

**MOVING
FORWARD,
PROGRESSING
TOGETHER.**

Private Equity





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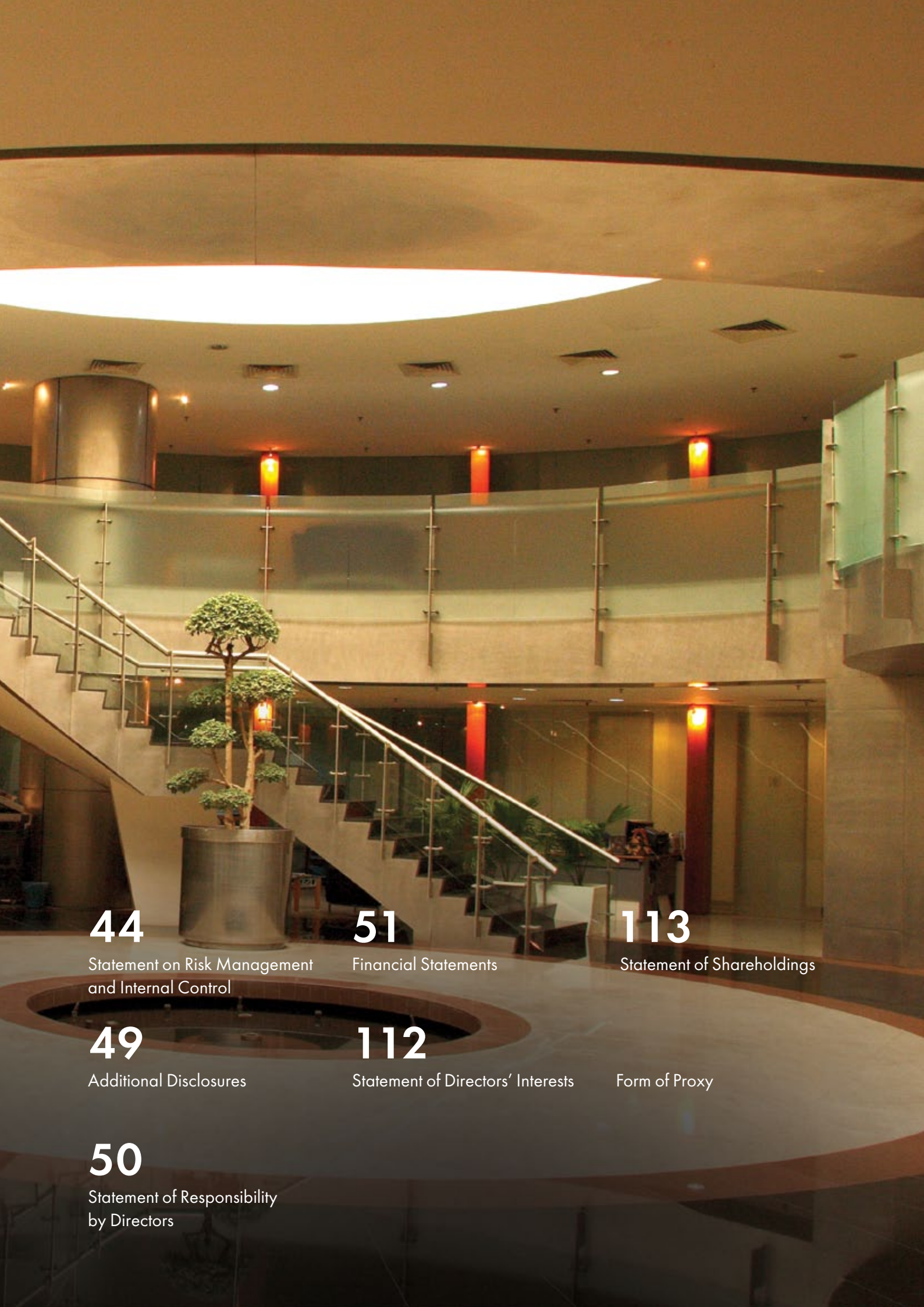
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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS
HEREBY GIVEN
that the

12th

Annual General Meeting
of the Company will be
held at the Auditorium,
11th Floor, Plaza OSK,
Jalan Ampang, 50450
Kuala Lumpur on Monday,
18 April 2016 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 2015 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 RM190,000.00 for the financial year ended 31 December 2015. | 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, offer themselves for re-election: | |
| (a) Ms. Ong Yee Min | Ordinary Resolution 2 |
| (b) Mr. Leong Keng Yuen | 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 |
| <p>"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."</p> | |
| 7. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL") | Ordinary Resolution 8 |
| <p>"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</p> | |

NOTICE OF ANNUAL GENERAL MEETING

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

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(s);
- (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

23 March 2016

NOTES:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 12 April 2016 ("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 2015, the Company's share premium account amounted to RM84.36 million and there were no retained profits.

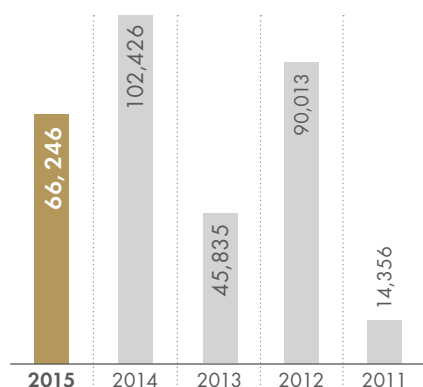
Please refer to the Share Buy-Back Statement dated 23 March 2016 for further information.

FIVE-YEAR GROUP FINANCIAL SUMMARY

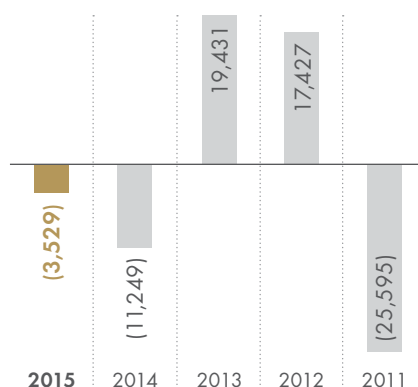
(RM'000)	2015	2014	2013	2012	2011
Revenue	66,246	102,426	45,835	90,013	14,356
(Loss)/Profit before Tax	(3,529)	(11,249)	19,431	17,427	(25,595)
(Loss)/Profit attributable to Equity Owners of the Company	(2,276)	(13,700)	17,067	14,394	(27,896)
Total Assets	181,198	184,362	200,034	204,000	207,613
Total Liabilities	2,517	4,330	2,385	23,417	30,003
Net Assets attributable to Equity Owners of the Company (Shareholders' Funds)	178,681	180,033	197,649	180,583	171,083
Number of Outstanding Ordinary Shares as Issued and Fully Paid ('000 Shares), exclude Treasury Shares held	197,585	195,735	195,737	195,739	195,741
Basic (Loss)/Earnings per Share (Sen)	(1.16)	(7.00)	8.72	7.35	(14.25)
Gross Dividends per Share (Sen)	-	2.00	-	2.50	-
Net Assets per Share attributable to Equity Owners of the Company (RM)	0.90	0.92	1.01	0.92	0.87
Closing Price at end of the Year (RM)	0.460	0.590	0.575	0.375	0.305

FIVE-YEAR GROUP FINANCIAL SUMMARY

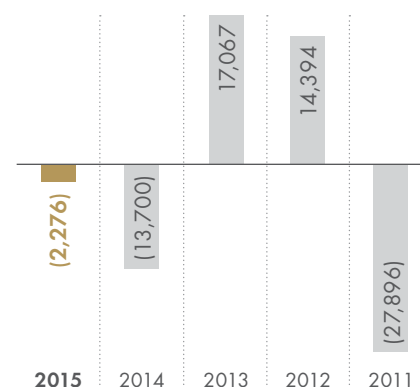
REVENUE (RM'000)



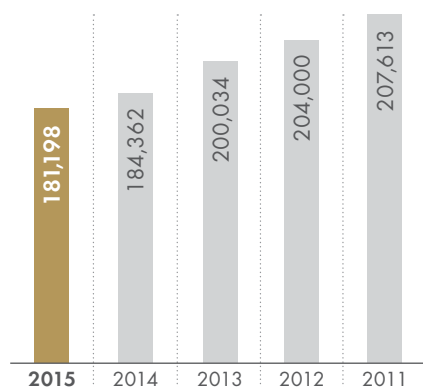
(LOSS)/PROFIT BEFORE TAX (RM'000)



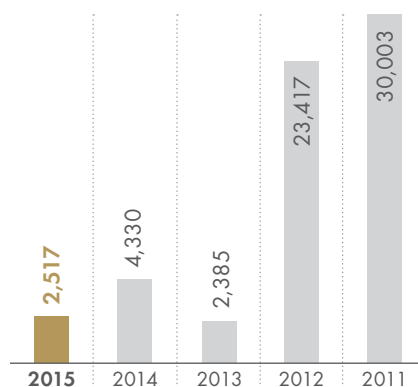
(LOSS)/PROFIT ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY (RM'000)



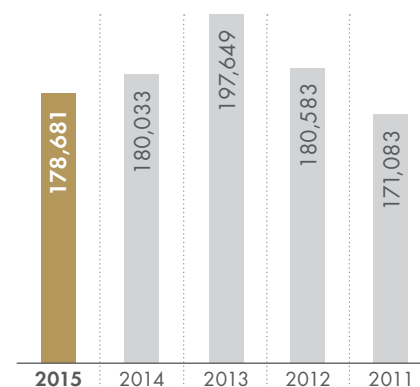
TOTAL ASSETS (RM'000)



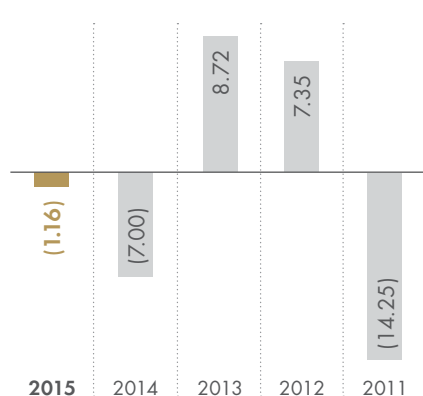
TOTAL LIABILITIES (RM'000)



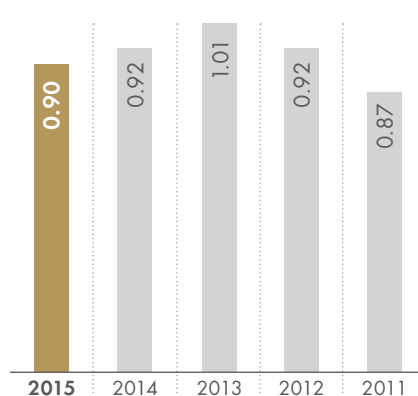
NET ASSETS ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY (SHAREHOLDERS' FUNDS) (RM'000)



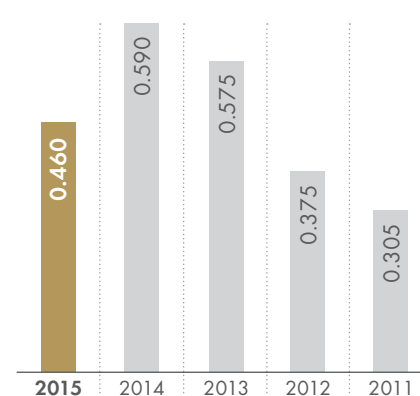
BASIC (LOSS)/EARNINGS PER SHARE (SEN)



NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY (RM)



CLOSING PRICE AT END OF THE YEAR (RM)



CORPORATE INFORMATION

BOARD OF DIRECTORS

**DATO' NIK MOHAMED DIN
BIN DATUK NIK YUSOFF**

Non-Independent Non-Executive Chairman

YEE CHEE WAI

Executive Director/Chief Operating Officer

ONG YEE MIN

Executive Director

**TAN SRI ONG LEONG HUAT
@ WONG JOO HWA**

Non-Independent Non-Executive Director

LEONG KENG YUEN

Senior Independent Non-Executive Director

**DATO' THANARAJASINGAM
SUBRAMANIAM**

Independent Non-Executive Director

DR. NGO GET PING

Independent Non-Executive Director

CORPORATE
INFORMATION

**AUDIT COMMITTEE**

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

**RISK MANAGEMENT
COMMITTEE**

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

**NOMINATION AND
REMUNERATION COMMITTEE**

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

COMPANY SECRETARIES

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

AUDITORS

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

PRINCIPAL BANKERS

Bangkok Bank Berhad
Malayan Banking Berhad
RHB Bank Berhad

REGISTRAR

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

REGISTERED OFFICE

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

PRINCIPAL BUSINESS ADDRESS

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

STOCK EXCHANGE LISTING

ACE Market, Bursa Malaysia
Securities Berhad

STOCK NAME AND STOCK CODE

OSKVI (0053)

CORPORATE STRUCTURE



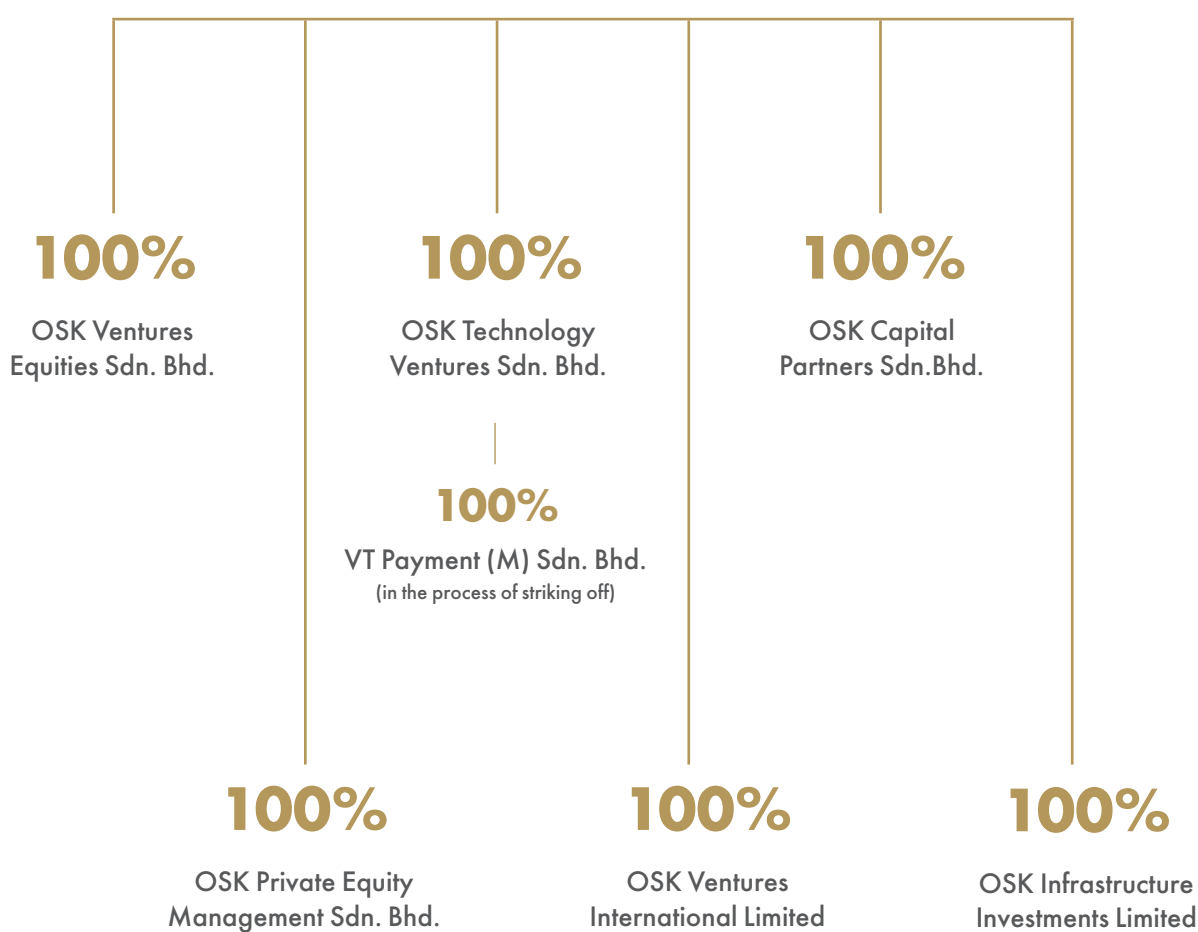
CORPORATE
STRUCTURE

OSK

FINANCIAL SERVICES

Private Equity

OSK Ventures International Berhad



DIRECTORS' PROFILE

DATO' NIK MOHAMED DIN BIN DATUK NIK YUSOFF

Non-Independent Non-Executive Chairman

Dato' Nik Mohamed Din bin Datuk Nik Yusoff, aged 73, 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 third (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 the 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 and Jerasia Capital Berhad. He is also a Director of Federation of Public Listed Companies Bhd and KE-ZAN Holdings Berhad and a Trustee of Datin Seri Ting Sui Ngit Foundation.

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 other than those disclosed under Note 26 - Significant Related Party Transactions and Relationships to the Financial Statements in this Annual Report. He has no conviction for any offences within the past ten (10) years.

Dato' Nik Mohamed Din attended two (2) out of the four (4) Board Meetings of the Company held during the financial year ended 31 December 2015.

YEE CHEE WAI

Executive Director/Chief Operating Officer

Mr. Yee Chee Wai, aged 51, 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 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 four (4) Board Meetings of the Company held during the financial year ended 31 December 2015.

DIRECTORS'
PROFILE

ONG YEE MIN

Executive Director

Ms. Ong Yee Min, aged 32, 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.

Ms. Ong is the daughter of Tan Sri Ong Leong Huat @ Wong Joo Hwa, the Non-Independent Non-Executive Director and a major shareholder of the Company. She does not have any conflict of interest with the Company other than those disclosed under Note 26 - Significant Related Party Transactions and Relationships to the Financial Statements in this Annual Report. She has no conviction for any offences within the past ten (10) years.

Ms. Ong attended all the four (4) Board Meetings of the Company held during the financial year ended 31 December 2015.

TAN SRI ONG LEONG HUAT @ WONG JOO HWA

Non-Independent Non-Executive Director

Tan Sri Ong Leong Huat @ Wong Joo Hwa, aged 71, 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 the Non-Independent Non-Executive Director of the Company on 5 February 2013. He is a member of the Nomination and Remuneration 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 Berhad.

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 was the Managing Director/Chief Executive Officer of OSK Securities Berhad (which was later known as OSK Investment Bank Berhad) from July 1985 to January 2007 and was thereafter appointed as the

Group Managing Director/Chief Executive Officer of OSK Investment Bank Berhad. He was then re-designated as a Non-Independent Non-Executive Director of OSK Investment Bank Berhad (which was later known as OSKIB Sdn. Bhd.) on 18 January 2011, a position he held until 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, a Trustee of OSK Foundation and a Director of KE-ZAN Holdings Berhad.

Tan Sri Ong is the father to Ms. Ong Yee Min, the Executive Director, and a major shareholder of the Company. He does not have any conflict of interest with the Company other than those disclosed under Note 26 - Significant Related Party Transactions and Relationships to the Financial Statements in this Annual Report. He has no conviction for any offences within the past ten (10) years.

Tan Sri Ong attended all the four (4) Board Meetings of the Company held during the financial year ended 31 December 2015.

DIRECTORS' PROFILE

LEONG KENG YUEN

Senior Independent Non-Executive Director

Mr. Leong Keng Yuen, aged 65, 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 Nomination and Remuneration Committee and a member of the Risk Management 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 a Trustee of 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 four (4) Board Meetings of the Company held during the financial year ended 31 December 2015.

DATO' THANARAJASINGAM SUBRAMANIAM

Independent Non-Executive Director

Dato' Thanarajasingam Subramaniam, aged 65, 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 four (4) Board Meetings of the Company held during the financial year ended 31 December 2015.

DIRECTORS'
PROFILE

DR. NGO GET PING*Independent Non-Executive Director*

Dr. Ngo Get Ping, aged 57, 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 a member of the Audit Committee and Nomination and Remuneration Committee of the Company.

Dr. Ngo graduated from University of Oxford (UK) with a DPhil in Metallurgy in 1984. 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 other than those disclosed under Note 26 - Significant Related Party Transactions and Relationships to the Financial Statements in this Annual Report. He has no conviction for any offences within the past ten (10) years.

Dr. Ngo attended all the four (4) Board Meetings of the Company held during the financial year ended 31 December 2015.

CHAIRMAN'S STATEMENT

**DATO' NIK MOHAMED DIN
BIN DATUK NIK YUSOFF**



**CHAIRMAN'S
STATEMENT**

.....

REVENUE

**RM 66.25
MILLION**

.....

.....

TOTAL ASSETS

**RM 181.20
MILLION**

.....

.....

NET ASSETS PER SHARE

RM 0.90

.....

.....

SHAREHOLDERS' FUNDS

**RM 178.68
MILLION**

.....

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present the Annual Report for OSK Ventures International Berhad ("OSKVI" or "the Company") for the financial year ended 31 December 2015 ("FYE 2015").

FINANCIAL PERFORMANCE

2015 saw the Malaysian economy experiencing challenging conditions due to dampening in both the domestic and global markets. The Malaysian Ringgit alike other emerging markets' currencies also came under immense pressure.

Amidst these volatile conditions, I would like to report that during FYE 2015, OSKVI posted a lower loss before tax of RM3.53 million, as compared to RM11.25 million in 2014 on the back of revenue of RM66.25 million. The decrease of 35% in revenue from RM102.43 million in 2014 was due to lower proceeds derived from the disposals of financial instruments and an increased focus on investing into private companies. Details of these investments are provided under the Operational Review section. During this volatile market environment, we will continue our efforts to manage the fair market valuation of our listed portfolio and plan a suitable exit strategy to realise our investments.

CHAIRMAN'S STATEMENT

DIVIDEND

The Board of Directors did not recommend, or declare, any dividend payment for the FYE 2015. The Company is, however, committed to ensure optimal capital adequacy amidst the fluctuating fair value of our investment securities brought about by the volatile external economic factors.

CORPORATE DEVELOPMENTS

On 19 February 2016, OSKVI announced that the Company proposed to undertake a special Bumiputera issue of 25,600,000 new ordinary shares of RM0.50 each representing approximately 11.47% of the enlarged issued and paid-up share capital of OSKVI, to Bumiputera investors to be identified and/or approved by the Ministry of International Trade and Industry ("MITI") at an issue price to be determined after obtaining all the relevant approvals (Proposed Special Bumiputera Issue). The Proposed Special Bumiputera Issue is being implemented to comply with the Bumiputera equity condition imposed when OSKVI was listed on the then MESDAQ Market of Bursa Malaysia Securities Berhad ("Bursa Securities") in 2004. The Proposed Special Bumiputera Issue has been approved by the Securities Commission on 15 February 2016 and is expected to be completed during the financial year 2016.

OSKVI has also issued 1,852,339 new ordinary shares of RM0.50 per share pursuant to exercise of Warrants 2010/2015 during the year. The total cash proceeds received arising from this exercise of Warrants 2010/2015 amounted to RM926,169. On 7 October 2015, the outstanding 96,019,927 Warrants 2010/2015 that remained unexercised had expired and removed from the official list of Bursa Securities.



EXERCISE OF WARRANTS 2010/2015,
OSKVI ISSUED

1,852,339
NEW ORDINARY SHARES OF



“...our investment portfolio for private companies has seen three interesting additions with OSKVI investing in an education company, an enterprise technology company and an education technology start-up...”

OSKVI PROPOSES TO UNDERTAKE
SPECIAL BUMIPUTERA ISSUE OF

25,600,000
NEW ORDINARY SHARES OF



OPERATIONAL REVIEW

Over the past 12 months, our investment portfolio for private companies has seen three interesting additions with OSKVI investing in an education company, an enterprise technology company and an education technology start-up.

We invested into an Early Childhood Education business, The Little Tree House, which is a collaboration between the HELP Education Group and OSKVI, and is the first of many early childhood centres that are being planned to be set up around Malaysia to provide young children with a world class education.

With the increasing interest and focus on start-ups in Malaysia, OSKVI has also expanded our investment scope to cover

**CHAIRMAN'S
STATEMENT**

early-stage venture capital investing. For a start, we invested into two start-ups, namely Sync and MauKerja, under our co-investment partnership with Cradle Fund Sdn Bhd.

Sync is an education communications platform provider that helps schools connect with parents in real time via a school messaging app while MauKerja is a job recruitment portal that focuses on the junior and non-executive segments. Both companies are commercialised with robust clientele and are purposeful in their product offering within the industries they operate in.

As for our investment portfolio for public-listed companies, we recorded strong fluctuations in the fair valuation of our assets. Notably, in December 2015, OSKVI via its subsidiary, OSK Technology Ventures Sdn Bhd ("OSKTV") disposed its entire stake of 15.92% in Green Packet Berhad ("GPB") for a sum of RM32.91 million. The disposal of the shares provides OSKTV with the opportunity to harvest value of its investment in GPB at a premium over its recent market prices amidst low daily trading volume recorded by GPB over the preceding quarters.

OSKVI will be utilising the cash proceeds for funding requirements when opportunities for future growth and reinvestment into other potential high growth business opportunities arises.

CORPORATE AND SOCIAL SUSTAINABILITY INITIATIVES

As a responsible 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 2015, we carried out various community engagement activities aimed at enriching the lives of the underprivileged. A complete report of the Corporate Social Responsibility activities can be found in the Sustainability Report included in this Annual Report.

OUTLOOK FOR 2016

The Malaysian economy continues to remain challenging in 2016 especially on the domestic front. Real GDP growth is expected to grow at the rate of 4% – 5% in 2016 as both consumers and businesses face trying times amid a challenging economic environment while external demand continues to be affected by weak global economic growth.

Against such a backdrop, we will continue to exercise prudence in our existing and potential ventures. For the year ahead, we will continue to focus in the education, consumer, financial services, enterprise and technology sectors and opportunistic investments, while continually ensuring that our investments constantly benchmark against long-term valuations. With our current cash surpluses, we are active in seeking out opportunities in these segments.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I wish to extend my deepest gratitude to all shareholders, business partners, management personnel and employees for their unwavering belief and trust in us that has enabled the Company to propel forward against the challenging economic backdrop.

I look forward to your continued support in the coming years as we will work hard to elevate OSKVI to greater heights.

Thank you.

DATO' NIK MOHAMED DIN BIN DATUK NIK YUSOFF

SUSTAINABILITY REPORT



SUSTAINABILITY REPORT



Tan Sri Ong Leong Huat (fourth right) presenting the mock cheque to the winning team of the Talent Show Competition at the 2015 Annual Dinner.

At OSK Ventures International Berhad ("OSKVI"), sustainability is key to our long-term business success. We believe that as a responsible corporate citizen, our role goes beyond just delivering sustainable value for our shareholders. It is also to manage and operate our business responsibly and ethically to benefit all our stakeholders at large.

During the course of 2015, our initiatives in sustainability apart from ensuring the long term profitability of our core business were carefully planned around our commitments focusing on three key impact areas on our community including employee welfare, environmental management and social responsibility. This section reports the activities undertaken in 2015, which help to ensure continued well-being and sustainability of the community we serve.

“...a responsible corporate citizen, our role goes beyond just delivering sustainable value for our shareholders...”

EMPLOYEE WELFARE

We place strong emphasis on talent development to enable employees achieve their highest potential within the organisation. Learning opportunities abound in OSKVI.

In 2015, our employees underwent more than 200 training hours, equivalent to an average of 3.17 business days per employee in areas related to the course of their work to hone their technical, organisational and leadership skills. In addition to that, we provide substantive on-the-job training to employees and to groom them for further advancement.

OSKVI is committed to a diverse and inclusive culture which is essential to the future growth of the company. Embracing an inclusive culture and a diversity of ideas help us strengthen our business operations and enhance the organisational environment. Therefore, we are always guided by the Gender Diversity Policy in our process of recruiting talent for the company.

OSKVI's employees are made up of 33% male employees and 67% female employees. The organisation has a relatively young workforce, with 33% of employees in their twenties, 56% in their thirties and the remaining 11% aged above 40. OSKVI is a non-discriminatory and equal opportunity employer

SUSTAINABILITY REPORT



New recycling bins on Level 2 of Plaza OSK to promote good habit of recycling.



OSK - PJD Blood Donation Drive.

with Chinese employees accounting for 89% of the total staff size, followed by Bumiputera employees at 11% during the reporting period.

In line with the government's aspiration to nurture young talents, we introduced the OSKVI Internship Programme in 2012 to Malaysian students studying locally and abroad. Through this programme, these young Malaysians are encouraged to intern with us and gain exposure in the venture capital and private equity industry. During FYE 2015, OSKVI recruited a total of eight interns and had exposed them to field assignments to gain familiarity of the industry whilst preparing them to enter employment upon completion of the programme.

Even as we work hard, we also aim to create an open work environment to encourage social interaction among colleagues to further foster teamwork, commitment and sense of belonging within the organisation. Annual affairs such as annual dinner, festive celebrations and birthday celebrations continue to be held to encourage staff camaraderie and engagement.

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 further reduce resource consumption in our business operation, we have been printing our Annual Report on eco-friendly papers since 2014. We encourage our shareholders to recycle the report after reading it to minimise our ecological footprints and environmental impact on Mother Nature.

SOCIAL RESPONSIBILITY

In 2015, we continued to receive positive support from our employees in several initiatives as follows:

Recycling Bins

Recycling bins have been placed at the canteen on Level 2 of Plaza OSK to encourage staff as well as tenants in the building to recycle their waste and dispose their rubbish responsibly for the betterment of the environment.

Blood Donation

OSKVI was actively involved in the OSK-PJD annual blood donation drive which was held in conjunction with World Blood Donor Day on 17 June 2015 at Plaza OSK. Jointly organised by the OSK Group comprising OSK Holdings Berhad and its subsidiaries, OSK Property Holdings Berhad and PJ Development Holdings Berhad as well as OSKVI in collaboration with the National Blood Bank, the blood donation drive was a success with overwhelming response and support from employees of OSKVI, OSK Group as well as the tenants of Plaza OSK.



A health professional taking blood sample for health tests at OSK Health Day.

SUSTAINABILITY REPORT



Volunteers and children posing for group photo after interactive games.



Boys of Rumah Sayangan playing games with volunteers.



Volunteers coming together to specially wrap and prepare the gifts for children of Rumah Sayangan days before the visit.

OSK Health Day

Almost 200 health conscious participants comprising employees of OSKVI, OSK Group as well as tenants of Plaza OSK turned up for the OSK Health Day 2015 on 3 November 2015.

Among the activities held included complimentary basic health screening for blood pressure, body mass index, glucose level by KPJ Damansara and a bone health check conducted by Anlene. All participants were given a report upon completion of the health tests and were provided with a free consultation on bone health in preventing osteoporosis as well as free sampling of Anlene products.

Back to School

On 19 December 2015, 12 volunteers from OSKVI and OSK Group spread Christmas joy and cheer to 21 underprivileged children of Rumah Sayangan with Christmas presents and Back to School kits.

During the visit, the volunteers and children decorated the home with Christmas ornaments and had fun playing a variety of games and activities together. The children's faces lit up with glee when they received their Christmas gifts which were specially chosen as well as the Back to School kits from the volunteers. Volunteers also came together to specially wrap and prepare the gifts days prior to the visit. The fun-filled Christmas celebration ended with a presentation of cash donation of RM2,000 jointly from OSKVI and OSK Group to the home to fund its operating expenses.

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 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 included in 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;

**STATEMENT ON
CORPORATE GOVERNANCE**

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

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

- 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.

The details of the Board Committees are set out on pages 33 to 38 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, and 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 MCGG 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

STATEMENT ON CORPORATE GOVERNANCE

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

b) Composition of the Board (Cont'd)

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.

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 10 to 13 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 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.

**STATEMENT ON
CORPORATE GOVERNANCE**

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 at the Company's expense.

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 also advise the Board on issues relating to the Company's constitution, corporate governance, and compliance with laws, rules 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, four (4) Board meetings were held. Details of the Directors' attendance are as follows:

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

* Dato' Nik Mohamed Din bin Datuk Nik Yusoff was absent for two (2) out of the four (4) Board meetings held during the financial year under review as he had been on medical leave.

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

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

STATEMENT ON CORPORATE GOVERNANCE

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

e) Board Meetings (Cont'd)

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 (now known as the Nomination and Remuneration Committee with effect from 12 May 2015) 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 Nomination and Remuneration Committee is mindful of its responsibilities to conduct all Board appointment processes in a manner that promotes 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 practises 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 Nomination and Remuneration 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.

The Nomination and Remuneration 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 independence of 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.

**STATEMENT ON
CORPORATE GOVERNANCE**

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

f) Appointment and Assessment of Directors (Cont'd)

The former 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 peer 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 former 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. Each Board member is provided with his/her individual peer average score together with the average score of overall performance assessment of all Directors for personal information and further development. 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 former Nominating Committee obtained an annual declaration of independence from the Independent Directors confirming their independent status pursuant to the Listing Requirements.

g) Remuneration of Directors

The Remuneration Committee (now known as Nomination and Remuneration Committee with effect from 12 May 2015) is also responsible for developing a formal and transparent policy and framework on the remuneration of the Directors (including that of the Executive Directors) for recommendation and approval by the Board. In determining the level and make-up of the Director's remuneration, the Nomination and Remuneration Committee is guided by the Remuneration Policy to 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 Nomination and 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 Nomination and Remuneration Committee, with the Directors concerned abstaining from deliberations and voting on his/her own remuneration.

STATEMENT ON CORPORATE GOVERNANCE

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

g) Remuneration of Directors (Cont'd)

The Non-Executive 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.

The proposed Directors' fees for the financial year 2015 will be tabled at the Twelfth AGM for the approval of the shareholders.

The details of the Directors' remuneration for the financial year ended 31 December 2015 are as follows:

2015	Executive RM	Non- Executive RM	Total RM
Amount received/receivable from the Company:			
Fee – Provision for the year	-	190,000	190,000
Defined contribution plan	-	-	-
Salaries, bonuses and other emoluments	-	15,000	15,000
	-	-	-
	-	205,000	205,000
Amount received/receivable from the Group:			
Fee – Provision for the year	-	190,000	190,000
Defined contribution plan	150,075	-	150,075
Salaries, bonuses and other emoluments	1,002,625	15,000	1,017,625
	1,152,700	15,000	1,167,700
	1,152,700	205,000	1,357,700

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

2015	Executive	Non- Executive	Total
Group			
RM50,000 and below	-	5	5
RM550,001 up to RM600,000	1	-	1
RM600,001 up to RM650,000	1	-	1
	2	5	7

The Nomination and Remuneration 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. The details are set out on pages 34 to 37 of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

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

h) 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 shall retire by rotation at every AGM. All the Directors are subject to retirement at an interval of at least once in every three (3) years.

The performance of the Directors who are subject to re-appointment and re-election at the AGM will be assessed by the Nomination and Remuneration 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 Twelfth AGM of the Company to be held on 18 April 2016 are as stated in the Notice of the Twelfth AGM.

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 2015. The training programmes, seminars and forums attended by each Director are as follows:

Name	Training Programmes	Date
Dato' Nik Mohamed Din bin Datuk Nik Yusoff	Cooking the Books - The Malaysian Recipe on Financial Fraud	10 December 2015
Yee Chee Wai	GIL Malaysia 2015	14 April 2015
	Be The Change: Living & Leading Powerfully	20-21 April 2015
	Get Insights from Xiaomi, Redmart, Luxola, AirAsia and Many More	27 May 2015
	Advocacy Sessions on Management Discussion & Analysis for Chief Executive Officers and Chief Financial Officers	30 June 2015
	CG Breakfast Series with Directors: Future of Auditor Reporting - The Game Changer for Boardroom	21 September 2015
	Dialogue Session: Opportunities for Public Listed Companies in Shariah-compliant Landscape	30 November 2015
Ong Yee Min	GIL Malaysia 2015	14 April 2015
	The Digital Education Show Asia 2015	15-16 June 2015
	Sustainability Symposium	8 October 2015

STATEMENT ON CORPORATE GOVERNANCE

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

i) Continuing Education of Directors (Cont'd)

Name	Training Programmes	Date
Tan Sri Ong Leong Huat @ Wong Joo Hwa	Predicting Financial Crime - Detection, Prevention & Remediation	1 April 2015
	Invitation Launch of FIDE Forum's Directors' Remuneration Report 2015	7 December 2015
Leong Keng Yuen	Audit Oversight Board Conversation with Audit Committees	7 May 2015
	Driving Corporate Performance in 2015	14 May 2015
	Risk Management and Internal Control Workshop: Is Our Line of Defence Adequate and Effective?	11 June 2015
	Overview of Selected MFRSs and latest update	16 June 2015
	2016 Budget and Tax Conference	30 October 2015
Dato' Thanarajasingam Subramaniam	Audit Oversight Board (AOB) Conversation with Audit Committees	7 May 2015
	Ethics Red Flags for Board of Directors	18 September 2015
Dr. Ngo Get Ping	Strengthening The Board's Role in setting a Right High Performance Culture	2 March 2015
	Effective Board Leadership (EBL) Programme EBL Module 4: Financial Literacy & Governance	26 May 2015
	SID Director's Conference 2015 - Boards and Innovation	16 September 2015
	Remuneration Committee Chairmen Conversation	1 December 2015

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.

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 AGM. 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:

STATEMENT ON
CORPORATE GOVERNANCE

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

j) **Effective Communication with Shareholders of the Company and the Public (Cont'd)**

- 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) **Investor 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 person 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 person 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 10 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 12 of this Annual Report.

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

The Board has adopted a Whistleblowing Policy which sets out the principle and grievance procedures for employees or members of the 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.

STATEMENT ON CORPORATE GOVERNANCE

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 111 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 Note 26 - Significant Related Party Transactions and Relationships to the Financial Statements 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 material 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 included in this Annual Report.

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:

STATEMENT ON CORPORATE GOVERNANCE

B. ACCOUNTABILITY AND AUDIT (CONT'D)

d) Relationship with Auditors (Cont'd)

2015	Group RM	Company RM
Audit fees paid to external auditors	133,535	45,000
Non-audit fees paid to external auditors	8,000	8,000
Fee paid to internal auditors	38,200	38,200

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 2015.

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. In this assessment, the Audit Committee shall consider several factors, including the independence of the External Auditors, quality of audit review procedures and adequacy of the firm's expertise and resources. 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 Audit Committee conducted an assessment of the suitability and independence of the External Auditors in respect of the financial year under review. The Audit Committee was satisfied with the performance and independence of the External Auditors and recommended the re-appointment of the External Auditors for the financial year ending 31 December 2016. The Board approved the recommendation of the Audit Committee for the shareholders' approval to be sought at the forthcoming AGM of the Company on the re-appointment of the External Auditors for the financial year ending 31 December 2016.

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;
- Nomination and Remuneration Committee; and
- Risk Management Committee.

On 12 May 2015, the Nominating Committee and Remuneration Committee have been merged into a single Board Committee known as the Nomination and Remuneration Committee.

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

The composition of each Committee, its Terms of Reference, the activities carried out during the year and the number of meetings attended during the year 2015 are set out below.

STATEMENT ON CORPORATE GOVERNANCE

C. BOARD COMMITTEES (CONT'D)

a) Audit Committee

The Audit Committee comprising 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 included in this Annual Report.

b) Nomination and Remuneration Committee

The Nominating Committee had been merged with Remuneration Committee, effective 12 May 2015, into a single Board Committee namely the Nomination and Remuneration Committee.

Composition

The former Remuneration Committee consists of the following members:

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

The former Remuneration Committee which comprised exclusively Non-Executive Directors, was chaired by an Independent Director.

The former Nominating Committee and the present Nomination and Remuneration Committee consists of the following members:

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

The former Nominating Committee and the present Nomination and Remuneration Committee comprising exclusively Non-Executive Directors, the majority of whom are Independent Directors, is chaired by the Senior Independent Non-Executive Director of the Company.

Authority

The Committee is granted the authority by the Board aiming to attract, nominate, retain and evaluate Directors and/or key senior management staff of such calibre to provide the necessary skills and experience as required which commensurate with their responsibilities for effective management and operations of the Group.

STATEMENT ON
CORPORATE GOVERNANCE

C. BOARD COMMITTEES (CONT'D)

b) Nomination and Remuneration Committee (Cont'd)

Functions and Duties

- (i) Establish Minimum Requirements for the Board and/or Key Senior Management Staff
 - To establish minimum requirements for the Board and/or key senior management staff i.e. required mix of skills, experience, qualification and other core competencies;
 - 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/or the performance of 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 key senior management staff;
 - The actual decision as to who shall be appointed shall be the responsibility of the full Board;
 - To recommend to the Board any removal of a Director from the Board in the event that the Director is ineffective, errant and negligent in discharging his/her responsibilities; and
 - To recommend to the Board any removal of key senior management staff in the event that they are ineffective, errant and negligent in discharging their responsibilities.
- (iv) Overseeing the Board and/or Key Senior Management Staff
 - To oversee the overall composition of the Board, in terms of the appropriate size and skills, experiences and other qualities including core competencies which Non-Executive Directors should bring to the Board, the independency of each Independent Director, the balance between Executive Directors, Non-Executive Directors and Independent Directors as well as the proportion of the female to male Board members through annual review;
 - To ascertain "independency" of Independent Directors pursuant to the criteria as set out in the Listing Requirements of Bursa Malaysia Securities Berhad;
 - To oversee the appointment and performance evaluation of the Directors and/or key senior management staff;
 - To oversee the implementation of the succession planning of the Executive Directors and/or key senior management staff; and
 - To ensure that all Directors receive appropriate and relevant continuous training programs in order to keep abreast with the latest development in the industry.

STATEMENT ON CORPORATE GOVERNANCE

C. BOARD COMMITTEES (CONT'D)

b) Nomination and Remuneration Committee (Cont'd)

(v) Remuneration Framework

- To recommend a framework of remuneration for Directors and/or 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/or 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 aspect of remuneration including Directors' fees, salaries, allowances, bonuses, options, benefits-in-kind and termination/retirement benefits.

(vi) Remuneration Packages

- To review and recommend remuneration packages for the Directors;
- The remuneration package shall be structured such that it is competitive and consistent with the Company's culture, objectives and strategy;
- The remuneration of each Board member may differ based on his/her level of expertise, knowledge and experience;
- The remuneration of the Executive Directors shall be 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 experience and 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 concerned shall abstain from discussion of his/her own remuneration.

Frequency of Meeting

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

The number of meetings held during the financial year and the attendance of the members are as follows:

Members of Former Remuneration Committee	Attendance
Dr. Ngo Get Ping	1/1
Tan Sri Ong Leong Huat @ Wong Joo Hwa	1/1
Leong Keng Yuen	1/1
Members of Former Nominating Committee	Attendance
Leong Keng Yuen	2/2
Tan Sri Ong Leong Huat @ Wong Joo Hwa	2/2
Dr. Ngo Get Ping	2/2

STATEMENT ON
CORPORATE GOVERNANCE

C. BOARD COMMITTEES (CONT'D)

b) Nomination and Remuneration Committee (Cont'd)

There was no Nomination and Remuneration Committee meeting held during the financial year after the said committee was formed on 12 May 2015. A meeting was held subsequent to the year end.

Key activities undertaken during the year were as follows:

By the former Remuneration Committee

- reviewed and recommended to the Board, the proposed Directors' fees for the financial year 2014;
- reviewed and recommended to the Board, the bonus for the Executive Directors for the financial year 2014;
- reviewed and recommended to the Board, the Directors' remuneration for the ensuing year; and
- reviewed and recommended to the Nominating Committee, the performance of the Remuneration Committee for the year 2014 (self-assessment).

By the former Nominating Committee

- 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;
- reviewed the training programmes attended by Directors during the financial year;
- reviewed and recommended to the Board, the setting up and composition of Corporate Disclosure Committee;
- recommended to the Board, the re-election and re-appointment of the Directors who will be retiring at the AGM of the Company; and
- reviewed and recommended to the Board, the merger of Nominating Committee and Remuneration Committee into a single Board Committee known as Nomination and Remuneration Committee.

c) 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.

STATEMENT ON CORPORATE GOVERNANCE

C. BOARD COMMITTEES (CONT'D)

c) Risk Management Committee (Cont'd)

Authority

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

Functions and Duties

- (i) To review and recommend appropriate risk management strategies and policies for the Board's approval;
- (ii) 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;
- (iii) To ensure that adequate infrastructure, resources and systems are in place for risk management;
- (iv) 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
- (v) To note and adopt minutes of the Committee of the respective subsidiaries, if any.

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 were 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 former Nominating Committee, the performance of the Risk Management Committee for the year 2014 (self-assessment);
- 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 1 March 2016.

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") is pleased to present the Audit Committee Report for the financial year ended 31 December 2015.

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 2015, 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.

AUDIT COMMITTEE REPORT

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.

AUDIT COMMITTEE REPORT

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.

AUDIT COMMITTEE REPORT

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 financial year under review, the activities of the Committee were 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 financial 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.

**AUDIT COMMITTEE
REPORT**

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 2015 amounted to RM38,200.

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 ("the 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 is reviewed on an ongoing basis.

The Board also acknowledges that the Group's risk management and internal control systems are 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 MANAGEMENT'S RESPONSIBILITIES

Management is responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions as needed, and for providing assurance to the Board that the processes have been carried out. In this regard, on quarterly basis, the Executive Directors/ Chief Operating Officer and Head of Finance have given their assurance that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control systems of the Group.

THE INTERNAL AUDIT'S RESPONSIBILITIES

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve a company's operations. The Group has appointed an external professional firm to conduct the internal audit function. The internal auditors review the adequacy and integrity of the internal control system, assess compliance with policies and procedures and recommend best business practices to improve the Group's operations. The internal auditors report directly to the Audit Committee.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 Director;
- 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 has established a proper risk management framework that ensure an ongoing process for identifying, evaluating, measuring, managing and reporting the significant risks that may affect the achievement of the Group's business objectives. The process has been in place throughout the financial year under review and up to the date of approval of this report. 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 to determine the Group's risk appetite and level of risk tolerance and actively identify, assess and monitor key business risks to safeguard shareholders' investments and the Group's assets.

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

- **The 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 effective 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

• 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 control 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 in 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;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- 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 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 business risks.

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 a 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 39 to 43 of the Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

THE BOARD'S COMMITMENT

As the Group operates in a dynamic business environment, sound risk management and internal control systems must be in place in order to be able to support its business objectives. Therefore, the Board remains committed towards maintaining sound systems of risk management and internal control and believes 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 systems and believes that the risk management and internal control systems of the Group are in place for the financial year under review and up to the date of issuance of the financial statements, and 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 systems are, in all material aspects, effective and adequate throughout the financial year under review.

Moving forward, the Group will continue to improve and enhance the existing systems of risk management and internal control, 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 financial year ended 31 December 2015 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' interests, either still subsisting at the end of the financial year ended 31 December 2015 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 2015.

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 2015.

VARIATION IN RESULTS

There were no variations between the financial results in the Audited Financial Statements 2015 and the audited financial results for the year ended 31 December 2015 announced by the Company on 18 February 2016.

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 2015 is presented in the Sustainability Report 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 Note 22 - Treasury Shares to the Financial Statements in this Annual Report.

OPTIONS OR CONVERTIBLE SECURITIES

Information pertaining to the exercise of Warrants 2010/2015 ("Warrants") during the financial year is set out in the Note 21(b) - Warrants Reserve of the Financial Statements in this Annual Report.

Pursuant to the Notice to Warrant Holders in relation to the expiry and final exercise of the Warrants dated 4 September 2015, the Warrants have expired on 7 October 2015.

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 2015, 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

31 DECEMBER 2015

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 2015.

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)/profit attributable to Owners of the Company	(2,275,803)	19,726,161

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 RM12.87 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

No dividends have been paid or declared by the Company since the end of the previous financial year.

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' REPORT

31 DECEMBER 2015

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 and 26 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:

(i) The Company

	Number of Ordinary Shares of RM0.50 each			
	1.1.2015	Acquired	Disposed	31.12.2015
Direct Interest:				
Ong Yee Min	229,848	-	-	229,848
Leong Keng Yuen	73	-	-	73
Indirect Interest:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	121,858,473 ⁽¹⁾	752,710	-	122,611,183 ⁽¹⁾
Yee Chee Wai	1,000 ⁽²⁾	-	-	1,000 ⁽²⁾

	Number of Warrants 2010/2015			
	1.1.2015	Exercised	Expired on 7.10.2015	31.12.2015
Direct Interest:				
Ong Yee Min	34,074	-	34,074	-
Indirect Interest:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	49,100,897 ⁽³⁾	752,710	48,348,187 ⁽³⁾	-

Each warrants 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 21 (b) to the financial statements. As at the date of this report, the warrants have lapsed.

DIRECTORS' REPORT

31 DECEMBER 2015

DIRECTORS' INTERESTS (CONT'D)

(ii) Holding company, OSK Equity Holdings Sdn. Bhd.

	Number of Ordinary Shares of RM1.00 each			
	1.1.2015	Acquired	Disposed	31.12.2015
Direct Interest:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	99,999	-	-	99,999

- (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.
- (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 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 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 22 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 all known bad debts have been written off 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) the amount written off for 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.

**DIRECTORS'
REPORT**

31 DECEMBER 2015

OTHER STATUTORY INFORMATION (CONT'D)

- (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.
- (f) In the opinion of the Directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the year in which this report is made.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the Directors dated 18 February 2016.

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 110 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 2015 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 33 to the financial statements on page 111, 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 18 February 2016.

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 111 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 18 February 2016

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 2015 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 110.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 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.

**INDEPENDENT
AUDITORS' REPORT**

TO THE MEMBERS OF OSK VENTURES INTERNATIONAL BERHAD (INCORPORATED IN MALAYSIA)

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 33 to the financial statements on page 111 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 Accountant

Kuala Lumpur, Malaysia
18 February 2016

KUA CHOI LEANG

No. 2716/01/17(J)

Chartered Accountant

INCOME STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Revenue	4	66,246,336	102,426,248	12,535,944	5,893,512
Net carrying value of investments disposed		(57,182,616)	(93,555,484)	-	-
Other income		9,063,720	8,870,764	12,535,944	5,893,512
Net fair value loss on financial instruments		4,230,907	4,071,273	8,405,823	25,396
Administrative expenses		(12,868,417)	(20,288,704)	-	-
Impairment losses	5	(3,955,349)	(3,902,588)	(1,175,717)	(1,442,344)
		-	-	-	(19,874,813)
(Loss)/profit before tax	6	(3,529,139)	(11,249,255)	19,766,050	(15,398,249)
Income tax benefit/(expense)	9	1,253,336	(2,451,141)	(39,889)	(51,995)
(Loss)/profit for the year		(2,275,803)	(13,700,396)	19,726,161	(15,450,244)
(Loss)/profit attributable to: Owners of the Company		(2,275,803)	(13,700,396)	19,726,161	(15,450,244)
Loss per share attributable to equity owners of the Company (sen):					
Basic	10	(1.16)	(7.00)		
Diluted	10	-	(6.50)		

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
(Loss)/profit after tax for the year, representing total comprehensive (loss)/income for the year, net of tax	(2,275,803)	(13,700,396)	19,726,161	(15,450,244)
Total comprehensive (loss)/income attributable to: Owners of the Company	(2,275,803)	(13,700,396)	19,726,161	(15,450,244)

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Assets					
Non-current assets					
Equipment	11	334,878	396,713	-	-
Intangible assets	12	11,270	14,186	-	-
Investments in subsidiaries	13(a)	-	-	93,157,003	13,307,003
Amount due from subsidiaries	13(b)	-	-	-	52,598,579
Investment securities	15	2,528,591	42,026,959	-	-
Trade receivables	18	2,845,335	1,084,216	-	-
		5,720,074	43,522,074	93,157,003	65,905,582
Current assets					
Investment securities	15	55,352,043	63,014,541	-	-
Derivative financial assets	16	-	373,548	-	-
Debenture	17	15,558,378	13,183,848	-	-
Trade and other receivables	18	903,196	4,976,028	4,703	4,892
Amount due from subsidiaries	13(b)	-	-	640,672	53,814,632
Prepayments		14,981	9,484	11,126	5,150
Tax recoverable		2,630,170	2,187,198	179,176	191,515
Cash, bank balances and cash management fund	19	101,019,382	57,095,527	89,456,627	56,094,610
		175,478,150	140,840,174	90,292,304	110,110,799
Total assets		181,198,224	184,362,248	183,449,307	176,016,381
Equity					
Share capital	20	98,798,436	97,872,267	98,798,436	97,872,267
Reserves	21	79,888,704	82,165,270	84,020,701	64,295,303
Treasury shares	22	(6,044)	(4,941)	(6,044)	(4,941)
Total equity		178,681,096	180,032,596	182,813,093	162,162,629
Liabilities					
Non-current liability					
Deferred tax liability	23	1,341,362	2,622,090	-	-
Current liabilities					
Trade and sundry payables	24	1,175,766	1,707,562	636,214	507,142
Amounts due to subsidiaries	13(c)	-	-	-	13,346,610
		1,175,766	1,707,562	636,214	13,853,752
Total liabilities		2,517,128	4,329,652	636,214	13,853,752
Total equity and liabilities		181,198,224	184,362,248	183,449,307	176,016,381

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Attributable to owners of the Company						(Accumulated losses)
	Share capital (Note 20)	Treasury shares (Note 22)	Share premium (Note 21)	Capital redemption reserve (Note 21)	Warrants reserve (Note 21)	/retained profits (Note 21)	
Group	RM	RM	RM	RM	RM	RM	Total equity RM
At 1 January 2015	97,872,267	(4,941)	84,362,809	3,191,600	11,255,311	(16,644,450)	180,032,596
Total comprehensive loss	-	-	-	-	-	(2,275,803)	(2,275,803)
Transactions with owners							
Share issued pursuant to the exercise of the Warrants	926,169	-	-	-	-	-	926,169
Reversal of warrants reserve upon exercise of Warrants	-	-	-	-	(213,019)	213,019	-
Reversal of warrants reserve upon expiry of Warrants	-	-	-	-	(11,042,292)	11,042,292	-
Share issuance expenses	-	-	(763)	-	-	-	(763)
Share buyback	-	(1,103)	-	-	-	-	(1,103)
Total transactions with owners	926,169	(1,103)	(763)	-	(11,255,311)	11,255,311	924,303
At 31 December 2015	98,798,436	(6,044)	84,362,046	3,191,600	-	(7,664,942)	178,681,096
At 1 January 2014	97,872,267	(3,614)	84,362,809	3,191,600	11,255,311	970,657	197,649,030
Total comprehensive loss	-	-	-	-	-	(13,700,396)	(13,700,396)
Transactions with owners							
Dividend paid to shareholders (Note 32)	-	-	-	-	-	(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	(16,644,450)	180,032,596

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

Company	Non-distributable						Total equity RM
	Share capital (Note 20) RM	Treasury shares (Note 22) RM	Share premium (Note 21) RM	Capital redemption reserve (Note 21) RM	Warrants reserve (Note 21) RM	Accumulated losses (Note 21) RM	
At 1 January 2015	97,872,267	(4,941)	84,362,809	3,191,600	11,255,311	(34,514,417)	162,162,629
Total comprehensive income	-	-	-	-	-	19,726,161	19,726,161
Transactions with owners							
Share issued pursuant to the exercise of the Warrants	926,169	-	-	-	-	-	926,169
Reversal of warrants reserve upon exercise of Warrants	-	-	-	-	(213,019)	213,019	-
Reversal of warrants reserve upon expiry of Warrants	-	-	-	-	(11,042,292)	11,042,292	-
Share issuance expenses	-	-	(763)	-	-	-	(763)
Share buyback	-	(1,103)	-	-	-	-	(1,103)
Total transactions with owners	926,169	(1,103)	(763)	-	(11,255,311)	11,255,311	924,303
At 31 December 2015	98,798,436	(6,044)	84,362,046	3,191,600	-	(3,532,945)	182,813,093
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 32)	-	-	-	-	-	(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

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Group		Company	
	2015 RM	2014 RM (Restated)	2015 RM	2014 RM (Restated)
Cash flows from operating activities				
(Loss)/profit before tax	(3,529,139)	(11,249,255)	19,766,050	(15,398,249)
Adjustments for:				
Amortisation of intangible assets	2,916	2,917	-	-
Depreciation of equipment	89,827	115,124	-	-
Gain on disposal of equipment	-	(29,714)	-	-
Impairment loss on amount due from subsidiaries	-	-	-	19,874,813
Reversal of impairment loss on amount due from subsidiaries	-	-	(8,405,823)	-
Capital returns received from investment securities	(391,006)	(3,583,214)	-	-
Gain on disposals of investment securities	(5,074,146)	(5,684,034)	-	-
Gain on disposal of derivative financial assets	(124,982)	(76,259)	-	-
Net fair value loss on financial instruments	12,868,417	20,288,704	-	-
Interest income	(2,745,531)	(1,397,866)	(2,205,944)	(1,093,512)
Dividend income	(1,119,061)	(1,712,605)	(10,330,000)	(4,800,000)
Unrealised gain on foreign exchange	(3,376,991)	(16,201)	-	-
Operating loss before working capital changes	(3,399,696)	(3,342,403)	(1,175,717)	(1,416,948)
Decrease/(increase) in operating assets				
Receivables	3,155,501	(3,433,048)	(5,976)	(5,150)
Amounts due from subsidiaries	-	-	114,178,362	15,338,961
Proceeds from disposals of:				
- investment securities	61,890,223	98,908,896	-	-
- derivative financial assets	491,521	406,881	-	-
Capital returns received from investment securities	391,006	3,583,214	-	-
Subscription of additional investment in subsidiary	-	-	(79,850,000)	-
Purchase of:				
- investment securities	(22,516,617)	(65,482,038)	-	-
- derivative financial assets	-	(293,525)	-	-
- debenture	-	(13,183,848)	-	-
(Decrease)/increase in operating liabilities				
Payables	(531,796)	920,836	129,071	96,841
Amounts due to subsidiaries	-	-	(13,346,610)	(1,106,553)
Cash generated from operations	39,480,142	18,084,965	19,929,130	12,907,151
Dividends received	1,159,754	1,671,913	10,330,000	4,800,000
Interest received	2,240,517	1,131,533	2,206,133	1,093,485
Taxes paid	(470,364)	(2,426,683)	(27,549)	(214,367)
Net cash generated from operating activities	42,410,049	18,461,728	32,437,714	18,586,269

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
		(Restated)		(Restated)
Cash flows from investing activities				
Additions in cash management fund	(35,563,042)	(14,533,365)	(35,563,042)	(14,533,365)
Proceeds from disposal of equipment	-	234,000	-	-
Purchase of equipment	(27,992)	-	-	-
Purchase of software licences	-	(8,220)	-	-
Net cash used in investing activities	(35,591,034)	(14,307,585)	(35,563,042)	(14,533,365)
Cash flows from financing activities				
Share buyback	(1,103)	(1,327)	(1,103)	(1,327)
Proceeds from exercise of warrants	926,169	-	926,169	-
Dividends paid to shareholders	-	(3,914,711)	-	(3,914,711)
Shares issuance expenses	(763)	-	(763)	-
Net cash generated from/(used in) financing activities	924,303	(3,916,038)	924,303	(3,916,038)
Net increase/(decrease) in cash and cash equivalents	7,743,318	238,105	(2,201,025)	136,866
Effects of exchange rate changes	617,495	16,201	-	-
Cash and cash equivalents at beginning of year	5,736,700	5,482,394	4,735,783	4,598,917
Cash and cash equivalents at end of year (Note 19)	14,097,513	5,736,700	2,534,758	4,735,783

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

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 the 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 18 February 2016.

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 Amendments to MFRSs and Issues Committee ("IC") Interpretations which are mandatory for financial periods beginning on or after 1 January 2015 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 2015, the Group and the Company adopted the following Amendments to MFRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2015.

Amendments to MFRS 2, MFRS 3, MFRS 8, MFRS 116, MFRS 124 and MFRS 138	Annual Improvements to MFRSs 2010 - 2012 Cycle
Amendments to MFRS 3, MFRS 13 and MFRS 140	Annual Improvements to MFRSs 2011 - 2013 Cycle
Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

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

(c) MFRSs and Amendments to MFRSs Issued but not yet Effective

The Group and the Company have not adopted the following MFRSs and Amendments to MFRSs which have been issued but not yet effective:

MFRSs and Amendments to MFRSs		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 2018
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	Deferred
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interest in Joint Operations	1 January 2016
Amendments to MFRS 101	Presentation of Financial Statements: Disclosure Initiative	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: Beared Plants	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016

The adoption of the above MFRSs and Amendments to MFRSs will have no material impact on the financial statements in the period of initial application, other than as described 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

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 its financial assets at 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.

For unquoted investments carried at fair value through profit or loss where:

- (i) the fair value of the underlying asset is not easily determined without incurring excessive costs and effort; and
- (ii) the investments' operations have not started or is at its initial start-up phase.

At initial recognition, the initial fair value of these investments will be determined as its net cash paid to acquire the investments. Subsequently, at each reporting date, the fair value of such investments are determined by reviewing the business plans, profit and cash flows forecasts and monthly financial results. The assumptions and data used by the business management in developing the business plans and forecasts are reviewed to ensure that it is in line with existing market conditions and that it is reasonable. Based on the above, management will determine if the carrying amount of the investments approximates its fair value, and changes in fair value, if any, will be recognised immediately in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

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

(d) Significant Accounting Judgements and Estimates (Cont'd)

(ii) Estimation uncertainties (cont'd)

Impairment of loans and receivables

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 was recognised as an expense in the prior year (Note 5). However, a reversal of impairment loss of RM8,405,823 was recognised as other income in the current year.

As at the reporting date, the amounts owing from subsidiaries of RM135,414,990 was written off against the allowance for impairment account as disclosed in Note 13(b).

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Consolidation (Cont'd)

- (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.

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).

NOTES TO THE
FINANCIAL STATEMENTS

31 DECEMBER 2015

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%

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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.

NOTES TO THE
FINANCIAL STATEMENTS

31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Intangible Assets (Cont'd)

(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) Fair Value Measurement

The Group measures financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes places either:

- (i) in the principal market for the asset or liability; or
- (ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole as described in Note 28.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Fair Value Measurement (Cont'd)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset and liability and the level of the fair value hierarchy as explained above.

(g) Financial Assets

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

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

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

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FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(g) Financial Assets (Cont'd)****(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.

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.

(h) Impairment of Financial Assets

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

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

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, 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.

NOTES TO THE FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Share Capital and Share Issuance Expenses

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

(j) Statements of Cash Flows and Cash and Cash Equivalents

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

Cash and cash equivalents include cash on hand and at bank, deposits at call, short term deposit and cash held by third party which have an insignificant risk of changes in value.

(k) Provisions for Liabilities

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

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

(l) Operating Leases - The Group as Lessee

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

(m) Treasury Shares

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

(n) Employee Benefits

(i) Short term benefits

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

NOTES TO THE
FINANCIAL STATEMENTS

31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) 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").

(o) Current versus Non-Current Classification

The Group and the Company present an assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- (i) expected to be realised or intended to be sold or consumed in the normal operating cycle;
- (ii) held primarily for the purpose of trading;
- (iii) expected to be realised within twelve months after the reporting period; or
- (iv) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- (i) it is expected to be settled in the normal operating cycle;
- (ii) it is held primarily for the purpose of trading;
- (iii) it is due to be settled within twelve months after the reporting period; or
- (iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and the Company classify all other liabilities as non-current.

(p) Borrowing Costs

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) 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 29, including the factors used to identify the reportable segments and the measurement basis of segment information.

(r) Income Taxes

(i) Current tax

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

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

(ii) Deferred tax

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

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

NOTES TO THE
FINANCIAL STATEMENTS

31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Income Taxes (Cont'd)

(ii) Deferred tax (cont'd)

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.

(s) 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 transfer of ownership 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.

(t) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Foreign Currencies (Cont'd)

(ii) Foreign currency transactions (cont'd)

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

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

The exchange rates used in translation are as follows:

	2015 RM	2014 RM
<u>Closing rate</u>		
United States Dollar	4.30	3.50
Singapore Dollar	3.03	2.65
Hong Kong Dollar	0.55	0.45
Thai Baht	0.12	0.11
100 Cambodian Riel	0.11	0.09
100 Indonesian Rupiah	0.03	0.03
<u>Average rate</u>		
United States Dollar	3.90	3.27
Singapore Dollar	2.84	2.58
Hong Kong Dollar	0.50	0.42
Thai Baht	0.11	0.10
100 Cambodian Riel	0.10	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.

**NOTES TO THE
FINANCIAL STATEMENTS**

31 DECEMBER 2015

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

4. REVENUE

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Proceeds from disposal of derivative financial assets	491,521	406,881	-	-
Proceeds from disposal of investment securities	61,890,223	98,908,896	-	-
Interest income	2,745,531	1,397,866	2,205,944	1,093,512
Dividend income	1,119,061	1,712,605	10,330,000	4,800,000
	66,246,336	102,426,248	12,535,944	5,893,512

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

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Proceeds from disposal of derivative financial assets	491,521	406,881	-	-
Proceeds from disposal of investment securities	61,890,223	98,908,896	-	-
Less: Cost of investment	(133,821,254)	(89,387,920)	-	-
(Loss)/gain on disposal	(71,439,510)	9,927,857	-	-
Add/(less): Previously recognised fair value changes	76,638,638	(4,167,564)	-	-
Net gain on disposal recognised in profit or loss	5,199,128	5,760,293	-	-

(Loss)/gain on disposal of financial instruments represents the difference between an instrument's cost of investment and disposal proceeds.

Net fair value changes of financial instruments is arrived at based on the following:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Net gain on disposal recognised in profit or loss	5,199,128	5,760,293	-	-
Net fair value loss on financial instruments	(12,868,417)	(20,288,704)	-	-
	(7,669,289)	(14,528,411)	-	-

5. IMPAIRMENT LOSSES

	Company	
	2015 RM	2014 RM
In respect of:		
Amount due from subsidiaries (Note 13(b))	-	19,874,813

A reversal of impairment loss of RM8,405,823 was recognised as other income in the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

6. (LOSS)/PROFIT BEFORE TAX

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

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Auditors' remuneration:				
(i) Statutory audit				
- current year	133,535	126,826	45,000	43,000
- under provision in prior year	4,943	295	-	-
(ii) Other services				
- current year	8,000	8,000	8,000	8,000
Employee benefits expenses (excluding executive Directors' remuneration) (Note 7)	1,019,129	942,017	3,110	1,565
Directors' remuneration (Note 8)	1,357,700	1,209,104	205,000	260,000
Rental of office	141,523	138,348	-	-
Depreciation of equipment (Note 11)	89,827	115,124	-	-
Gain on disposal of equipment	-	(29,714)	-	-
Amortisation of intangible asset (Note 12)	2,916	2,917	-	-
Impairment loss on amount due from subsidiaries	-	-	-	19,874,813
Capital returns received from investment securities	(391,006)	(3,583,214)	-	-
Reversal of impairment loss on amount due from subsidiaries	-	-	(8,405,823)	-
Realised gain on foreign exchange	(396,567)	(317,349)	-	(25,024)
Unrealised gain on foreign exchange	(3,376,991)	(16,201)	-	-

7. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Salaries and bonuses	855,857	784,225	-	-
Defined contribution plan	109,683	100,949	-	-
Other staff related expenses	53,589	56,843	3,110	1,565
	1,019,129	942,017	3,110	1,565

NOTES TO THE FINANCIAL STATEMENTS

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8. DIRECTORS' REMUNERATION

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Directors of the Company				
Executive:				
Salaries, bonuses and other emoluments	1,002,625	825,900	-	-
Directors' fees	-	70,000	-	70,000
Defined contribution plan	150,075	123,204	-	-
	1,152,700	1,019,104	-	70,000
Non-executive:				
Salaries, bonuses and other emoluments	15,000	-	15,000	-
Directors' fees	190,000	190,000	190,000	190,000
	205,000	190,000	205,000	190,000
Total Directors' remuneration (Note 6)	1,357,700	1,209,104	205,000	260,000

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	
	2015	2014
Executive Directors:		
Below RM50,000	-	-
RM400,001 - RM450,000	-	1
RM500,001 - RM550,000	-	1
RM550,001 - RM600,000	1	-
RM600,001 - RM650,000	1	-
Non-executive Directors:		
Below RM50,000	5	5
	7	7

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

9. INCOME TAX (BENEFIT)/EXPENSE

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Malaysian income tax:				
Current year	34,380	1,410,000	34,380	34,000
(Over)/under provision in prior years	(6,988)	17,654	5,509	17,995
	27,392	1,427,654	39,889	51,995
Deferred tax (Note 23):				
Relating to origination and reversal of temporary differences	(1,207,697)	856,292	-	-
(Over)/Under provision in prior year	(73,031)	167,195	-	-
	(1,280,728)	1,023,487	-	-
	(1,253,336)	2,451,141	39,889	51,995

The domestic income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated assessable (loss)/profit for the year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdiction.

Effective from the year of assessment 2016, the income tax rate will be reduced by 1% to 24%.

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	
	2015 RM	2014 RM	2015 RM	2014 RM
(Loss)/profit before tax	(3,529,139)	(11,249,255)	19,766,050	(15,398,249)
Tax at Malaysian statutory tax rate of 25% (2014: 25%)	(882,285)	(2,812,314)	4,941,513	(3,849,562)
Effect of different tax rate in foreign jurisdiction	(14,819)	(102,583)	-	-
Effect of deferred tax reduction Malaysian statutory tax rate	(55,891)	-	-	-
Expenses not deductible for tax purposes	355,854	1,750,406	292,583	5,320,862
Income not subjected to tax	(1,665,121)	(2,026,147)	(5,199,716)	(1,437,300)
Deferred tax assets not recognised	1,088,945	5,456,930	-	-
(Over)/under provision of deferred tax in prior year	(73,031)	167,195	-	-
(Over)/under provision of income tax in prior year	(6,988)	17,654	5,509	17,995
Income tax (benefit)/expense for the year	(1,253,336)	2,451,141	39,889	51,995

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

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

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

	2015 RM	Group 2014 RM
Unutilised tax losses	85,103,865	15,182,000
Unabsorbed capital allowances	66,680	-
Unrealised fair value losses on financial instruments	1,577,298	67,316,000
	86,747,843	82,498,000

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 PER SHARE

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

Diluted loss per share is calculated by dividing the loss for the year, net of tax attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the diluted potential warrants into ordinary shares.

	2015	Group 2014
Loss for the year attributable to owners of the Company (RM)	(2,275,803)	(13,700,396)
Weighted average number of ordinary shares in issue*	196,538,903	195,735,799
Effect of dilution on assumed exercise of warrants	-	14,929,668
Weighted average number of ordinary shares for diluted loss per share	196,538,903	210,665,467
Basic loss per share (sen)	(1.16)	(7.00)
Diluted loss per share (sen)	-	(6.50)

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

NOTES TO THE FINANCIAL STATEMENTS

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11. EQUIPMENT

Group	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Computer equipment RM	Total RM
2015						
Cost						
At 1 January 2015	109,493	327,136	169,950	204,933	38,906	850,418
Additions	-	-	-	-	27,992	27,992
At 31 December 2015	109,493	327,136	169,950	204,933	66,898	878,410
Accumulated depreciation						
At 1 January 2015	75,273	57,248	153,425	135,277	32,482	453,705
Charge for the year (Note 6)	10,048	49,070	3,776	20,494	6,439	89,827
At 31 December 2015	85,321	106,318	157,201	155,771	38,921	543,532
Net carrying amount	24,172	220,818	12,749	49,162	27,977	334,878
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

NOTES TO THE FINANCIAL STATEMENTS

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11. EQUIPMENT (CONT'D)

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

	2015 RM	2014 RM
Computer equipment	26,667	9,060
Office equipment	145,577	109,849
Furniture and fittings	9,570	7,620
	181,814	126,529

12. INTANGIBLE ASSET

Group	Software licenses RM
2015	
Cost	
At 1 January/31 December 2015	19,451
Accumulated amortisation	
At 1 January 2015	5,265
Amortisation (Note 6)	2,916
At 31 December 2015	8,181
Net carrying amount	11,270
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

NOTES TO THE FINANCIAL STATEMENTS

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13. SUBSIDIARIES

(a) Investments in Subsidiaries

	Company	
	2015	2014
	RM	RM
Unquoted shares, at cost		
In Malaysia		
At the beginning of year	15,944,802	15,944,802
Subscriptions	79,850,000	-
At the end of year	95,794,802	15,944,802
Outside Malaysia	1	1
Allowance for impairment	95,794,803 (2,637,800)	15,944,803 (2,637,800)
	93,157,003	13,307,003

Movement in allowance account:

	Company	
	2015	2014
	RM	RM
At beginning/end of year	2,637,800	2,637,800

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13. SUBSIDIARIES (CONT'D)

(a) Investments in Subsidiaries (Cont'd)

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

(i) Held by the Company

Name of company	Principal activities	Proportion of ownership interest (%)	
		2015	2014
OSK Venture Equities Sdn. Bhd.	To undertake venture capital business and management of investments in securities of venture companies.	100	100
OSK Technology Ventures Sdn. Bhd.	To undertake venture capital business.	100	100
OSK Private Equity Management Sdn. Bhd.	To undertake the management of investments in securities of venture companies.	100	100
OSK Capital Partners Sdn. Bhd.	To undertake investment holding and private equity business.	100	100
OSK Ventures International Limited [^]	To undertake investment holding and private equity business.	100	100
OSK Infrastructure Investments Limited [^]	To undertake investment holding and private equity business.	100	100

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

Name of company	Principal activities	Proportion of ownership interest (%)	
		2015	2014
VT Payment (M) Sdn. Bhd. (Note 14(a))	Auxiliary activities to finance	100	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

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13. SUBSIDIARIES (CONT'D)

(b) Amount due from Subsidiaries

	Company	
	2015 RM	2014 RM
Current		
Amount due from subsidiaries	640,672	53,814,632
Non-Current		
Amount due from subsidiaries	-	196,419,392
Less: Allowance for impairment	-	(143,820,813)
	-	52,598,579

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

Movements in allowance account:

	Company	
	2015 RM	2014 RM
At 1 January	143,820,813	123,946,000
Charge for the year (Note 5)	-	19,874,813
Written off	(135,414,990)	-
Reversal (Note 6)	(8,405,823)	-
At 31 December	-	143,820,813

(c) Amounts due to Subsidiaries

	Company	
	2015 RM	2014 RM
Amounts due to subsidiaries	-	13,346,610

As at 31 December 2015, the amount due to subsidiaries have been fully settled.

14. CHANGES IN COMPOSITION OF THE GROUP

(a) Application to Strike Off an Indirect Subsidiary - VT Payment (M) Sdn. Bhd.

The Company's indirect subsidiary, VT Payment (M) Sdn. Bhd. (Co. No. 1098633-A) has on 22 September 2015 filed an application to be struck off pursuant to Section 308(1) of the Companies Act, 1965 with the Companies Commission of Malaysia ("Striking Off Application"), which was announced on even date.

The striking off application is not expected to have any material effect on the Group's net assets and earnings for the financial year ended 31 December 2015.

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14. CHANGES IN COMPOSITION OF THE GROUP (CONT'D)

- (b) Subscription of 79,850,000 ordinary shares of RM1.00 each in OSK Technology Ventures Sdn. Bhd. ("OSKTV")

On 15 December 2015, OSK Ventures International Berhad increased its investment in a wholly-owned subsidiary, OSKTV by way of subscription of additional 79,850,000 new ordinary shares of RM1.00 each by partly setting-off against the amount due from the subsidiary. As a result, the issued and paid up share capital of OSKTV increased from 150,000 to 80,000,000 ordinary shares of RM1.00 each.

15. INVESTMENTS SECURITIES

Group	Carrying amount 2015 RM	Market value of quoted investments 2015 RM	Carrying amount 2014 RM	Market value of quoted investments 2014 RM
Current Investment securities				
Quoted shares in Malaysia	43,482,842	43,482,842	46,442,716	46,442,716
Quoted shares outside Malaysia	11,228,529	11,228,529	15,689,241	15,689,241
Unquoted shares outside Malaysia	640,672	-	882,584	-
	55,352,043	54,711,371	63,014,541	62,131,957
Non-current Investment securities				
Quoted shares in Malaysia	-	-	42,026,959	42,026,959
Unquoted shares in Malaysia	2,528,591	-	-	-
	2,528,591	-	42,026,959	42,026,959
Total investment securities	57,880,634	54,711,371	105,041,500	104,158,916
Add: Derivative financial assets (Note 16)	-	-	373,548	373,548
Total financial assets at fair value through profit or loss	57,880,634	54,711,371	105,415,048	104,532,464

Details of major quoted investment securities are as follows:

Counter:	Equity interest held 2015 %	Equity interest held 2014 %	Market value 2015 RM	Market value 2014 RM
Green Packet Berhad	-	16.19	-	34,409,992
mTouche Technology Berhad	17.76	21.84	5,167,489	9,646,356

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16. DERIVATIVE FINANCIAL ASSETS

Group	Carrying amount/ market value of quoted investments 2015 RM	Carrying amount/ market value of quoted investments 2014 RM
Current Derivative financial assets		
Quoted warrants in Malaysia	-	373,548

Details of major warrants held are as follows:

Group	Number of warrants		Market value	
	2015	2014	2015 RM	2014 RM
Counter:				
mTouche Technology Berhad (WB)	-	6,225,800	-	373,548

17. DEBENTURE

	Group 2015 RM	2014 RM
Current Debenture		
Senior secured loan outside Malaysia, representing financial assets held to maturity	15,558,378	13,183,848

The senior secured loan outside Malaysia amounting to SGD5,131,899 (2014: SGD5,131,899). The senior secured loan bears interests of 5.00% (2014: 5.00%).

During the year, the issuer has re-negotiated the terms of repayment with all debenture holders, which was duly agreed and approved by all holders. As a result, the repayment terms have been extended. As at the reporting date, the Group have reviewed the balance for impairment and concluded that there are no impairment losses noted as a result of the change in the terms of repayment.

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18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Current				
Trade receivables				
Third parties	-	4,625,003	-	-
Other receivables				
Dividend receivable	-	40,693	-	-
Interest receivable	859,902	267,038	203	392
Deposits	43,294	43,294	4,500	4,500
	903,196	351,025	4,703	4,892
	903,196	4,976,028	4,703	4,892
Non-current				
Trade receivables				
Third parties	2,845,335	1,084,216	-	-
Total trade and other receivables (current and non-current)	3,748,531	6,060,244	4,703	4,892
Add: Cash, bank balances and cash management fund (Note 19)	101,019,382	57,095,527	89,456,627	56,094,610
Add: Amounts due from subsidiaries (Note 13(b))	-	-	640,672	106,413,211
Total loans and receivables	104,767,913	63,155,771	90,102,002	162,512,713

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 (2014: 30 days) unless modified by terms of agreement on case-by-case basis. The Group seeks to maintain strict control over its outstanding receivables.

The management has reassessed the variable earned-out based on available information received from Stone Apple and its current performance, which included in the trade receivables is an amount carried at RM2,845,335 (2014: RM4,359,219). 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 and historical data received. 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.

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19. CASH, BANK BALANCES AND CASH MANAGEMENT FUND

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash on hand and at banks	8,964,960	438,694	174,758	184,998
Deposits with a licensed investment bank	2,360,000	5,229,814	2,360,000	4,550,785
Cash held by third party	2,772,553	68,192	-	-
Cash and cash equivalents	14,097,513	5,736,700	2,534,758	4,735,783
Cash Management Fund	86,921,869	51,358,827	86,921,869	51,358,827
Cash, bank balances and cash management fund	101,019,382	57,095,527	89,456,627	56,094,610

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

	Group		Company	
	2015	2014	2015	2014
Weighted average effective interest rate (%)	3.15	3.17	3.15	3.15
Average maturity (days)	1	1	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.

20. SHARE CAPITAL

	Group/ Company		Amount	
	Number of ordinary shares 2015	2014	2015 RM	2014 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 of year	195,744,533	195,744,533	97,872,267	97,872,267
Issued of shares from the warrants exercised	1,852,339	-	926,169	-
At end of year	197,596,872	195,744,533	98,798,436	97,872,267

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.

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21. RESERVES

	Note	Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
Share premium		84,362,046	84,362,809	84,362,046	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
		87,553,646	98,809,720	87,553,646	98,809,720
Accumulated losses		(7,664,942)	(16,644,450)	(3,532,945)	(34,514,417)
		79,888,704	82,165,270	84,020,701	64,295,303

(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	
	2015	2014	2015 RM	2014 RM
At beginning of the year	97,872,266	97,872,266	11,255,311	11,255,311
Exercised	(1,852,339)	-	(213,019)	-
Expired	(96,019,927)	-	(11,042,292)	-
At end of year	-	97,872,266	-	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. The warrants were listed on Bursa Malaysia Securities Berhad on 12 October 2010.

During the year, the Company has issued 1,852,339 new ordinary shares of RM0.50 each for cash at RM0.50 each pursuant to the exercise of Warrants 2010/2015 and the total cash proceeds arising from the exercise of the Warrants amounted to RM926,169.

As a result of the exercise of the Warrants, the total number of issued and paid up shares of RM0.50 each of the Company has increased from 195,744,533 shares to 197,596,872 shares.

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.

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21. RESERVES (CONT'D)

(b) Warrants Reserve (Cont'd)

Pursuant to the Notice to Warrant holders in relation to the expiry and final exercise of the Warrants dated 4 September 2015, the Warrants have expired on 7 October 2015. Total number of Warrants 2010/2015 remained unexercised and lapsed was 96,019,927 units.

22. TREASURY SHARES

	Group and Company 2015 RM	2014 RM
At cost:		
At beginning of year	4,941	3,614
Share buyback	1,103	1,327
At end of year	6,044	4,941
	Number of shares 2015	2014
Number of treasury shares:		
At beginning of year	10,000	8,000
Share buybacks	2,000	2,000
At end of year	12,000	10,000
Total number of outstanding shares in issue after set off (excluding treasury shares held)	197,584,872	195,734,533
Total number of issued and fully paid ordinary shares	197,596,872	195,744,533

The shareholders of the Company, by an ordinary resolution passed in the Annual General Meeting ("AGM") held on 17 April 2015, 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 Berhad as at the point of purchase;
- (ii) an amount not exceeding the Company's last audited accumulated losses 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.

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22. TREASURY SHARES (CONT'D)

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

	Number of ordinary shares	Highest price RM	Lowest price RM	Average cost* RM	Total amount paid RM
2015					
At beginning of year	10,000			0.49	4,941
Share buyback in					
- May 2015	1,000	0.54	0.54	0.58	579
- November 2015	1,000	0.49	0.46	0.52	524
At end of year	12,000			0.50	6,044
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

* Average cost includes transaction costs.

23. DEFERRED TAX LIABILITY

	2015 RM	Group 2014 RM
As at 1 January	2,622,090	1,598,603
Recognised in income statement (Note 9)	(1,280,728)	1,023,487
At 31 December	1,341,362	2,622,090

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

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 2014	(2,951,255)
Recognised in income statements	1,646,455
At 31 December 2014	(1,304,800)
Recognised in income statements	1,304,800
At 31 December 2015	-

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23. DEFERRED TAX LIABILITY (CONT'D)

Deferred tax liability of the Group:

	Fair value gain on financial instrument, net RM
At 1 January 2014	4,549,858
Recognised in income statements	(622,968)
At 31 December 2014	3,926,890
Recognised in income statements	(2,585,528)
At 31 December 2015	1,341,362

24. TRADE AND SUNDRY PAYABLES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade Payables				
Third parties	-	720,547	-	-
Sundry Payables				
Accruals	1,175,078	972,669	635,525	492,796
Others	688	14,346	689	14,346
	1,175,766	987,015	636,214	507,142
Total financial liabilities carried at amortised cost	1,175,766	1,707,562	636,214	507,142

25. 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

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26. SIGNIFICANT RELATED PARTY TRANSACTIONS AND RELATIONSHIPS

(a) Transactions with Related Parties

			Group		Company
	Nature of transactions	2015 RM	2014 RM	2015 RM	2014 RM
(i) Ultimate holding company					
OSK Equity Holdings Sdn Bhd	Proceeds from disposal of equipment	-	(234,000)	-	-
(ii) OSK Holdings Berhad ("OSKH")*	Support Service fees	69,583	-	22,263	-
(iii) Subsidiaries of OSKH					
OSK Realty Sdn Bhd	Rental of office	141,523	138,348	-	-
(iv) Associates of OSKH					
RHB Capital Berhad group of companies					
RHB Investment Bank Berhad	Interest income	(159,916)	(166,592)	(142,902)	(145,147)
	Brokerage fees	173,252	72,475	80	80
	Management fees	5,000	5,000	5,000	5,000
RHB Asset Management Sdn Bhd	Interest income	(2,063,042)	(948,365)	(2,063,042)	(948,365)
	Management fees	190,962	94,811	190,962	94,811
RHB OSK Securities Hong Kong Ltd	Interest income	(152)	(5)	-	-
	Brokerage fees	15,974	18,261	-	-
DMG & Partners Securities Pte Ltd	Interest income	-	(1,043)	-	-
	Brokerage fees	5,544	65,058	-	-
PT RHB OSK Securities Indonesia	Brokerage fees	2,285	1,817	-	-
RHB OSK Securities (Thailand) Pcl	Interest income	-	(1,560)	-	-
	Brokerage fees	-	5,121	-	-

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

(a) Transactions with Related Parties (Cont'd)

- * 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.

(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 RM29,300,093 (2014: RM29,758,899). 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 (2014: RM825,355).
- (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 RM22,185 (2014: RM6,871), RM7,181 (2014: RM6,761) and RM3,538 (2014: RM22,744) 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 2015 and 2014.

27. 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 section provides 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.

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 18.

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

(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:

	2015 RM	Group 2014 RM
United States Dollar	716,319	968,385
Singapore Dollar	19,904,555	17,897,104
Hong Kong Dollar	14,001,082	11,491,674
Thailand Baht	9	8
Cambodian Riel	46	72
Indonesian Rupiah	2,406,180	4,307,501
	37,028,191	34,664,744

Financial liabilities held in non-functional currencies:

	2015 RM	Group 2014 RM
Hong Kong Dollar	21,179	19,140

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

(d) Foreign Currency Risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss 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	
	2015 RM	2014 RM
If RM strengthened/weakened against SGD by 5% (2014: 5%)	995,228	894,855
If RM strengthened/weakened against HKD by 5% (2014: 5%)	700,072	574,128
If RM strengthened/weakened against IDR by 5% (2014: 5%)	120,309	215,781

Other than disclosed as 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 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.

Sensitivity analysis for equity price risk

At the reporting date, if the share prices had been 5% higher/lower, with all other variables held constant, the Group's loss before tax would have been RM2,900,000 higher/lower, arising as a result of higher/lower fair value gains/(losses) on fair value through profit or loss investments securities.

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28. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, debenture, trade and other receivables and payables 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).

Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2015				
Investment securities	54,711,371	640,672	2,528,591	57,880,634
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

The financial instruments of the Company is related to cash and cash equivalents, other receivables, payables and amounts due from/(to) subsidiaries. The carrying amounts due from/(to) subsidiaries are reasonable approximation of fair value as they are relatively short term and repayable on demand.

Level 1

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.

Level 2

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 2015 and 2014.

NOTES TO THE
FINANCIAL STATEMENTS

31 DECEMBER 2015

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

Level 3

The Group and the Company has classified certain financial instrument's fair value as Level 3 as at 31 December 2015 but there were none as at 31 December 2014.

Certain unquoted investments carried at fair value through profit or loss where:

- (i) the fair value of the underlying asset is not easily determined without incurring excessive costs and effort; and
- (ii) the investments' operations have not started or is at its initial start-up phase.

At initial recognition, the fair value of these investments will be determined as its net cash paid to acquire the investments. Subsequently at each reporting date, the fair values of the investments are determined by the management by reference to the investments' respective:

- (i) Business plans,
- (ii) Profit and cash flow forecasts, and
- (iii) Monthly financial results.

Management will review the assumptions used in arriving at the business plans and forecasts to determine if it is reasonable in light of the current economic and industrial condition. Once the Management are satisfied with the above inputs, management will then assess if the net carrying amount of the investments approximates its fair value, and changes, if any, will be recognised in the income statement.

29. 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

29. SEGMENT INFORMATION (CONT'D)

(a) Business Segments (Cont'd)

	Venture capital and private equity businesses RM	Holding entity RM	Eliminations RM	Note	Consolidated RM
2015					
Revenue					
External revenue	64,040,392	2,205,944	-		66,246,336
Inter-segment revenue	32,812,227	10,330,000	(43,142,227)	(i)	-
Total Revenue	96,852,619	12,535,944	(43,142,227)	4	66,246,336
Results:					
Interest income	539,587	2,205,944	-		2,745,531
Dividend income	1,119,061	10,330,000	(10,330,000)		1,119,061
Depreciation and amortisation	92,743	-	-		92,743
Other non-cash items	12,868,417	-	-	(ii)	12,868,417
Segment profit/(loss)	130,855,624	19,766,050	(154,150,813)	(iii)	(3,529,139)
Finance costs					-
Loss before tax					(3,529,139)
Income tax benefit					1,253,336
Loss for the year					(2,275,803)
Assets:					
Additions to non-current assets	2,556,583	-	-	(iv)	2,556,583
Segment assets	91,546,591	89,651,633	-		181,198,224
Segment liabilities	1,880,914	636,214	-	(v)	2,517,128

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

29. SEGMENT INFORMATION (CONT'D)

(a) Business Segments (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)/profit	(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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

29. SEGMENT INFORMATION (CONT'D)

(a) Business Segments (Cont'd)

- (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:

	2015 RM	2014 RM
Net fair value loss on financial instruments	12,868,417	20,288,704

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

	2015 RM	2014 RM
Impairment (reversal)/loss	(8,405,823)	19,874,813
Write off of amount due to holding company by subsidiaries	(135,414,990)	-
Inter-segment dividend	(10,330,000)	(4,800,000)
	(154,150,813)	15,074,813

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

	Note	2015 RM	2014 RM
Equipment	11	27,992	-
Intangible asset	12	-	8,220
Investment securities	15	2,528,591	-
		2,556,583	8,220

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

	Note	2015 RM	2014 RM
Deferred tax liabilities	23	1,341,362	2,622,090
Trade and sundry payables	24	1,175,766	1,707,562
		2,517,128	4,329,652

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

29. SEGMENT INFORMATION (CONT'D)

(b) Geographical Segments

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

	Revenue RM	Segment assets RM	Capital expenditure RM
2015			
Malaysia	46,912,720	180,510,755	27,992
Hong Kong	17,851,144	687,469	-
Singapore	(848,058)	-	-
Indonesia	2,330,530	-	-
	66,246,336	181,198,224	27,992
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

30. COMPARATIVES

Certain comparatives have been reclassified to conform with current year's presentation as follows:

	As previously reported RM	Reclassification RM	As restated RM
Statements of Cash Flows			
Group			
Cash flows from investing activities			
- Additions in cash management fund	-	(14,533,365)	(14,533,365)
Cash and cash equivalents at beginning of year	42,307,856	(36,825,462)	5,482,394
Cash and cash equivalents at end of year	20,270,065	(14,533,365)	5,736,700
Company			
Cash flows from investing activities			
- Additions in cash management fund	-	(14,533,365)	(14,533,365)
Cash and cash equivalents at beginning of year	41,424,379	(36,825,462)	4,598,917
Cash and cash equivalents at end of year	19,269,148	(14,533,365)	4,735,783

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

31. 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 2015 and 31 December 2014.

The Group includes within net debts, payables less cash, bank balances and cash management fund.

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade and sundry payables	1,175,766	1,707,562	636,214	507,142
Less: Cash, bank balances and cash management fund	(101,019,382)	(57,095,527)	(89,456,627)	(56,094,610)
Net cash	(99,843,616)	(55,387,965)	(88,820,413)	(55,587,468)
Equity attributable to the owners of the Company, representing total capital and net debts	178,681,096	180,032,596	182,813,093	162,162,629
Equity over capital and net debt	-	-	-	-

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

32. DIVIDEND

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

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

The breakdown of the accumulated losses of the Group and of the Company as at 31 December 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 2015		
Total accumulated losses of the Company and its subsidiaries		
- Realised losses	(32,057,965)	(3,532,945)
- Unrealised profits	24,393,023	-
Accumulated losses as per financial statements	(7,664,942)	(3,532,945)

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)

STATEMENT OF DIRECTORS' INTERESTS

AS AT 29 FEBRUARY 2016

SHAREHOLDINGS OF DIRECTORS IN THE COMPANY

Name of Directors	Number of Ordinary Shares of RM0.50 each			
	Direct Interest	%	Indirect Interest	%
1. Tan Sri Ong Leong Huat @ Wong Joo Hwa	-	-	122,611,183 ⁽¹⁾	62.05
2. Yee Chee Wai	-	-	1,000 ⁽²⁾	^
3. Ong Yee Min	229,848	0.12	-	-
4. Leong Keng Yuen	73	^	-	-

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.

SHAREHOLDINGS OF DIRECTOR IN A RELATED CORPORATION

Name of Director & Related Corporation	Number of Ordinary Shares of RM1.00 each			
	Direct Interest	%	Indirect Interest	%
1. Tan Sri Ong Leong Huat @ Wong Joo Hwa's interest in: OSK Equity Holdings Sdn. Bhd.	99,999	99.99	-	-

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 as disclosed above, none of the other Directors in office has any interest in the shares of the Company or its related corporations as at 29 February 2016.

STATEMENT OF SHAREHOLDINGS

AS AT 29 FEBRUARY 2016

Authorised Capital	: RM250,000,000
Issued and fully paid-up capital	: RM98,792,436.00 comprising 197,584,872 Ordinary Shares of RM0.50 each (excluding the treasury shares of 12,000)
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 Holdings	Percentage of Issued Capital
1 – 99	4,211	24.75	80,668	0.04
100 – 1,000	8,992	52.85	3,330,341	1.69
1,001 – 10,000	2,979	17.51	9,423,549	4.77
10,001 – 100,000	728	4.28	21,425,871	10.84
100,001 – 9,879,242*	104	0.61	51,922,313	26.28
9,879,243 and above**	1	0.01	111,402,130	56.38
	17,015	100.00	197,584,872	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 Shareholders	Number of Ordinary Shares of RM0.50 each			
	Direct Interest	%	Indirect Interest	%
1. Tan Sri Ong Leong Huat @ Wong Joo Hwa	-	-	118,394,231 ⁽¹⁾	59.92
2. OSK Equity Holdings Sdn. Bhd.	117,930,830	59.69	-	-

⁽¹⁾ 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 29 FEBRUARY 2016

THIRTY LARGEST REGISTERED HOLDERS

Name	No. of Shares	%
1. OSK Equity Holdings Sdn. Bhd.	111,402,130	56.38
2. RHB Nominees (Tempatan) Sdn. Bhd. OSK Equity Holdings Sdn. Bhd.	6,528,700	3.30
3. Nora Ee Siong Chee	3,750,000	1.90
4. Alliancegroup Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Lim Hun Swee (8108460)	3,021,200	1.53
5. Puan Sri Khor Chai Moi	2,258,132	1.14
6. Maybank Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Teo Huay Siong	1,629,000	0.82
7. Chan Yan Ping	1,576,999	0.80
8. Teo Huay Siong	1,314,720	0.67
9. Lee Hui Gek	1,245,900	0.63
10. Wee Kok Chuan	1,210,000	0.61
11. Grandeur Holdings Sdn. Bhd.	1,129,494	0.57
12. Ong Yee Ching	1,060,678	0.54
13. Nik Alieza Melinee binti Nik Mohamed	1,047,838	0.53
14. Toh Kam Choy	1,000,000	0.51
15. Teo Kwee Hock	982,400	0.50
16. Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lai Siew Leong	775,000	0.39
17. Loh Siew Hooi	745,061	0.38
18. Foo San Kan	668,000	0.34
19. Mary Ang Poh Chan	656,720	0.33
20. Tan Soo Sum	600,000	0.30
21. JF Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teo Siew Lai (Margin)	577,700	0.29
22. Teresa Goh Lean See	547,210	0.28
23. Life Enterprise Sdn. Bhd.	536,090	0.27
24. Teo Ah Khiang @ Chiang Kee Foon	515,000	0.26
25. Siow Cheng Lee	500,000	0.25
26. Pang Boon Wah	491,312	0.25
27. Chor Yen Peng	480,000	0.24
28. Piong Teck Min	478,600	0.24
29. Lim Kim Loy	470,900	0.24
30. OSK Holdings Berhad	463,401	0.23

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

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or

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 Twelfth Annual General Meeting of the Company to be held at the Auditorium, 11th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur on Monday, 18 April 2016 at 9:30 a.m. and at any adjournment thereof, in the manner indicated below:

No.	Agenda			
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and the Auditors thereon.			
		Resolution	For	Against
2.	To approve the payment of Directors' fees of RM190,000.00 for the financial year ended 31 December 2015.	1		
3.	To re-elect Ms. Ong Yee Min who retires by rotation in accordance with Article 94 of the Company's Articles of Association and being eligible, offers herself for re-election.	2		
4.	To re-elect Mr. Leong Keng Yuen 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 2016

*Delete if not applicable

.....
*Signature(s)/Common Seal of Shareholder

NOTES:

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 12 April 2016 ("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.

Fold this for sealing

Affix
Stamp

The Share Registrar
Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

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