtue of the Directors and substantial shareholders of Willowglen, who are close family members of the substantial shareholder and certain directors of the Company.

(ii) The dividends received from Willowglen during the year amounted to RM1,062,996 (2011: RM1,272,595).

(iii) The Group and the Company have entered into insurance contracts with DC Services Sdn. Bhd. ("DCSSB") and Dinding Risks Management Services Sdn. Bhd. ("DRMSSB"). These companies are subsidiaries of Dindings Consolidated Sdn. Bhd. ("Dinding"), of which the substantial shareholders and certain Directors of Dinding are close family members of the substantial shareholder and certain Directors of the Company.

The insurance premium paid by the Group to DCSSB and DRMSSB during the year is RM37,382 (2011: RM22,855) and RM14,819 (2011: RM5,478) respectively.

All the transactions above have been entered into in the normal course of business and have been established on negotiated terms and conditions. There were no outstanding balances with these related parties as at 31 December 2012 and 2011.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

NOTES TO THE FINANCIAL STATEMENTS
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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (Cont'd)

The Group's objectives is to seek continued revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are maintained on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding concentration of credit risk is disclosed in Note 17.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instrument will fluctuate because of changes in market interest rates. The Group's investment in financial assets is mainly short term in nature and has been mostly placed in fixed deposits.

The Group's and the Company's exposure to interest rate risk arises primarily from their revolving credits.

The information on maturity dates and effective interest rates of the financial assets are disclosed in their respective notes.

(c) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the Group will encounter difficulties in raising funds to meet commitments associated with financial instruments. The Group actively manages its operating cash flows and the availability of funding so as to ensure that all funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. All the Group's and Company's financial liabilities will mature in less than one year at the reporting date.

(d) Foreign currency risk

The Group is exposed to currency risk primarily through placements of deposits and unquoted investments denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollar, Singapore Dollar, Hong Kong Dollar, Cambodian Riel and Indonesian Rupiah.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. The Group does not hedge these exposure. However, the Group will consider to hedge its foreign currency exposures should the performance be affected significantly by the movements in exchange rates.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Foreign currency risk (Cont'd)

The financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

Financial assets held in non-functional currencies:

	Group		
	2012	2011	As at 1.1.2011
	RM	RM	RM
United States Dollar	9,141,691	3,827,990	6,357,928
Singapore Dollar	2,476	2,483,415	2,357
Hong Kong Dollar	16	16	16
Cambodian Riel	125	-	-
Indonesian Rupiah	1,127,857	16,220	-
	10,272,165	**6,327,641**	**6,360,301**

Financial liabilities held in non-functional currencies:

	Group		
	2012	2011	As at 1.1.2011
	RM	RM	RM
Hong Kong Dollar	**27,583**	**31,543**	**54,244**

(e) Cash flow risk

Cash flow risk is the risk that the future cash flows associated with a monetary financial instrument will fluctuate in amount. The Group is not exposed to any significant cash flow risk that may affect the overall activities of the Group.

(f) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted equity instruments and derivative financial assets. The quoted instruments in Malaysia are listed on the Bursa Malaysia. These instruments are classified as fair value through profit or loss. The Group does not have any exposure to commodity price risk.

The Group's objective is to manage investment returns and equity price risk using a mix of investment grade shares with steady dividend yield and non-investment grade shares with higher volatility.

Sensitivity analysis for equity price risk

At the reporting date, if the share prices had been 5% higher/lower, with all other variables held constant, the Group's loss before tax would have been RM6,300,000 lower/higher, arising as a result of higher/lower fair value gains/(losses) on held for trading investments and derivative financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
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30. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, short term receivables, payables and short term borrowing approximate fair value due to the relatively short term nature of these financial instruments.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM	Level 2 RM	Total RM
Group			
2012			
Investment securities	120,560,871	2,074,031	122,634,902
Derivative financial assets	4,191,266	-	4,191,266
	124,752,137	**2,074,031**	**126,826,168**
2011			
Investment securities	147,376,504	3,771,031	151,147,535
Derivative financial assets	7,723,847	-	7,723,847
	155,100,351	**3,771,031**	**158,871,382**

The fair value of investment securities and derivative financial assets that are quoted in an active market are determined by reference to their quoted closing bid price at the end of the reporting period.

There have been no transfers between Level 1 and Level 2 fair value measurements during the financial years ended 2012 and 2011.

The Group and the Company do not have any financial instruments classified as Level 3 as at 31 December 2012 and 2011.

31. SEGMENT INFORMATION

(a) Business segments

For management purposes, the Group is organised into business segments as the Group's risk and rate of return are affected predominantly by its business activities. The four reportable operating segments are as follows:

(i) Venture capital business and private equity business which include incubating high growth companies, management of private funds and holding of long term investments.;

(ii) Internet financial solutions businesses (discontinued operation) which includes development and provision of internet financial solutions and related activities; and

(iii) Holding entity.

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

All intersegment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2012

31. SEGMENT INFORMATION (CONT'D)

(a) Business segments (Cont'd)

	Venture capital and private equity businesses RM	Internet financial solutions businesses - discontinued operation RM	Holding entity RM	Eliminations RM	Note	Consolidated RM
2012						
Revenue						
External revenue	40,606,929	8,497,609	1,836,217	(8,497,609)		42,443,146
Inter-segment revenue	15,299,304	-	57,000,000	(72,299,304)	(i)	-
Total Revenue	**55,906,233**	**8,497,609**	**58,836,217**	**(80,796,913)**		**42,443,146**
Results:						
Interest income	129,957	498,729	1,836,217	(498,729)		1,966,174
Dividend income	1,744,325	-	57,000,000	(57,000,000)		1,744,325
Depreciation and amortisation	123,709	137,944	-	(137,944)		123,709
Other non-cash expenses	27,161,705	-	(49,237,800)	49,237,800	(ii)	27,161,705
Segment (loss)/profit	12,047,526	5,425,506	8,896,663	(13,187,706)	(iii)	13,181,989
Finance costs						(1,180,277)
Profit before tax						12,001,712
Income tax benefit						102,844
Profit for the year						**12,104,556**
Assets:						
Additions to non-current assets	-	-	-	-	(iv)	-
Segment assets	136,356,256	-	67,644,109	-		204,000,365
Segment liabilities	938,574	-	22,478,743	-	(v)	23,417,317

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2012

31. SEGMENT INFORMATION (CONT'D)

(a) Business segments (Cont'd)

	Venture capital and private equity businesses RM	Internet financial solutions businesses - discontinued operation RM	Holding entity RM	Eliminations RM	Note	Consolidated RM
2011						
Revenue						
External revenue	4,353,913	9,045,596	956,814	(9,045,596)		5,310,727
Inter-segment revenue	5,521,698	-	-	(5,521,698)	(i)	-
Total Revenue	**9,875,611**	**9,045,596**	**956,814**	**(14,567,294)**		**5,310,727**
Results:						
Interest income	18,026	464,656	956,814	(464,656)		974,840
Dividend income	4,486,670	-	-	-		4,486,670
Depreciation and amortisation	124,347	155,464	-	(155,464)		124,347
Other non-cash expenses	34,335,829	-	-	-	(ii)	34,335,829
Segment (loss)/profit	(25,563,037)	5,233,122	(8,107,625)	(1,054,900)	(iii)	(29,492,440)
Finance costs						(1,336,121)
Loss before tax						(30,828,561)
Income tax benefit						65,538
Loss for the year						**(30,763,023)**
Assets:						
Additions to non-current assets	10,156	172,506	-	(172,506)	(iv)	10,156
Segment assets	163,311,668	16,597,092	27,703,971	(16,597,092)		191,015,639
Segment liabilities	1,305,522	301,468	28,396,325	(301,468)	(v)	29,701,847

31. SEGMENT INFORMATION (CONT'D)

(a) Business segments (Cont'd)

(i) Inter-segment revenues are eliminated on consolidation. The amounts relating to the Internet Financial Solution Businesses have also been excluded to arrive at amounts shown in the consolidated income statements as they are presented separately in the consolidated income statement under "profit from discontinued operations, net of tax".

(ii) Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements :

	2012 RM	2011 RM
Net fair value loss on financial instruments	**27,161,705**	**34,335,829**

(iii) The following items are credited/(deducted) from segment (loss)/profit to arrive at "Profit/(loss) before tax" presented in the consolidated income statements :

	2012 RM	2011 RM
Impairment loss	49,237,800	8,946,000
Inter-segment dividend	(57,000,000)	(4,767,778)
Attributable to discontinued operation	(5,425,506)	(5,233,122)
	(13,187,706)	**(1,054,900)**

(iv) Additions to non-current assets consist of:

	Note	2012 RM	2011 RM
Equipment	12	-	159,724
Intangible asset	13	-	22,938
Attributable to discontinued operation		-	(172,506)
		-	**10,156**

(v) The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	Note	2012 RM	2011 RM
Deferred tax liabilities	23	556,900	1,045,000
Deferred income	24	-	22,740
Sundry payables	25	794,433	827,500
Short term borrowing	26	22,000,000	28,000,000
Tax payable		65,984	108,075
Attributable to discontinued operation		-	(301,468)
		23,417,317	**29,701,847**

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2012

31. SEGMENT INFORMATION (CONT'D)

(b) Geographical segments

The Group's geographical segments are based on the location of the operations of the Group's assets. Revenue by geographical segment is based on income derived from those assets.

	Revenue RM	Segment assets RM	Capital expenditure RM
2012			
Continuing operations			
Malaysia	41,322,158	201,236,999	-
Hong Kong	-	2,763,366	-
Cambodia	780,609	-	-
Indonesia	340,379	-	-
	42,443,146	**204,000,365**	**-**
Discontinued operation			
Malaysia	**8,497,609**	**18,006,057**	**4,758**
2011			
Continuing operations			
Malaysia	5,292,701	186,567,028	33,094
Hong Kong	18,026	4,448,611	-
	5,310,727	**191,015,639**	**33,094**
Discontinued operation			
Malaysia	**9,045,595**	**16,597,092**	**149,568**

32. CAPITAL MANAGEMENT

Capital is equivalent to equity attributable to the owners of the Company. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2012 and 31 December 2011.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2012

32. CAPITAL MANAGEMENT (CONT'D)

The Group includes within net debt, short term borrowings and sundry payables, less cash and bank balances.

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Short term borrowings	22,000,000	28,000,000	22,000,000	28,000,000
Sundry payables	794,433	827,500	412,760	344,825
Less: Cash and bank balances	(76,480,887)	(44,401,018)	(67,543,311)	(27,584,176)
Net (assets)/debts	(53,686,454)	(15,573,518)	(45,130,551)	760,649
Equity attributable to the owners of the Company, representing total capital	180,583,048	171,083,149	178,206,914	175,770,227
Capital and net debts	**126,896,594**	**155,509,631**	**133,076,363**	**176,530,876**
Equity over capital and net debt	**142%**	**110%**	**134%**	**100%**

33. SUPPLEMENTARY INFORMATION - BREAKDOWN OF ACCUMULATED LOSSES INTO REALISED AND UNREALISED

The breakdown of the accumulated losses of the Group and of the Company as at 31 December 2012 into realised losses and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group	Company
	RM	**RM**
As at 31 December 2012		
Total accumulated losses of the Company and its subsidiaries		
- Realised losses	(25,799,468)	(18,472,452)
- Unrealised profits	9,703,150	-
Accumulated losses as per financial statements	**(16,096,318)**	**(18,472,452)**
As at 31 December 2011		
Total accumulated losses of the Company and its subsidiaries		
- Realised losses	(46,022,173)	(21,333,041)
- Unrealised profits	20,002,054	-
Accumulated losses as per financial statements	**(26,020,119)**	**(21,333,041)**

STATEMENT OF DIRECTORS' INTERESTS
AS AT 20 FEBRUARY 2013

Name of Director	Number of Ordinary Shares of RM0.50 each Direct Interest	%	Indirect Interest	%
1. Dato' Nik Mohamed Din Bin Datuk Nik Yusoff	3,257,615	1.66	-	-
2. Tan Sri Ong Leong Huat @ Wong Joo Hwa	53,671,446	27.42	(1)9,792,774	5.00
3. Wong Chong Kim	799,500	0.41	(2)560,000	0.29
4. Foo San Kan	668,000	0.34	-	-
5. Ong Ju Yan	443,869	0.23	-	-
6. Ong Yee Min	68,148	0.03	-	-
7. Yee Chee Wai	-	-	(3)1,000	^

Name of Director	Number of Warrants Direct Interest	%	Indirect Interest	%
1. Dato' Nik Mohamed Din Bin Datuk Nik Yusoff	1,617,048	1.65	-	-
2. Tan Sri Ong Leong Huat @ Wong Joo Hwa	28,055,464	28.67	(1)6,671,774	6.82
3. Wong Chong Kim	413,792	0.42	-	-
4. Ong Ju Yan	221,934	0.23	-	-
5. Ong Yee Min	34,074	0.03	-	-
6. Yee Chee Wai	-	-	(3)844	^

Notes:

^ Negligible

(1) Disclosure made pursuant to Section 6A of the Companies Act, 1965 ("the Act") by virtue of his substantial shareholdings in OSK Holdings Berhad and Land Management Sdn. Bhd. and disclosure made pursuant to Section 134(12)(c) of the Act on interests held by his spouse and children.
(2) Disclosure made pursuant to Section 134(12)(c) of the Act on interest held by his child.
(3) Disclosure made pursuant to Section 134(12)(c) of the Act on interest held by his spouse.

STATEMENT OF SHAREHOLDINGS
AS AT 20 FEBRUARY 2013

Authorised Capital	:	RM500,000,000
Issued and fully paid-up capital	:	RM97,869,266.50 comprising 195,738,533 Ordinary Shares of RM0.50 each (excluding the treasury shares of 6,000)
Class of Shares	:	Ordinary Shares of RM0.50 each fully paid
Voting Rights	:	One vote per RM0.50 share

BREAKDOWN OF HOLDINGS

Range of Holdings	No. of Holders	Percentage of Holders	No. of RM0.50 share	Percentage of Issued Capital
1 — 99	3,982	18.02	82,190	0.04
100 — 1,000	12,252	55.43	4,714,502	2.41
1,001 — 10,000	4,525	20.47	14,150,036	7.23
10,001 — 100,000	1,171	5.30	35,088,520	17.93
100,001 — 9,786,925*	170	0.77	88,031,839	44.97
9,786,926 and above**	2	0.01	53,671,446	27.42
	22,102	**100.00**	**195,738,533**	**100.00**

Remarks:

* Less than 5% of the issued holdings
** 5% and above of the issued holdings

SUBSTANTIAL SHAREHOLDER

According to the register required to be kept under Section 69L of the Companies Act, 1965, the following is the substantial shareholder of the Company:

Name of Substantial Shareholder	Number of Ordinary Shares of RM0.50 each			
	Direct Interest	%	Indirect Interest	%
1. Tan Sri Ong Leong Huat @ Wong Joo Hwa	53,671,446	27.42	*6,483,414	3.31

* Deemed interested pursuant to Section 6A of the Companies Act, 1965 by virtue of his substantial shareholdings in OSK Holdings Berhad and Land Management Sdn. Bhd.

THIRTY LARGEST REGISTERED SECURITIES HOLDERS

Name	No. of Shares	%
1. Tan Sri Ong Leong Huat @ Wong Joo Hwa	39,643,714	20.25
2. HSBC Nominees (Tempatan) Sdn. Bhd. AA Noms SG for Tan Sri Ong Leong Huat @ Wong Joo Hwa	14,027,732	7.17
3. Land Management Sdn. Bhd.	6,020,013	3.08
4. Nora Ee Siong Chee	3,750,000	1.92
5. HSBC Nominees (Asing) Sdn. Bhd. AA Noms SG for YS Ltd.	3,352,540	1.71
6. Dato' Nik Mohamed Din Bin Datuk Nik Yusoff	3,257,615	1.66
7. Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tang Sing Ling	3,152,400	1.61

STATEMENT OF SHAREHOLDINGS
AS AT 20 FEBRUARY 2013

THIRTY LARGEST REGISTERED SECURITIES HOLDERS (CONT'D)

Name		No. of Shares	%
8.	HSBC Nominees (Asing) Sdn. Bhd. AA Noms SG for JY Ltd.	2,972,308	1.52
9.	Pengerang Jaya Pte. Ltd.	2,890,724	1.48
10.	HSBC Nominees (Asing) Sdn. Bhd. AA Noms SG for JX Ltd.	2,719,810	1.39
11.	P J Equity Sdn. Bhd.	2,697,556	1.38
12.	Alliancegroup Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Lim Hun Swee (8041132)	2,695,000	1.38
13.	HSBC Nominees (Asing) Sdn. Bhd. AA Noms SG for YM Ltd.	2,497,042	1.28
14.	HSBC Nominees (Asing) Sdn. Bhd. AA Noms SG for YC Ltd.	1,906,558	0.97
15.	Maybank Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Teo Huay Siong	1,629,000	0.83
16.	Puan Sri Khor Chai Moi	1,505,422	0.77
17.	Public Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Tan Chee Wee (E-JBU)	1,400,000	0.72
18.	Teo Huay Siong	1,314,720	0.67
19.	Lee Hui Gek	1,305,900	0.67
20.	Tan Sim Wah	1,066,666	0.54
21.	Ong Yee Ching	1,060,678	0.54
22.	Chan Yan Ping	1,051,333	0.54
23.	Dato' Nik Mohamed Bin Nik Yahya	1,047,838	0.54
24.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hiew Kat Kee (071123)	1,039,600	0.53
25.	Cheah Poh Keng	940,700	0.48
26.	Wong Chong Kim	799,500	0.41
27.	Public Invest Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sui Diong Hoe (M)	794,618	0.41
28.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tay Soon Hwa (E-TSA)	750,000	0.38
29.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lee Hock Leong (E-PDG/SAN)	688,200	0.35
30.	Foo San Kan	668,000	0.34

STATEMENT OF WARRANT HOLDINGS AS AT 20 FEBRUARY 2013

No. of Warrants issued : 97,872,266

BREAKDOWN OF HOLDINGS

Range of Holdings	No. of Holders	Percentage of Holders	No. of Warrants	Percentage of Issued Warrants
1 — 99	255	7.39	10,960	0.01
100 — 1,000	1,412	40.92	682,056	0.70
1,001 — 10,000	1,233	35.73	3,947,268	4.03
10,001 — 100,000	439	12.72	15,604,242	15.94
100,001 — 4,893,612*	111	3.22	49,572,276	50.65
4,893,613 and above**	1	0.03	28,055,464	28.67
	3,451	**100.00**	**97,872,266**	**100.00**

Remarks:

* Less than 5% of the issued Warrants
** 5% and above of the issued Warrants

THIRTY LARGEST REGISTERED WARRANTS HOLDERS

Name	No. of Warrants	%
1. HSBC Nominees (Tempatan) Sdn. Bhd. AA Noms SG for Tan Sri Ong Leong Huat @ Wong Joo Hwa	28,055,464	28.67
2. Land Management Sdn. Bhd.	4,788,806	4.89
3. Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tang Sing Ling	2,422,100	2.47
4. Nora Ee Siong Chee	1,850,000	1.89
5. Ong Cheok Leng	1,749,900	1.79
6. HSBC Nominees (Asing) Sdn. Bhd. AA Noms SG for YC Ltd.	1,703,278	1.74
7. Dato' Nik Mohamed Din Bin Datuk Nik Yusoff	1,617,048	1.65
8. HSBC Nominees (Asing) Sdn. Bhd. AA Noms SG for JY Ltd.	1,521,854	1.55
9. Pengerang Jaya Pte. Ltd.	1,445,362	1.48
10. Alliancegroup Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Lim Hun Swee (8041132)	1,350,000	1.38
11. P J Equity Sdn. Bhd.	1,348,778	1.38
12. HSBC Nominees (Asing) Sdn. Bhd. AA Noms SG for JX Ltd.	1,236,454	1.26
13. Ho Shwu Jiuan	1,175,000	1.20

STATEMENT OF WARRANT HOLDINGS
AS AT 20 FEBRUARY 2012

THIRTY LARGEST REGISTERED WARRANTS HOLDERS

Name	No. of Warrants	%
14. Tan Sze Hung	1,151,200	1.18
15. HSBC Nominees (Asing) Sdn. Bhd. AA Noms SG for YM Ltd.	944,220	0.96
16. Tan Kok Keng	936,400	0.96
17. HSBC Nominees (Asing) Sdn. Bhd. AA Noms SG for YS Ltd.	928,720	0.95
18. Ngu Koi Poo	900,006	0.92
19. J B Properties Sdn. Bhd.	871,600	0.89
20. Maybank Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Teo Huay Siong	765,820	0.78
21. Puan Sri Khor Chai Moi	752,710	0.77
22. Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sim Kay Eng	741,000	0.76
23. Teo Huay Siong	657,360	0.67
24. Chin Poh Ling	650,000	0.66
25. Tan Kok Keng	550,000	0.56
26. Tan Sim Wah	533,332	0.54
27. Ong Yee Ching	530,338	0.54
28. Chan Yan Ping	525,666	0.54
29. Lee Hui Gek	519,940	0.53
30. Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Pek Kiam Kek (margin)	463,600	0.47

OSK VENTURES INTERNATIONAL BERHAD (636117-K)
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.	Number of ordinary shares

I/We ________________________________ NRIC No./Passport No./Company No. ______________________
of ____
being a member/members of OSK Ventures International Berhad hereby appoint :-

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or *delete if not applicable

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or *delete if not applicable

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Ninth Annual General Meeting of the Company to be held at the Auditorium, 11th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur on Wednesday, 10 April 2013 at 11:30 a.m. and at any adjournment thereof.

*My/Our proxy is to vote as indicated below

Item	Agenda			
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2012 together with the Reports of the Directors and the Auditors thereon.			
		Resolution	**For**	**Against**
2.	To approve the payment of Directors' fees of RM245,000.00 for the financial year ended 31 December 2012.	1		
3.	To re-elect Tan Sri Ong Leong Huat @ Wong Joo Hwa who retires in accordance with Article 99 of the Company's Articles of Association and being eligible, offers himself for re-election.	2		
4.	To re-elect Dr. Ngo Get Ping who retires in accordance with Article 99 of the Company's Articles of Association and being eligible, offers himself for re-election.	3		
5.	To re-appoint Dato' Nik Mohamed Din Bin Datuk Nik Yusoff who retires pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting of the Company.	4		
6.	To re-appoint Messrs Ernst & Young as the Company's Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.	5		
Special Business				
7.	Authority to Issue Shares	6		
8.	Proposed Renewal	7		

Please indicate with an "X" in the appropriate space how you wish your proxy to vote. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit or, at his discretion, abstain from voting.

Dated this day ________________ of ______________________ 2013

____
*Signature/Common Seal of Shareholder
*Delete if not applicable

NOTES:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 4 April 2013 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.

2. A member entitled to attend and vote at the Meeting is entitled to appoint up to a maximum of three (3) proxies to attend and vote in his stead. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

3. A proxy may but does not need to be a member of the Company and if not a member he need not be a qualified legal practitioner, an approved Company auditor or a person approved by the Registrar. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

4. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its attorney duly authorised.

5. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

6. The instrument appointing a proxy must be deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

OSK Ventures International Berhad (636117-K)

15th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur, Malaysia.

Tel : (603) 2161 7233
Fax : (603) 2161 0254

www.oskvi.com