

ANNUAL REPORT

2014

OSKVI

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of the Company will be held at the Auditorium, 11th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur on Friday, 17 April 2015 at 9.30 a.m. to transact the following business:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2014 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 RM260,000.00 for the financial year ended 31 December 2014. **Ordinary Resolution 1**
3. To re-elect the following Directors who retire by rotation in accordance with Article 94 of the Company's Articles of Association and being eligible, offers themselves for re-election:
 - (a) Mr. Yee Chee Wai **Ordinary Resolution 2**
 - (b) Dr. Ngo Get Ping **Ordinary Resolution 3**
4. To re-appoint the following Directors who retire 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:
 - (a) Dato' Nik Mohamed Din bin Datuk Nik Yusoff **Ordinary Resolution 4**
 - (b) Tan Sri Ong Leong Huat @ Wong Joo Hwa **Ordinary Resolution 5**
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 6**

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 7**

"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 to be in force until the conclusion of the next Annual General Meeting of the Company."

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

**Ordinary
Resolution 8**

"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) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits and share premium account of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s); 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;

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
24 March 2015

NOTES:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 9 April 2015 ("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. Explanatory Notes on Ordinary and 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 7 – 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 8 – 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 share capital of the Company by utilising the funds allocated which shall not exceed the aggregate of the retained profits and share premium account of the Company.

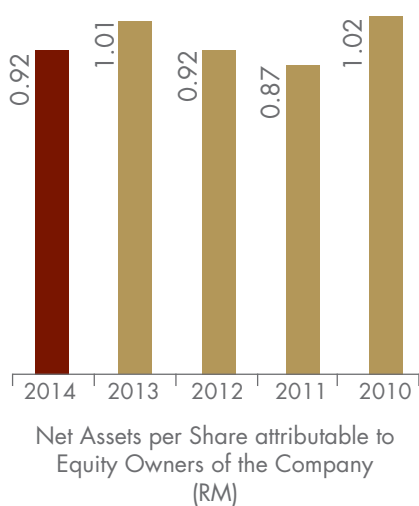
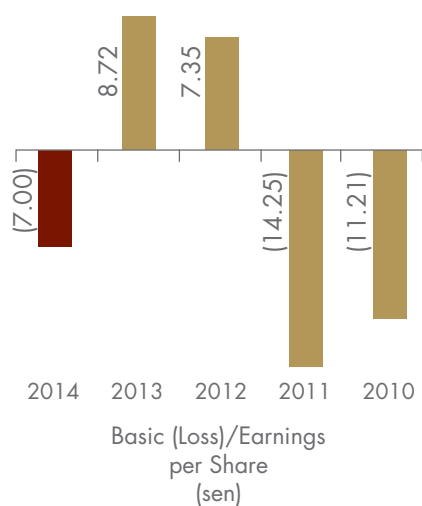
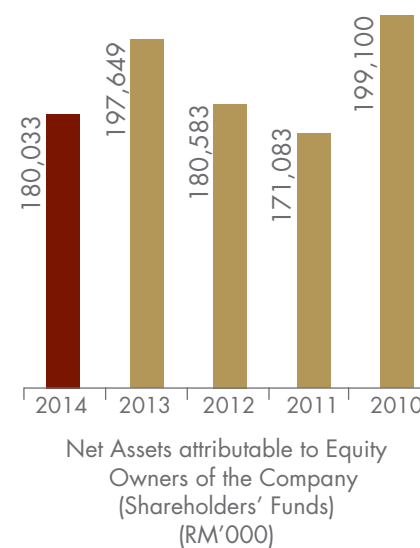
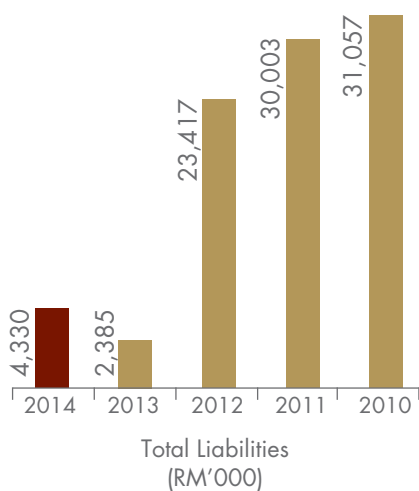
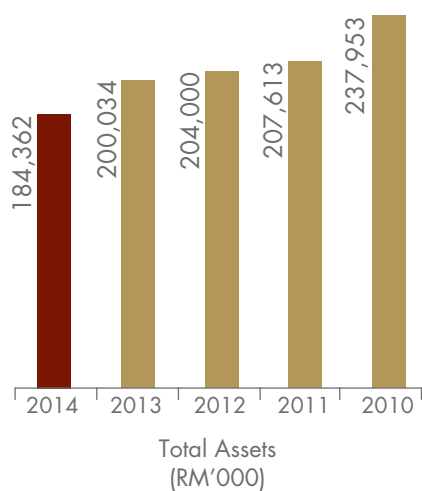
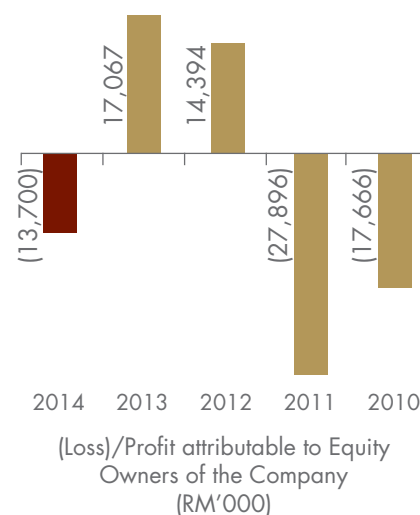
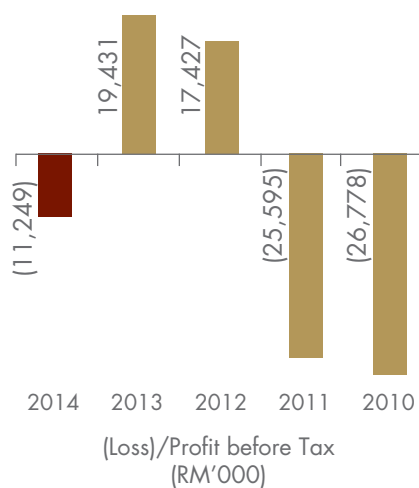
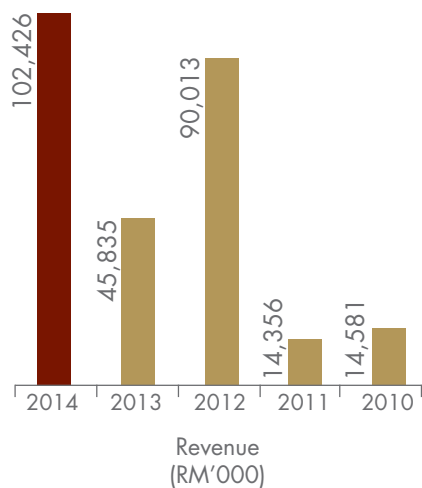
Based on the Audited Financial Statements of the Company as at 31 December 2014, the Company's share premium account amounted to RM84.36 million and there were no retained profits.

Please refer to the Share Buy-Back Statement dated 24 March 2015 for further information.

FIVE-YEAR GROUP FINANCIAL SUMMARY

(RM'000)	2014	2013	2012	2011	2010
Revenue	102,426	45,835	90,013	14,356	14,581
(Loss)/Profit before Tax	(11,249)	19,431	17,427	(25,595)	(26,778)
(Loss)/Profit attributable to Equity Owners of the Company	(13,700)	17,067	14,394	(27,896)	(17,666)
Total Assets	184,362	200,034	204,000	207,613	237,953
Total Liabilities	4,330	2,385	23,417	30,003	31,057
Net Assets attributable to Equity Owners of the Company (Shareholders' Funds)	180,033	197,649	180,583	171,083	199,100
Number of Outstanding Ordinary Shares as Issued and Fully Paid ('000 shares), exclude Treasury Shares held	195,735	195,737	195,739	195,741	195,743
Basic (Loss)/Earnings per Share (sen)	(7.00)	8.72	7.35	(14.25)	(11.21)
Gross Dividends per Share (sen)	2.00	-	2.50	-	-
Net Assets per Share attributable to Equity Owners of the Company (RM)	0.92	1.01	0.92	0.87	1.02
Closing Price at end of the year (RM)	0.590	0.575	0.375	0.305	0.400

FIVE-YEAR GROUP FINANCIAL SUMMARY





CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Nik Mohamed Din bin Datuk Nik Yusoff
Yee Chee Wai
Ong Yee Min
Tan Sri Ong Leong Huat @ Wong Joo Hwa
Leong Keng Yuen
Dato' Thanarajasingam Subramaniam
Dr. Ngo Get Ping

- *Non-Independent Non-Executive Chairman*
- *Executive Director/Chief Operating Officer*
- *Executive Director*
- *Non-Independent Non-Executive Director*
- *Senior Independent Non-Executive Director*
- *Independent Non-Executive Director*
- *Independent Non-Executive Director*

AUDIT COMMITTEE

Leong Keng Yuen – *Chairman*
Dato' Thanarajasingam Subramaniam
Dr. Ngo Get Ping

PRINCIPAL BANKERS

Bangkok Bank Berhad
Malayan Banking Berhad
RHB Bank Berhad

RISK MANAGEMENT COMMITTEE

Dr. Ngo Get Ping – *Chairman*
Leong Keng Yuen
Dato' Thanarajasingam Subramaniam

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

NOMINATING COMMITTEE

Leong Keng Yuen – *Chairman*
Tan Sri Ong Leong Huat @ Wong Joo Hwa
Dr. Ngo Get Ping

REGISTERED OFFICE

7th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel. No. : (603) 2166 6225
Fax No. : (603) 2026 6331

REMUNERATION COMMITTEE

Dr. Ngo Get Ping – *Chairman*
Tan Sri Ong Leong Huat @ Wong Joo Hwa
Leong Keng Yuen

PRINCIPAL BUSINESS ADDRESS

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

COMPANY SECRETARIES

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

STOCK EXCHANGE LISTING

ACE Market, Bursa Malaysia Securities Berhad

AUDITORS

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

STOCK NAME AND STOCK CODE

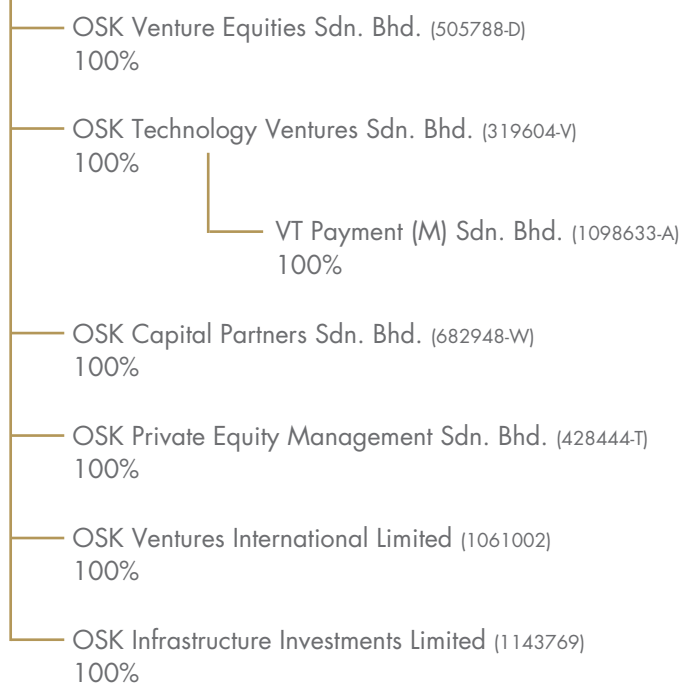
OSKVI (0053)



CORPORATE STRUCTURE



OSK VENTURES INTERNATIONAL BERHAD (636117-K)



DATO' NIK MOHAMED DIN BIN DATUK NIK YUSOFF

Non-Independent Non-Executive Chairman

Dato' Nik Mohamed Din bin Datuk Nik Yusoff, aged 72, 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 thirteen (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.

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 twelve (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 the Executive Chairman of OSK Holdings Berhad and was thereafter 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 RHB Capital Berhad, RHB Trustees Berhad, Malaysian Trustees Berhad, Federation of Public Listed Companies Bhd, Datin Seri Ting Sui Ngit Foundation and KE-ZAN Holdings Berhad.

Dato' Nik Mohamed Din does not have any family relationship with other Directors and/or major shareholders of the Company. He does not have any conflict of interest with the Company and he has no conviction for any offences within the past ten (10) years.

Dato' Nik Mohamed Din attended all the five (5) Board Meetings of the Company held during the financial year ended 31 December 2014.

YEE CHEE WAI

Executive Director/Chief Operating Officer

Yee Chee Wai, aged 50, a Malaysian, 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 six (6) years as a 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 Green Packet Berhad.

Mr. Yee does not have any family relationship with the other Directors and/or major shareholders of the Company. He does not have any conflict of interest with the Company and he has no conviction for any offences within the past ten (10) years.

Mr. Yee attended all the five (5) Board Meetings of the Company held during the financial year ended 31 December 2014.

ONG YEE MIN

Executive Director

Ms. Ong Yee Min, aged 31, a Malaysian, is the Executive Director of the Company and was appointed to the Board of the Company on 1 September 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's work background is rooted in banking. Upon graduation in 2004, she joined Citibank Berhad, Malaysia in the Corporate and Investment Banking Department. She left Citibank in 2011 and in her last position, she was responsible for managing client relationships in the financial services sector.

She is also an Alternate Director to Mr. Yee Chee Wai in Green Packet Berhad.

Ms. Ong is the daughter of Tan Sri Ong Leong Huat @ Wong Joo Hwa, a Director and major shareholder of the Company. She does not have any conflict of interest with the Company and she has no conviction for any offences within the past ten (10) years.

Ms. Ong attended all the five (5) Board Meetings of the Company held during the financial year ended 31 December 2014.

TAN SRI ONG LEONG HUAT @ WONG JOO HWA

Non-Independent Non-Executive Director

Tan Sri Ong Leong Huat @ Wong Joo Hwa, aged 70, a Malaysian, was first appointed to the Board on 5 December 2003 as a Non-Independent Non-Executive Director and was then retired at the Annual General Meeting held on 14 April 2010. He was re-appointed as a Non-Independent Non-Executive Director of the Company on 5 February 2013. He is a member of the Remuneration Committee and Nominating Committee of the Company.

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 seventeen (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/Chief Executive Officer of OSK Securities Berhad from July 1985 to January 2007 and was thereafter appointed as the Group Managing Director/Chief Executive

Officer of OSK Investment Bank Berhad (formerly known as OSK Securities Berhad). He was then re-designated as a Non-Independent Non-Executive Director of OSK Investment Bank Berhad on 18 January 2011 and thereafter he resigned from the aforesaid position on 30 April 2013.

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

Tan Sri Ong is the father to Ms. Ong Yee Min, a Director of the Company. He does not have any conflict of interest with the Company and he has no conviction for any offences within the past ten (10) years.

Tan Sri Ong attended four (4) out of the five (5) Board Meetings of the Company held during the financial year ended 31 December 2014.

LEONG KENG YUEN

Senior Independent Non-Executive Director

Mr. Leong, aged 64, a Malaysian, was appointed to the Board of the Company on 10 April 2013 as the Senior Independent Non-Executive Director of the Company. He is the Chairman of the Audit Committee and Nominating Committee and a member of the Risk Management Committee and Remuneration Committee of the Company.

He retired as a partner of Ernst & Young Malaysia at the end of 2005. He has over thirty (30) years involvement in the accounting profession.

Mr. Leong 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. Mr. Leong holds a Master of Science in Management from Massachusetts

Institute of Technology and a Bachelor of Engineering (First Class Honours) from University of Queensland, Australia.

Mr. Leong is currently a Director of Hexza Corporation Berhad, The Perak Chinese Welfare Association and Datin Seri Ting Sui Ngit Foundation.

Mr. Leong does not have any family relationship with the other Directors and/or major shareholders of the Company. He does not have any conflict of interest with the Company and he has no conviction for any offences within the past ten (10) years.

Mr. Leong attended all the five (5) Board Meetings of the Company held during the financial year ended 31 December 2014.

DATO' THANARAJASINGAM SUBRAMANIAM

Independent Non-Executive Director

Dato' Thanarajasingam Subramaniam, aged 64, a Malaysian, was appointed to the Board of the Company on 15 May 2013 as an Independent Non-Executive Director. He is a member of the Audit Committee and Risk Management Committee of the Company.

Dato' Thanarajasingam graduated from University of Malaya with a Bachelor of Arts in 1973 and also holds a Master of Arts from New York University in 1985.

Dato' Thanarajasingam has extensive experience in both the public and private sectors. He has served as a Malaysian diplomat for more than 36 years including as Malaysian Ambassador to Brazil, Venezuela, Suriname and Guyana from 1998 to 2001 and Ambassador to France and Portugal from 2006 to 2010. He was previously the Chief of Staff to the President of the United Nations General Assembly in 1997. After being the Director-General of ASEAN Malaysia, Ministry of Foreign Affairs from 2003 to 2004, he rose to become the Deputy Secretary-General for Multilateral Affairs from 2004 to 2006.

Upon his retirement from the Malaysian Foreign Service in 2010, he became a Director of OSK Investment Bank Berhad from 2010 to 2011. He was also the Malaysian

Eminent Person to the ASEAN-India Eminent Persons Group from 2010 to 2012 and also served as Commissioner at the Malaysian Communications and Multimedia Commission from 2010 to 2013.

Currently, he is a Member, Ambassadorial Advisory Panel, InvestKL. He is also the Chairman of Mestari Adjusters Sdn. Bhd., a firm dealing with insurance matters and an advisor to Tan Chong Motors.

Dato' Thanarajasingam is also an Independent Non-Executive Director of OSK Property Holdings Berhad.

Dato' Thanarajasingam does not have any family relationship with other Directors and/or major shareholders of the Company. He does not have any conflict of interest with the Company and he has no conviction for any offences within the past ten (10) years.

Dato' Thanarajasingam attended all the five (5) Board Meetings of the Company held during the financial year ended 31 December 2014.

DR. NGO GET PING

Independent Non-Executive Director

Dr. Ngo Get Ping, aged 56, a Malaysian, was appointed to the Board of the Company on 7 March 2013 as an Independent Non-Executive Director. He is the Chairman of the Risk Management Committee and Remuneration Committee and a member of the Audit Committee and Nominating Committee of the Company.

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 Engineers, 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 of OSK Holdings Berhad and OSK Property Holdings Berhad.

Dr. Ngo does not have any family relationship with the other Directors and/or major shareholders of the Company. He does not have any conflict of interest with the Company and he has no conviction for any offences within the past ten (10) years.

Dr. Ngo attended all the five (5) Board Meetings of the Company held during the financial year ended 31 December 2014.



CHAIRMAN'S STATEMENT



Dear Valued Shareholders,

On behalf of the Board of Directors, it is my pleasure to present the Annual Report of OSK Ventures International Berhad ("OSKVI" or "the Company") for the financial year ended 31 December 2014 ("FYE 2014").

FINANCIAL PERFORMANCE

During the financial year under review, the Malaysian domestic economy started out strong, supported mainly by public sector-led projects and the spill-over benefits from the pickup in the advanced economies during the first half of 2014. The risks to global growth were overall better balanced although challenges in the advanced economies including sluggish productivity, high public sector and household debts as well as fragilities in the financial sector remained. However, towards the last quarter of 2014, the strengthening of USD and the declining crude oil prices resulted in selling pressure on countries perceived to be dependent on oil revenue.

The KLCI saw a sharp decline in Q4 2014 and this resulted in our long-term investments reporting a significant drop in our financial performance due to fair market valuation. Amidst the volatile economic backdrop, I would like to report that OSKVI brought the year to a close with a double digit growth in revenues, achieving revenues of RM102.43 million compared to RM45.83 million recorded previously amidst higher

short-term trading activities and a trade sale for a private equity investment. However, despite reporting an operating profit, our financials for FYE 2014 closed with a loss after tax of RM13.70 million on the back of the decline in market prices of our long-term investments. Nevertheless, we will continue to maintain these investments with a long-term strategic view and a suitable exit.

DIVIDEND

The Board of Directors declared a single-tier interim dividend payment of 2.0 sen per OSKVI share for the FYE 2014. The Company will continue to commit and to ensure it remains well capitalised. Towards this end, OSKVI will continue to remain prudent and selective in our investments to ensure optimal capital adequacy amidst the fluctuating fair value of our investment securities brought about by the volatile external economic factors.

CORPORATE DEVELOPMENTS

Shareholders' approval was obtained at the last Annual General Meeting, held on 21 April 2014, for the purchase of up to 10% of the total issued and paid-up share capital of OSKVI. During the FYE 2014, OSKVI had bought back 2,000 OSKVI shares from the open market at an average price of RM0.66 per OSKVI share, all of which were retained as treasury shares.

OPERATIONAL REVIEW

In FYE 2014, OSKVI invested into Stone Apple Solutions Pte Ltd ("Stone Apple") as a private equity investor. Stone Apple is one of SEA's fastest-growing technology consulting companies with over 1500 employees in nine (9) countries and works with clients to deliver complex global projects in the Financial Services, Utilities, Manufacturing, Education, Healthcare and Public sectors.

In a quick turn of events, together with other shareholders, we have also successfully concluded the trade sale of Stone Apple to Hitachi Consulting Pte Ltd ("Hitachi Consulting") within the same financial year. Hitachi Consulting is a globally recognised leader in delivering proven business and IT strategies and solutions to Global 2000 companies across many industries worldwide.

On the venture capital front, we signed a Memorandum of Understanding with Cradle Fund Sdn Bhd ("Cradle"), a government agency under the Ministry of Finance to pioneer the local equity co-investment scene with a mandate to jointly co-invest up to RM1.00 million collectively in each selected local startup. The local startup scene has been garnering increasing interest of late and we are excited to partner Cradle in exploring new technology companies that can contribute to their respective industries in a meaningful and socially responsible manner.

CORPORATE AND SOCIAL SUSTAINABILITY INITIATIVES

As a good corporate citizen, OSKVI is firmly committed to responsible corporate practices and upholding the agenda of sustainability with both taken into proper account in our decision making. In line with such commitments, OSKVI has positioned community outreach as our priority evidenced in our Corporate Social Responsibility ("CSR") programme launched in 2012. We have since donated both in cash and in kind to the underprivileged and hard-core poor.

OUTLOOK FOR 2015

The Malaysian economy is expected to expand and sustain its growth momentum in 2015, driven by resilient domestic demand and an improving external sector. Spurred by improving consumer demand in the advanced economies on the back of lower fuel cost and underpinned by the revised 2015 Budget measures, Malaysia's GDP is expected to expand at a steady pace between 4.5% and 5.5% in 2015. Domestic demand is envisaged to expand, albeit at a moderate pace due to a weaker MYR currency, lower oil price and the Goods and Services Tax being implemented in April 2015.

Though there remain downside risks on the external front, including slow and uneven growth in the Euro area and geopolitical tensions that could affect overall global growth, the absence of electricity and gas price hikes in 2015 as well as encouraging GLCs to invest domestically should cushion downside risks to domestic equity and funds outflow.

Amidst the decline in crude oil price and the resultant impact on the market and the broader economy domestically as well as barring no unforeseen disappointment to expected 2015 market EPS, we continue to remain neutral on 2015 FBM KLCI's target and will exercise continued diligence and be discerning on our potential ventures while ensuring our investments are constantly benchmarked against long-term valuations.



ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I wish to extend our appreciation to all of our stakeholders especially our shareholders, business partners, management personnel and employees for their continuous support and contributions over the past year. We will continue to endeavor and strive towards generating better and sustainable returns to our stakeholders while contributing towards a socially responsible venture capital and private equity industry in Malaysia.

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

Thank you.

Dato' Nik Mohamed Din bin Datuk Nik Yusoff
Chairman



SUSTAINABILITY REPORT

At OSK Ventures International Berhad ("OSKVI" or "the Company"), sustainability is the key to our long-term business success. This has long been ingrained in our day-to-day operations, aiming to ensure a combination of good business decisions with a high standard of community and environmental behaviour. Our approach to sustainability not only reinforces the brand image of OSKVI as a financially sound organisation that is capable of delivering value for shareholders, but also a responsible corporate citizen that respects the environment and brings positive impact to the industry and community we operate in.

During the financial year under review, we continued to operate ethically and responsibly, guided by the OSKVI Sustainability Policy which encompasses three key impact areas including employee welfare, environmental management and corporate social responsibility. This section outlines the initiatives undertaken in 2014, which will help to improve the sustainability of the Company in the long run.

EMPLOYEE WELFARE

Human capital focus has always been on top of our list. In 2014, we increased our investment in employee development with the average number of training hours from 18 in 2013 to 29, which is equivalent to approximately three business days, from two in 2013. The increase in training hours aims to foster intellectual growth and professional development among our employees.

Apart from training provided by the Company, we encourage our employees to keep learning in order to further develop their skills and personal growth. To this end, OSKVI maintains the "Financial Education Assistance" programme, to offer financial assistance to the employees who are keen to pursue a further education.

In our endeavour to embed diversity and inclusion principles in our work practices and organisational environment, the Gender Diversity Policy forms part of the consideration in the selection of potential talent for the Company.

During the reporting period, OSKVI's workforce has a composition of 36% male employees and 64% female employees. OSKVI has a relatively young workforce, with 46% of employees in their twenties, 46% in their thirties and the remaining of 9% aged above 40. OSKVI is a non-discriminatory, equal opportunity employer and melting-pot of diverse ethnicity with Chinese employees accounting for 73% of the total staff size, followed by Bumiputera employees at 18% and Indian employees at 9%.

In line with the government's aspiration to nurture future talents in the venture capital and private equity industry, we continue to refine our internship programme to ensure our interns gain familiarity with the industry and are better-prepared to enter employment after the completion of the programme. To-date, we have nurtured seven students to complete the OSKVI Internship Programme since its inception in 2012. As we stepped into the third year of the programme, we have obtained endorsement from the Talent Corp Structured Internship Programme, which is in collaboration with the Ministry of Higher Education (MOHE). As such, we expect to welcome more students to join this programme in the coming years.

As part of our effort to cultivate a family-friendly workplace, various employee relations events such as festive celebrations and an annual dinner were organised to encourage interactivity and camaraderie among the employees within the Company.





ENVIRONMENTAL MANAGEMENT

We are mindful of the environmental impact that our business operations may have and we constantly advocate environmentally friendly practices in the office. Employees are encouraged to go paperless as much as possible and our processes are regularly reviewed to integrate new environmental considerations in our day-to-day activities. To this end, we have opted for eco-friendly papers for the production of our Annual Report since 2014. We encourage our shareholders to recycle the report after reading it, at the same time promoting environmental sustainability awareness among the public.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

In 2014, we increased our CSR initiatives and garnered good support from our employees with the average number of five volunteer hours for several good causes. The spirit of volunteerism reflects the sincere intentions of OSKers in contributing to the welfare of the society and the environment.

Blood Donation Drive

Employees of OSKVI supported the blood donation drive which was held in conjunction with the 11th anniversary of World Blood Donor Day by Pusat Darah Negara at Plaza OSK. The event saw more than 70 walk-in donors, including employees of OSKVI and the tenants of the building.



Frost and Sullivan's "Frost the Trail Run"

OSKVI participated in the Frost and Sullivan's "Frost the Trail" charity run for the second consecutive year, sponsoring two teams of eight runners to the event which was held at FRIM, Kuala Lumpur. Our participation helped this event to raise a total of RM55,000 for the underprivileged children of Shelter Home.





Tree Planting at Raja Musa Forest Reserve

About 22 staff of OSKVI and OSK Holdings Berhad ("OSKH") participated in a tree planting activity and planted 80 "Tenggek Burung" saplings at the Raja Musa Forest Reserve, near Batang Berjuntai, Selangor. Conducted by the Global Environment Centre Reserve, the objective of the annual event was to replant trees in sections of the Raja Musa peat swamp forest which were damaged by fires. The event involved hundreds of volunteers from other organisations who shared the same value in conserving the environment.

Home Painting at Rumah Shalom

Rumah Shalom, a children welfare home in Puchong, Selangor had a long-overdue facelift to its eight bathrooms and wall fences, thanks to OSKVI and OSKH, who came forward to help the welfare home with dire needs to fix bathroom defects.

Besides appointing a contractor to handle the repairing works, the volunteers of OSKVI and OSKH spent their weekend morning giving a new coat of paint to the bathrooms and wall fences of Rumah Shalom. Four units of wall fans were also donated to Rumah Shalom, which will be installed to improve the ventilation condition in the children's room.



Health Screening by National Kidney Foundation

In collaboration with National Kidney Foundation (NKF), OSKVI and OSKH jointly organised a free health screening for all employees in our principal office in Plaza OSK. The free health screening covered blood pressure test, urine test, body mass index, waist circumference, random blood glucose, random blood total cholesterol to assess the risk for stroke, heart, kidney diseases and diabetes. Nutritionists of NKF also conducted two health talks to educate employees on ways to prevent risk of developing diabetes and kidney disease.



STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of OSK Ventures International Berhad ("OSKVI" or "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 corporate governance as synonymous with four (4) key concepts, namely transparency, integrity, accountability and corporate performance.

The Board is pleased to provide the following statement, which outlines the main corporate governance practices that were 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 an oversight role on 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. 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. Further information on the Group's sustainability activities can be found in the Sustainability Report on pages 18 to 21 of this Annual Report. The Sustainability Policy can be viewed on the Company's website at www.oskvi.com.

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 Board Charter is available on the Company's website.

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 deemed 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.

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

a) Duties and Responsibilities of the Board (Cont'd)

The details of the Board Committees are set out on pages 33 to 40 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 the ordinary course of business);
- other non-recurring expenditures;
- capital expenditures;
- investments 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 is 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.

b) Composition of the Board

The Board comprises two (2) Executive Directors and five (5) Non-Executive Directors (including the Chairman), whereby three (3) of whom are Independent Directors. The Independent Non-Executive Directors make up more than one-third (1/3) of the membership of the Board, in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Board views the number of its Independent Directors as adequate 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 finance, accounting, economics and law as well as capital markets services.

In ensuring that all the Directors possess integrity and good character, the Company has adopted the Code of Ethics for its Directors, which is available on the Company's website.

The MCCG 2012 recommends 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. Dato' Nik Mohamed Din bin Datuk Nik Yusoff is the Non-Independent Non-Executive Chairman of the Company and 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 and separate 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 role, responsibility and accountability at Board level.

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)**b) Composition of the Board (Cont'd)**

Pursuant to the recommendations of the MCCG 2012, 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 aforesaid recommendation in the coming years.

The Board is supportive of gender diversity in the boardroom as recommended by the MCCG 2012 and has developed a Gender Diversity Policy to promote the representation of women in the composition of the Board. Presently, there is one (1) female Director on the Board of the Company, representing approximately 14% women participation on the Board.

The profiles of the Directors are set out in the Directors' Profile on pages 11 to 14 of this Annual Report.

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;
- quarterly operation report;
- investments, acquisitions and disposal of major/material 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 would inform the Directors at Board meetings on any salient audit findings deliberated at the Audit Committee meetings and which require the Board's notice or direction.

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

To ensure that the Board receives information in 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 on the same day the notices are sent or in any event, 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 filed in the statutory records of the Company 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.

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)**c) Supply of Information (Cont'd)**

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

The Board may conduct or direct any investigation to fulfill its responsibilities and may 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 that the Board procedures are followed and the applicable rules and regulations for the conduct of the affairs of the Board are complied with. The Company Secretaries are also responsible 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.

e) Board Meetings

During the financial year under review, five (5) Board meetings were held. Details of the Directors' attendance are as follows:

Directors	Attendance
1. Dato' Nik Mohamed Din bin Datuk Nik Yusoff	5/5
2. Yee Chee Wai	5/5
3. Ong Yee Min	5/5
4. Tan Sri Ong Leong Huat @ Wong Joo Hwa	4/5
5. Leong Keng Yuen	5/5
6. Dato' Thanarajasingam Subramaniam	5/5
7. Dr. Ngo Get Ping	5/5

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).

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)**e) Board Meetings (Cont'd)**

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 of time to ensure that they are able to attend all Board meetings that have been scheduled for the forthcoming year.

All the Directors participate fully in the discussions during the Board meetings. There is no Board dominance by any individual and all Directors are free to express their views and opinions during the Board meetings. In arriving at Board decisions, the will 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 on 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 the interest of the Company by disclosing the nature and extent of their interest during such Board meeting.

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 confirmation of minutes at the next meeting.

f) Appointment and Assessment of Directors

The Nominating Committee established by the Board, is responsible for screening, evaluating and recommending to the Board the suitable candidates for appointment as Directors as well as filling the vacant seats on Board Committees. In pursuit of the Gender Diversity Policy, the Nominating Committee is mindful of its responsibilities to conduct all Board appointment processes in a manner that promotes gender diversity while taking into account suitability for the role, Board balance and composition, the required mix of skills, experience and other qualities which would be relevant to enhance the composition of the Board. The Gender Diversity Policy of the Company also includes, but is not limited to, the Group's commitment to diversity in terms of age, ethnicity and cultural background.

In respect of the appointment of Directors, the Company practised 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 credibility 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.

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)**f) Appointment and Assessment of Directors (Cont'd)**

The Nominating Committee has a formal assessment mechanism 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.

The annual assessment criteria of the Board, Board Committees and individual Director have been updated and are aligned with the recommendations of the MCCG 2012 as well as recommended by the Corporate Governance Guide 2nd Edition issued by Bursa Malaysia Berhad.

The Nominating Committee has conducted the annual review on the following areas:

- the Board's effectiveness as a whole;
- the performance of the Board Committees;
- the performance assessment of each individual Director;
- the overall composition of the Board in terms of the appropriate size, mix of skills, experience and core competencies and the balance between Executive Directors, Non-Executive Directors and Independent Directors;
- the independency of the Independent Directors;
- the diversity of the Board and workforce composition in terms of gender, ethnicity, age and nationality; and
- the training programmes attended by the Directors during the financial year.

Following the annual review, the Nominating Committee agreed that the Board as a whole, the Board Committees and each individual Director had performed well and effectively and the overall composition of the Board in terms of size, mix of skills, experience, core competencies and the balance between Executive Directors, Non-Executive Directors and Independent Directors, was appropriate. The Independent Directors had also fulfilled their independent role in corporate accountability through their objective participation in the Board deliberations during the Board meetings. In addition, the Nominating Committee obtained an annual declaration of independence from the Independent Directors confirming their independent status pursuant to the Listing Requirements.

The Nominating Committee which comprises exclusively Non-Executive Directors, the majority of whom are Independent Directors, is chaired by the Senior Independent Non-Executive Director of the Company, which is in line with the recommendation of the MCCG 2012 that the Chairman of the Nominating Committee should be a Senior Independent Director. The details are set out on pages 36 to 39 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 annual general meeting ("AGM") and may offer themselves for re-appointment to hold office until the next AGM.

The Articles of Association of the Company ("Articles") provide 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 (1/3), if the number is not a multiple of three (3) with a minimum of one (1)) of the Directors (except the Managing Director) shall retire by rotation at every AGM. All the Directors (except the Managing Director) are subject to retirement at an interval of at least once in every three (3) years.

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)**g) Re-appointment and Re-election of Directors (Cont'd)**

The performance of the Directors who are subject to re-appointment and re-election at the AGM will be assessed by the Nominating Committee whereupon their recommendations will be submitted to the Board for consideration and thereafter for recommendation to the shareholders for approval at the forthcoming AGM.

The Directors who are standing for re-appointment and re-election at the forthcoming Eleventh AGM of the Company to be held on 17 April 2015 are as stated in the Notice of the Eleventh 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. In determining the level and make-up of the Director's remuneration, the Remuneration Committee would consider 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' fees, salaries, allowances, bonuses, options and benefits-in-kind and termination/retirement benefits.

The Remuneration Committee which comprises exclusively Non-Executive Directors, is chaired by an Independent Director. The details are set out on pages 34 to 36 of this Annual Report.

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 that the remuneration package of the Directors remains sufficiently attractive to attract and retain Directors.

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

The Directors are paid an annual fee of RM35,000 each, with additional fee paid to the Chairman of the Audit Committee and Risk Management Committee.

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)**h) Remuneration of Directors (Cont'd)**

The proposed Directors' fees for the financial year 2014 will be tabled at the Eleventh AGM for the approval of the shareholders.

The details of the Directors' remuneration for the financial year ended 31 December 2014 are as follows:

2014	Executive RM	Non- Executive RM	Total RM
Amount received/receivable from the Company:			
Fee – Provision for the year	70,000	190,000	260,000
Defined contribution plan	-	-	-
Salaries, bonuses and other emoluments	-	-	-
	70,000	190,000	260,000
Amount received/receivable from the Group:			
Fee – Provision for the year	70,000	190,000	260,000
Defined contribution plan	102,504	-	102,504
Salaries, bonuses and other emoluments	846,600	-	846,600
	949,104	-	949,104
	1,019,104	190,000	1,209,104

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

2014	Executive	Non- Executive	Total
Group			
RM50,000 and below	-	5	5
RM450,001 up to RM500,000	1	-	1
RM550,001 up to RM600,000	1	-	1
	2	5	7

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 2014. Some of these training programmes, seminars and forums are as follows:

1. Board Chairman Series : The Role of the Chairman;
2. Derivatives Trading, Global Trends and Moving Forward;
3. Bursa Malaysia Advocacy Session on Corporate Disclosure for Directors of Listed Issuers;
4. The Malaysian Private Equity Forum;
5. Corporate Governance Statement Reporting Workshop;
6. Understanding of GST and Updates in Malaysia;
7. Transfer Pricing From A Legal Perspective;
8. Failed Business : Deriving Sound Strategic Insights;
9. Singapore Institute of Directors Module 6 : Effective Succession Planning and Compensation Decision; and
10. Roundtable Discussion on Financial Reporting by Malaysian Accounting Standards Board.

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 of the Company and the Public

The Board recognises the importance of timely and high quality disclosure 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 Company has adopted the Corporate Disclosure Policy and Procedures, which is applicable to the Board and all employees of the Group, in handling and disclosing material information to the shareholders and the investing public. The Board has established a Corporate Disclosure Committee to oversee the implementation of and adherence to the Corporate Disclosure Policy and Procedures.

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)**j) Effective Communication with Shareholders of the Company and the Public (Cont'd)**

The Board observes the recommendation of the MCCG 2012 with regard to strengthening the relationship between the Company and its shareholders. The AGM is the main forum for shareholders to engage with the Board and senior management of the Company. Shareholders are provided with ample time during the Questions & Answers session in the AGMs. The Chairman informs shareholders of their right to demand a poll vote at the commencement of all general meetings of the Company.

In addition to the above, 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 on the financial results and activities undertaken by the Group;
- b) Quarterly announcements and corporate disclosures to Bursa Securities are available on the website www.bursamalaysia.com;
- c) Press releases provide up-to-date information on the Group's key corporate initiatives and new product and service launches; and
- d) The Company's website www.oskvi.com provides corporate information of the Group.

A dedicated section for Corporate Governance has been set up on the Company's website, wherein a copy of the Board Charter, Sustainability Policy and summary of the Whistleblowing policy and procedure of the Company are available.

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.

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 www.oskvi.com which provides comprehensive, accurate and timely corporate information to the general investing public, there is an assigned personnel in the Group who is in charge of addressing inquiries from the shareholders, investors and the general public.

Mr. Yee Chee Wai, the Executive Director/Chief Operating Officer of the Company, is the personnel in charge of addressing the inquiries from the shareholders, investors and the general public. The profile of Mr. Yee Chee Wai is set out on page 11 of this Annual Report.

Mr. Leong Keng Yuen has been identified by the Board as the Senior Independent Non-Executive Director of the Company to whom concerns of the shareholders and other stakeholders may be conveyed. The profile of Mr. Leong Keng Yuen is set out on page 13 of this Annual Report.

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

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)**k) Investors Relations (Cont'd)**

The Board has adopted a Whistleblowing Policy which sets out the principle and grievance procedures for employees or members of public to raise genuine concerns of possible improprieties perpetrated within the Group. The details of lodgement channels and Frequently Asked Questions in relation to whistleblowing are available on the Company's website. The Company through the whistleblowing coordinator shall notify the whistleblower on the outcome of investigation according to the established whistleblowing procedures.

The Board will continue to ensure that the Company's activities are conducive towards promoting the economic well-being of its community and are in line with the Government's economic 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 the 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 public release via Bursa Securities' 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 51 to 113 of this Annual Report.

b) Related Party Transactions

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

The details of these transactions are set out under the Notes to Financial Statements on pages 101 to 103 of this Annual Report.

c) Risk Management and Internal Control

The Board acknowledges its responsibilities in setting up and maintaining a sound risk management framework and effective system of internal control. In achieving this, the Board ensures that principal risks in the Group are identified, measured and managed with appropriate internal control system, and that the effectiveness, adequacy and integrity of the internal control system is reviewed on an ongoing basis.

The Board recognises that risks cannot be eliminated completely. Nevertheless, with the implementation of an effective system of risk management and internal control, it provides a reasonable but not absolute assurance against material misstatements of financial and management information and records, and/or against any financial losses or fraud.

The Statement on Risk Management and Internal Control, which provides an overview of the state of risk management and internal control within the Group, is set out on pages 44 and 47 of this Annual Report.

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 to discuss the audit plan, audit findings and the Group's financial statements. The internal auditors meet with the Audit Committee of the Company at least once a year without the presence of the Management. The external auditors also meet with 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 shareholders' questions related to the annual 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:

2014	Group (RM)	Company (RM)
Audit fees paid to external auditors	126,826	43,000
Non-audit fees paid to external auditors	8,000	8,000
Fee paid to internal auditors	40,200	40,200

The non-audit fees paid to external auditors are in relation to the assignment carried out by the external auditors in reviewing the Statement on Risk Management and Internal Control and to conduct an audit review on subsidiaries not audited by Messrs. Ernst & Young, Malaysia or a member firm of Ernst & Young Global for the financial year ended 2014.

The Audit Committee undertakes an annual assessment on the performance of the external auditors, Messrs. Ernst & Young, including the suitability and independence of the external auditors, in accordance with the Guidelines on the Performance Evaluation of External Auditors. Having satisfied itself with their performance and fulfillment of criteria as set out in the aforesaid Guidelines, the Audit Committee will recommend their re-appointment to the Board, upon which the shareholders' approval will be sought at the AGM.

The external auditors, Messrs. Ernst & Young and other auditors of the subsidiaries, who perform the statutory audit function for the Group are independent. The internal auditors, BDO Governance Advisory Sdn. Bhd., who performs the internal audit function for the Group and reports directly to the Audit Committee, is also 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; and
- Risk Management Committee.

C. BOARD COMMITTEES (CONT'D)

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

The composition of each Committee, Terms of Reference, the activities carried out during the year and the number of meetings attended during the year 2014 are set out below.

a) Audit Committee

The Audit Committee comprises exclusively Non-Executive Directors with three (3) members, all of whom are Independent Directors, is chaired by an Independent Director. The Audit Committee is established by the Board to provide independent oversight of the Company's internal and external audit functions, financial reporting, internal control system and to ensure checks and balances within 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 41 to 43 of this Annual Report.

b) Remuneration Committee

The Remuneration Committee consists of the following members:

Composition

Chairman	—	Dr. Ngo Get Ping <i>Independent Non-Executive Director</i>
Members	—	Tan Sri Ong Leong Huat @ Wong Joo Hwa <i>Non-Independent Non-Executive Director</i>
		Leong Keng Yuen <i>Senior Independent Non-Executive Director</i>

The Remuneration Committee which comprises exclusively Non-Executive Directors, is chaired by an Independent 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.

C. BOARD COMMITTEES (CONT'D)**b) Remuneration Committee (Cont'd)***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 key 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;
- Salary scales drawn up shall be within the scope of the general business policy and not be dependent on short-term performance to avoid incentives for excessive risk-taking;
- 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.

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 the Remuneration Committee is as follows:

Members	Attendance
Dr. Ngo Get Ping	1/1
Tan Sri Ong Leong Huat @ Wong Joo Hwa	1/1
Leong Keng Yuen	1/1

Key activities undertaken by the Remuneration Committee during the year are as follows:

- reviewed and proposed the Directors' fees for the financial year 2013;
- reviewed and recommended the bonus for the Executive Directors for the financial year 2013;
- reviewed and recommended to the Board, the Directors' remuneration for the ensuing year; and
- reviewed and recommended to the the Nominating Committee, the performance of the Remuneration Committee for the year 2013 (self-assessment).

c) Nominating Committee

The Nominating Committee consists of the following members:

Composition

Chairman	—	Leong Keng Yuen <i>Senior Independent Non-Executive Director</i>
Members	—	Tan Sri Ong Leong Huat @ Wong Joo Hwa <i>Non-Independent Non-Executive Director</i>
		Dr. Ngo Get Ping <i>Independent Non-Executive Director</i>

The Nominating Committee which comprises exclusively Non-Executive Directors, the majority of whom are Independent Directors, is chaired by the Senior Independent Non-Executive Director of the Company.

C. BOARD COMMITTEES (CONT'D)

c) Nominating Committee (Cont'd)

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 performance of the key senior management staff.

Functions and Duties

- (i) Establish Minimum Requirements for the Board and Key Senior Management Staff
 - To establish minimum requirement 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.
- (ii) Establish Assessment Mechanism and Succession Planning
 - 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 key 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 the 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 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.

C. BOARD COMMITTEES (CONT'D)**c) Nominating Committee (Cont'd)**

(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, experience 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 Securities;
- 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 programme 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 is as follows:

Members	Attendance
Leong Keng Yuen	1/1
Tan Sri Ong Leong Huat @ Wong Joo Hwa	1/1
Dr. Ngo Get Ping	1/1

Key activities undertaken by the Nominating Committee during the year are as follows:

- assessed the effectiveness of the Board as a whole and the contribution of the various Board Committees;
- reviewed and assessed the performance of the Chairman, Executive Directors and Non-Executive Directors;
- assessed the overall composition of the Board in terms of its appropriate size, mix of skills, experience, core competencies and the balance between Executive Directors, Non-Executive Directors and Independent Directors;
- reviewed the diversity of Board and workforce composition in terms of gender, ethnicity, age and nationality;
- reviewed the independency of the Independent Directors;

C. BOARD COMMITTEES (CONT'D)

c) Nominating Committee (Cont'd)

- reviewed the training programmes attended by Directors during the financial year;
- recommended to the Board, the appointment of Head of Finance of the Company; and
- recommended to the Board, the re-election and re-appointment of the Directors who will be retiring at the AGM of the Company.

d) Risk Management Committee

The Risk Management Committee consists of the following members:

Composition

Chairman	—	Dr. Ngo Get Ping <i>Independent Non-Executive Director</i>
Members	—	Leong Keng Yuen <i>Senior Independent Non-Executive Director</i>
		Dato' Thanarajasingam Subramaniam <i>Independent Non-Executive Director</i>

The Risk Management Committee which comprises entirely Non-Executive Directors with three (3) members, all of whom are Independent Directors, is chaired by an Independent Director.

Authority

The Committee is authorised to review and ensure that the Company has sufficient and effective risk management infrastructure and processes in place.

Function and Duties

- To review and recommend appropriate risk management strategies and policies for the Board's approval;
- To review and assess adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risks and the extent to which these are operating effectively;
- To ensure that adequate infrastructure, resources and systems are in place for risk management;
- To review periodic reports from the Risk Management Unit/Department of OSKVI Group ("Group RMD") or any outsourced third party on risk exposures, risk portfolio compositions and risk management activities; and
- 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 attendances of the members of Risk Management Committee are as follows:

Members	Attendance
Dr. Ngo Get Ping	4/4
Leong Keng Yuen	4/4
Dato' Thanarajasingam Subramaniam	4/4

Key activities undertaken by the Risk Management Committee during the year are as follows:

- reviewed and recommended to the Board, the Sustainability Report and Statement on Risk Management and Internal Control for inclusion in Annual Report;
- reviewed and recommended to the Nominating Committee, the performance of the Risk Management Committee for the year 2013 (self-assessment);
- reviewed and recommended to the Board, the outsourcing of risk management services to BDO Governance Advisory Sdn. Bhd.;
- assessed the Group's risk management infrastructure including policies, processes, structure and system;
- reviewed the risk profile and risk ranking to ensure the adequacy and effectiveness of risk management system;
- discussed the identified risks along with the action plans to mitigate the risks;
- reviewed the status of the implementation of the risk action plans to manage and mitigate the identified risks; and
- deliberated the effectiveness of the risk awareness and training session conducted throughout the Group.

This Statement on Corporate Governance was approved by the Board of Directors of the Company on 3 March 2015.

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") is pleased to present the Audit Committee Report for the financial year ended 31 December 2014.

MEMBERSHIP

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

Leong Keng Yuen - Chairman
Senior Independent Non-Executive Director

Dato' Thanarajasingam Subramaniam
Independent Non-Executive Director

Dr. Ngo Get Ping
Independent Non-Executive Director

ATTENDANCE OF MEETINGS

During the financial year ended 31 December 2014, the Committee held a total of four (4) meetings. The details of attendance of the Committee members are as follows:

Members	Attendance
Leong Keng Yuen	4 / 4
Dato' Thanarajasingam Subramaniam	4 / 4
Dr. Ngo Get Ping	4 / 4

COMPOSITION AND TERMS OF REFERENCE

Composition

The Committee shall be appointed by the Board from amongst the Directors of the Company and comprise only Non-Executive Directors with at least three (3) members, of which the majority of whom must be Independent Directors. 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 in related field 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
 - fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

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 ACE Market Listing Requirements of Bursa Securities ("Listing Requirements"), 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.

The Committee shall meet with the external auditors at least twice a year without the presence of the management.

Head of Finance 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 at least two (2) members or 50% of the total members, whichever is higher and the majority of members present must be Independent Directors.

Authority

The Committee shall within its terms of reference:

1. have the resources and be provided with relevant information on a timely basis which are required to perform its duties;
2. have full and unrestricted access to any information as required to perform its duties;
3. have the authority to investigate any activity within its terms of reference;
4. have the authority to form management / sub-committee(s) if deemed necessary and fit;
5. have the authority to delegate any of its responsibilities to any person or committee(s) that is deemed fit;
6. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
7. be able to obtain independent professional or other advice; and
8. 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.

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, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work; and
- 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 scope of the audit plan;
- To review the management letter and response;
- To review the audit findings raised by the external auditors and ensure that issues are managed and rectified appropriately and in 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 observations 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 external 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 on the quarterly results and year-end financial statements, prior to the approval by the Board, 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 raises questions on management integrity.

6. Internal Investigation

To consider major findings of internal investigation and the management's response in relation to the investigation.

7. Reporting of Breaches to Bursa Securities

To promptly report to Bursa Securities where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

8. 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, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
2. Reviewed and discussed the internal audit plan and report; and
3. Met with the internal auditors once during the year without the presence of management, from which no private issues were highlighted.

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 prior to submission to the Board for approval;
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.
4. Reviewed and evaluated the performance of the external auditors, including the suitability and independence of the external auditors, in accordance with the Guidelines on the Performance Evaluation of External Auditors and made recommendation to the Board on their re-appointment.
5. Met with the external auditors twice during the year without the presence of management.

Internal Controls

1. Reviewed the Statement on Risk Management and Internal Control pursuant to Rule 15.26(b) of Listing Requirements and made recommendations to the Board for approval.

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 function 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 principal 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 2014 amounted to RM40,200.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires the Board of Directors of public listed companies to establish a sound risk management framework and internal control system to safeguard shareholders' investments and the Group's assets. Provided below is the risk management framework and internal control of OSK Ventures International Berhad and its subsidiaries (collectively referred to as "the Group") made by the Board of Directors ("Board") of OSK Ventures International Berhad in compliance with Chapter 15, Rule 15.26 and Guidance Note 11 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by The Taskforce on Internal Control with the support and endorsement of Bursa Securities.

THE BOARD'S 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 the Group's system of risk management and internal control is designed to highlight, manage and attempt to lower the risk threatening the achievement of business objectives, and that some risks may not be totally eliminated. As such, the system of risk management and internal control can only provide reasonable but not absolute assurance against material misstatement of financial and management information and records, or against any financial losses or fraud.

The Group has in place an on-going mechanism to identify, evaluate, monitor and manage the key risks which will hinder the achievement of its business objectives and strategies throughout the period under review. The Board is assisted by the Risk Management Committee as well as the management to implement the Board's policies and procedures on risk and control. These include identifying the risks and assessing the potential impacts of the risks, and to have the necessary internal control to reduce the risk. The mechanism is reviewed by the Board on a quarterly basis.

THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Enterprise Risk Management ("ERM")

The Board acknowledges that effective risk management is part of a good business management practice which can help in discharging its stewardship responsibilities. The Group's activities involve some degree of risk and the Board is committed to ensure that the Group has an effective risk management framework which will allow the Group to be able to identify, evaluate, monitor and manage risks that affect the achievement of the Group's business objectives and strategies within a defined risk tolerance level in a timely and effective manner.

Risk Governance

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, 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 functions and duties of each employee in the investment and finance division of the Group.

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

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

• The Risk Management Committee

The Risk Management Committee has been established to review the adequacy and effectiveness of risk management of the Group. The Risk Management Committee's main role is to review, on behalf of the Board, the system of risk management necessary to manage the key risks inherent in the business and to present its findings to the Board.

In addition, the Risk Management Committee plays a significant role in contributing to the establishment of a more conducive risk management environment. The Risk Management Committee meets quarterly 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 Risk Management Committee is assisted by the internal risk management function in the first quarter of 2014 and this function was subsequently outsourced to an external risk management team. The role of the external risk management function is to monitor and evaluate the effectiveness of the risk management process within the Group on a quarterly basis.

• The Audit Committee

The Audit Committee is responsible to review the adequacy and effectiveness of internal control and governance systems of the Group. The Audit Committee's main role is to review, on behalf of the Board, the system of internal controls necessary to manage the key risks inherent in the business and to present its findings to the Board.

The Audit Committee is assisted by the internal audit function, whose role is to review the effectiveness of risk identification procedures and control processes implemented by the management. The Audit Committee also reviews and deliberates on any matters relating to internal control highlighted by the External Auditors in the course of their statutory audit of the financial statements of the Group.

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

The Group's risk management framework is consistent with the ISO 31000 Risk Management Principles and Guidelines, which is designed to establish the context for an embedded ERM into key departments and business processes of the Group.

The framework:

- provides clear functional responsibilities and accountabilities within the Group for the management of risk;
- helps to identify the risk appetite and risk tolerance level through having a set of measurable parameters related to the critical risks that may impact the strategy, performance and reputation of the Group;
- ensures the risk policies and limits are consistent with the risk appetite and risk tolerance level of the Group; and
- helps to report, monitor and ensure that appropriate skills and resources are applied in managing the risks.

Key Elements of the Group's System of Internal Control

The Group's internal control system consists of the policies, processes, activities and control environment that facilitates an effective and efficient operation by enabling it to respond appropriately to significant business, operational, financial, compliance and other risks to achieving the Group's strategy and objectives.

The key elements of the Group's internal control system that are regularly reviewed by the Board are described below:

- 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;
- Maintenance and development 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 economic 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 require proper records keeping and maintenance of effective processes that generate timely, relevant and reliable information within and outside the Group;
- Establishment of an effective segregation of duties via independent checks, review and reconciliation activities to prevent human errors, fraud and abuses;
- Engagement of independent internal auditors to review the effectiveness of internal controls; and
- Review of risk management reports and investment performance reports presented by independent risk management team on quarterly basis. Independent risk assessment is conducted quarterly by an independent risk management team which reports directly to the Risk Management Committee. The reports assist Risk Management Committee in assessing the effectiveness of the Group in managing its investment activities.

Assurance Mechanisms

The Audit Committee is tasked by the Board to carry out the duty to review and monitor the effectiveness of the Group's system of internal control. To discharge its responsibilities, the Audit Committee relies significantly on the support of independent 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 Internal Auditors provide assurance over the operation and validity of the internal control system in relation to the level of risk involved using Risk-Based-Auditing methodology.

Based on the audit, the Internal Auditors provide the Audit Committee with yearly report highlighting observations, recommendations and management action plans to improve the system of internal control.

The Audit Committee Report is set out on pages 41 to 43 of this Annual Report.

THE BOARD'S COMMITMENT

As the Group operates in a dynamic business environment, a sound risk management and internal control system must be in place in order to be able to support its business objectives. Therefore, the Board remains committed towards maintaining a sound system of risk management and internal control and believe that a balanced achievement of its business objectives and operational efficiency can be attained.

THE BOARD'S CONCLUSION

The Board has reviewed the 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 Executive Director/Chief Operating Officer and Head of Finance that the Group's risk management and internal control system is, in all material aspects, effective and adequate throughout the year under review.

Moving forward, the Group will continue to improve and enhance the existing systems of risk management and internal controls, taking into consideration the changing business environment.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement for inclusion in the Annual Report of the Group for the year ended 31 December 2014 and reported to the Board that nothing has come to their attention that caused them to believe this Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the internal control system of the Group.

ADDITIONAL DISCLOSURES

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

There were no material contracts entered by the Company and its subsidiaries involving Directors' and major shareholders' interest, either still subsisting at the end of the financial year ended 31 December 2014 or entered into since the end of the previous financial year.

DEPOSITORY RECEIPT ("DR") PROGRAMME

The Company did not sponsor any DR programme during the financial year ended 31 December 2014.

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 2014.

VARIATION IN RESULTS

There were no variations between the financial results in the Audited Financial Statements 2014 and the audited financial results for the year ended 31 December 2014 announced on 11 February 2015.

PROFIT GUARANTEE

There was no profit guarantee for the financial year.

CORPORATE SOCIAL RESPONSIBILITIES

Information pertaining to the Company's corporate social responsibility activities for the year 2014 is presented in the Sustainability Report on pages 18 to 21 of this Annual Report.

SHARE BUY-BACK

During the financial year, there were shares buy-back by the Company, the details of which are set out in the Notes to Financial Statements on pages 97 to 99 of this Annual Report.

OPTIONS OR CONVERTIBLE SECURITIES

The Warrants 2010/2015 issued by the Company on 8 October 2010 and expiring on 7 October 2015 remains unexercised during the financial year.

The Company did not issue any options or convertible securities during the financial year.

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 audited financial statements of the Group and of the Company are drawn up in accordance with the requirements of the applicable approved Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards issued by International Accounting Standards Board, the Companies Act, 1965, and the Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible to ensure that the annual audited 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 2014, and of the results of their operations and cash flows for the year then ended.

In preparing the annual audited financial statements, the Directors have applied the appropriate and relevant accounting policies on a consistent basis; made judgements 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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DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the year ended 31 December 2014.

Principal Activities

The Company is an investment holding company. The principal activities of the subsidiaries are described in Note 13(a) to the financial statements. There have been no significant changes in the nature of these activities during the year.

Financial Results

	Group RM	Company RM
Loss attributable to Owners of the Company	(13,700,396)	(15,450,244)

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 other than net fair value loss on financial instruments of RM20.29 million and those disclosed in Notes 5 and 13(b) to the financial statements.

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 amount of dividends paid by the Company since 31 December 2013 were as follow:

	RM
In respect of the financial year ended 31 December 2014:	
Interim tax exempt (single-tier) dividend of 2.0 sen per share on 195,735,533 ordinary shares declared on 23 May 2014 and paid on 20 June 2014	3,914,711

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 Yee Min
Tan Sri Ong Leong Huat @ Wong Joo Hwa
Leong Keng Yuen
Dato' Thanarajasingam Subramaniam
Dr. Ngo Get Ping

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 25 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 and warrants in the Company and its related corporations during the year were as follows:

	Number of Ordinary Shares of RM0.50 each			
	1.1.2014	Acquired	Disposed	31.12.2014
Direct Interest:				
Dato' Nik Mohamed Din bin Datuk Nik Yusoff	3,257,615	-	3,257,615	-
Ong Yee Min	126,948	102,900	-	229,848
Leong Keng Yuen	73	-	-	73
Indirect Interest:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	⁽¹⁾ 100,785,250	21,080,041	6,818	⁽¹⁾ 121,858,473
Yee Chee Wai	⁽²⁾ 1,000	-	-	⁽²⁾ 1,000
	Number of Warrants 2010/2015			
	1.1.2014	Acquired	Disposed	31.12.2014
Direct Interest:				
Dato' Nik Mohamed Din bin Datuk Nik Yusoff	1,617,048	-	1,617,048	-
Ong Yee Min	34,074	-	-	34,074
Indirect Interest:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	⁽³⁾ 45,696,038	3,404,859	-	⁽³⁾ 49,100,897
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 warrants 2010/2015 are disclosed in Note 20(b) to the financial statements.

⁽¹⁾ Deemed interested pursuant to Section 6A of the Companies Act, 1965 ("the Act") by virtue of his substantial shareholdings in OSK Equity Holdings Sdn. Bhd. and OSK Holdings Berhad and disclosure made pursuant to Section 134(12)(c) of the Act on interests held by his spouse and children.

Directors' Interests (Cont'd)

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

Other than as disclosed above, none of the 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 21 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.
- (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.

Other Statutory Information (Cont'd)

- (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.

Significant Event During the Year

Significant event during the year is disclosed in Note 31 to the financial statements.

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 11 February 2015.

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 59 to 112 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and 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 2014 and of the financial performance and the cash flows of the Group and of the Company for the year then ended.

The supplementary information set out in Note 32 to the financial statements on page 113, has 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 11 February 2015.

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, Ong Shew Sze, 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 59 to 113 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 Ong Shew Sze at
Kuala Lumpur in the Federal Territory
on 11 February 2015

Ong Shew Sze

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 2014 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 information, as set out on pages 59 to 112.

Directors' responsibility for the financial statements

The Directors of the Company are responsible for the preparation of financial statements so as to 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 determine is 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 judgment, 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 2014 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 13(a) to the financial statements, being financial statements that have been included in the consolidated financial statements.

Report on Other Legal and Regulatory Requirements (Cont'd)

- (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 Companies Act, 1965.

Other Reporting Responsibilities

The supplementary information set out in Note 32 to the financial statements on page 113 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

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

Kuala Lumpur, Malaysia
11 February 2015

Kua Choh Leang

No. 2716/01/17(J)
Chartered Accountant

INCOME STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Revenue	4	102,426,248	45,834,818	5,893,512	1,835,855
Net carrying value of investments disposed		(93,555,484)	(38,077,147)	-	-
Other income		4,071,273	232,728	25,396	3,054,407
Net fair value (loss)/gain on financial instruments		(20,288,704)	15,047,349	-	-
Administrative expenses		(3,902,588)	(3,166,689)	(1,442,344)	(769,892)
Impairment losses	5	-	-	(19,874,813)	-
Operating (loss)/profit		(11,249,255)	19,871,059	(15,398,249)	4,120,370
Finance costs		-	(439,565)	-	(439,565)
(Loss)/profit before tax	6	(11,249,255)	19,431,494	(15,398,249)	3,680,805
Income tax expense	9	(2,451,141)	(2,364,519)	(51,995)	(357,815)
(Loss)/profit for the year		(13,700,396)	17,066,975	(15,450,244)	3,322,990
(Loss)/profit attributable to: Owners of the Company		(13,700,396)	17,066,975	(15,450,244)	3,322,990
(Loss)/earnings per share attributable to equity owners of the Company (sen):					
Basic	10	(7.00)	8.72		
Diluted	10	(6.50)	8.19		

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
(Loss)/profit after tax for the year, representing total comprehensive (loss)/income for the year, net of tax	(13,700,396)	17,066,975	(15,450,244)	3,322,990
Total comprehensive (loss)/income attributable to: Owners of the Company	(13,700,396)	17,066,975	(15,450,244)	3,322,990

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Assets					
Non-current assets					
Equipment	11	396,713	716,123	-	-
Intangible assets	12	14,186	8,883	-	-
Investments in subsidiaries	13(a)	-	-	13,307,003	13,307,003
Amounts due from subsidiaries	13(b)	-	-	52,598,579	-
Investment securities	14	42,026,959	103,668,116	-	-
Trade receivables	17	1,084,216	-	-	-
		43,522,074	104,393,122	65,905,582	13,307,003
Current assets					
Investment securities	14	63,014,541	48,958,483	-	-
Derivative financial assets	15	373,548	857,076	-	-
Debenture	16	13,183,848	-	-	-
Trade and other receivables	17	4,976,028	2,313,004	4,892	4,864
Amounts due from subsidiaries	13(b)	-	-	53,814,632	141,626,985
Prepayments		9,484	16,649	5,150	-
Tax recoverable		2,187,198	1,188,169	191,515	29,144
Cash and cash equivalents	18	57,095,527	42,307,856	56,094,610	41,424,379
		140,840,174	95,641,237	110,110,799	183,085,372
Total assets		184,362,248	200,034,359	176,016,381	196,392,375

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Equity					
Share capital	19	97,872,267	97,872,267	97,872,267	97,872,267
Reserves	20	82,165,270	99,780,377	64,295,303	83,660,258
Treasury shares	21	(4,941)	(3,614)	(4,941)	(3,614)
Total equity		180,032,596	197,649,030	162,162,629	181,528,911
Liabilities					
Non-current liability					
Deferred tax liability	22	2,622,090	1,598,603	-	-
Current liabilities					
Trade and sundry payables	23	1,707,562	786,726	507,142	410,301
Amounts due to subsidiaries	13(c)	-	-	13,346,610	14,453,163
		1,707,562	786,726	13,853,752	14,863,464
Total liabilities		4,329,652	2,385,329	13,853,752	14,863,464
Total equity and liabilities		184,362,248	200,034,359	176,016,381	196,392,375

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

Group	Attributable to owners of the Company					
	Share capital (Note 19) RM	Treasury shares (Note 21) RM	Share premium (Note 20) RM	Capital redemption reserve (Note 20) RM	Warrants reserve (Note 20) RM	Retained profit/ accumulated losses (Note 20) RM
At 1 January 2014	97,872,267	(3,614)	84,362,809	3,191,600	11,255,311	970,657
Total comprehensive loss	-	-	-	-	-	(13,700,396)
At 31 December 2014	97,872,267	(4,941)	84,362,809	3,191,600	11,255,311	(13,700,396)
At 1 January 2013	97,872,267	(2,621)	84,362,809	3,191,600	11,255,311	(16,096,318)
Total comprehensive income	-	-	-	-	-	17,066,975
At 31 December 2013	97,872,267	(3,614)	84,362,809	3,191,600	11,255,311	970,657

Transactions with owners

Dividend paid to shareholders (Note 30)
Share buyback

Total transactions with owners

At 31 December 2014

At 1 January 2013

Total comprehensive income

Transactions with owners

Share buyback

Total transactions with owners

At 31 December 2013

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

Company	Non-distributable						
	Share capital (Note 19) RM	Treasury shares (Note 21) RM	Share premium (Note 20) RM	Capital redemption reserve (Note 20) RM	Warrants reserve (Note 20) RM	Accumulated losses (Note 20) RM	Total equity RM
At 1 January 2014	97,872,267	(3,614)	84,362,809	3,191,600	11,255,311	(15,149,462)	181,528,911
Total comprehensive loss	-	-	-	-	-	(15,450,244)	(15,450,244)
Transactions with owners							
Dividend paid to shareholders (Note 30)	-	-	-	-	-	(3,914,711)	(3,914,711)
Share buyback	-	(1,327)	-	-	-	-	(1,327)
Total transactions with owners	-	(1,327)	-	-	-	(3,914,711)	(3,916,038)
At 31 December 2014	97,872,267	(4,941)	84,362,809	3,191,600	11,255,311	(34,514,417)	162,162,629
At 1 January 2013	97,872,267	(2,621)	84,362,809	3,191,600	11,255,311	(18,472,452)	178,206,914
Total comprehensive income	-	-	-	-	-	3,322,990	3,322,990
Transactions with owners							
Share buyback	-	(993)	-	-	-	-	(993)
Total transactions with owners	-	(993)	-	-	-	-	(993)
At 31 December 2013	97,872,267	(3,614)	84,362,809	3,191,600	11,255,311	(15,149,462)	181,528,911

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash flows from operating activities				
(Loss)/profit before tax	(11,249,255)	19,431,494	(15,398,249)	3,680,805
Adjustments for:				
Amortisation of intangible assets	2,917	1,402	-	-
Depreciation of equipment	115,124	127,143	-	-
(Gain)/loss on disposal of equipment	(29,714)	1,324	-	-
Impairment loss on amount due from subsidiaries	-	-	19,874,813	-
Reversal of impairment loss on amount due from subsidiaries	-	-	-	(2,900,000)
Capital returns received from investment securities	(3,583,214)	-	-	-
Gain on disposals of investment securities	(5,684,034)	(1,659,917)	-	-
Gain on disposal of derivative financial assets	(76,259)	(1,416,989)	-	-
Net fair value loss/(gain) on financial instruments	20,288,704	(15,047,349)	-	-
Interest income	(1,397,866)	(1,884,219)	(1,093,512)	(1,835,855)
Interest expense	-	439,565	-	439,565
Dividend income	(1,712,605)	(2,796,546)	(4,800,000)	-
Unrealised gain on foreign exchange	(16,201)	(38,410)	-	-
Operating loss before working capital changes	(3,342,403)	(2,842,502)	(1,416,948)	(615,485)
(Increase)/decrease in operating assets				
Receivables	(3,433,048)	(2,248,030)	(5,150)	21,788
Amounts due from subsidiaries	-	-	15,338,961	(6,363,047)
Proceeds from disposals of:				
- investment securities	98,908,896	37,251,462	-	-
- derivative financial assets	406,881	3,902,591	-	-
Capital returns received from investment securities	3,583,214	-	-	-
Purchase of:				
- investment securities	(65,482,038)	(49,687,305)	-	-
- derivative financial assets	(293,525)	-	-	-
- debenture	(13,183,848)	-	-	-
Increase/(decrease) in operating liabilities				
Payables	920,836	15,347	96,841	24,030
Amounts due to subsidiaries	-	-	(1,106,553)	1,823,772
Cash generated from/(used in) operations - carried forward	18,084,965	(13,608,437)	12,907,151	(5,108,942)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash generated from/(used in) operations - brought forward	18,084,965	(13,608,437)	12,907,151	(5,108,942)
Dividends received	1,671,913	2,721,760	4,800,000	-
Interest received	1,131,533	1,958,861	1,093,485	1,910,000
Interest paid	-	(462,619)	-	(466,054)
Taxes paid	(2,426,683)	(2,462,944)	(214,367)	(452,943)
Net cash generated from/(used in) operating activities	18,461,728	(11,853,379)	18,586,269	(4,117,939)
Cash flows from investing activities				
Proceeds from disposals of equipment	234,000	2,500	-	-
Purchase of equipment	-	(350,563)	-	-
Purchase of software licence	(8,220)	(9,006)	-	-
Net cash generated from/(used in) investing activities	225,780	(357,069)	-	-
Cash flows from financing activities				
Share buyback	(1,327)	(993)	(1,327)	(993)
Dividends paid to shareholders	(3,914,711)	-	(3,914,711)	-
Repayment of revolving credit	-	(22,000,000)	-	(22,000,000)
Net cash used in financing activities	(3,916,038)	(22,000,993)	(3,916,038)	(22,000,993)
Net increase/(decrease) in cash and cash equivalents	14,771,470	(34,211,441)	14,670,231	(26,118,932)
Effects of exchange rate changes	16,201	38,410	-	-
Cash and cash equivalents at beginning of year	42,307,856	76,480,887	41,424,379	67,543,311
Cash and cash equivalents at end of year (Note 18)	57,095,527	42,307,856	56,094,610	41,424,379

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

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 while the registered office of the Company is located at 7th 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 13(a). There have been no significant changes in the nature of these activities during the year.

The holding company of the Company is OSK Equity Holdings Sdn. Bhd., a private limited liability company incorporated and domiciled in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 11 February 2015.

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 adopted new and amendments to MFRSs which are mandatory for financial periods beginning on or after 1 January 2014 as described fully in Note 2(b).

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

(b) Changes in accounting policies

On 1 January 2014, the Group and the Company adopted the following new MFRSs, Amendments to MFRSs and Issues Committee ("IC") Interpretations mandatory for annual financial periods beginning on or after 1 January 2014.

Amendments to MFRS 10	Consolidated Financial Statements - Investment Entities
Amendments to MFRS 12	Disclosure of Interests in Other Entities - Investment Entities
Amendments to MFRS 127	Separate Financial Statements - Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

Adoption of the above MFRSs, Amendments to MFRSs and IC Interpretations did not have any effect on the financial performance or position of the Company and of the Group.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)**(c) MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective**

The Group and the Company have not adopted the following MFRSs, Amendments to MFRSs and IC Interpretation 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	1 January 2018
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 2, MFRS 3, MFRS 8, MFRS 116, MFRS 124 and MFRS 138	Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Amendments to MFRS 3, MFRS 13 and MFRS 140	Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014
Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions	1 July 2014
Amendments to MFRS 5, MFRS 7, MFRS 119 and MFRS 134	Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interest in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116, and MFRS 141	Agriculture: Bearer Plants	1 January 2016

The adoption of the above MFRSs, Amendments to MFRSs and IC Interpretations will have no material impact on the financial statements in the period of initial application, other than as describes below:

MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

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

The following is judgement made by the management in the process of applying the Group's accounting policies that have the most significant effect 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.

The classification of current and non-current financial assets are based on management's strategic intent and will change accordingly as the management's intent changes from time to time.

(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:

Unquoted investment carried at fair value through profit or loss

In measuring the fair value of the Group's unquoted investments, management has estimated the fair value based on the underlying asset of the unquoted investment. The fair value of the underlying asset is measured based on its current market value. Management did not make any adjustment to the fair value of the underlying asset as it is estimated that it represents substantially the fair value of the unquoted investment.

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 Group considers factors such as the probability of insolvency or significant financial difficulties of the subsidiaries and default or significant delay in payments.

Where there is objective evidence of impairment, the amount recoverable is 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 13(b). An impairment loss of RM19,874,813 (2013: reversal of RM2,900,000) was recognised as an expense in the current year (Note 5).

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)**(d) Significant accounting judgements and estimates (Cont'd)****(ii) Estimation uncertainties (Cont'd)****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.

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 for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

- (i) Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Company, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. 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.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 3(e).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(a) Basis of consolidation (Cont'd)****Subsidiaries**

A subsidiary is an entity over which the Group has all the following:

- (i) Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(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 impairment 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%

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Equipment and depreciation (Cont'd)

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.

Impairment losses 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 losses 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(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 CGU that are expected to benefit from the synergies of the combination.

The CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the allocated goodwill, with the recoverable amount of the CGU. Where the recoverable amount of the CGU 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 CGU and part of the operation within that CGU 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 CGU 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%.

(f) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial assets (Cont'd)

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 have financial assets at held to maturity, fair value through profit or loss and loans and receivables as at reporting date.

(i) Held-to-maturity financial assets

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

(ii) 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.

(iii) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(f) Financial assets (Cont'd)**

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.

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, the date that the Group and the Company commit to purchase or sell the asset.

(g) 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, receivables 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.

(h) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) 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, short term, cash held by third party and cash management fund that are highly liquid investments which have an insignificant risk of changes in value.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(m) Employee benefits (Cont'd)****(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").

(n) 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.

(o) 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 28, including the factors used to identify the reportable segments and the measurement basis of segment information.

(p) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Income taxes (Cont'd)

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(q) 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

Proceeds from sale of investments 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) Other income

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

(r) 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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(r) Foreign currencies (Cont'd)****(ii) Foreign currency transactions (Cont'd)**

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.

The exchange rates used in translation are as follows:

	2014 RM	2013 RM
<u>Closing rate</u>		
United States Dollar	3.50	3.28
Singapore Dollar	2.65	2.59
Hong Kong Dollar	0.45	0.42
Thai Baht	0.11	0.10
100 Cambodian Riel	0.09	0.08
100 Indonesian Rupiah	0.03	0.03
<u>Average rate</u>		
United States Dollar	3.27	3.15
Singapore Dollar	2.58	2.52
Hong Kong Dollar	0.42	0.41
Thai Baht	0.10	0.10
100 Cambodian Riel	0.08	0.08
100 Indonesian Rupiah	0.03	0.03

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) 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. The Group and the Company only have other financial liabilities measured at amortised cost as at the reporting date.

(i) 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.

4. REVENUE

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Proceeds from disposal of derivative financial assets	406,881	3,902,591	-	-
Proceeds from disposal of investment securities	98,908,896	37,251,462	-	-
Interest income	1,397,866	1,884,219	1,093,512	1,835,855
Dividend income	1,712,605	2,796,546	4,800,000	-
	102,426,248	45,834,818	5,893,512	1,835,855

Gain on disposal of financial instruments is arrived at based on the following:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Proceeds from disposal of derivative financial assets	406,881	3,902,591	-	-
Proceeds from disposal of investment securities	98,908,896	37,251,462	-	-
Less: Cost of investment	(89,387,920)	(40,727,018)	-	-
Gain on disposal	9,927,857	427,035	-	-
(Less)/add: Previously recognised fair value changes	(4,167,564)	2,649,871	-	-
Net gain on disposal	5,760,293	3,076,906	-	-

Gain on disposal of investment securities represents the difference between an instrument's cost of investment and disposal proceeds.

5. IMPAIRMENT LOSSES

	Company	
	2014 RM	2013 RM
In respect of:		
Amount due from subsidiaries (Note 13(b))	19,874,813	-

A reversal of impairment loss of RM2,900,000 was recognised as other income in prior year.

6. (LOSS)/PROFIT BEFORE TAX

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Auditors' remuneration:				
(i) Statutory audit				
- current year	126,826	110,826	43,000	36,000
- Under provision in prior year	295	5,207	-	5,000
(ii) Other services				
- current year	8,000	17,000	8,000	17,000
- Under provision in prior year	-	15,000	-	15,000
Employee benefits expenses (excluding executive Directors' remuneration) (Note 7)	942,017	866,214	1,565	939
Directors' remuneration (Note 8)	1,209,104	1,272,894	260,000	275,534
Rental of office	138,348	136,080	-	-
Depreciation of equipment (Note 11)	115,124	127,143	-	-
(Gain)/loss on disposal of equipment	(29,714)	1,324	-	-
Interest expense	-	439,565	-	439,565
Amortisation of intangible assets (Note 12)	2,917	1,402	-	-
Impairment loss on amount due from subsidiaries	-	-	19,874,813	-
Capital returns received from investment securities	(3,583,214)	-	-	-
Reversal of impairment loss on amount due from subsidiaries	-	-	-	(2,900,000)
Realised gain on foreign exchange	(317,349)	(142,688)	(25,024)	(154,407)
Unrealised gain on foreign exchange	(16,201)	(38,410)	-	-

7. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Salaries and bonuses	807,522	743,765	-	-
Defined contribution plan	77,652	76,873	-	-
Other staff related expenses	56,843	45,576	1,565	939
	942,017	866,214	1,565	939

8. DIRECTORS' REMUNERATION

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Directors of the Company				
Executive:				
Salaries, bonuses and other emoluments	846,600	871,000	-	-
Directors' fees	70,000	79,493	70,000	79,493
Defined contribution plan	102,504	126,360	-	-
	1,019,104	1,076,853	70,000	79,493
Non-executive:				
Directors' fees	190,000	196,041	190,000	196,041
Total Directors' remuneration (Note 6)	1,209,104	1,272,894	260,000	275,534

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	
	2014	2013
Executive Directors:		
Below RM50,000	-	1
RM400,001 - RM450,000	-	1
RM450,001 - RM500,000	1	-
RM550,001 - RM600,000	1	-
RM600,001 - RM650,000	-	1
Non-executive Directors:		
Below RM50,000	5	9
	7	12

9. INCOME TAX EXPENSE

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Malaysian income tax:				
Current year	1,410,000	1,238,169	34,000	273,169
Under provision in prior years	17,654	84,647	17,995	84,646
	1,427,654	1,322,816	51,995	357,815
Deferred tax (Note 22):				
Relating to origination and reversal of temporary differences	856,292	1,041,703	-	-
Under provision in prior year	167,195	-	-	-
	1,023,487	1,041,703	-	-
	2,451,141	2,364,519	51,995	357,815

The domestic income tax is calculated at the statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdiction.

Based on 2014 budget, the income tax rate will be reduced by 1% to 24% from the year of assessment 2016 onwards.

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
(Loss)/profit before tax	(11,249,255)	19,431,494	(15,398,249)	3,680,805
Tax at Malaysian statutory tax rate of 25% (2013: 25%)	(2,812,314)	4,857,874	(3,849,562)	920,201
Effect of different tax rate in foreign jurisdiction	(102,583)	123,485	-	-
Expenses not deductible for tax purposes	1,750,406	519,532	5,320,862	229,334
Income not subjected to tax	(2,026,147)	(857,479)	(1,437,300)	(876,366)
Utilisation of previously unrecognised tax losses	-	(2,579,126)	-	-
Deferred tax assets not recognised	5,456,930	215,586	-	-
Under provision of deferred tax in prior year	167,195	-	-	-
Under provision of income tax in prior year	17,654	84,647	17,995	84,646
Income tax expense for the year	2,451,141	2,364,519	51,995	357,815

9. INCOME TAX EXPENSE (CONT'D)

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

	2014 RM	Group 2013 RM
Unutilised tax losses	15,182,000	14,420,000
Unrealised fair value losses on financial instruments	67,316,000	46,250,000
	82,498,000	60,670,000

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.

10. (LOSS)/EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the (loss)/profit 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.

Diluted earnings per share is calculated by dividing the profit 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 plus the weighted average number of ordinary shares that would be issued on the conversion of all the diluted potential warrants into ordinary shares.

	2014	Group 2013
(Loss)/profit for the year attributable to owners of the Company (RM)	(13,700,396)	17,066,975
Weighted average number of ordinary shares in issue*	195,735,799	195,737,807
Effect of dilution on assumed exercise of warrants	14,929,668	12,765,947
Weighted average number of ordinary shares for diluted (loss)/earnings per share	210,665,467	208,503,754
Basic (loss)/earnings per share (sen)	(7.00)	8.72
Diluted (loss)/earnings per share (sen)	(6.50)	8.19

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

11. EQUIPMENT

	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Computer equipment RM	Total RM
Group						
2014						
Cost						
At 1 January 2014	109,493	781,105	169,950	204,933	38,906	1,304,387
Disposal	-	(453,969)	-	-	-	(453,969)
At 31 December 2014	109,493	327,136	169,950	204,933	38,906	850,418
Accumulated depreciation						
At 1 January 2014	65,088	240,837	142,704	114,783	24,852	588,264
Charge for the year (Note 6)	10,185	66,094	10,721	20,494	7,630	115,124
Disposal	-	(249,683)	-	-	-	(249,683)
At 31 December 2014	75,273	57,248	153,425	135,277	32,482	453,705
Net carrying amount	34,220	269,888	16,525	69,656	6,424	396,713
2013						
Cost						
At 1 January 2013	109,493	453,969	171,532	204,933	35,747	975,674
Additions	-	327,136	20,268	-	3,159	350,563
Disposal	-	-	(21,850)	-	-	(21,850)
At 31 December 2013	109,493	781,105	169,950	204,933	38,906	1,304,387
Accumulated depreciation						
At 1 January 2013	54,903	164,564	148,004	94,290	17,386	479,147
Charge for the year (Note 6)	10,185	76,273	12,726	20,493	7,466	127,143
Disposal	-	-	(18,026)	-	-	(18,026)
At 31 December 2013	65,088	240,837	142,704	114,783	24,852	588,264
Net carrying amount	44,405	540,268	27,246	90,150	14,054	716,123

11. EQUIPMENT (CONT'D)

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

	2014 RM	2013 RM
Computer equipment	9,060	-
Office equipment	109,849	94,666
Furniture and fittings	7,620	7,620
	126,529	102,286

12. INTANGIBLE ASSETS

	Software licenses RM
Group	
2014	
Cost	
At 1 January 2014	11,231
Additions	8,220
At 31 December 2014	19,451
Accumulated amortisation	
At 1 January 2014	2,348
Amortisation (Note 6)	2,917
At 31 December 2014	5,265
Net carrying amount	14,186
2013	
Cost	
At 1 January 2013	2,225
Additions	9,006
At 31 December 2013	11,231
Accumulated amortisation	
At 1 January 2013	946
Amortisation (Note 6)	1,402
At 31 December 2013	2,348
Net carrying amount	8,883

13. SUBSIDIARIES**(a) Investments in subsidiaries**

	Company	
	2014	2013
	RM	RM
Unquoted shares, at cost		
In Malaysia	15,944,802	15,944,802
Outside Malaysia	1	1
Allowance for impairment	15,944,803	15,944,803
	(2,637,800)	(2,637,800)
	13,307,003	13,307,003

Movement in allowance account:

	Company	
	2014	2013
	RM	RM
At beginning/end of year	2,637,800	2,637,800

During the financial year, the Company's wholly-owned subsidiary, OSK Technology Ventures Sdn. Bhd. ("OSKTV") acquired one (1) ordinary shares of RM1.00 each in the share capital of VT Payment (M) Sdn. Bhd. (Company No. 1098633-A) ("VTPM") representing VTPM's total issued share capital, for a total cash consideration of RM1.00 ("Acquisition"). Subsequent to the Acquisition, VTPM became an indirect wholly-owned subsidiary of OSK Ventures International Berhad.

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 company	Principal activities	Proportion of ownership interest (%)	
		2014	2013
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

13. SUBSIDIARIES (CONT'D)**(a) Investments in subsidiaries (Cont'd)****(i) Held by the Company (Cont'd)**

Name of company	Principal activities	Proportion of ownership interest (%)	
		2014	2013
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

(ii) Held through a subsidiary, OSK Technology Ventures Sdn. Bhd.

Name of company	Principal activities	Proportion of ownership interest (%)	
		2014	2013
VT Payment (M) Sdn. Bhd.	Auxiliary activities to finance	100	-

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 subsidiaries

	Company	
	2014 RM	2013 RM
Current		
Amounts due from subsidiaries	53,814,632	265,572,985
Less: Allowance for impairment	-	(123,946,000)
	53,814,632	141,626,985
Non-Current		
Amounts due from subsidiaries	196,419,392	-
Less: Allowance for impairment	(143,820,813)	-
	52,598,579	-

The amounts due from subsidiaries are unsecured, interest free and repayable on demand.

13. SUBSIDIARIES (CONT'D)**(b) Amounts due from subsidiaries (Cont'd)**

Movements in allowance account:

	Company	
	2014	2013
	RM	RM
At 1 January	123,946,000	126,846,000
Charge for the year (Note 5)	19,874,813	-
Reversal in prior year (Note 6)	-	(2,900,000)
At 31 December	143,820,813	123,946,000

(c) Amounts due to subsidiaries

	Company	
	2014	2013
	RM	RM
Amounts due to subsidiaries	13,346,610	14,453,163

The amounts due to subsidiaries are unsecured, interest free and repayable on demand.

14. INVESTMENTS SECURITIES

Group	Carrying amount	Market value of quoted investments	Carrying amount	Market value of quoted investments
	2014	2014	2013	2013
	RM	RM	RM	RM
Current				
Investment securities				
Quoted shares in Malaysia	46,442,716	46,442,716	36,526,098	36,526,098
Quoted shares outside Malaysia	15,689,241	15,689,241	12,432,385	12,432,385
Unquoted shares outside Malaysia	882,584	-	-	-
	63,014,541	62,131,957	48,958,483	48,958,483

14. INVESTMENTS SECURITIES (CONT'D)

	Carrying amount 2014 RM	Market value of quoted investments 2014 RM	Carrying amount 2013 RM	Market value of quoted investments 2013 RM
Group (Cont'd)				
Non-current Investment securities				
Quoted shares in Malaysia	42,026,959	42,026,959	98,174,313	98,174,313
Quoted shares outside Malaysia	-	-	3,598,809	3,598,809
Unquoted shares outside Malaysia	-	-	1,894,994	-
	42,026,959	42,026,959	103,668,116	101,773,122
Total investment securities	105,041,500	104,158,916	152,626,599	150,731,605
Add: Derivative financial assets (Note 15)	373,548	373,548	857,076	857,076
Total financial assets at fair value through profit or loss	105,415,048	104,532,464	153,483,675	151,588,681

Details of major quoted investment securities are as follows:

	Equity interest held (%)		Market value	
	2014	2013	2014 RM	2013 RM
Counter:				
Green Packet Berhad	16.19	15.86	34,409,992	48,399,079
mTouche Technology Berhad	21.84	22.21	9,646,356	10,155,284

15. DERIVATIVE FINANCIAL ASSETS

	Carrying amount/ market value of quoted investments 2014 RM	Carrying amount/ market value of quoted investments 2013 RM
Group		
Current Derivative financial assets		
Quoted warrants in Malaysia	373,548	857,076

15. DERIVATIVE FINANCIAL ASSETS (CONT'D)

Details of major warrants held are as follows:

	Number of warrants		Market value	
	2014	2013	2014 RM	2013 RM
Group (Cont'd)				
Counter:				
Green Packet Berhad	-	2,996,553	-	344,604
mTouche Technology Berhad (WB)	6,225,800	6,405,900	373,548	512,472

16. DEBENTURE

	Group	
	2014 RM	2013 RM
Current Debenture		
Senior secured loan outside Malaysia, representing financial assets held to maturity	13,183,848	-

During the financial year, the Group invested in a senior secured loan amounting to SGD5,131,899 (2013: Nil) outside Malaysia. The senior secured loan bears interests of 5.00% (2013: Nil) and will mature on 7 September 2015.

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Current Trade receivables				
Third parties	4,625,003	2,270,593	-	-
Other receivables				
Dividend receivable	40,693	-	-	-
Interest receivable	267,038	705	392	364
Deposits	43,294	41,706	4,500	4,500
	351,025	42,411	4,892	4,864
	4,976,028	2,313,004	4,892	4,864

17. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Non-current Trade receivables				
Third parties	1,084,216	-	-	-
Total trade and other receivables (current and non-current)	6,060,244	2,313,004	4,892	4,864
Add: Cash and cash equivalents (Note 18)	57,095,527	42,307,856	56,094,610	41,424,379
Add: Amounts due from subsidiaries (Note 13(b))	-	-	106,413,211	141,626,985
Total loans and receivables	63,155,771	44,620,860	162,512,713	183,056,228

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit, generally for a period of 30 days (2013: 30 days) unless modified by terms of agreement on case-by-case basis. The Group seeks to maintain strict control over its outstanding receivables.

Included in the trade receivables is an amount carried at RM4,359,220 in relation to a disposal of the Group's investment during the financial year. The amount is receivable in the future financial years subject to meeting certain conditions. The amount is estimated based on management's best judgement in light of latest available information received and historical data. Changes in estimates in the amount receivable in future will be reflected against the Group's revenue in future.

As at the reporting date, the third parties receivables are not yet due. Subsequent to the reporting date, RM1,350,000 of the RM5,709,219 has been collected from third party receivables.

18. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash on hand and at banks	438,694	309,725	184,998	83,552
Deposits with a licensed investment bank	5,229,814	5,172,669	4,550,785	4,515,365
Cash Management Fund	51,358,827	36,825,462	51,358,827	36,825,462
Cash held by third party	68,192	-	-	-
	57,095,527	42,307,856	56,094,610	41,424,379

18. CASH AND CASH EQUIVALENTS (CONT'D)

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

	Group		Company	
	2014	2013	2014	2013
Weighted average effective interest rate (%)	3.17	2.98	3.15	2.95
Average maturity (days)	1	2	1	1

Cash Management Fund aims to provide a higher level of liquidity while providing better return from non-taxable income by predominantly investing its assets in Malaysian Ringgit deposits with financial institutions in Malaysia. The income is calculated daily and distributed at month end.

19. SHARE CAPITAL

	Group/ Company		Amount	
	Number of ordinary shares		2014	2013
	2014	2013	2014	2013
			RM	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

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

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. RESERVES

		Group		Company	
	Note	2014	2013	2014	2013
		RM	RM	RM	RM
Share premium		84,362,809	84,362,809	84,362,809	84,362,809
Capital redemption reserve	(a)	3,191,600	3,191,600	3,191,600	3,191,600
Warrants reserve	(b)	11,255,311	11,255,311	11,255,311	11,255,311
(Accumulated losses)/ retained profits		98,809,720 (16,644,450)	98,809,720 970,657	98,809,720 (34,514,417)	98,809,720 (15,149,462)
		82,165,270	99,780,377	64,295,303	83,660,258

20. RESERVES (CONT'D)**(a) Capital redemption reserve**

Capital redemption reserve arose from the cancellation of treasury shares.

(b) 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	
	2014	2013	2014 RM	2013 RM
At beginning/end of year	97,872,266	97,872,266	11,255,311	11,255,311

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; and
- (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 2014, 97,872,266 units of warrants remained unexercised.

21. TREASURY SHARES

	Group and Company	
	2014 RM	2013 RM
At cost:		
At beginning of year	3,614	2,621
Share buybacks	1,327	993
At end of year	4,941	3,614

21. TREASURY SHARES (CONT'D)

	Number of shares	
	2014	2013
Number of treasury shares:		
At beginning of year	8,000	6,000
Share buybacks	2,000	2,000
At end of year	10,000	8,000
Total number of outstanding shares in issue after set off (excluding treasury shares held)	195,734,533	195,736,533
Total number of issued and fully paid ordinary shares	195,744,533	195,744,533

The shareholders of the Company, by an ordinary resolution passed in the Annual General Meeting ("AGM") held on 21 April 2014, 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 Malaysia 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.

21. 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
2014					
At beginning of year	8,000			0.45	3,614
Share buyback in					
- May 2014	1,000	0.61	0.61	0.65	651
- November 2014	1,000	0.64	0.61	0.68	676
At end of year	10,000			0.49	4,941
2013					
At beginning of year	6,000			0.44	2,621
Share buyback in					
- May 2013	1,000	0.39	0.36	0.43	432
- November 2013	1,000	0.52	0.52	0.56	561
At end of year	8,000			0.45	3,614

* Average cost included transaction costs.

22. DEFERRED TAX LIABILITY

	Group	
	2014 RM	2013 RM
As at 1 January	1,598,603	556,900
Recognised in income statements (Note 9)	1,023,487	1,041,703
At 31 December	2,622,090	1,598,603

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

22. DEFERRED TAX LIABILITY (CONT'D)

The components and movements of deferred tax liability and asset during the year prior to offsetting are as follows:

Deferred tax asset of the Group:

	Unutilised tax losses RM
At 1 January 2013	(477,950)
Recognised in income statements	(2,473,305)
At 31 December 2013	(2,951,255)
Recognised in income statements	1,646,455
At 31 December 2014	(1,304,800)

Deferred tax liability of the Group:

	Fair value gain on financial instrument, net RM
At 1 January 2013	1,034,850
Recognised in income statements	3,515,008
At 31 December 2013	4,549,858
Recognised in income statements	(622,968)
At 31 December 2014	3,926,890

23. TRADE AND SUNDRY PAYABLES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Trade Payables				
Third parties	720,547	-	-	-
Sundry Payables				
Accruals	972,669	772,380	492,796	395,955
Others	14,346	14,346	14,346	14,346
	987,015	786,726	507,142	410,301
Total financial liabilities carried at amortised cost	1,707,562	786,726	507,142	410,301

24. 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

Yee Chee Wai
Ong Yee Min

Non-executive Directors

Dato' Nik Mohamed Din bin Datuk Nik Yusoff
Tan Sri Ong Leong Huat @ Wong Joo Hwa
Leong Keng Yuen
Dato' Thanarajasingam Subramaniam
Dr. Ngo Get Ping

25. SIGNIFICANT RELATED PARTY TRANSACTIONS AND RELATIONSHIPS**(a) Transactions with related parties**

			Group		Company	
	Nature of transactions		2014 RM	2013 RM	2014 RM	2013 RM
(i)	Ultimate holding company					
	OSK Equity Holdings Sdn Bhd	Proceeds from disposal of equipment	(234,000)	-	-	-
(ii)	Subsidiaries of OSK Holdings Berhad* ("OSKH")					
	KE-ZAN Holdings Berhad	Rental of office	-	56,700	-	-
	OSK Realty Sdn Bhd	Rental of office	138,348	79,380	-	-

25. SIGNIFICANT RELATED PARTY TRANSACTIONS AND RELATIONSHIPS (CONT'D)**(a) Transactions with related parties (Cont'd)**

		Nature of transactions	Group		Company	
			2014 RM	2013 RM	2014 RM	2013 RM
(iii)	Associates of OSKH					
	RHB Capital Berhad group of companies					
	RHB	Interest income	(166,592)	(1,250,852)	(145,147)	(1,230,393)
	Investment Bank Berhad	Brokerage fees	72,475	159,051	80	80
		Advisory fees	5,000	-	5,000	-
	RHB Asset Management Sdn Bhd	Interest income	(948,365)	(605,462)	(948,365)	(605,462)
		Management fees	94,811	56,427	94,811	56,427
	RHB OSK Securities Hong Kong Ltd	Interest income	(5)	-	-	-
		Brokerage fees	18,261	-	-	-
	DMG & Partners Securities Pte Ltd	Interest income	(1,043)	-	-	-
		Brokerage fees	65,058	26,556	-	-
	PT RHB OSK Securities Indonesia	Brokerage fees	1,817	1,510	-	-
	RHB OSK Securities (Thailand) Pcl	Interest income	(1,560)	-	-	-
		Brokerage fees	5,121	4,248	-	-
	RHB Indochina Bank Ltd	Interest income	-	(10,486)	-	-

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

Balances outstanding with subsidiaries are reflected in Note 13(b) in the statements of financial position. There is no outstanding balance with related parties as at year end.

25. SIGNIFICANT RELATED PARTY TRANSACTIONS AND RELATIONSHIPS (CONT'D)**(b) Transactions with other related parties**

- (i) The Group holds a long term interest in Willowglen MSC Berhad ("Willowglen"), included in the investment securities of RM29,758,899 (2013: RM28,700,890). Willowglen, a company listed on the Main Market of Bursa Malaysia Securities Berhad, is a related party by virtue of the directors and major shareholders of Willowglen, who are close family members of the major shareholder and certain Directors of the Company.
- (ii) The dividends received from Willowglen during the year amounted to RM825,355 (2013: RM1,275,595).
- (iii) The Group and the Company have entered into insurance contracts with DC Services Sdn. Bhd. ("DCSSB"), Dindings Life Agency Sdn. Bhd. ("DLASB") and Dindings Risks Management Services Sdn. Bhd. ("DRMSSB"). These companies are subsidiaries of Dindings Consolidated Sdn. Bhd. ("Dindings"), of which the substantial shareholders and certain directors of Dindings are close family members of the major shareholder and certain directors of the Company.

The insurance premium paid by the Group to DCSSB, DLASB and DRMSSB during the year is RM6,871 (2013: RM7,375), RM6,761 (2013: RM8,848) and RM22,744 (2013: RM19,838) 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 2014 and 2013.

26. 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 the 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.

The Group's objective 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.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**(a) Credit risk (Cont'd)**

At the reporting date, the Group's and the Company's exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position. Details of credit risks relating to trade and other receivables are 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 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 the 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 ("USD"), Singapore Dollar ("SGD"), Hong Kong Dollar ("HKD"), Thailand Baht ("THB"), Cambodian Riel ("KHR") and Indonesian Rupiah ("IDR").

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 exposures. However, the Group will consider to hedge its foreign currency exposures should the performance be affected significantly by the movements in exchange rates.

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	
	2014	2013
	RM	RM
United States Dollar	968,385	1,968,645
Singapore Dollar	17,897,104	8,600,769
Hong Kong Dollar	11,491,674	3,834,324
Thailand Baht	8	1,514,888
Cambodian Riel	72	101
Indonesian Rupiah	4,307,501	2,129,683
	34,664,744	18,048,410

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**(d) Foreign currency risk (Cont'd)**

Financial liabilities held in non-functional currencies:

	Group	
	2014 RM	2013 RM
Hong Kong Dollar	19,140	21,344

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and the Company's profit net of tax to a reasonably possible change in the foreign exchange rates against the functional currency of the Group, with all other variables held constant.

	Group	
	2014 RM	2013 RM
If RM strengthened/weakened against SGD by 5% (2013: 5%)	908,924	430,038
If RM strengthened/weakened against HKD by 5% (2013: 5%)	574,128	106,484
If RM strengthened/weakened against THB by 5% (2013: 5%)	-	75,744
If RM strengthened/weakened against IDR by 5% (2013: 5%)	215,781	106,484

Other than as disclosed above, other foreign currencies are assessed to be not material to the financial results of the Group.

(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 and outside of Malaysia are listed on the Bursa Malaysia, Bursa Efek Indonesia and Hong Kong Stock Exchange. 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.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**(f) Market price risk (Cont'd)**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 profit before tax would have been RM5,300,000 higher/lower, arising as a result of higher/lower fair value gains/(losses) on fair value through profit or loss investments and derivative financial instruments.

27. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, debenture, 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 (such as prices) or indirectly (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			
2014			
Investment securities	104,158,916	882,584	105,041,500
Derivative financial assets	373,548	-	373,548
	104,532,464	882,584	105,415,048
2013			
Investment securities	150,731,605	1,894,994	152,626,599
Derivative financial assets	857,076	-	857,076
	151,588,681	1,894,994	153,483,675

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. A market is regarded as active if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

27. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

The fair value of unquoted investment is measured based on the fair value of the underlying asset of the unquoted investment. The fair value of the underlying asset is based on its current quoted price in the market. No adjustments were made to the fair value of the underlying asset as it represents substantially the fair value of the unquoted investment.

There have been no transfers between Level 1 and Level 2 fair value measurements during the financial years ended 2014 and 2013.

The Group and the Company do not have any financial instruments classified as Level 3 as at 31 December 2014 and 2013.

28. SEGMENT INFORMATION**(a) Business segments**

For management assessment 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 two reportable operating segments are as follows:

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

28. SEGMENT INFORMATION (CONT'D)

	Venture capital and private equity businesses RM	Holding entity RM	Eliminations RM	Note	Consolidated RM
2014					
Revenue					
External revenue	101,332,736	1,093,512	-		102,426,248
Inter-segment revenue	7,551,470	4,800,000	(12,351,470)	(i)	-
Total Revenue	108,884,206	5,893,512	(12,351,470)	4	102,426,248
Results:					
Interest income	304,354	1,093,512	-		1,397,866
Dividend income	1,712,605	4,800,000	(4,800,000)		1,712,605
Depreciation and amortisation	118,041	-	-		118,041
Other non-cash items	20,288,704	-	-	(ii)	20,288,704
Segment loss	(10,925,819)	(15,398,249)	15,074,813	(iii)	(11,249,255)
Finance costs					-
Loss before tax					(11,249,255)
Income tax expense					(2,451,141)
Loss for the year					(13,700,396)
Assets:					
Additions to non-current assets	8,220	-	-	(iv)	8,220
Segment assets	128,066,081	56,296,167	-		184,362,248
Segment liabilities	3,822,510	507,142	-	(v)	4,329,652

28. SEGMENT INFORMATION (CONT'D)

	Venture capital and private equity businesses RM	Holding entity RM	Eliminations RM	Note	Consolidated RM
2013					
Revenue					
External revenue	43,998,963	1,835,855	-		45,834,818
Inter-segment revenue	6,108,062	-	(6,108,062)	(i)	-
Total Revenue	50,107,025	1,835,855	(6,108,062)	4	45,834,818
Results:					
Interest income	48,364	1,835,855	-		1,884,219
Dividend income	2,796,546	-	-		2,796,546
Depreciation and amortisation	128,545	-	-		128,545
Other non-cash items	(15,047,349)	-	-	(ii)	(15,047,349)
Segment profit	18,650,689	4,120,370	(2,900,000)	(iii)	19,871,059
Finance costs					(439,565)
Profit before tax					19,431,494
Income tax expense					(2,364,519)
Profit for the year					17,066,975
Assets:					
Additions to non-current assets	359,569	-	-	(iv)	359,569
Segment assets	158,575,972	41,458,387	-		200,034,359
Segment liabilities	1,975,028	410,301	-	(v)	2,385,329

(i) Inter-segment revenues are eliminated on consolidation.

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

	2014 RM	2013 RM
Net fair value loss/(gain) on financial instruments	20,288,704	(15,047,349)

28. SEGMENT INFORMATION (CONT'D)

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

	2014 RM	2013 RM
Impairment loss/(reversal)	19,874,813	(2,900,000)
Inter-segment dividend	(4,800,000)	-
	15,074,813	(2,900,000)

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

	Note	2014 RM	2013 RM
Equipment	11	-	350,563
Intangible asset	12	8,220	9,006
		8,220	359,569

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

	Note	2014 RM	2013 RM
Deferred tax liabilities	22	2,622,090	1,598,603
Trade and sundry payables	23	1,707,562	786,726
		4,329,652	2,385,329

(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
2014			
Malaysia	44,082,967	182,741,330	8,220
Hong Kong	25,436,918	1,620,918	-
Singapore	29,220,696	-	-
Thailand	2,640,013	-	-
Indonesia	1,045,654	-	-
	102,426,248	184,362,248	8,220

28. SEGMENT INFORMATION (CONT'D)**(b) Geographical segments (Cont'd)**

	Revenue RM	Segment assets RM	Capital expenditure RM
2013			
Malaysia	29,758,544	197,425,824	359,569
Hong Kong	2,623,102	2,608,535	-
Singapore	13,375,777	-	-
Thailand	35,805	-	-
Cambodia	10,486	-	-
Indonesia	31,104	-	-
	45,834,818	200,034,359	359,569

29. 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 maximises 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 2014 and 31 December 2013.

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Trade and sundry payables	1,707,562	786,726	507,142	410,301
Less: Cash and cash equivalents	(57,095,527)	(42,307,856)	(56,094,610)	(41,424,379)
Net cash	(55,387,965)	(41,521,130)	(55,587,468)	(41,014,078)
Equity attributable to the owners of the Company, representing total capital and net debts	180,032,596	197,649,030	162,162,629	181,528,911
Equity over capital and net debt	-	-	-	-

Generally, the Group and the Company are in net cash position.

30. DIVIDEND

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<u>Interim dividend</u>				
(i) Interim tax exempt (single-tier) dividend of 2.0 sen per share on 195,735,533 ordinary shares declared on 23 May 2014 and paid on 20 June 2014	3,914,711	-	3,914,711	-

31. SIGNIFICANT EVENT DURING THE YEAR

On 27 December 2013, OSK Ventures International Berhad received a notice of conditional mandatory take-over offer ("Offer") by OSK Equity Holdings Sdn. Bhd. ("Offeror") through RHB Investment Bank Berhad to acquire the following:

- (i) all the remaining ordinary shares of RM0.50 each in OSKVI ("OSKVI Share(s)") not already held by the Offeror, Tan Sri Ong Leong Huat @ Wong Joo Hwa ("Tan Sri Ong" or "Ultimate Offeror") and the persons acting in concert with them ("PACs") (excluding treasury shares);
- (ii) all the outstanding Warrants not already held by the Offeror, the Ultimate Offeror and the PACs ("Offer Warrant(s)"); and
- (iii) all the new OSKVI Shares that may be issued prior to the closing date of the Offer arising from the exercise of the outstanding Warrants;

at a cash consideration of RM0.58 per OSKVI Share and RM0.15 per Offer Warrant, respectively.

On 31 December 2013, the Offeror and the PACs hold in aggregate, more than 50% of the voting shares of OSKVI (excluding 10,000 treasury shares held by OSKVI). As a result, OSK Equity Holdings Sdn. Bhd., a private limited liability company incorporated and domiciled in Malaysia, became the holding company of OSKVI.

As at the closing date of the Offer on 10 February 2014, the Offeror and the PACs hold 58.81% and 51.03% of OSKVI Shares and Warrants respectively.

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

The breakdown of the (accumulated losses)/retained profits of the Group and of the Company as at 31 December 2014 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 RM	Company RM
As at 31 December 2014		
Total accumulated losses of the Company and its subsidiaries		
- Realised losses	(36,557,171)	(34,514,417)
- Unrealised profits	19,912,721	-
Accumulated losses as per financial statements	(16,644,450)	(34,514,417)
As at 31 December 2013		
Total accumulated losses of the Company and its subsidiaries		
- Realised losses	(19,650,764)	(15,149,462)
- Unrealised profits	20,621,421	-
Retained profits/(accumulated losses) as per financial statements	970,657	(15,149,462)

STATEMENT OF DIRECTORS' INTERESTS

AS AT 27 FEBRUARY 2015

Name of Director	Number of Ordinary Shares of RM0.50 each			
	Direct Interest	%	Indirect Interest	%
1. Tan Sri Ong Leong Huat @ Wong Joo Hwa	-	-	⁽¹⁾ 121,858,473	62.26
2. Yee Chee Wai	-	-	⁽²⁾ 1,000	^
3. Ong Yee Min	229,848	0.12	-	-
4. Leong Keng Yuen	73	^	-	-

Name of Director	Number of Warrants			
	Direct Interest	%	Indirect Interest	%
1. Tan Sri Ong Leong Huat @ Wong Joo Hwa	-	-	⁽³⁾ 49,100,897	50.17
2. Ong Yee Min	34,074	0.03	-	-

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 OSK Equity Holdings 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 spouse.

⁽³⁾ Disclosure made pursuant to Section 6A of the Act by virtue of his substantial shareholdings in OSK Holdings Berhad, OSK Equity Holdings Sdn. Bhd. 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.

Tan Sri Ong Leong Huat @ Wong Joo Hwa, by virtue of his interest in the Company, is also deemed to have an interest in the shares of all the Company's subsidiaries to the extent the Company has an interest.

Other than the above, none of the other Directors in office has any interest in the shares or warrants of the Company or its related corporations as at 27 February 2015.

STATEMENT OF SHAREHOLDINGS

AS AT 27 FEBRUARY 2015

Authorised Capital	:	RM250,000,000
Issued and fully paid-up capital	:	RM97,867,266.50 comprising 195,734,533 Ordinary Shares of RM0.50 each (excluding the treasury shares of 10,000)
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	4,073	23.64	79,278	0.04
100 — 1,000	9,244	53.65	3,441,464	1.76
1,001 — 10,000	3,081	17.88	9,675,179	4.94
10,001 — 100,000	728	4.22	21,381,159	10.92
100,001 — 9,786,725*	104	0.60	49,756,323	25.42
9,786,726 and above**	1	0.01	111,401,130	56.92
	17,231	100.00	195,734,533	100.00

Remarks:

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

SUBSTANTIAL SHAREHOLDERS

According to the register required to be kept under Section 69L of the Companies Act, 1965, the following are the substantial shareholders 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	-	-	*118,394,231	60.49
2. OSK Equity Holdings Sdn. Bhd.	117,930,830	60.25	-	-

Note:

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

STATEMENT OF SHAREHOLDINGS

AS AT 27 FEBRUARY 2015

THIRTY LARGEST REGISTERED HOLDERS

Name	No. of Shares	%
1. OSK Equity Holdings Sdn. Bhd.	111,401,130	56.91
2. RHB Nominees (Tempatan) Sdn. Bhd. OSK Equity Holdings Sdn. Bhd.	6,528,700	3.34
3. Nora Ee Siong Chee	3,750,000	1.92
4. Alliancegroup Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Lim Hun Swee (8108460)	2,695,000	1.38
5. RHB Nominees (Tempatan) Sdn. Bhd. Lee Ngee Moi	1,809,100	0.92
6. Maybank Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Teo Huay Siong	1,629,000	0.83
7. Puan Sri Khor Chai Moi	1,505,422	0.77
8. Teo Huay Siong	1,314,720	0.67
9. Lee Hui Gek	1,305,900	0.67
10. Grandeur Holdings Sdn. Bhd.	1,129,494	0.58
11. Ong Yee Ching	1,060,678	0.54
12. Chan Yan Ping	1,051,333	0.54
13. Nik Alieza Melinee binti Nik Mohamed	1,047,838	0.54
14. Wong Chong Kim	799,500	0.41
15. Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lai Siew Leong	740,000	0.38
16. Teo Kwee Hock	707,900	0.36
17. Foo San Kan	668,000	0.34
18. Toh Kam Choy	663,800	0.34
19. Mary Ang Poh Chan	656,720	0.34
20. Tan Soo Sum	600,000	0.31

THIRTY LARGEST REGISTERED HOLDERS (CONT'D)

Name	No. of Shares	%
21. JF Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teo Siew Lai (Margin)	577,700	0.30
22. Loh Siew Hooi	570,461	0.29
23. Cheah Poh Keng	550,000	0.28
24. Teresa Goh Lean See	547,210	0.28
25. Life Enterprise Sdn. Bhd.	536,090	0.27
26. Teo Ah Khiang @ Chiang Kee Foon	515,000	0.26
27. Siow Cheng Lee	500,000	0.26
28. Chor Yen Peng	480,000	0.25
29. Piong Teck Min	478,600	0.24
30. Lim Kim Loy	470,900	0.24

STATEMENT OF WARRANT HOLDINGS

AS AT 27 FEBRUARY 2015

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	310	12.89	12,012	0.01
100 – 1,000	952	39.57	439,018	0.45
1,001 – 10,000	775	32.21	2,592,621	2.65
10,001 – 100,000	284	11.80	11,405,866	11.65
100,001 – 4,893,612*	83	3.45	40,993,626	41.89
4,893,613 and above**	2	0.08	42,429,123	43.35
	2,406	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 HOLDERS

Name	No. of Warrants	%
1. OSK Equity Holdings Sdn. Bhd.	35,923,123	36.70
2. Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for OSK Equity Holdings Sdn. Bhd. (211920)	6,506,000	6.65
3. Land Management Sdn. Bhd.	4,788,806	4.89
4. RHB Nominees (Tempatan) Sdn. Bhd. Lee Ngee Moi	3,515,500	3.59
5. Lim Kim Loy	2,600,000	2.66
6. Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lai Siew Leong	2,152,000	2.20
7. Nora Ee Siong Chee	1,850,000	1.89
8. Tan Hooi Hooi	1,450,000	1.48
9. Maybank Nominees (Tempatan) Sdn. Bhd. Fua Kia Pha	1,127,700	1.15
10. Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sim Kay Eng	1,042,100	1.06

THIRTY LARGEST REGISTERED HOLDERS (CONT'D)

Name	No. of Warrants	%
11. Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Poh Seng Kian (TJJ/KEN)	1,037,000	1.06
12. Lim Mei Choo	900,000	0.92
13. J B Properties Sdn. Bhd.	871,600	0.89
14. Maybank Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Teo Huay Siong	765,820	0.78
15. Public Invest Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sui Diong Hoe (M)	762,208	0.78
16. Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hong Poh Yung	752,900	0.77
17. Puan Sri Khor Chai Moi	752,710	0.77
18. Lim Siew Lee	650,000	0.66
19. Ho Boi Hua	610,000	0.62
20. Chin Poh Ling	600,000	0.61
21. Grandeur Holdings Sdn. Bhd.	533,332	0.54
22. Ong Yee Ching	530,338	0.54
23. Chan Yan Ping	525,666	0.54
24. Lee Hui Gek	519,940	0.53
25. HLIB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Liew Sun Yick (CCTS)	500,000	0.51
26. Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lee Syn Lee (E-TAI)	480,000	0.49
27. Wong Chong Kim	413,792	0.42
28. Goh Ten Fook	401,500	0.41
29. Tee Hock Seng	374,300	0.38
30. Teo Huay Siong	356,160	0.36

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 Eleventh Annual General Meeting of the Company to be held at the Auditorium, 11th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur on Friday, 17 April 2015 at 9.30 a.m. and at any adjournment thereof.

*My/our proxy is to vote as indicated below:

Item	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2014 together with the Reports of the Directors and the Auditors thereon.			
2.	To approve the payment of Directors' fees of RM260,000.00 for the financial year ended 31 December 2014.	1		
3.	To re-elect Mr. Yee Chee Wai who retires by rotation in accordance with Article 94 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 by rotation in accordance with Article 94 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 Tan Sri Ong Leong Huat @ Wong Joo Hwa 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.	5		
7.	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.	6		
Special Business				
8.	Authority to Issue Shares	7		
9.	Proposed Renewal	8		

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 _____ 2015

*Signature/Common Seal of Shareholder
(*delete if not applicable)

NOTES:

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 9 April 2015 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.
- 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.
- 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.
- 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.
- 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.
- 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.

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