OSK VENTURES INTERNATIONAL BERHAD (636117-K)

OSK
FINANCIAL
SERVICES
Private Equity

ANNUAL REPORT 2018

MOVING FORWARD, PROGRESSING TOGETHER.

THE COVER DESIGN OF OUR 2018 ANNUAL REPORT expresses our strategy of growth through diversity.

The five images showcase some of our recent business investments, in areas ranging from FinTech, customer experience, affiliate marketing to education ventures and waste management solutions.

The images are set against a clear white background, symbolising the clarity of our vision to deliver value to our stakeholders and our commitment to move forward and progress together.

15th ANNUAL GENERAL MEETING

Date : 25 April 2019
Time : 10:00 a.m.
Venue : Klang Room
Mezzanine Floor
GTower Hotel
199 Jalan Tun Razak
50400 Kuala Lumpur

CONTENTS

FEATURES IN THIS ANNUAL REPORT

This icon indicates where more details can be accessed elsewhere in this Annual Report.

This icon indicates where more details can be accessed online.

To access our Annual Report, please scan the QR code above with your smart device.

FINANCIAL CALENDAR

ANNOUNCEMENT OF QUARTERLY CONSOLIDATED RESULTS

4TH QUARTER ENDED 31 DECEMBER 2017:
22 FEBRUARY 2018

1ST QUARTER ENDED 31 MARCH 2018:
16 MAY 2018

2ND QUARTER ENDED 30 JUNE 2018:
15 AUGUST 2018

3RD QUARTER ENDED 30 SEPTEMBER 2018:
14 NOVEMBER 2018

4TH QUARTER ENDED 31 DECEMBER 2018:
21 FEBRUARY 2019

DIVIDEND

FOR FINANCIAL YEAR ENDED
31 DECEMBER 2017

Final Single-Tier Dividend of 5.0 sen per ordinary share

Entitlement Date:
3 May 2018

Payment Date:
17 May 2018

ANNUAL GENERAL MEETING

Notice of 14th Annual General Meeting:
28 March 2018

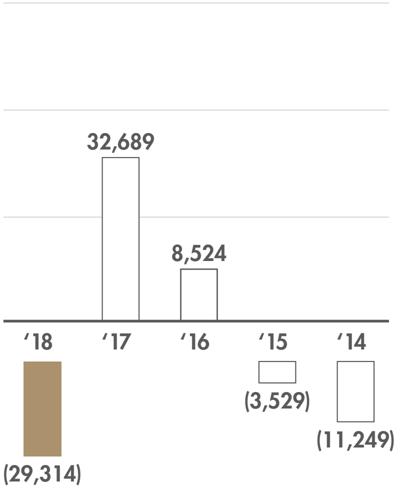
14th Annual General Meeting:
26 April 2018

FIVE-YEAR GROUP FINANCIAL SUMMARY

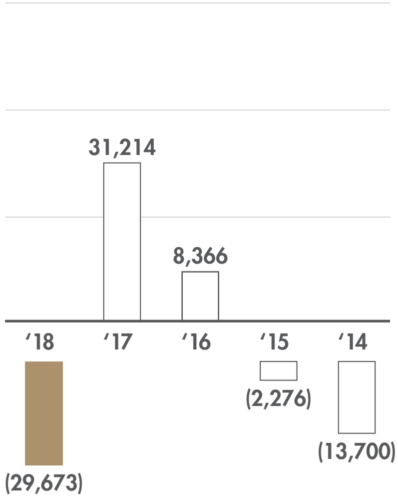
(RM'000)	2018	2017	2016	2015	2014
(Loss)/Profit before Tax	(29,314)	32,689	8,524	(3,529)	(11,249)
(Loss)/Profit attributable to Equity Owners of the Company	(29,673)	31,214	8,366	(2,276)	(13,700)
Total Assets	183,357	217,364	189,524	181,198	184,362
Total Liabilities	9,248	3,760	2,604	2,517	4,330
Net Assets attributable to Equity Owners of the Company (Shareholders' Funds)	174,109	213,604	186,920	178,681	180,033
Number of Outstanding Ordinary Shares as Issued and Fully Paid ('000 shares), exclude Treasury Shares held	196,445	196,445	197,445	197,585	195,735
Basic (Loss)/Earnings per Share (sen)	(15.11)	15.82	4.23	(1.16)	(7.00)
Gross Dividends per Share (sen) Declared	-	5.00	2.00	-	2.00
Net Assets per Share attributable to Equity Owners of the Company (RM)	0.89	1.09	0.95	0.90	0.92
Closing Share Price at end of the year (RM)	0.540	0.660	0.460	0.460	0.590

Five-Year Group Financial Summary

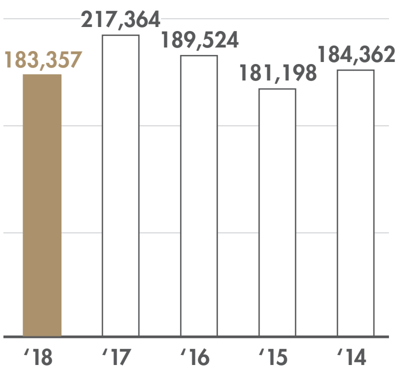
(Loss)/Profit before Tax
(RM'000)



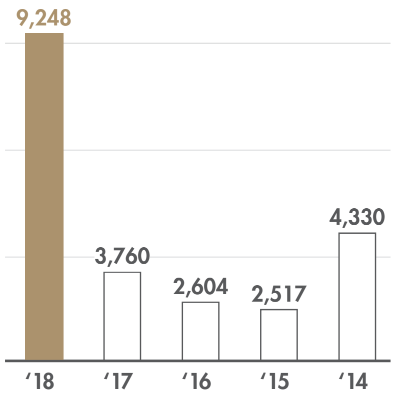
(Loss)/Profit attributable to Equity Owners of the Company
(RM'000)



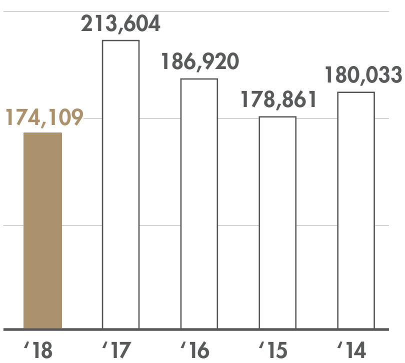
Total Assets
(RM'000)



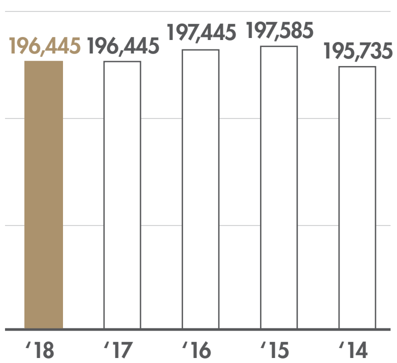
Total Liabilities
(RM'000)



Net Assets attributable to Equity Owners of the Company (Shareholders' Funds)
(RM'000)

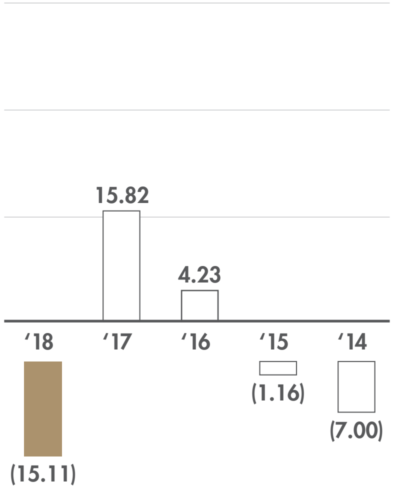


Number of Outstanding Ordinary Shares as Issued and Fully Paid, exclude Treasury Shares held
('000 shares)

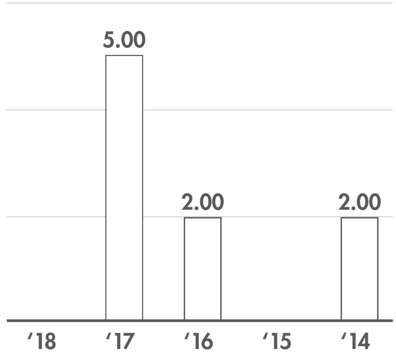


Five-Year Group Financial Summary

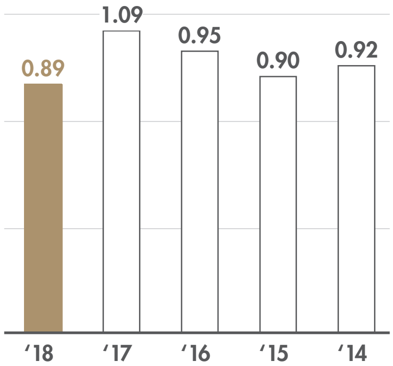
Basic (Loss)/Earnings per Share (sen)



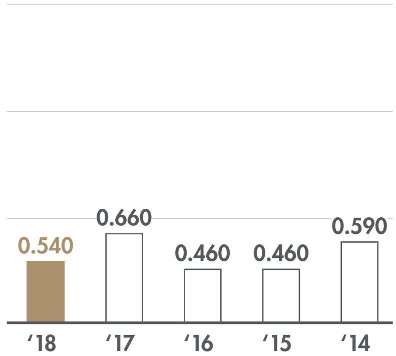
Gross Dividends per Share Declared (sen)



Net Assets per Share attributable to Equity Owners of the Company (RM)



Closing Share Price at end of the year (RM)



THE YEAR 2018 IN REVIEW

FEB

OSKVI together with OSK Foundation ("OSKF") hosted underserved families at the Great Heart Community Centre in Klang. Through the Gifts of Hope programme, the families were treated to fun-filled Chinese New Year themed activities, family portrait sessions and ang pows to help with the families' festive expenditures.

FEB

OSKVI divested its stake in Brightan System Sdn. Bhd. in February 2018, the company behind the leading online job platforms MauKerja, RiceBowl, InternSheep and InSights, a retail focused Applicant Tracking System.

FEB

OSKVI invested into TruRating, a marketing technology company offering retailers and restaurants a feedback platform at the point of payment for both offline and online transactions. Its Software-as-a-Service ("SaaS") payment terminal-based feedback system provides its customers real time analytics and more than 90% response rate on the surveys.

MAR

OSKVI participated in the Recycling Right campaign organised by OSK Group and recorded a total collection of 122.3kg of different types of recyclable items, which was equivalent to a CO_2 emission reduction of 66.5kg.

MAR

Ladies from OSKVI and OSK Group learnt basic self-defence techniques in conjunction with the International Women's Day. The workshop by SheFights aimed to raise awareness on the importance of personal wellness and self-defence.

APR

OSKVI invested into BrideStory, the leading Southeast Asian wedding marketplace and vendor directory.

The Year 2018 in Review

MAY

In conjunction with the World Day for Safety and Health at Work, OSKVI joined OSK Group in a lunch talk on the importance of ergonomics at the workplace. Participants learnt how to prevent and reduce discomfort and injury at the workplace due primarily to incorrect postures and wrong configuration of computer workstations.

JUN

OSKVI and OSKF continued to spread festive cheer to 15 single mothers and their families from SURI at a Buka Puasa at Swiss-Garden Hotel & Residences Kuala Lumpur. SURI is a social enterprise that strives to empower low-income single mothers by providing them with an avenue for additional income.

JUN

OSKVI in partnership with Help University organised an Ideation Competition aimed to provide students with a platform to present their innovative ideas to improve the way we live and work.

JUN

OSKVI invested into Involve Asia, an affiliate marketing platform that helps connect advertisers of various sectors and industries with more than 23,000 publishers in the region through Involve Asia's proprietary deep link technology.

INVOLVE ASIA

JUL

OSKVI took part in OSK Group's 2018 Annual Dinner themed 'Magical World of Fantasy'. This annual event was organised to build a stronger bond between employees and management in a casual environment.

JUL

OSKVI established a joint venture fund, namely "OSK-SBI Dynamic Growth Fund" with SBI Holdings, Inc., a financial services firm based in Japan.

SBI Holdings

JUL

Two teams from OSKVI and OSK Group returned for the second year to compete in The Edge Kuala Lumpur Rat Race 2018 held at Padang Merbok.

AUG

OSKVI participated in a lunch talk on 'Self Care: Caring for My Mental Health' by Befrienders KL which focused on mental health stresses as well as tips to manage stress and overall emotional well-being.

SEP

OSKVI invested into LittleLives, a preschool management platform with presence in Malaysia, Singapore, China, Vietnam, Cambodia and Brunei.

LittleLives

OCT

OSKVI joined in a movie night as part of our employee engagement programme.

The Year 2018 in Review

NOV

OSKVI organised a Pitch4Biz event as a platform to assist new start-ups and tech companies to pitch their business to OSK Property and OSK Construction. Pitch4Biz provides direct feedback from stakeholders and key decision makers.

NOV

OSKVI invested into the newly-merged entity comprising SESAMi Holding, one of Singapore's leading e-procurement platforms and Capital Match Holdings, the leading P2P invoice financing platform in Singapore and Hong Kong.

NOV

OSKVI invested into 4xLabs, a FinTech startup headquartered in Singapore which developed cloud-based services to address the demand in the money exchange market and money service businesses globally. 4xLabs has also launched the world's first SaaS-enabled wholesale marketplace for banknotes.

NOV

OSKVI collaborated with OSK Group to organise an annual health week incorporating a Zumba workout, an eye & health check and a blood donation in support of the National Blood Bank.

NOV

OSKVI leaders took part in a 3.5-month Leadership Development Programme using the OSK Leadership Competency Framework to address coaching and developing others as well as building organisational talent.

DEC

Employees and management of OSKVI adopted and decorated a christmas tree through the Atria Shopping Gallery and OSKF's Adopt A Christmas Tree campaign. Earlier on, OSKVI joined OSKF in sharing the joy of Christmas with children from Praise Emmanuel Children's Home and Rumah Shalom as they got together for a day of fun at Atria Shopping Gallery.

DEC

OSKVI invested into Blue Planet Environmental Solutions, a regional waste management company headquartered in Singapore focusing on technology-driven end-to-end triple-bottom line framework waste solutions.

MEDIA HIGHLIGHTS

OSKVI labur dalam syarikat urus sisa dari Singapura

OSK Ventures International Bhd (OSKVI) mengumumkan ia akan melabur dalam Blue Planet Environmental Solutions yang berpangkalan di Singapura.

Blue Planet adalah syarikat pengurusan sisa serantau yang beribu pejabat di Singapura memberi tumpuan kepada penyelesaian sisa secara menyeluruh yang dipacu oleh teknologi.

OSKVI berkata, Blue Planet mempunyai tawaran bersepadu dalam rantaian nilai pengurusan sisa dan dengan pelaburan daripada OSKVI, ia akan terus memperoleh teknologi yang inovatif untuk menguruskan aliran sisa organik dan bukan organik yang disesuaikan dengan keperluan rantau ini.

Sedia penyelesaian pengurusan sisa

"Ini termasuk penyelesaian untuk menukar sisa plastik kepada diesel penggunaan komersial dan memproses sisa organik kepada kompos dan biogas.

"Blue Planet menyediakan spektrum penyelesaian pengurusan sisa yang luas meliputi kitaran hayat sisa, daripada pengumpulan kepada pemulihan sumber, dalam usaha untuk mencapai dasar 'sifar sisa pembuangan ke tapak pelupusan'," katanya dalam kenyataan, semalam.

Ketua Pegawai Operasi OSKVI, Patrick Yee, berkata syarikat berharap dapat berkembang bersama Blue Planet dan pada masa sama, menyumbang kepada impak sosial yang lebih besar, terutamanya berkaitan alam sekitar.

OSKVI yang disenaraikan di Bursa Malaysia adalah syarikat ekuiti swasta yang berpangkalan di Malaysia, menyediakan modal ekuiti kepada syarikat daripada syarikat pemula niaga yang menjana pendapatan kepada perusahaan kecil dan sederhana.

Sejak penubuhannya pada 2000, OSKVI telah membimbing pelbagai syarikat melakukan jualan dan tawaran awam permulaan.

BERNAMA

Deal Street Asia

Malaysia: OSK-SBI Fund to seal its first investment in a year, targets Asean startups

Fresh from the launch of a joint $20-million private equity fund with Japan's SBI Holdings, Malaysia-based OSK Ventures International Bhd (OSKVI) is looking to close its first investment in 12 months, a top executive from the firm told this portal.

With an initial commitment of $20 million, OSK-SBI Dynamic Growth Fund will have a lifespan of five years with a focus on investing in private startups in ASEAN.

"Our fund's mandate is very attractive to high growth, small to medium sized enterprises across the region and this has resulted in a strong pipeline of investment opportunities," said OSKVI chief operating officer and executive director, Patrick Yee.

With the initial commitment of $20 million, Yee shared that the fund will be constructing its maiden portfolio with "three to four very exciting entrepreneurial-led companies" operating in Southeast Asia across various sectors.

"For the OSK-SBI Fund, our sweet spot is between $4-5 million," he said, adding that the fund will only make direct investments and is not mandated to look at investing in a fund-of-funds structure.

In addition, apart from the initial $20 million commitment where each has contributed equally to the fund, OSKVI and SBI plan to expand the fund's investor base in the future. The fund will look to tap on ultra-high net worth individuals, pension funds and insurance companies in the region as well as Japan to increase its corpus size.

www.dealstreetasia.com

OSK Ventures, Japan's SBI Group set up joint private equity fund

BY SYAHIRAH SYED JAAFAR

KUALA LUMPUR: OSK Ventures International Bhd (OSKVI) has established a joint-venture fund with Japan's SBI Holdings Inc, aimed at investing in promising private companies within the Asean region.

Dubbed OSK-SBI Dynamic Growth Fund, the initial total commitment amount of the fund is US$20 million (RM81.2 million), of which OSKVI and SBI Group will contribute 50% each.

In a joint statement yesterday, OSKVI and SBI Group said they plan to add additional investors in the future, in parallel with investing activities.

OSKVI shares closed up one sen or 1.92% at 53 sen yesterday, with a market capitalisation of RM104.12 million.

侨丰创投进军废弃物管理

（吉隆坡19日讯）侨丰创投（OSKVI，0053，创业板）宣布，多元化投资至新加坡的废弃物管理公司——蓝星球环境方案公司（Blue Planet Environmental Solutions），盼能对环境保护做出贡献。

该公司营运总监余志伟通过文告指出，对于能投资绿色技术领域感到兴奋。

"蓝星球环境方案在发展绿色能源方面，拥有卓越技术，在废弃物管理方案方面也创下优良纪录。我们期望能与这公司一同壮大，同时也能在社会发展方面有所贡献。"

蓝星球环境方案公司在废弃物管理方面，拥有业务整合的价值业务链，随着侨丰创投确定投资，将继续引进创新技术，管理内部与其他废弃物管理业务链。

"引进的创新技术中，包括将薄膜塑料转化为商业用柴油、将市政府级别的有机废弃物转化为堆肥及沼气等，尽可能达零浪费与零填埋政策。"

去年售股近6.5%

蓝星球环境方案创办人兼总执行长布朗桑星补充，随着侨丰创投的合作，有助公司继续拓展区域业务。

另一方面，侨丰创投也向交易所报备，过去一年脱售的股票已超出最新已审核净资产的5%，共计1387万令吉或6.49%。

Platform to exchange study materials

THE BooksMart.my emerged as the winning team in the first OSKVI-HELP Ideation Competition, beating theother shortlisted six contenders.

In the competition, OSK Ventures International (OSKVI) enlisted teams of students from HELP University to develop creative solutions to improve the way we live and work and generate ideas that could meet the demands of an ever-changing environment.

The BooksMart.my team, comprises two students from HELP University's Faculty of Business, Economics and Accounting, Ivan Ten and Moo Shuk Mun.

The team proposed an innovative peer-to-peer platform that allows students to exchange educational materials and lends a refreshing new twist to the book buying ballgame.

"One of our main challenges was perfecting our presentation on the whole idea of our business in a comprehensive manner," said Ten.

He said the experiences gained at HELP through taking part in extracurricular activities have set them apart from their studies.

"We cultivated an attitude to learn more and to develop ourselves," he said.

The team made an impressive social networking platform model that validated the demand and price increase concept.

Two other top winners, Help Squad and Team Novelty, focused on transportation technology.

They developed road safety awareness and a ride sharing platform.

This leveraged on promoting convenience and safe travelling.

All seven finalists each proposed completely different and unique ideas to a panel of judges in their final pitching review at Plaza OSK.

Teams were judged based on their capabilities to solve problems, value creation and market opportunity. Launched in April, many ideas were received.

These ranged from mobile applications to artificial intelligence and social enterprises, all catered towards innovation and better living.

"OSKVI is proud to work with HELP University in our first Ideation Competition.

"This has brought some fresh and exciting ideas from the students.

"It was also refreshing to see how engaged the students were," said OSKVI executive director Amelia Ong.

The judges, OSKVI and HELP may continue to work with a selection of the teams to perfect their proposals and business models and prepare them for further capital raising sessions," said HELP International Corporation executive director Adam Chan.

"All teams will have access to the HELP Business Analytics and Innovation Hub, which will be located at Wisma ELM and our Subang campus.

"The hub will provide students from HELP and other tertiary institutions, with the opportunities to be mentored by techno-entrepreneurs, private equity providers and angel investors from Asia and world-wide," he said.

The HELP Business Analytics and Innovation Hub, Chan added, will be the largest such facility in Malaysia. "Our mission for the hub is to nurture innovation and entrepreneurship talents to contribute to the new Asian renaissance," he added.

As part of the competition, the participants attended a two-day workshop where they were exposed to the basic fundamentals of entrepreneurship and starting a business/startup through sessions with professionals.

"I hope that this is the start, a small start, but a very significant start in our culture to encourage techno-entrepreneurship and to train people to incubate you.

"It may be a long process and a challenging one," said HELP University president and vice-chancellor Prof Datuk Dr Paul Chan in his opening speech to the students.

Ten (left) and Moo made up the team with their winning idea.

OSK Ventures emerges as significant shareholder in new fintech entity

KUALA LUMPUR (Nov 9): Private equity firm OSK Ventures International Bhd (OSKVI) has emerged as a significant shareholder in a newly-merged entity that provides fully-integrated supply chain financing solution to corporates.

Known as SESAMi-Capital Match, the company is a merger between SESAMi Holding — the largest e-procurement platform in Singapore, and Capital Match Holdings — the leading invoice financing platform present in Singapore and Hong Kong.

SESAMi and Capital Match had recently announced their equity merger on Nov 7.

In a statement today, OSKVI said the merger will see a combined entity with last year's pro forma revenue of more than S$30 million (RM91 million) and profitable on an earnings before interest, taxes, depreciation and amortisation (Ebitda) basis.

侨丰与日本SBI合设新基金

吉隆坡30日讯｜侨丰国际基金（OSKVI，0053，创业板）宣布与日本SBI控股株式会社成立「OSK-SBI动态增长基金（Dynamic Growth Fund）」。

该资金的主要投资目标群东盟地区的私营公司，第一笔基金总额为2000万美元，两家公司各出资一半。

两家公司都希望在未来引进更多投资者，以便与投资活动同步增长。

侨丰国际基金是一家私募基金公司，投资在创投公司及拥有良好营运盈利并寻求扩充的公司。自2000年成立以来，该公司协助多家公司进行首次招股活动及售股活动。

SBI控股株式会社是日本最大风险投资及私募股权投资公司，并且一直与新兴国家合作，以扩展业务。SBI控股株式会社将继续增加全球的投资业务，尤其亚洲地区。

WHO WE ARE

CORPORATE INFORMATION

BOARD OF DIRECTORS

Leong Keng Yuen
Independent Non-Executive Chairman

Yee Chee Wai
Executive Director/ Chief Operating Officer

Ong Yee Min
Executive Director

Dr. Ngo Get Ping
Senior Independent Non-Executive Director

Dato' Thanarajasingam Subramaniam
Independent Non-Executive Director

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

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

21st Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel. No. : (603) 2166 6225
Fax No. : (603) 2026 6331

PRINCIPAL BUSINESS ADDRESS

21st 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

AS AT 28 FEBRUARY 2019

OSK
FINANCIAL
SERVICES
Private Equity

OSK VENTURES INTERNATIONAL BERHAD (636117-K)

- OSK Venture Equities Sdn. Bhd. (505788-D)
  100%
- OSK Technology Ventures Sdn. Bhd. (319604-V)
  100%
- OSK Capital Partners Sdn. Bhd. (682948-W)
  100%
- OSK Loan Ventures Sdn. Bhd. (428444-T)
  100%
- OSK Ventures International Limited (1061002)
  100%
  (in the process of deregistration)
- OSK-SBI Venture Partners Ltd (LL14744)
  50%

DIRECTORS' PROFILE

Leong Keng Yuen

Independent Non-Executive Chairman

NATIONALITY:

AGE:
68

GENDER:

QUALIFICATION:

- Chartered Accountant and a member of the Malaysian Institute of Accountants
- Master of Science in Management from Massachusetts Institute of Technology
- Bachelor of Engineering (First Class Honours) from University of Queensland, Australia

BOARD MEETING ATTENDANCE IN FY2018:
4/4

Mr. Leong Keng Yuen is the Independent Non-Executive Chairman of the Company. He was first appointed to the Board of the Company on 10 April 2013 as the Senior Independent Non-Executive Director and was then re-designated to his current position on 18 April 2017. He is also a member of the Audit Committee, Nomination and Remuneration Committee and Risk Management Committee of the Company.

Mr. Leong 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 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 OSK Holdings Berhad, 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 five (5) years other than traffic offences, if any.

Mr. Leong attended all the four (4) Board Meetings of the Company held during the financial year ended 31 December 2018.

Yee Chee Wai

Executive Director/ Chief Operating Officer

NATIONALITY:

AGE:
54

GENDER:

QUALIFICATION:

- Member of the Malaysian Institute of Accountants as a Chartered Accountant
- Member of the Malaysian Institute of Certified Public Accountants as a Certified Public Accountant

BOARD MEETING ATTENDANCE IN FY2018:
4/4

Mr. Yee Chee Wai is the Executive Director/Chief Operating Officer of the Company. He was appointed to the Board of the Company on 18 April 2008. He is also a Key Senior Management of the Company.

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.

Mr. Yee 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 five (5) years other than traffic offences, if any.

Mr. Yee attended all the four (4) Board Meetings of the Company held during the financial year ended 31 December 2018.

Directors' Profile

Ong Yee Min

Executive Director

NATIONALITY:

AGE:
35

GENDER:

QUALIFICATION:
- Bachelor of Banking & Finance from Monash University, Australia
- Bachelor of Computing from Monash University, Australia

BOARD MEETING ATTENDANCE IN FY2018:
4/4

Ms. Ong Yee Min is the Executive Director of the Company and was appointed to the Board of the Company on 1 September 2011. She is also a Key Senior Management of the Company.

Ms. Ong is a graduate of Monash University, Australia, with a Bachelor of Banking & Finance and a Bachelor of Computing. She has worked in leading financial institutions in Malaysia and Hong Kong where she was involved in managing and growing the banking portfolio of local corporations and financial institutions as clients. Since joining the Company, she has been actively involved in the joint management and strategic planning of the Group.

Ms. Ong is the daughter of Tan Sri Ong Leong Huat @ Wong Joo Hwa, a major shareholder of the Company. She does not have any conflict of interest with the Company and she has no conviction for any offences within the past five (5) years other than traffic offences, if any.

Ms. Ong attended all the four (4) Board Meetings of the Company held during the financial year ended 31 December 2018.

Dr. Ngo Get Ping

Senior Independent Non-Executive Director

NATIONALITY:

AGE:
60

GENDER:

QUALIFICATION:
- University of Oxford (UK) with a DPhil in Metallurgy
- University of Sussex (UK) with First Class Honours Degree in Bachelor of Science (Structural Engineering)

BOARD MEETING ATTENDANCE IN FY2018:
4/4

Dr. Ngo Get Ping is the Senior Independent Non-Executive Director of the Company. He was first appointed to the Board of the Company on 7 March 2013 as the Independent Non-Executive Director and was then re-designated to his current position on 18 April 2017. He is the Chairman of the Risk Management Committee and Nomination and Remuneration Committee and a member of the Audit Committee of the Company.

Dr. Ngo graduated from University of Sussex (UK) and University of Oxford (UK) with First Class Honours Degree in Bachelor of Science (Structural Engineering) in 1981 and Doctor of Philosophy in Metallurgy in 1985, respectively. He was awarded the prize for outstanding undergraduate work by the Institute of Civil Engineers, UK, in 1981.

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 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 five (5) years other than traffic offences, if any.

Dr. Ngo attended all the four (4) Board Meetings of the Company held during the financial year ended 31 December 2018.

Dato' Thanarajasingam Subramaniam

Independent Non-Executive Director

NATIONALITY:

AGE:
68

GENDER:

QUALIFICATION:

- Master of Arts from New York University
- University of Malaya with Bachelor of Arts

BOARD MEETING ATTENDANCE IN FY2018:
4/4

Dato' Thanarajasingam Subramaniam is an Independent Non-Executive Director of the Company and was appointed to the Board of the Company on 15 May 2013. He is the Chairman of the Audit Committee and a member of the Risk Management Committee and Nomination and Remuneration 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.

He had also served on MRCB Quill Management Board until January 2019.

Currently, he is a Member of Ambassadorial Advisory Panel, InvestKL.

Dato' Thanarajasingam is also the Senior Independent Non-Executive Director of OSK Holdings Berhad.

Dato' Thanarajasingam 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 five (5) years other than traffic offences, if any.

Dato' Thanarajasingam attended all the four (4) Board Meetings of the Company held during the financial year ended 31 December 2018.

KEY SENIOR MANAGEMENT'S PROFILE

For Key Senior Management Profiles of Mr. Yee Chee Wai and Ms. Ong Yee Min, kindly refer to the Directors' Profile in this Annual Report.

Ong Shew Sze

Associate Director,
Finance and Administration

NATIONALITY:

AGE:
38

GENDER:

QUALIFICATION:
- Fellow of the Association of Chartered Certified Accountants

Ms. Ong Shew Sze was appointed as the Head of Finance of OSKVI Group on 17 February 2014. Subsequently, she was promoted as Associate Director, Finance and Administration on 1 January 2018.

Ms. Ong is a Fellow of the Association of Chartered Certified Accountants.

Ms. Ong began her career in auditing in Ireland for three (3) years before returning to Malaysia. Prior to joining OSKVI Group in 2010, Ms. Ong was attached to a tele-communication firm where her last position held was Finance Manager where she was in charge of the full spectrum of financial reporting and responsible for special projects in setting up overseas subsidiaries.

Ms. Ong does not hold any directorship in any public companies.

Ms. Ong does not have any family relationship with the Directors and/or major shareholders of the Company. She has no conflict of interest with the Company and she has no conviction for any offences within the past five (5) years other than traffic offences, if any.

FROM OUR LEADERS

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors, it is my pleasure to present to you the Annual Report for OSK Ventures International Berhad ("OSKVI" or "the Company") for the financial year ended 31 December 2018.

In the past year, OSKVI continued to expand its investment portfolio with new private investments into various industries including technology, education, FinTech and waste management.

FINANCIAL PERFORMANCE

2018 has been a challenging year for businesses as we experienced significant uncertainties due to many local and global factors such as the unprecedented change in the local political landscape, sell-down in equity markets globally as well as volatile currency and oil prices. Amidst this challenging landscape and despite being profitable in the second and third quarters of 2018, the Company's overall financial performance has been negatively impacted due to our public investments being affected by the adverse and volatile financial market conditions particularly in the last quarter of the year.

During the financial year under review, OSKVI registered a loss attributable to owners of the Company of RM29.67 million as compared to a profit attributable to owners of the Company of RM31.21 million for the preceding financial year. Total assets stood at RM183.36 million with shareholders' funds recorded at RM174.11 million as at 31 December 2018, compared to RM217.36 million and RM213.60 million respectively as at the end of 2017.

A detailed discussion of the Company's business and financial performance can be found in the Management Discussion & Analysis included in this Annual Report.

PORTFOLIO UPDATES

In the past year, the Company continued to expand its investment portfolio with new private investments into various industries including technology, education, FinTech and waste management. Many of the companies are market leaders in their respective fields and in addition to their core product offerings, provide angles for growth into data analytics and other revenue streams.

On an amalgamated basis, these new portfolio companies provide footprint across 12 countries and most importantly, are run by passionate and responsible management teams disrupting the status quo and providing their customers the capability of a higher level of transparency and higher operating efficiencies through their products and services.

The Company also established a joint venture fund, namely "OSK-SBI Dynamic Growth Fund" with SBI Holdings, Inc., a financial services firm based in Japan. Aside from the private investments, our team of portfolio managers continue to actively manage our public investments carefully in light of the volatile market conditions.

Further details on these investments can be found in the Management Discussion & Analysis included in this Annual Report.

OSKVI opened doors for businesses and students to expand their horizons through organising Pitch4Biz and the OSKVI-HELP Ideation Competition.

SUSTAINABILITY JOURNEY

OSKVI maintains that sustainability is key to our long-term business success and we are committed to embed the philosophy of sustainability across our business operations. In 2018, we reviewed our sustainability matters on a more holistic manner by embarking on an exercise to identify our stakeholders and material sustainability matters for the Group. In line with these insights, we intend to update our sustainability policy and framework for the Group in 2019.

OSKVI strives to be an enabler in the industry and this year, we opened doors for businesses and students to expand their horizons through organising Pitch4Biz and the OSKVI-HELP Ideation Competition. As a member of OSK Foundation, the philanthropic arm of OSK Group, the Company continued to actively participate in various programmes designed to give back to the underserved communities.

You can read more about these efforts in the Sustainability Report included in this Annual Report.

OSKVI-HELP Ideation Competition gave students an avenue to explore their creative ideas

Pitch4Biz pitching in session

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I wish to extend our gratitude to the management and employees for dedicating their passion, professionalism and hard work towards meeting the goals and aspirations of the Company. To our esteemed shareholders and business partners, we thank you for your continuous trust and support to the Group. The Group would not be where it is today without your support.

With the continued partnership and support from all our stakeholders, I believe OSKVI will continue contributing positively to the venture capital and private equity industry in Malaysia and that the Company is well positioned to continue creating long-term value for all our stakeholders.

Leong Keng Yuen
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS

OSK Ventures International Berhad ("OSKVI" or "the Company") and its subsidiaries (collectively referred to as "the Group") are involved in the venture capital and private equity business. The Group provides equity capital to companies ranging from revenue-generating start-ups to late stage growth companies with operating profit track records seeking expansion capital for restructuring or growth acceleration purposes. The Group also seeks out investment opportunities in public listed companies in both the domestic and overseas markets.

FINANCIAL PERFORMANCE

In 2018, the Group reported a loss after tax of RM29.67 million as compared to a profit after tax of RM31.21 million in the preceding financial year.

Financial Result	2018 RM'000	2017 RM'000	% Change
Operating Income	(24,744)	37,162	-167%
Other Income	-	1	-100%
Foreign Exchange Gain/(Loss)	631	(108)	+684%
Operating Expenses	(5,136)	(4,366)	+18%
Operating (Loss)/Profit	(29,249)	32,689	-189%
Share of Results of a Joint Venture	(65)	-	-
(Loss)/Profit Before Tax	(29,314)	32,689	-190%
Income Tax Expense	(359)	(1,475)	-76%
(Loss)/Profit After Tax	(29,673)	31,214	-195%

A negative operating income of RM24.74 million in 2018 was reported as compared to an operating income of RM37.16 million in 2017. This was attributed to a net fair value loss incurred on financial assets in 2018. In 2017, the Group registered a net fair value gain on financial assets of RM32.86 million.

The Board of Directors does not recommend the payment of dividend for the financial year 2018.

OPERATIONAL REVIEW

The year 2018 has been a mixed year for the Group with our private investment portfolio having recorded several new additions and a divestment while our public investment portfolio encountered a volatile year in line with the global markets.

The private investment portfolio has grown with new cohort of venture capital investments into BrideStory Pte Ltd ("BrideStory"), Involve Asia Sdn. Bhd. ("Involve Asia"), Little Lives Pte Ltd ("Little Lives"), SESAMi Holdings Pte Ltd ("SESAMi"), TruRating Ltd ("TruRating") and Blue Planet Environmental Solutions Pte Ltd ("BPES"). The following provides a snapshot of these new portfolio additions:

Involve Asia

Involve Asia runs and manages the affiliate programmes for over 1,700 online merchants across South East Asia ("SEA") and works with over 23,000 publishers on its network to run performance and affiliate campaigns for advertisers seeking to reach out to the growing e-commerce segment in Asia.

BrideStory

With over 20,000 vendors spread out across SEA, BrideStory is SEA's leading wedding marketplace that provides OSKVI with an interesting exposure to SEA and young family segments.

Little Lives

Ranked the #1 provider of Software-as-a-Service ("SaaS") by the Association for Early Childhood Educators Singapore, Little Lives provides total solutions for preschools covering various daily administrative processes such as attendance-taking, health checks and e-portfolio the paperless way. With more than 50% of market share in Singapore, Little Lives is working on replicating their success regionally across Malaysia, Vietnam, Brunei and China.

Management Discussion & Analysis

SESAMi

In conjunction with our investment, SESAMi, the leading e-procurement platform in Singapore, has merged with Capital Match (Holdings) Pte Ltd, one of Singapore's leading peer-to-peer platforms ("P2P") focusing on invoice financing to result in a combined entity that is expected to yield significant operational synergies and a crucial heads up in the growing P2P space in the region.

TruRating

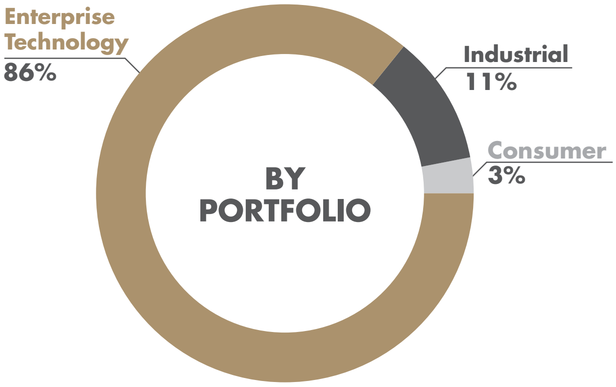
Further away from SEA, TruRating has enabled various multi-chain stores to obtain real time customer insights from both the traditional and omnichannel smart POS systems across the US, UK, Canada and ANZ markets. Our investment in TruRating represents an important exposure to big data enabled retail space in the developed markets.

BPES

Our investment into BPES marks our return to the environmental services space and adjacent to it, the growing renewable energy segment in Asian region. Singapore-headquartered BPES possesses various organic and non-organic waste processing capabilities and has recently completed various acquisitions that provides access to Asia's growing waste management and recycling needs.

Together, our 2018 cohort of private investments grants us increased exposure surrounding the growing themes of increasing e-commerce adoption (Involve Asia), growing middle and affluent young families (BrideStory & Little Lives), retail big data (TruRating), integrated trade finance (SESAMi) to a more socially responsible and sustainable waste management (BPES), and actionable insights surrounding the key themes as we move along the year 2019.

The following provides a snapshot of the private investment portfolio by industry:



Our existing portfolio companies are growing well with a couple of them at various stages of fundraising exercise at above our entry prices in the next 18 months.

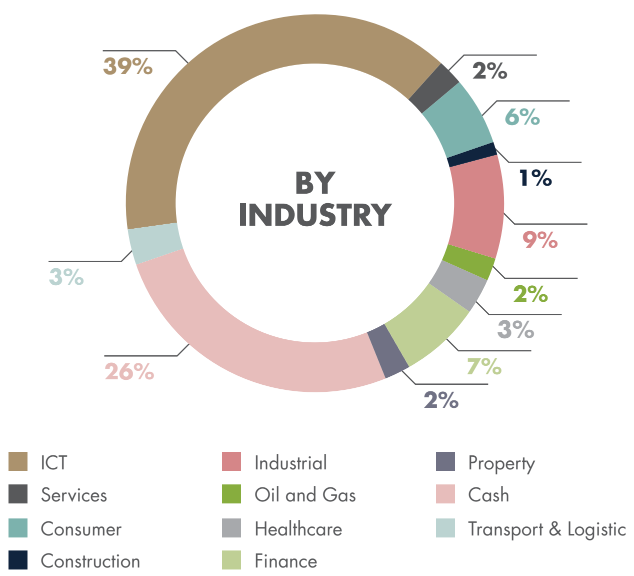
Our existing portfolio companies are growing well with a couple of them at various stages of fundraising exercise at above our entry prices in the next 18 months. Most of the portfolio companies have all grown in their headcount, sophistication of their product offerings and customer base. Depending on their needs, we work with them on board oversight, corporate governance improvements, process re-engineering, business introductions and at times, simply to provide them with encouragement and mentoring.

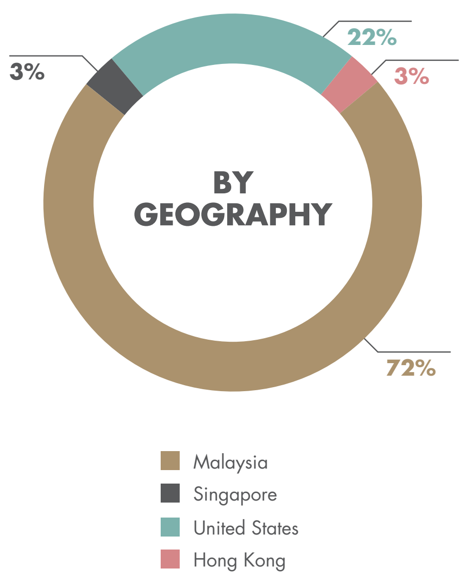
In terms of significant portfolio movements, we had a robust exit on our investment in Brightan Systems ("Maukerja") with a trade sale to a strategic corporation in the Asia Pacific recruitment industry. Maukerja continues to be a strong contender in their industry and we are pleased to have played a role in their growth. On a negative note, however, we wrote down our investment in School Places following the impending dissolution of the company due to its inability to sustain itself during 2018.

Within the public investment portfolio, we faced high volatility in 2018, which resulted in negative returns in most major markets, including Malaysia. In terms of performance, the portfolio performed 3.7% lower as compared to the relative benchmarks of the portfolio. The benchmarks we use for this purpose are FBM EMAS Index and MSCI World Index for the Malaysian and Foreign portfolios respectively.

During the year, we have taken measures to reduce volatility in our public investment portfolio by further diversifying and reducing our portfolio size at the end of 2018 with a net disposal position of RM39 million.

Snapshot of our public investment portfolio by industry and geography:





CORPORATE DEVELOPMENTS

Joint Venture

On 18 May 2018, the Company subscribed One Hundred Thousand (100,000) ordinary shares of USD1.00 each representing 50% of the enlarged share capital of OSK-SBI Venture Partners Ltd (Company No. LL14744) ("OSK-SBI") for a total cash consideration of USD100,000.

OSK-SBI was incorporated in the Federal Territory of Labuan, Malaysia under the Labuan Companies Act, 1990 with a total paid-up capital of USD200,000 comprising 200,000 ordinary shares of USD1.00 each. The principal activity of OSK-SBI is the fund manager of a private fund.

This fund will focus on providing funding for ambitious and scalable small and medium enterprises ("SMEs") in the SEA region. Investments made will be for minority shareholding positions and the funding used to provide the SMEs with the capital to grow and develop at an accelerated scale.

Share Buyback

Shareholders' approval was obtained at the last annual general meeting, held on 26 April 2018, for the purchase of up to 10% of the total issued and paid-up share capital of OSKVI. There were no share buybacks during the financial year. The shares repurchased are being held as treasury shares and treated in accordance with the requirements of Section 127 of the Companies Act 2016.

OSKVI subscribed 100,000 ordinary shares of USD1.00 each representing 50% of the enlarged share capital of OSK-SBI Venture Partners Ltd.

Malaysia's economic growth is expected to improve to 4.9% in 2019, supported by sound domestic demand and increasing private investment.

OUTLOOK FOR 2019

In 2018, global growth has moderated to 3.0% impacted by onset of slowing down of major world economies. In 2019, global growth is forecasted to be lower at 2.9% with advanced economies growing at a slower pace of 2.0%, whilst growth in the emerging and developing economies is projected to lose their momentum to 4.2% in 2019.

The key factors impacting the global economies are the ongoing US-China trade war, the slowing of China's economy, and the continuing tightening of monetary policies in the advanced economies.

For Malaysia, the economy grew at 4.7% in 2018. It is expected to improve to 4.9% in 2019, supported by sound domestic demand and increasing private investment.

Global markets have faced high market volatility in 2018 and market volatility is expected to continue as a result of market uncertainties. Nevertheless, as valuation has come down considerably, there are opportunities in the equity markets in this matured cycle.

In 2019, while maintaining a cautious approach, we will continue to be in active investment mode which would see an increase to the size of our private investment portfolio. To date, we have already closed a few investments and we expect to secure more deals by year end. As for our joint venture, OSK-SBI Private Equity Fund, the management has been actively seeking for deals from the market. The joint venture fund is targeting to close a few deals in 2019. While we remain active within the private investment space, we would also continue to assist our investee companies to enhance the value of their businesses and to implement or instil good corporate governance practices into their operations. For our public investment portfolio, our strategies are to pursue diversified local and foreign quoted investments within sectors and companies with sustainable growth and attractive valuations. We will also seek out fundamentally backed stocks which have been oversold.

ACKNOWLEDGEMENT

On behalf of the Management, I would like to extend our appreciation to our Board of Directors for their counsel, as well as to all our stakeholders for their continued support to OSKVI. I would also like to thank our employees for their tireless efforts and commitment in realising our goals and aspirations. We look forward to charting new milestones together for OSKVI in 2019.

Yee Chee Wai
Executive Director/
Chief Operating Officer

OUR SUSTAINABILITY JOURNEY

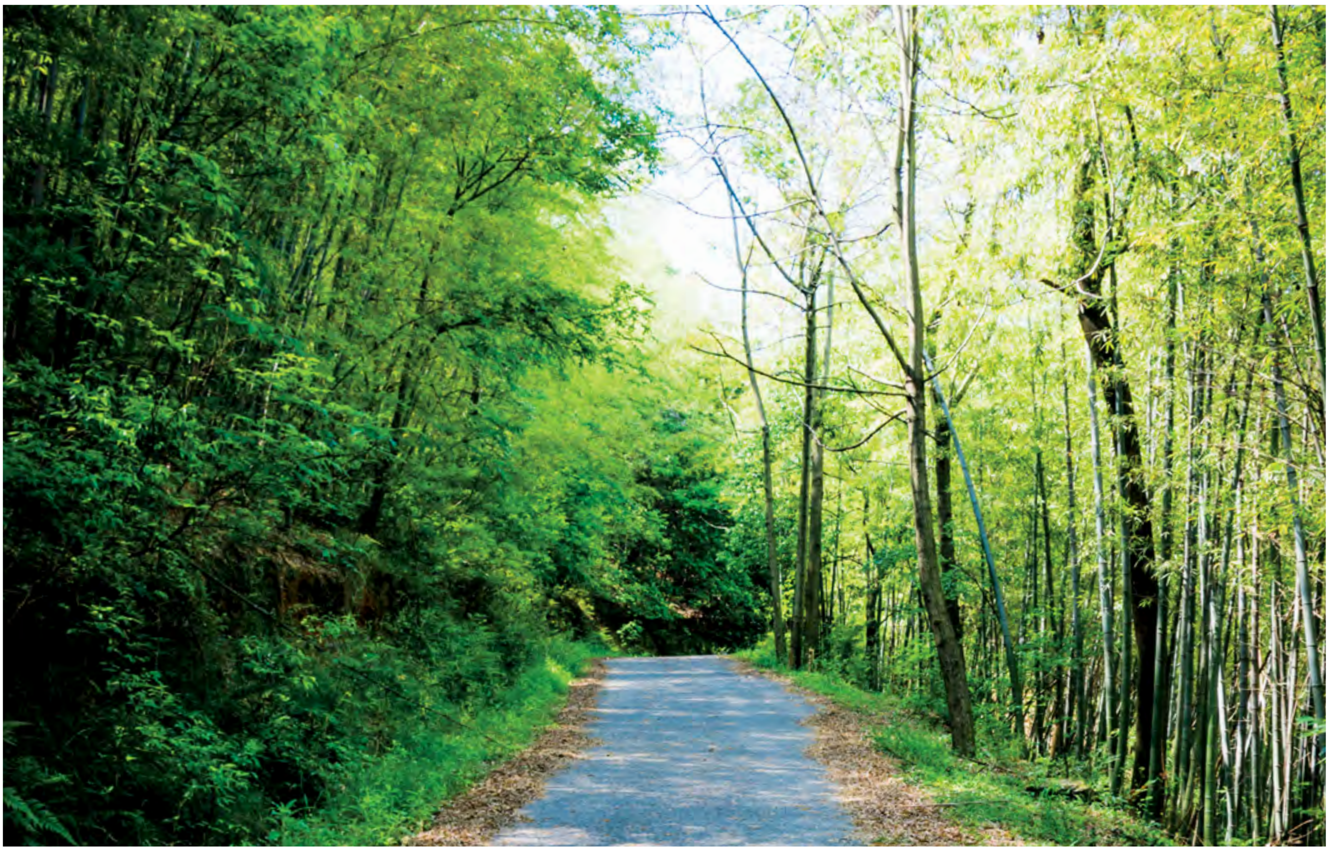
Sustainability Report

SUSTAINABILITY REPORT

OSK Ventures International Berhad's ("OSKVI" or "the Group") journey towards sustainability is still in its nascent stage. Like any major initiative, this will be an on-going and long-term undertaking involving the transformation of people and processes as well as corporate culture and business strategy.

OSKVI believes that sustainability is key to our long-term business success. As such, we are committed to embed the principles of sustainability across our business operations and to play our role in creating value for our stakeholders. In 2018, we reviewed our sustainability matters on a more holistic manner. We embarked on an exercise to identify our stakeholders and material sustainability matters for the Group and we are currently working towards formalising a sustainability framework for the Group in 2019.

Throughout the year, we have participated in a number of sustainability initiatives as outlined in this report under four main sections of Economic, Environment, Social and Community.



STAKEHOLDER ENGAGEMENT

Engagement with our stakeholders is a vital process in driving sustainability at OSKVI as it gives us insight into our stakeholders' views and concerns which helps us make better and more informed decisions. Understanding their views also helps us to balance between priorities and the expectations of our stakeholders. Their feedback was obtained via formal and informal engagement platforms as summarised in the table below:

STAKEHOLDER GROUPS	ENGAGEMENT APPROACH	OSKVI'S STANCE	KEY ENGAGEMENT TOPICS
Shareholders and Investors	• Annual and extraordinary general meetings • Annual reports • Bursa announcements • Corporate website • Emails/phone calls • Meetings or conference calls (upon request) • Quarterly financial results	OSKVI's overall goal is to create sustainable shareholder value while fulfilling the expectations of other stakeholders. A strong focus on financial performance, risk management and internal control is instrumental in achieving this goal.	• Business strategies • Corporate governance • Financial performance • Shareholders' returns
Investee Companies	• Emails/phone calls • Meetings • Results briefings	OSKVI is committed to maintaining an open and purposeful dialogue with our investee companies and to provide the necessary support where appropriate to assist them in meeting their business goals.	• Business strategies • Corporate governance • Mentoring • Operational review • Performance management
Employees	• Employee engagement survey • Employee volunteering • Formal and informal gatherings • Internal employee portal • Internal engagement activities • Training and development • Whistle-blowing channel	OSKVI is committed to providing an engaging, inclusive and stimulating work environment that encourages quality performance, high employee satisfaction and loyalty.	• Business direction • Career development • Competency building • Employee engagement activities • Employee value proposition • Financial performance • Health and well-being • Remuneration and benefits • Safety and security • Work-life balance • Vision and values
Community	• Community engagement activities • Corporate website	OSKVI is an integrated part of society and we understand that our business operations have an impact on the community. We are committed to our role as a contributor and enabler for the communities in which we operate.	• Capacity building • Entrepreneurship development • Local community development • Philanthropy

MATERIAL SUSTAINABILITY MATTERS

Determining what matters most to the business and stakeholders is a critical step in the process to drive sustainability. Materiality matters are those areas or aspects deemed important to both the Company and others involved or impacted by the Company's operations.

In 2018, OSKVI conducted our materiality analysis in line with our enterprise risk management framework. As the Group operates in a dynamic business environment, a sound risk management and internal control system is imperative towards supporting our business objectives. As such, the three (3) material sustainability matters derived for the Group were selected from our list of risk indicators as listed in the table below.

MATERIAL MATTERS	DESCRIPTION
Non-Performing Investment	Non-performing investments refer to actual returns from both public equity and venture capital / private equity investments not achieving the budgeted returns.
Market Access	Lack of access to market for investments especially in the venture capital / private equity space.
Talent	OSKVI operates in a highly specialised field of investments which requires strong business acumen and technical expertise. As such, it is imperative to put in place the right strategies to acquire, develop and retain the best talent to help steer the Group towards meeting its goals and aspirations for organisational growth and success.


Annual Health Week


OSKVI supported the Adopt A Christmas Tree campaign

Sustainability Report

Through aligning our material sustainability matters with our risk indicators, we are able to monitor and put in place necessary measures to mitigate our risks. Essentially, all these factors will contribute towards managing the sustainability of the Company's business for the long term.

This process also allowed us to understand our key priorities so that we can allocate the appropriate time, resources and investment to manage these material matters for the greatest possible impact.

WHAT ARE THE RISKS	WHAT ARE THE OPPORTUNITIES
• Non-performing investments will affect the bottom line returns of the Company if not managed properly. • There may also be reputational risk involved if the investee companies are embroiled in negative news.	• A properly managed investment portfolio will enhance shareholders' returns. • Realised gain upon successful exits from investments will also increase the capital flow to enter into new investments.
• Barriers to entry including foreign investment restrictions or other factors will hinder our access to potentially high-performing or specialised companies.	• Having the right access to market and assets will help us to identify and potentially invest in companies that could generate a high return for the Group at a lower entry point e.g. investing in start-ups and growing with them.
• Attracting and retaining the best talent to ensure business continuity and excellence is a challenge, especially in a highly specialised industry. • Putting in place a dynamic team, especially for critical positions is vital to our long-term performance as a company.	• Creating an inclusive and supportive work environment with opportunities for training and career development to encourage employee retention. • Having a diverse workforce with different backgrounds and experiences will enrich the perspectives considered while evaluating investments and business opportunities.

OSK Group Annual Dinner: Magical World of Fantasy

OSKVI practises recycling at the workplace

ECONOMIC

OSKVI contributes to Malaysia's economic development through job creation and supporting local enterprises.
In promoting innovation and market access, OSKVI constantly looks out to support enterprises or start-ups with entrepreneurial ideas and drive to improve the way we live and work.

OSKVI is committed to be an ethically responsible business entity in delivering value to our shareholders. Our current business investment portfolios are focused in the consumer retail, education, enterprise and financial services technology sectors. In considering new business ventures, we consciously abide by our principles to avoid the tobacco and gaming sectors. Increasingly, we are also mindful of the sustainability practices of our investee companies or potential investments and we encourage them to consider the economic, environmental and social impacts their businesses make.

Local Hiring

OSKVI seeks to hire local employees to fill job openings where possible. We will only recruit externally in the event that any particular skills or experiences are not readily available in the country. OSKVI believes local recruitment offers significant benefits especially with regard to the easier assimilation into the work culture and being able to understand the needs of the local community.

Nurturing Young Talent

We place strong emphasis on talent development through our OSKVI Internship Programme. Through this programme, we provide students with exposure to working and learning in an exciting, fast-moving organisation and to get a true feel of what they are capable of to better prepare them in pursuing their career particularly in the venture capital and private equity industry.

In 2018, OSKVI recruited two interns and gave them a chance to shadow and learn from the experts as they develop their own personal skills and potential.

OSKVI believes local recruitment offers significant benefits especially with regard to the easier assimilation into the work culture and being able to understand the needs of the local community.

Local Sourcing

As an industry leader, we also work with local enterprises in support of locally made products. During the festive seasons, OSKVI prioritises the purchase of gifts from smaller local producers such as a local bakery or social enterprises in support of stimulating the local economy and increasing social impact.

Industry Participation

Business and industry associations can significantly influence corporate sustainability. Our membership in associations helps us contribute to industry advancement as we contribute to critical sustainable development issues and other industry-related matters. We engage with our industry partners on a range of activities and advise each other on industry best practices.

OSKVI is a member of the Malaysian Venture Capital and Private Equity Association. At the same time, we are also actively involved in engagements with various governmental agencies such as Cradle and Malaysia Digital Economy Corporation.

Pitch4Biz

In an effort to assist new start-ups and tech companies, OSKVI provided an avenue for shortlisted companies to pitch their businesses to OSK Group's property and construction businesses. This platform allowed the property-tech and construction-tech entrepreneurs to meet directly with the decision makers of the group to pitch their business solutions. A total of 11 entrepreneur-led companies benefited from this session.

A total of **11 entrepreneur-led companies** benefited from Pitch4Biz.

OSKVI is a member of the Malaysian Venture Capital and Private Equity Association and is actively involved in engagements with various governmental agencies such as Cradle and Malaysia Digital Economy Corporation.

ENVIRONMENT

OSKVI is mindful of the impact that our business operations may have on the environment and we constantly advocate environmentally-friendly practices in the office especially with regard to energy consumption and waste management.

Employees are encouraged to go paperless as much as possible or when required, to print on both sides of the paper. In line with this principle and to lead by example, our Management have adopted the usage of e-meeting papers in 2018 for our Board meetings. This practice was further extended to the rest of the Board members in 2019. In an effort to minimise resource consumption from raw materials, we have been printing our Annual Report on eco-friendly paper since 2014. We also encourage our shareholders to recycle the report after reading it to minimise our ecological footprint and environmental impact.

Recycling Right

OSKVI participated in the Recycling Right campaign organised by OSK Group as part of our sustainability efforts aimed at practicing proper waste management.

Recycling Initiatives

Throughout 2018, OSKVI participated in the Recycling Right campaign organised by OSK Group as part of our sustainability efforts aimed at practicing proper waste management. The campaign encourages our employees to manage their waste responsibly, as an individual and on a corporate level.

We partnered with iCycle Malaysia; a waste separation and recycling solutions provider, who managed and analysed our impact to the environment over the course of the campaign and also ensured that the items were sorted and recycled properly by certified end-recyclers.

Recycling Right Results

OSKVI

122.3kg
of recyclables collected

emission reduction of
66.5kg

OSK Group

2,012.9kg
of recyclables collected

emission reduction of
1,091.1kg

Sustainability Snippet

Blue Planet Environmental Solutions

In 2018, we invested into green technology via the investment made in Blue Planet Environmental Solutions, a regional waste management company headquartered in Singapore focusing on technology-driven end-to-end waste solutions. The company provides a wide spectrum of waste management solutions across the lifecycle of waste, from collection to resource recovery and upcycling, in order to achieve its 'zero waste to landfill' policy. With our investment, Blue Planet is able to acquire scalable technologies that can be customised based on the region's requirement in their effort to address the variety of municipal waste streams.

SOCIAL

OSKVI coexists with its people and we cannot do that without the passion and skills of our employees. Our people are the reason we enjoy a longstanding reputation as a conducive place to work.

Engagement with co-workers establishes respect and trust

We place strong emphasis on talent development and instilling a learning culture to enable employees to achieve their full potential. In 2018, our employees underwent a total of 436 hours of training in areas related to the course of their work to hone their technical, organisational and leadership skills. In addition, we also encourage our employees to attend relevant talks and conferences related to their field of work to broaden their perspective, network and be at the forefront of industry practices.

Engaged Workforce

Employee engagement is key towards enhancing our work culture and making OSKVI a productive and fulfilling work place. Employees who are engaged and feel valued are more connected to the organisation and are more inclined to contribute to the success of the organisation.

As part of our efforts to consistently engage with our employees, our Human Resources department carries out various surveys throughout the year. The results of these surveys were shared with management and specific action plans were implemented to increase employee engagement. In 2018, OSKVI's engagement index was 78.9% (2017: 78.3%) which is a commendable result compared to the Global Engagement Index for 2018 which stood at 65.0%. Interestingly, the score for the job satisfaction section was at 100.0%.

During the year in review, OSKVI held several activities for the management and employees to interact in less formal settings in order to 'break the ice' and foster better working relations. These activities include the annual dinner, movie nights, festive celebrations, informal team lunches and birthday celebrations.

Diversity at Work

OSKVI is committed to creating an environment that appreciates individuality and diversity, where every individual is encouraged to reach his or her full potential, regardless of gender, ethnicity or cultural background. We do not tolerate discrimination in any form, including discrimination based on race, age and gender as well as differences in education, religion, gender identity, physical ability, values, backgrounds and experiences.

Our Employee Diversity and Inclusion Strategy represents our commitment to create an environment where all employees feel valued, respected and fully engaged to contribute to our Group's aspirations. Inclusion occurs when everyone has an opportunity to fully participate in creating OSKVI's business success and is valued for his or her distinctive skills, experiences and perspective.

Our diversity and inclusion performance is presented in the subsequent charts.

Workforce by Gender

Male	Female
6	7
46%	54%

Workforce by Age

<30	30-50	>50
4	7	2
31%	54%	15%

Workforce by Ethnicity

Chinese	Malay	Indian	Others
10	1	1	1
76%	8%	8%	8%

Human Rights

OSKVI is fully committed to operate in an ethical and responsible manner. The respect of human rights is one of our top priorities. We place great importance on employee rights and fair working conditions and we are committed to respecting the labour rights principles in accordance with the relevant Malaysian labour laws.

Our stand on human rights places emphasis on treating everyone at OSKVI - and everyone with whom we come into contact - with fairness, respect and dignity.

Employees learning how to do proper stretches at a workshop on ergonomics

Safety and Health at Workplace

OSKVI is committed to achieving the highest standards of workplace health and safety for our employees and to properly manage any incidents in order to minimise injury and other forms of loss. Since 2012, we have put in place our Occupational Safety and Health ("OSHA") policy to govern matters related to employees' safety and health. Below is a snapshot of some of our OSHA activities that were conducted this year:

- Annual health week featuring health checks, talks and blood donation, organised in collaboration with OSK Group to inculcate health awareness among our employees.
- Health and safety alerts on our employee portal.
- In conjunction with World Day for Safety and Health at Work, the Group organised a workshop on ergonomics at the workplace to share how one can prevent and reduce discomfort and injury at the workplace due primarily to incorrect postures and wrong configuration of computer workstations.
- Lunch talk on "Self Care: Caring for My Mental Health" by Befrienders KL which focuses on the early signs of mental health stresses as well as tips to manage these stresses and overall emotional well-being.

At OSKVI, we are supportive of health and wellness initiatives for our employees for the many positive business benefits it offers, including greater productivity, improved job satisfaction, and a better quality of life.

COMMUNITY

OSKVI is a firm believer in the power of empowerment and it is this mind-set that defines our approach to community outreach. Our efforts extend beyond philanthropy to a more holistic and effective form of community development. We also promote volunteerism amongst our employees as we acknowledge the benefit they gain through being stretched in unfamiliar situations and being able to make a difference in the lives of others.

OSKVI and OSK Group volunteers with children from Praise Emmanuel Children's Home

As a member of OSK Foundation ("OSKF" or "the Foundation"), OSKVI gives back to the community by participating in several community engagements organised by the Foundation and other establishments.

OSKVI-HELP Ideation Competition

Ivan Ten and Moo Shuk Mun of HELP University made up the team with the winning idea

OSKVI in partnership with HELP University mooted the Ideation Competition, a unique platform for university students from HELP University to present ideas ranging from mobile applications to artificial intelligence and social enterprises, all catered towards innovation and better living.

BooksMart.my, an innovative mobile application platform emerged champion beating six other contenders in the final round of the first OSKVI-HELP Ideation Competition 2018. The mobile app allows students to exchange educational materials and when implemented, students can expect vast educational resources and common academic interests which focus on convenience and connectivity with students within or from other universities.

Gifts of Hope

A flagship programme by OSKF, Gifts of Hope focuses on providing a platform for OSKVI and OSK Group employees to contribute to the underserved communities during festive seasons. At every festive season, our employees get the chance to participate either by contributing items needed for the festival including clothes, food and household items or through volunteering their time to be with the beneficiaries at the festive celebration.

Being in a multiracial country, we celebrate all four major festive celebrations. To date, our beneficiaries include orphanages, homes for the elderly, community centres, single mothers, children's associations and many others.

OSKVI and OSK Group volunteers reach out to the underserved communities through Gifts of Hope

Decorating christmas trees with the children from Praise Emmanuel Children's Home and Rumah Shalom

A total of **RM45,000** was raised for Alzheimer's Disease Foundation Malaysia from the Adopt A Christmas Tree Campaign

Adopt A Christmas Tree Campaign

For the second consecutive year, OSKVI participated in the Adopt A Christmas Tree campaign in conjunction with the Christmas festivities. The campaign, organised by Atria Shopping Gallery and OSKF raised a total of RM45,000 for Alzheimer's Disease Foundation Malaysia.

Sustainability Snippet

One of our investee companies, TruRating donates £1 for every 10,000 ratings they have received either in-store or online and allows customers to nominate and vote for their preferred charity organisation. As at December 2018, TruRating has counted 51.5 million total ratings (equivalent to £5,150 in donations). TruRating's current charity partners include Families First, which focuses on programmes and services that help break intergenerational cycles of poverty, WE Charity, a social enterprise promoting social action and Wilderness Works, which organises educational programmes for economically disadvantaged children.

MOVING FORWARD

OSKVI acknowledges that we need to continually improve our disclosures and maintain an open channel to provide updates on our sustainability efforts. Our Board and management recognise the importance of being a responsible and sustainable organisation and that it goes beyond measuring our financial performance.

As we move forward in our sustainability journey, OSKVI will look towards playing its role in supporting the United Nations' Sustainable Development Goals as well as exploring the Principles of Responsible Investment. In 2019, we aim to establish and formalise a sustainability framework for our business as well as review and update our Sustainability Policy.

We look forward to share our progress and achievements in our 2019 Sustainability Report.

OUR COMMITMENT TO GOVERNANCE

- Corporate Governance Overview Statement
- Audit Committee Report
- Statement on Risk Management and Internal Control
- Additional Disclosures
- Statement of Responsibility by Directors

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of OSK Ventures International Berhad ("OSKVI" or "the Company") recognises and subscribes to the importance of the following three (3) principles set out in the Malaysian Code on Corporate Governance ("MCCG"):

A. Board leadership and effectiveness;
B. Effective audit and risk management; and
C. Integrity in corporate reporting and meaningful relationship with stakeholders.

The Board is pleased to provide shareholders and other stakeholders with an overview of the corporate governance practices of the Company during the financial year ended 31 December 2018 ("Financial Year 2018"). The comprehensive Corporate Governance Report 2018 ("CG Report") of the Company is published on Bursa Malaysia Securities Berhad ("Bursa Securities")'s website at http://www.bursamalaysia.com/market and the Company's website at http://www.oskvi.com/annual_report.php.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

(I) Board Responsibilities

In leading the Company to meet its objectives and goals, the Board is guided by its Terms of Reference ("TOR") and Board Charter. In setting the Company's strategic aims, ensuring that the necessary resources are in place for the Company to meet its objectives and reviewing management performance, the Board had:

- reviewed and approved strategies, business plans and policies
- oversaw the conduct of the Company's businesses to evaluate whether the businesses are being properly managed and sustained
- ensured management is competent and there is proper succession planning
- ensured the establishment of a sound risk management framework
- reviewed the adequacy and integrity of the Company's internal control system

The Board is led by Mr. Leong Keng Yuen, the Independent Non-Executive Chairman who is responsible for instilling good corporate governance practices, ensuring the Board's effectiveness on all aspects of its role and setting Board meeting agendas, which mainly focus on strategy, performance and value creation. The roles and responsibilities of the Chairman of the Board are clearly specified in the Board Charter, which is available at the Company's website http://www.oskvi.com/about_governance.php.

The Chief Executive Officer ("CEO") position is assumed by Mr. Yee Chee Wai, the Executive Director/Chief Operating Officer ("ED/COO") of the Company. The Board recognises the importance of the separation of the positions of the Chairman and ED/COO to promote a clear and effective division of responsibility and accountability to distinguish between the provision of leadership to the Board and the executive responsibility for running the Group's businesses. The clear and distinct roles of the Chairman and ED/COO are specified in the Board Charter.

The Board is supported by two (2) suitably qualified, experienced, competent and knowledgeable Company Secretaries. The Board has full access to the advice and service of the Company Secretaries for the Board's affairs and businesses, particularly on corporate governance and regulatory matters. The Code of Ethics for Company Secretaries and the roles and responsibilities of the Company Secretaries have been clearly specified in the Board Charter.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(I) Board Responsibilities (Cont'd)

The Board met four (4) times during the Financial Year 2018. All Directors complied with the minimum requirements on attendance at Board meetings as stipulated in the ACE Market Listing Requirements of Bursa Securities ("Bursa LR") (minimum 50% attendance). The details of the Directors' attendance at the Board and Board Committees meetings during the Financial Year 2018 are as follows:

No.	Name of Directors	Attendance of Meetings			
		Board	Audit Committee ("AC")	Nomination and Remuneration Committee ("NRC")	Risk Management Committee ("RMC")
1.	Leong Keng Yuen	4/4	4/4	2/2	4/4
2.	Yee Chee Wai	4/4	-	-	-
3.	Ong Yee Min	4/4	-	-	-
4.	Dr. Ngo Get Ping	4/4	4/4	2/2	4/4
5.	Dato' Thanarajasingam Subramaniam	4/4	4/4	2/2	4/4

The Board has a Board Charter, which sets out the policies that the Board has decided upon to discharge its responsibilities, and to instill good governance and leadership. The Board Charter also serves as a primary reference and part of the induction literature, providing insights to prospective and existing Board members. The Board will review the Board Charter from time to time to ensure its relevance.

The Board updated the previous Code of Conduct and Ethics for Company Directors and Anti-Corruption Policy to Code of Conduct and Business Ethics, which promotes good business conduct with the highest principles of moral behaviour and integrity, in August 2018. The Code of Conduct and Business Ethics applies to all Directors and employees of the Group. The Company has also adopted a Fit and Proper Standards for Directors and Key Senior Management in ensuring that all Directors and Key Senior Management set the tone and standards at the top by possessing integrity and good character to nurture an ethical culture that engenders ethical conduct throughout all levels.

The Board Charter, Code of Conduct and Business Ethics and Fit and Proper Standards for Directors and Key Senior Management are available at OSKVI's website http://www.oskvi.com/about_governance.php.

The Company's Whistleblowing Policy sets out the principles 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 at OSKVI's website http://www.oskvi.com/whistle_blowing.php.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(II) Board Composition

In ensuring that Board decisions are made objectively with the necessary check and balance in the best interest of the Company, the Company is led by:

(i) three (3) Independent Non-Executive Directors (including the Independent Non-Executive Chairman); and
(ii) two (2) Executive Directors.

The Independent Directors have participated objectively in Board deliberations and exercised unbiased and independent judgements in Board decisions. The composition of the Board in terms of its membership and size is appropriate, and there is a good mix of skills and core competencies amongst Board members.

For the effective function of the Board, the Board has established the following Board Committees to assist in the discharge of its responsibilities:

(i) AC;
(ii) NRC; and
(iii) RMC.

The Board Committees operates within clearly defined TORs duly approved by the Board. The Board regularly reviews the TORs to ensure they are consistent with Bursa LR and the MCCG.

The Board has not developed a policy which limits the tenure of its Independent Directors to nine (9) years but will adhere to the recommendations of the MCCG for the retention of such Director as an Independent Director. None of the Independent Directors have served more than nine (9) years on the Board.

The Company sees increasing diversity at the Board and Senior Management levels as an essential element in supporting the attainment of its strategic objectives and sustainable development. In any appointment, a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge, have been considered to maintain a diversified Board and Senior Management team that will help to grow the Group and have better governance within the Group. The Board is also committed to Board diversity, which includes the representation of women in the composition of the Board of the Company and at Senior Management level of the Group through adoption of the Diversity Policy. The current diversity in gender, ethnicity and age of the Board and Senior Management are as follows:

Number	Ethnicity			Age Group			Gender	
	Malay	Chinese	Indian	31 - 40	51 - 60	61 - 70	Male	Female
Directors	-	4	1	1	2	2	4	1
Senior Management^	-	3	-	2	1	-	1	2

Note:
^ includes two (2) Executive Directors

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(II) Board Composition (Cont'd)

The Diversity Policy is available at OSKVI's website http://www.oskvi.com/about_governance.php.

The Board takes cognisance of utilising independent sources to identify suitably qualified candidates as recommended by the MCCG although there was no appointment of Director during the Financial Year 2018.

In respect of the appointment of Directors, the Company practises a clear and transparent nomination process which is provided in the CG Report. The disclosure on the criteria used by the NRC in the selection process is also provided in the CG Report.

The Board, through the NRC, has established a formal assessment mechanism in order for the NRC to carry out its assessment on an annual basis on the effectiveness of the Board Committees, the Board as a whole and the contribution of each individual Director, including the independence of the Independent Directors. The annual assessment criteria of individual Directors have been reviewed and updated in November 2018 and are aligned with the practices of the MCCG. The Board views the current evaluation process as adequate to provide an objective assessment on the effectiveness of the Board, the Board Committees and each individual Director. Specific disclosure on the assessment criteria conducted by the NRC is provided in the CG Report.

The summary of the activities carried out by the NRC during the Financial Year 2018 are as follows:

(i) Reviewed the amended performance assessment forms of the Chairman, Executive Director and Non-Executive Director, and recommended the same to the Board for adoption;

(ii) Deliberated on the findings of the Board and Board Committees assessments and reported the findings in the Board meeting;

(iii) Discussed and recommended to the Board the proposed Directors' fees (including the additional fee for the Chairman of the Board and Board Committees);

(iv) Reviewed the payment of Directors' benefits (excluding Directors' fees) to Non-Executive Directors;

(v) Reviewed the performance of the Head of Finance, who is primarily responsible for the management of the financial affairs of the Company;

(vi) Reviewed and recommended to the Board for approval the remuneration packages for Executive Directors; and

(vii) Recommended the re-election of Directors.

All Directors of the Company have completed the Mandatory Accreditation Programme prescribed by Bursa Securities for directors of listed issuers. 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. A dedicated training budget is allocated every year for Directors' continuing education. The Board via the NRC has in place an annual assessment of training needs of each Director.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(II) Board Composition (Cont'd)

During the Financial Year 2018, the training programmes attended by the Directors are as follows:

Name of Directors	Training Programmes
Leong Keng Yuen	Know The Process, Know Your Rights: Tax Does Not Have to be Taxing
	Introduction to Malaysian Business Reporting System (MBRS)
Yee Chee Wai	MCCG and Bursa's Listing Requirements: Towards Meaningful Disclosure
	Case Study Opinion vs Defamation
	GST - End of the Road
	Search Engine Optimisation
	Sales and Service Tax Briefing
	Malaysian Economic Outlook Talk
	Sustainability Engagement Series for Directors/Chief Executive Officers (ACE Market)
	Wong & Partners Technology Conference - A Focus on E-Commerce
	The Launch of Institute of Corporate Directors Malaysia
	Malaysia: A New Dawn 2018 Conference
	C-Suite Leaders Development Programme - Module 1 - Deep Change For Leaders
	Market Insights Forum 2018
	C-Suite Leaders Development Programme - Module 2 - Mastering Emotional Intelligence
	2019 Malaysian Budget Briefing
	C-Suite Leaders Development Programme - Check In - Peer-to-Peer Learning and Skill Practice

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(II) Board Composition (Cont'd)

Name of Directors	Training Programmes
Ong Yee Min	Pharmacy Revolution 4.0 Summit
	Search Engine Optimisation
	Sales and Service Tax Briefing
	Private Equity Conference
	Wong & Partners Technology Conference - A Focus on E-Commerce
	Malaysia: A New Dawn 2018 Conference
	Breakfast Talk On Taskforce For Climate-Related Financial Disclosures (TCFD)
	Art of Interviewing
	Effective Social Media Training
	Minister's Dialogue with Corporate Sustainability Managers - YB Yeo Bee Yin
	C-Suite Leaders Development Programme - Check In - Peer-to-Peer Learning and Skill Practice
Dr. Ngo Get Ping	ICM Series: The Shariah Rule-Making Process in Modern Islamic Finance Explained
	Islamic Finance Beyond Banking
	AML Briefing to Board of Directors and Senior Management
Dato' Thanarajasingam Subramaniam	How Millennials are Shaping the Future of the Capital Market
	Delivering Faster, Cheaper and Better Value Adding Audit Result Through Risk Based Auditing
	Alternative Funding for SMEs (Part 1) - Introduction To ECF, P2P and Leap Market

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

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(III) Remuneration

The Board has developed a Remuneration Policy for the remuneration of Directors and Key Senior Management. The Board is aware that fair remuneration is critical to attract, retain and motivate its Directors and Key Senior Management. The Remuneration Policy is available at OSKVI's website http://www.oskvi.com/about_governance.php. The NRC 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 of calibre to commensurate with the responsibilities for the effective management and operations of the Group.

The level of remuneration of Non-Executive Directors generally reflects the experience and level of responsibilities undertaken.

The details of the Directors' remuneration for the Financial Year 2018 for individual Directors with breakdown into fees, salaries and bonus, benefits in-kind and other emoluments are disclosed under Note 10 of the Financial Statements in this Annual Report.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

(I) Audit Committee

The AC of the Company comprises exclusively three (3) Independent Non-Executive Directors. The members of the AC possess a wide range of necessary skills and are financially literate to effectively discharge their duties. The AC Chairman, Dato' Thanarajasingam Subramaniam, is not the Chairman of the Board as the Board acknowledges that the AC, being an independent and objective body, should function as the Company's independent watchdog to ensure the integrity of its financial controls and effective financial risk management. The performance of the members of the AC is reviewed by the NRC annually.

The AC has updated the TOR of the AC to include the requirement for a former key audit partner of the Company to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC.

(II) Risk Management and Internal Control Framework

The RMC established by the Board comprises exclusively three (3) Independent Non-Executive Directors to assist in identifying, assessing and managing the risks applicable to the Company's businesses and to ensure that the risk management process is in place and functioning effectively (i.e. Strategic, Financial and Operational). An Enterprise Risk Management Framework has been established to provide the overall guidelines and approach to the Group's risk management.

An overview of the state of risk management and internal control within the Group is available in the Statement on Risk Management and Internal Control in this Annual Report.

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

(I) Communication with Stakeholders

The Board recognises the importance of timely and high-quality disclosure as a key component to uphold the principles and best practices of corporate governance for the Group. As such, maintaining an effective communication policy between the public and the Company is important to build trust and understanding between the Company and its stakeholders.

In ensuring effective, transparent and regular communication with its stakeholders, the following communication channels are mainly used by the Company to disseminate information on a timely basis:

(i) General meetings, which is an important forum for shareholders to engage with the Directors and Senior Management of the Company;

(ii) Annual report, which communicates comprehensive information on the businesses, as well as the financial results, governance and key activities undertaken by the Group;

(iii) Quarterly announcements and corporate disclosures to Bursa Securities, which are available at Bursa Securities' website http://www.bursamalaysia.com/market, as well as OSKVI's website http://www.oskvi.com/announcement.php;

(iv) Press releases, which provide up-to-date information on the Group's key corporate initiatives and investments, if any; and

(v) The Company's website http://www.oskvi.com, which provides corporate information of the Group, as well as the Company's announcements and financial information.

(II) Conduct of General Meetings

The Annual General Meeting ("AGM") serves as the annual principal forum for dialogue between the Board and the shareholders, in gathering meaningful feedback and to benefit from the insights of shareholders, and to facilitate greater understanding of the Company's businesses, governance and performance. Shareholders will be provided with ample time to ask questions or seek clarifications from the Directors in relation to the Company's businesses and results.

All Directors are committed to attend general meetings to foster effective two-way communication between the shareholders and the Board and will take any relevant questions addressed to them unless illness or other pressing commitments preclude them from attending general meetings. All Directors of the Company had attended and participated at the Fourteenth AGM.

The voting at the Fourteenth AGM was conducted through electronic voting system. The Company continues to leverage on technology to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at general meetings of the Company.

This Statement was approved by the Board of Directors of the Company on 21 February 2019.

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE REPORT

The Audit Committee ("AC") was established by the Board of Directors (the "Board") on 26 July 2004 to assist them to carry out their responsibilities. The AC is guided by its Terms of Reference ("TOR") which sets out the authority, duties and functions of the AC. The updated TOR in May 2018 is published on the Company's website at http://www.oskvi.com/about_governance.php.

The AC is pleased to present the Audit Committee Report for the financial year ended 31 December 2018.

COMPOSITION

The AC comprises three (3) members all of whom are Independent Non-Executive Directors. This meets the requirements of Rule 15.09(1)(a) and (b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and Step Up 8.4 under the Malaysian Code on Corporate Governance ("MCCG").

The AC consists of the following members:

Name of Director	Designation	Directorship
Dato' Thanarajasingam Subramaniam	Chairman	Independent Non-Executive Director
Leong Keng Yuen	Member	Independent Non-Executive Chairman
Dr. Ngo Get Ping	Member	Senior Independent Non-Executive Director

The Chairman of the AC is not the Chairman of the Board. This is in line with Practice 8.1 under the MCCG. To further strengthen the objectivity and independence of the AC and to be consistent with Practice 8.2 under the MCCG, the AC had adopted a policy whereby no former key audit partner shall be appointed as a member of the AC before observing a cooling-off period of at least two (2) years.

ATTENDANCE OF MEETINGS

During the financial year ended 31 December 2018, the AC held a total of four (4) meetings. The details of attendance of the AC members are as follows:

Name	1st Quarter AC Meeting 22.02.2018	2nd Quarter AC Meeting 16.05.2018	3rd Quarter AC Meeting 15.08.2018	4th Quarter AC Meeting 14.11.2018	Attendance (%)
Dato' Thanarajasingam Subramaniam	√	√	√	√	4 / 4 (100%)
Leong Keng Yuen	√	√	√	√	4 / 4 (100%)
Dr. Ngo Get Ping	√	√	√	√	4 / 4 (100%)

ATTENDANCE OF MEETINGS (CONT'D)

The AC meets at least once in each quarter. The meetings were also attended by the Executive Director/ Chief Operating Officer, the Executive Director and the Associate Director, Finance and Administration to facilitate direct communication and to provide clarification on the Group's operations. The internal and external auditors were also invited when appropriate to brief the AC on pertinent issues.

The Company Secretaries are responsible for coordinating administrative details such as calling for meeting and keeping the minutes. Minutes of each meeting were recorded and tabled for confirmation at the next AC meeting and subsequently presented to the Board for notation. The extract of matters requiring actions were distributed to relevant attendees and members of the AC.

SUMMARY OF WORK

During the financial year under review, the summary of work of the AC is as follows:

Internal Audit

1. Reviewed the adequacy of the scope, functions, competency and resources of the outsourced internal audit function providing the internal audit services;

2. Reviewed and discussed the internal audit plan to ensure adequate scope and coverage over the activities of the Group and ensure that all high risk areas were covered during the review;

3. Reviewed the internal audit reports tabled during the year including the audit recommendations made and Management's response to these recommendations;

4. Reviewed the corrective actions taken by Management in addressing and resolving issues as well as ensuring that all issues were adequately addressed on a timely basis;

5. Evaluated the performance of the outsourced internal audit function for the audits carried out in providing assurance on the Group's risk management and internal control during the year; and

6. Met with the internal auditors once in November 2018 without the presence of Management. All matters pertaining to the audit had been discussed and satisfactorily resolved with the Management.

Financial Reporting

1. Reviewed the quarterly results and annual financial statements and ensured that the financial reporting and disclosure requirements of relevant authorities had been complied with, focusing particularly on:

   - any changes in or implementation of accounting policies and practices
   - significant adjustment arising from the audit, if any
   - the going concern assumption
   - significant and unusual events
   - compliance with accounting standards and other legal requirements

2. Discussed with Management, amongst others, the accounting principles and standards that were applied and critical judgement exercised, if any, that may affect the financial results; and

3. Confirmed with Management and external auditors that the Group's and the Company's audited financial statements have been prepared in compliance with applicable Financial Reporting Standards.

SUMMARY OF WORK (CONT'D)

External Audit

1. Reviewed the audit plan and scope of work presented by the external auditors;

2. Reviewed the annual audited financial statements of the Company and 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, if any by the external auditors on their evaluation of the internal control system;

4. Reviewed the performance, independence and objectivity of the external auditors in accordance with the Guidelines on the Performance Evaluation of External Auditors on an annual basis and recommended to the Board on their re-appointment;

5. Met with the external auditors without the presence of Management in February and August 2018 respectively to discuss any problems and reservations arising from the audits; and

6. Obtained written assurance from the external auditors that they are independent in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

Whistleblowing

1. During the financial year under review, there were no whistleblowing cases.

Risk Management and Internal Control

1. Reviewed the Statement on Risk Management and Internal Control pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Securities and recommended to the Board for approval; and

2. Reviewed the effectiveness and efficiency of internal controls and risk management processes.

Related Party Transactions

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

Audit Committee Report

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 internal audit function is outsourced to an external consultant who reports directly to the AC.

The outsourced internal audit function is independent of the activities and operations of the Group. All the internal audit personnel providing this outsourced service are also free from any relationships or conflicts of interest. The principal responsibility of the outsourced internal audit function is to provide independent and reasonable assurance on the adequacy and effectiveness of the risk management and internal control system by conducting scheduled audits based on audit scope that have been discussed and approved by the AC and reviewing the significant risks of the Group.

A risk based audit plan for the year was presented to the AC for discussion and approval. The audit plan prioritised the audit review according to the Group's objectives, key risks and core priority areas.

During the year, the external consultant had carried out two (2) audit engagements, namely Outsourced Human Resource Services as well as Investment, Finance and Administration functions. The reports of the audits performed were presented to the AC and forwarded to Management for attention and corrective actions. The Management is responsible for ensuring that corrective actions are implemented within the agreed timeframe to ensure that the reported weaknesses in internal control and risks reviewed are mitigated. The external consultant monitors the implementation of audit recommendations through periodic follow-up reviews.

The professional fees incurred for the internal audit function in respect of the financial year ended 31 December 2018 amounted to RM38,000. Overall, the AC is satisfied with the services rendered by the external consultant.

PERFORMANCE OF AC

The performance of the AC was assessed annually through self-evaluation and the Nomination and Remuneration Committee reviewed the results of such assessments prior to recommending to the Board. During the financial year ended 31 December 2018, the Board is satisfied that the AC has discharged its statutory duties and responsibilities in accordance with the TOR of the AC.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("the Board") is pleased to present the Statement on Risk Management and Internal Control which outlines the nature and scope of risk management and internal control of OSK Ventures International Berhad and its subsidiaries ("the Group") for the financial year under review. The objective of establishing a sound risk management framework and an adequate and effective system of internal control is to safeguard shareholders' investment and the Group's assets, pursuant to the Malaysian Code on Corporate Governance.

THE BOARD'S ROLE:

The Board is committed to ensure the effectiveness of internal control and risk management systems by continuously reviewing the adequacy of controls and integrity of the Group's systems. The Board also acknowledges that the Group's risk management and internal control systems are designed to mitigate risks threatening the achievement of the Group's business and corporate objectives and that the systems in place can provide only reasonable but not absolute assurance against material misstatement or losses.

The Group has in place an on-going process of identifying, evaluating, monitoring, managing and mitigating risks. The Management assists the Board in the implementation of frameworks, policies and procedures on risk and control by identifying risks, assessing the potential impact, and mitigating the risks through suitable internal controls. This process is actively reviewed by the Board.

MANAGEMENT'S ROLE:

The Management is responsible to assist the Board in implementing the risk management process and internal control systems to ensure that they are in place and functioning. The Management is also responsible to ensure that the risk management framework is embedded and consistently adopted throughout the Group and that significant risks are being monitored according to the risk parameters approved by the Board.

INTERNAL AUDIT'S ROLE:

Internal auditing is an independent, objective assurance and consulting activity designed to improve and add value to the Group's operations. The internal audit function is outsourced to an external consultant and is independent of the activities and operations of the Group. The internal auditors review and ensure the adequacy and the integrity of the internal control system, assess compliance with applicable laws and regulations, ascertain compliance with policies and procedures and make appropriate recommendations in improving the internal control and governance process of the Group.

The internal auditors report directly to the Audit Committee ("AC") of the Company. The AC monitors and reviews the effectiveness of the internal audit activities and ensures that actions have been taken by Management to correct any deficient conditions and improve control processes highlighted by the internal auditors, thereby contributing to the ongoing effectiveness of the system of internal control.

RISK MANAGEMENT'S ROLE:

The Group's risk management function is benchmarked against the ISO 31000:2018 Risk Management - Principles and Guidelines to embed Enterprise Risk Management ("ERM") into activities and processes of the Group. ERM enables the Group to identify, assess and mitigate risks systematically through the following:

» Ascertain functional responsibilities and accountabilities within the Group for management of risks;

» Help to set risk appetite and risk tolerance based on measurable parameters related to critical risks that may impact the strategy, performance and reputation of the Group;

» Ascertain risk strategies in line within the risk appetite and tolerance of the Group; and

» Allocate adequate resources in terms of manpower and performance data to provide support to overall risk management.

Continuous risk assessment is fundamental to the Group's risk management process where the risk owners from the business and corporate units are responsible to develop the appropriate response strategies to mitigate the risks.

The Risk Management Committee ("RMC") has been established to review the adequacy and effectiveness of risk management of the Group. The RMC'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. The RMC meets quarterly to oversee the development of general risk policies and procedures to monitor and evaluate the significant risks that may arise from the various business activities in the Group.

ENTERPRISE RISK MANAGEMENT FRAMEWORK ("ERMF") IN PRACTICE

ERMF sets the tone of the Group's approach to enterprise risk management practices. In providing assurance to the Board on the Group's adequacy and effectiveness of risk management, the risk management consultant, under the purview of Management, actively monitor the Group's portfolio of major risks with the following objectives:

a) **Assure**

Provide assurance to the Board that a firm and sound risk management and internal control systems are in place and to meet requirements of regulatory bodies;

b) **Guide**

Provide guiding risk management principles to functional leaders to govern the actions of risk identification and assessment;

c) **Monitor**

Apply the risk management processes systematically across the Group to identify, assess, treat and manage risks that threaten resources or the achievement of the Group's objectives and review the risk reports arising therefrom; and

d) **Strategise**

Provide Management with a summary of key risks that may affect the respective business units and to ensure these risks are adequately managed; and report on the Group's risk exposures and mitigation plans.

ENTERPRISE RISK MANAGEMENT FRAMEWORK ("ERMF") IN PRACTICE (CONT'D)

In identifying risks, the Group uses the Risk Control Self-Assessment ("RCSA") methodology to build a structured, consistent and complete risk identification exercise across the business areas of the Group. The RCSA is a depository of all key risks that the Group faces and used in generating an enterprise view of the Group's operational risk profile.

Each of the RCSA risk card is assigned a risk title with the risk description, operation environment and respective risk owners. Based on the risk identified, risk exposure measured in terms of impact and likelihood is used to produce gross risk rating. Subsequently, risk mitigation measures are directed towards reducing the severity of gross risk identified through development and implementation of various forms of internal controls to reach the net residual risk. The Group uses risk mitigation strategies to manage identified risks. The Group has five (5) core risk treatment strategies for risk management.

Risk Treatment Strategies:

a) **Avoid**

Risk exposure shall be rejected entirely, as the potential return does not commensurate with the downside exposure.

b) **Retain**

Risk exposure shall be accepted. The potential return is viewed as desirable and the downside exposure shall be mitigated with change mitigation where risk exposure shall be maintained but with enhancements to mitigations (e.g. Internal controls).

c) **Reduce**

Risk exposure shall be reduced through new or enhanced mitigation (e.g. contingency plan, contractual agreement to share risks, etc.).

d) **Transfer**

Risk exposure transfers systematically to other parties not within the Group (e.g. through insurance policies or outsourcing arrangements on certain tasks or processes).

d) **Exploit**

A calculated and well-planned strategy to increase the risk exposure with mitigation plan towards positive return.

The quarterly risk reports are updated to RMC, highlighting all key risks and mitigating controls carried out by the respective risk owners. Risk owners are responsible to communicate on changes to the status of key risks under their purview as well as ensuring that their risk profiles presented to the RMC and the Board are accurate and complete. The RMC is responsible to ensure that an effective communications strategy is in place to provide common education and awareness of the Group's ERMF to all employees.

RISK MONITORING & REPORTING

We determine our risks based on the assessment of the operating environment and nature of our businesses. The identified risks are closely monitored and managed to ensure mitigation plans are in place in the pursuit of business objectives.

The Board will meet and deliberate on the top risks identified on a quarterly basis. Ad-hoc or new critical risks are escalated to the Board for deliberation. Significant issues arising from changes in business environment are reviewed continuously to ensure minimal adverse impact to the Group.

INTERNAL CONTROL

The Group's internal control system consists of various components such as control environment, risk assessment, control activities, information, communication and monitoring 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 corporate and strategic objectives.

The key elements of the Group's internal control system are described below:

» A conducive control environment established by the Board and Management with strong corporate culture that embraces excellence, humility and respect, forward thinking, integrity and people driven values. The Board demonstrates independence from Management and exercises oversight of the development and performance of internal controls by approving policies and monitoring business performance while individuals are held accountable for their internal control responsibilities in their pursuit of business objectives;

» Clear Group organisation structure that is aligned with the business and operational requirements, defined lines of responsibilities and appropriate levels of delegation;

» Board meetings are held at least once in a quarter with a formal agenda on matters for discussion. In addition, regular management and operation meetings are held to discuss on key business performance, operating statistic, corporate development and other regular matters;

» There are approved policies, procedures and operations manuals. Limits of Approving Authorities have been established and approved by the Board. This provides a sound framework of authority and accountability within the Group and facilitates proper decision-making;

» The internal audit function acts as the third line of defence and provides independent assurance on the adequacy and effectiveness of the risk management and internal control systems. Audit follow-ups are carried out to ensure the implementation of corrective action plans in a timely manner.

THE BOARD'S STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

The Board has reviewed the system of risk management and internal control operating for the year under review and believes that, up to the date of issuance of this Statement is effective and adequate to safeguard shareholders' investments and the Group's assets to meet the requirements of regulators and to protect the interests of employees.

The Board has also received assurance from the Executive Director/Chief Operating Officer and Associate Director, Finance and Administration that the Group's risk management and internal control system is, in all material aspects, operating adequately and effectively throughout the year under review. The Group will continue to identify, evaluate and monitor all major risks, improve and enhance the existing risk management and internal control system taking into consideration the constantly changing business environment.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Rule 15.23 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG 3") issued by the Malaysian Institute of Accountants. AAPG 3 does not require external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group.

Based on the procedures performed, nothing had come to their attention that caused them to believe that the Statement on Risk Management and Internal Control set out above was not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control : Guidelines for Directors of Listed Issuers, nor was factually inaccurate.

ADDITIONAL DISCLOSURES

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiary companies involving the interests of the Directors (including the Chief Executive who is also a Director) and major shareholders, either still subsisting at the end of the financial year ended 31 December 2018, or if not then subsisting, entered into since the end of the previous 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 provisions of the Companies Act 2016, and the ACE Market 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 2018, 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.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries and a joint venture are described in Note 15(a) and 16 to the financial statements respectively.

Other information relating to the subsidiaries and a joint venture are disclosed in Note 15 and 16 to the financial statements respectively.

FINANCIAL RESULTS

	Group RM	Company RM
Loss attributable to Owners of the Company	(29,673,114)	(15,089,638)

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

RESERVES AND PROVISIONS

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

Dividends

The amount of dividend paid by the Company since 31 December 2017 was as follow:

	RM
In respect of the financial year ended 31 December 2017:	
Final single-tier dividend of 5.0 sen per share on 196,445,072 ordinary shares declared on 26 April 2018 and paid on 17 May 2018	9,822,254

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

Directors' Report

DIRECTORS

The Directors of the Company in office since the beginning of the financial year to the date of this report are:

Leong Keng Yuen
Yee Chee Wai *
Ong Yee Min *
Dr. Ngo Get Ping
Dato' Thanarajasingam Subramaniam

* These Directors are also the Directors of subsidiaries of the Company.

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 below) 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 Notes 28 and 29 to the financial statements.

The Directors' benefits are as follows:

	Group RM	Company RM
Salaries, bonuses and other emoluments	1,352,400	15,000
Fees	166,592	166,592
Defined contribution plan	196,488	-
Estimated money value of benefit-in-kind	24,916	-
Insurance effected to indemnify Directors*	17,500	5,326
	1,757,896	186,918

* The Company maintains a liability insurance for the Directors and officers of the Group. The total amount of sum insured for the year amounted to RM5,000,000.

DIRECTORS' INTERESTS

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

The Company

	Number of Ordinary Shares			
	1.1.2018	Acquired	Disposed	31.12.2018
Direct Interest:				
Ong Yee Min	2,511,980	-	-	2,511,980
Leong Keng Yuen	73	-	-	73
Indirect Interest:				
Yee Chee Wai	[1] 1,000	-	-	[1]1,000

[1] Disclosure made pursuant to Section 59(11)(c) of the Companies Act 2016 on interest held by his spouse.

None of the other Directors in office at the end of the year had any interest in shares in the Company or its related corporations during the year.

TREASURY SHARES

As at 31 December 2018, the Company held as treasury shares a total of 1,151,800 of its 197,596,872 issued ordinary shares. Such treasury shares are held at a carrying amount of RM646,527 and further relevant details are disclosed in Note 25 to the financial statements.

HOLDING COMPANY

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

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 provision for doubtful debts and satisfies themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and

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

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

  (i) it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Group and of the Company; and

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

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.

SIGNIFICANT EVENTS

In addition to the significant events disclosed elsewhere in this report, other significant events are disclosed in Note 17 to the financial statements.

AUDITORS

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

Auditors' remuneration for the year ended 31 December 2018 is as follows:

	Group RM	Company RM
Ernst & Young	134,000	78,000

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young for the financial year ended 31 December 2018.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 21 February 2019.

Yee Chee Wai **Ong Yee Min**

Kuala Lumpur, Malaysia

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Yee Chee Wai and Ong Yee Min, 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 70 to 128 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 2018 and of the financial performance and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 21 February 2019.

Yee Chee Wai **Ong Yee Min**

Kuala Lumpur, Malaysia

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

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 70 to 128 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 21 February 2019.

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 AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of OSK Ventures International Berhad, which comprise the statements of financial position as at 31 December 2018 of the Group and of the Company, and the income statements, the 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 notes to the financial statements, including a summary of significant accounting policies, as set out on page 70 to 128.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

<u>Determination of Fair Value of Investments Held by the Group</u>

As at 31 December 2018, the carrying value of the Group's investment securities classified as fair value through profit or loss amounted to RM137,717,100 which represents 75.1% of the Group's total assets. The investment securities are invested in quoted shares in and outside Malaysia amounted to RM91,358,328 (66.3% of total investment securities) and unquoted shares in and outside of Malaysia amounted to RM46,358,772 (33.7% of the total investment securities). The valuation of investment securities is significant to our audit due to its magnitude, and the valuation methods involved a range of judgement and estimates which are based on current and future market and economic conditions.

As guided by MFRS 13, the fair values are determined using the market and income approach, as well as the adjusted net asset method. Each approach has its own inputs and valuation technique in determining the fair value. In measuring the fair value of quoted investment, the Group has applied the market approach. Our audit procedures for quoted investments included amongst others, comparing the fair values to quoted market closing price at the end of the reporting date. We also assessed the appropriateness of the quoted market closing price.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Determination of Fair Value of Investments Held by the Group (Cont'd)

When measuring the fair value of unquoted investment, the Group uses valuation technique appropriate in the circumstances and for which sufficient data are available. In that, management has maximising the use of relevant observable input and minimising the use of unobservable input. Such inputs include using price and other relevant information generated by comparable peer companies, price of recent transactions involving similar instruments and adjusted net assets amount. The fair values of the unquoted investments are sensitive towards changes to their inputs. We have assessed, reviewed and tested the inputs used including the techniques applied in deriving the fair values against the current market expectations.

Information relating to these inputs and techniques are disclosed in Note 31 to the financial statements based on the fair value hierarchy of Level 1, Level 2 and Level 3.

Information Other Than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Director's Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon. We obtained Directors' Report prior to the date of this auditors' report and the annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view accordance with MFRS, IFRS and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as management determines is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

Independent Auditors' Report
to the Members of OSK Ventures International Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditor, is disclosed in Note 15(a) to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young	**H'ng Boon Keng**
AF: 0039	No. 03112/08/2020 J
Chartered Accountants	Chartered Accountant

Kuala Lumpur, Malaysia
21 February 2019

INCOME STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Income					
Net fair value (loss)/gain on financial assets	4	(28,850,488)	32,863,611	-	-
Interest income	5	1,142,242	1,362,068	3,525,406	3,485,398
Dividend income	6	2,964,413	2,936,097	1,900,000	8,000,000
Other income	7	-	1,000	-	2,637,800
		(24,743,833)	37,162,776	5,425,406	14,123,198
Expenses					
Staff expense		(3,702,547)	(2,606,306)	(187,041)	(162,845)
Net foreign exchange gain/(loss)		631,079	(107,739)	(1,850)	-
Administrative expenses		(1,433,426)	(1,759,795)	(569,963)	(772,054)
Impairment loss	7	-	-	(19,100,000)	-
		(4,504,894)	(4,473,840)	(19,858,854)	(934,899)
Operating (loss)/profit		(29,248,727)	32,688,936	(14,433,448)	13,188,299
Share of result of a joint venture	16	(65,062)	-	-	-
(Loss)/Profit before tax	8	(29,313,789)	32,688,936	(14,433,448)	13,188,299
Income tax expense	11	(359,325)	(1,475,129)	(656,190)	(524,933)
(Loss)/Profit for the year		(29,673,114)	31,213,807	(15,089,638)	12,663,366
(Loss)/Profit attributable to:					
Owners of the Company		(29,673,114)	31,213,807	(15,089,638)	12,663,366
(Loss)/Earnings per share attributable to equity Owners of the Company (sen):					
Basic	12	(15.11)	15.82		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
(Loss)/Profit after tax for the year, representing total comprehensive (loss)/income for the year, net of tax	(29,673,114)	31,213,807	(15,089,638)	12,663,366
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(29,673,114)	31,213,807	(15,089,638)	12,663,366

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Assets					
Equipment	13	598,710	48,236	7,314	-
Intangible assets	14	5,872	8,999	-	-
Investments in subsidiaries	15(a)	-	-	76,794,800	95,794,802
Amount due from subsidiary	15(b)	-	-	71,696,508	82,639,412
Investment in joint venture	16	338,188	-	403,250	-
Investment securities	18	137,717,100	175,948,193	-	-
Investment in fund	19	1,037,000	-	1,037,000	-
Notes receivables	20	2,481,300	2,033,250	-	-
Trade and other receivables	21	1,326,516	9,551,564	2,883,096	2,224,638
Prepayments		510,088	605	416	605
Tax recoverable		2,612,278	2,571,632	-	-
Cash, bank balances and cash management fund	22	36,729,541	27,201,629	22,072,533	19,181,167
Total assets		183,356,593	217,364,108	174,894,917	199,840,624
Equity					
Contributed share capital	23	186,267,368	186,267,368	186,267,368	186,267,368
Reserves	24	(11,512,132)	27,983,236	(11,488,645)	13,423,247
Treasury shares	25	(646,527)	(646,527)	(646,527)	(646,527)
Total equity		174,108,709	213,604,077	174,132,196	199,044,088
Liabilities					
Deferred tax liability	26	2,053,520	2,351,155	-	-
Trade and sundry payables	27	7,130,953	1,250,162	699,310	637,822
Tax payable		63,411	158,714	63,411	158,714
Total liabilities		9,247,884	3,760,031	762,721	796,536
Total equity and liabilities		183,356,593	217,364,108	174,894,917	199,840,624

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

GROUP

	← Attributable to Owners of the Company →			
	Contributed share capital (Note 23) RM	Treasury shares (Note 25) RM	Retained profits/ (accumulated losses) (Note 24) RM	Total equity RM
At 1 January 2018	186,267,368	(646,527)	27,983,236	213,604,077
Total comprehensive loss	-	-	(29,673,114)	(29,673,114)
Transactions with Owners				
Dividend paid to shareholders	-	-	(9,822,254)	(9,822,254)
Total transactions with Owners	-	-	(9,822,254)	(9,822,254)
At 31 December 2018	186,267,368	(646,527)	(11,512,132)	174,108,709

	← Attributable to Owners of the Company →					
	Contributed share capital (Note 23) RM	Treasury shares (Note 25) RM	Share premium (Note 24) RM	Capital redemption reserve (Note 24) RM	Retained profits (Note 24) RM	Total equity RM
At 1 January 2017	98,798,436	(65,846)	84,277,332	3,191,600	718,330	186,919,852
Total comprehensive income	-	-	-	-	31,213,807	31,213,807
Transferred pursuant to Companies Act 2016	87,468,932	-	(84,277,332)	(3,191,600)	-	-
Transactions with Owners						
Share buyback	-	(580,681)	-	-	-	(580,681)
Dividend paid to shareholders	-	-	-	-	(3,948,901)	(3,948,901)
Total transactions with Owners	-	(580,681)	-	-	(3,948,901)	(4,529,582)
At 31 December 2017	186,267,368	(646,527)	-	-	27,983,236	213,604,077

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

COMPANY

	Non-distributable			
	Contributed share capital (Note 23) RM	Treasury shares (Note 25) RM	Retained profits/ (accumulated losses) (Note 24) RM	Total equity RM
At 1 January 2018	186,267,368	(646,527)	13,423,247	199,044,088
Total comprehensive loss	-	-	(15,089,638)	(15,089,638)
Transactions with Owners				
Dividend paid to shareholders	-	-	(9,822,254)	(9,822,254)
Total transactions with Owners	-	-	(9,822,254)	(9,822,254)
At 31 December 2018	186,267,368	(646,527)	(11,488,645)	174,132,196

	Non-distributable					
	Contributed share capital (Note 23) RM	Treasury shares (Note 25) RM	Share premium (Note 24) RM	Capital redemption reserve (Note 24) RM	Retained profits (Note 24) RM	Total equity RM
At 1 January 2017	98,798,436	(65,846)	84,277,332	3,191,600	4,708,782	190,910,304
Total comprehensive income	-	-	-	-	12,663,366	12,663,366
Transferred pursuant to Companies Act 2016	87,468,932	-	(84,277,332)	(3,191,600)	-	-
Transactions with Owners						
Share buyback	-	(580,681)	-	-	-	(580,681)
Dividend paid to shareholders	-	-	-	-	(3,948,901)	(3,948,901)
Total transactions with Owners	-	(580,681)	-	-	(3,948,901)	(4,529,582)
At 31 December 2017	186,267,368	(646,527)	-	-	13,423,247	199,044,088

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash flows from operating activities				
(Loss)/profit before tax	(29,313,789)	32,688,936	(14,433,448)	13,188,299
Adjustments for:				
Amortisation of intangible assets	3,127	3,036	-	-
Depreciation of equipment	82,533	81,382	252	-
Loss on disposal of equipment	-	48,856	-	-
Equipment written off	9	15,294	-	-
Impairment loss/(reversal of impairment loss) on cost of investment of subsidiaries	-	-	19,100,000	(2,637,800)
Net fair value loss/(gain) on financial assets	28,850,488	(32,863,611)	-	-
Interest income	(1,142,242)	(1,362,068)	(3,525,406)	(3,485,398)
Dividend income	(2,964,413)	(2,936,097)	(1,900,000)	(8,000,000)
Share of result of a joint venture	65,062	-	-	-
Unrealised (gain)/loss on foreign exchange	(284,162)	630,438	-	-
Operating loss before working capital changes	(4,703,387)	(3,693,834)	(758,602)	(934,899)
Decrease/(increase) in operating assets				
Receivables	7,833,665	(7,442,359)	189	(605)
Amounts due from subsidiary	-	-	10,942,904	(62,567,510)
Proceeds from disposals of:				
- investment securities	174,444,704	91,061,037	-	-
- notes receivables	2,023,107	-	-	-
Purchase of:				
- investment securities	(165,064,099)	(141,038,819)	-	-
- notes receivables	(2,382,799)	(2,023,107)	-	-
- investment in fund	(1,037,000)	-	(1,037,000)	-
Increase in operating liabilities				
Payables	5,880,791	49,459	61,488	6,946
Cash generated from/(used in) operations	16,994,982	(63,087,623)	9,208,979	(63,496,068)
Dividends received	2,974,270	2,905,632	1,900,000	9,000,000
Interest received	1,015,479	1,345,070	2,866,948	1,621,936
Taxes paid	(792,908)	(296,245)	(751,493)	(182,000)
Net cash generated from/(used in) operating activities	20,191,823	(59,133,166)	13,224,434	(53,056,132)

Statements of Cash Flows
For the Year Ended 31 December 2018

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Cash flows from investing activities				
(Addition in)/withdrawal from cash management fund	(1,348,392)	58,298,438	(2,850,426)	57,511,371
Proceeds from disposal of equipment	-	82,000	-	-
Purchase of :				
- equipment	(633,016)	(23,803)	(7,566)	-
- intangible assets	-	(3,627)	-	-
Acquisitions of additional:				
- shares in subsidiary company (Note 15(a))	-	-	(99,998)	-
- shares in joint venture company (Note 16)	(403,250)	-	(403,250)	-
Net cash (used in)/generated from investing activities	(2,384,658)	58,353,008	(3,361,240)	57,511,371
Cash flows from financing activities				
Share buyback	-	(580,681)	-	(580,681)
Dividends paid to shareholders	(9,822,254)	(3,948,901)	(9,822,254)	(3,948,901)
Net cash used in financing activities	(9,822,254)	(4,529,582)	(9,822,254)	(4,529,582)
Net increase/(decrease) in cash and cash equivalents	7,984,911	(5,309,740)	40,940	(74,343)
Effects of exchange rate changes	194,609	(640,581)	-	-
Cash and cash equivalents at beginning of year	6,511,761	12,462,082	667,263	741,606
Cash and cash equivalents at end of year (Note 22)	14,691,281	6,511,761	708,203	667,263

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

1. GENERAL INFORMATION

The Company is a public company limited by shares, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The principal place of business and registered office of the Company are both located at 21st Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur.

The Company is an investment holding company. The principal activities of the subsidiaries and joint venture are described in Note 15(a) and Note 16. 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 21 February 2019.

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 requirement of the Companies Act 2016 in Malaysia. These financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group and the Company adopted new MFRSs, Amendments to MFRSs and Issue Committee ("IC") Interpretation which are mandatory for financial periods beginning on or after 1 January 2018 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 2018, the Group and the Company adopted the following MFRSs, Amendments to MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2018.

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2	Share-based Payment Transactions: Classification and Measurement
Amendments to MFRS 1 and MFRS 128	Annual Improvements to MFRS Standards 2014 - 2016 Cycle
Amendments to MFRS 140	Investment Property: Transfer of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

Adoption of the above MFRSs, Amendments to MFRSs and IC Interpretation did not have any material impact on the financial performance or position of the Company and of the Group, other than as described below:

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

(b) Changes in accounting policies (Cont'd)

MFRS 9 Financial Instruments

The Group had adopted MFRS 9 Financial Instruments on its effective date of 1 January 2018. MFRS 9 replaces MFRS 139 Financial Instruments: Recognition and Measurement and introduces new requirements for classification and measurement, impairment and hedge accounting.

(a) Classification and measurement

The Group has assessed the classification of financial instruments as at the date of initial application and has no impact on the financial statements as the Group's accounting treatment is consistent with the requirement. Based on that assessment:

(i) All financial assets previously held at fair value continue to be measured at fair value.

(ii) Equity instruments and debt instruments, other than investments in subsidiaries and joint venture, are acquired for the purpose of generating short-term profit. Therefore, they meet the held-for-trading criteria and are required to be measured at fair value through profit or loss.

(iii) Financial assets previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. Thus, such instruments continue to be measured at amortised cost under MFRS 9.

(iv) The classification of financial liabilities under MFRS 9 remains broadly the same as under MFRS 139. The main impact on measurement from the classification of liabilities under MFRS 9 relates to the element of gains or losses for financial liabilities designated as at fair value through profit or loss attributable to changes in credit risk. MFRS 9 requires that such element be recognised in other comprehensive income (OCI), unless this treatment creates or enlarges an accounting mismatch in profit or loss, in which case, all gains and losses on that liability (including the effects of changes in credit risk) should be presented in profit or loss. The Group has not designated any financial liabilities at fair value through profit or loss. Therefore, this requirement has not had an impact on the Group.

In line with the characteristics of the Group's financial instruments as well as its approach to their management, the Group neither revoked nor made any new designations on the date of initial application. MFRS 9 has not resulted in changes in the carrying amount of the Group's financial instruments due to changes in measurement categories. All financial assets that were classified as fair value through profit or loss under MFRS 139 are still classified as fair value through profit or loss under MFRS 9. All financial assets that were classified as loans and receivables and measured at amortised cost continue to be.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces MFRS 118 Revenue and established a five-step model to account for revenue arising from contracts with customers. In addition, guidance on interest and dividend income have been moved from MFRS 118 to MFRS 9 without significant changes to the requirements. Therefore, there was no impact of adopting MFRS 15 for the Group.

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

(c) MFRSs, Amendments to MFRSs and IC Interpretations issued but not yet effective

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

MFRSs, Amendments to MFRSs and IC Interpretations		Effective for financial periods beginning on or after
MFRS 16	Leases	1 January 2019
Amendments to MFRS 9	Financial Instruments: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119	Employee Benefits: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128	Investments in Associates and Joint Ventures: Long-term Interests Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 3, MFRS 11, MFRS 112 and MFRS 123	Annual Improvements to MFRS Standards 2015 - 2017 Cycle	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 2, MFRS 3, MFRS 6, MFRS 14, MFRS 101, MFRS 108, MFRS 134, MFRS 137, MFRS 138, IC Interpretation 12, IC Interpretation 19, IC Interpretation 20, IC Interpretation 22 and IC Interpretation 132	Amendments to Reference to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3	Business Combinations: Definition of a Business	1 January 2020
Amendments to MFRS 101	Presentation of Financial Statements: Definition of Material	1 January 2020
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Directors expect that the adoption of the standards an interpretations above will have no material impact on the financial statements in the period of initial application, except as disclosed below:

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

(c) MFRSs, Amendments to MFRSs and IC Interpretations issued but not yet effective (Cont'd)

MFRS 16 Leases

MFRS 16 will replace MFRS 117: Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The right-of- use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions), less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications.

Classification of cash flows will also be affected as operating lease payments under MFRS 117 are presented as operating cash flows, whereas under MFRS 16, the lease payments will be split into a principal (which will be presented as financing cash flows) and an interest portion (which will be presented as operating cash flows).

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases. MFRS 16 also requires lessees and lessors to make more extensive disclosures than under MFRS 117.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted but not before an entity applies MFRS 16. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach.

The standard will affect primarily the accounting for the Group's operating leases. As at 31 December 2018, the Group has a non-cancellable operating lease commitments which relates to the rental of office space. However, as at the reporting date, the Group is in the midst of identifying other lease assets and finalising the full quantitative effects of the adoption of MFRS 16. The Group intent to apply the standard using a modified retrospective approach once it is effective.

(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 income, 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.

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

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

(i) Judgements

There are no critical judgements made by management in the process of applying the Group's accounting policies on the amounts recognised in the financial statements.

(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:

Investment securities carried at fair value through profit or loss

The fair value for financial assets traded in active markets at the reporting date is based on their closing price at the reporting date, without any deduction for transaction costs.

For all other financial assets not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances and for which sufficient data are available. In that, management has maximising the use of relevant observable input and minimising the use of unobservable input. Valuation techniques include the market approach (i.e., using recent arm's length market transactions, adjusted as necessary, reference to the current market value of another instrument that is substantially the same, and using price and other relevant information generated by comparable peer companies).

As at 31 December 2018, the carrying value of the Group's investment securities classified as fair value through profit or loss amounted to RM137,717,100 which represents 75.1% of the Group's total assets. The investment securities are invested in quoted shares in and outside Malaysia amounted to RM91,358,328 (66.3% of total investment securities) and unquoted shares in and outside of Malaysia amounted to RM46,358,772 (33.7% of the total investment securities).

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. For intercompany loans that are repayable on demand, Expected Credit Losses ("ECLs") are based on the assumption that repayment of the loan is demanded at the reporting date. And, if the subsidiary has sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date, the expected credit loss is likely to be immaterial. The carrying amount of the Company's amounts owing from subsidiaries at the reporting date is disclosed in Note 15(b). There is no impairment during the financial year.

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

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

(ii) Estimation uncertainties (Cont'd)

Impairment of investment in subsidiaries

The Company assesses at each reporting date whether there is any objective evidence that its investment in subsidiaries is impaired. This involves assessing net assets of the subsidiaries as at year end and measuring the recoverable amounts which include the fair value less cost to sell and value in use using valuation techniques. Valuation techniques include the use of discounted cash flow analysis, considering the current market value indicators. These estimates provide reasonable approximation to the computation of recoverable amount. Based on management's assessment, an impairment loss of RM19,100,000 was recognised as an expense in current year (Note 7). A reversal of impairment loss of RM2,637,800 was recognised as other income in prior year, which due to recoverability of the economic performance of the subsidiary.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

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

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

(i) Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

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

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Company, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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

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

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in the income statements. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to the income statements 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 9 either in the income statements 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 9, 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 the income statements.

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 the income statements.

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 the income statements.

(b) Investment in joint venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The Group recognises its interest in joint venture using equity method of accounting and is recognised initially at cost which is measured at the fair value of consideration paid and subsequently carried at cost less accumulated impairment loss, if any.

Adjustments are made in the Group's consolidation financial statements to eliminate the Group's share of intragroup balances, income and expenses and unrealised gains and losses on transactions between the Group and its jointly controlled entity.

The financial statements of the joint venture are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to align the accounting policies with those of the Group.

(c) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Equipment and depreciation

Equipment are initially recorded at cost. The cost of an item of equipment is recognised as an asset if and only if, 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(e).

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. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the income statements.

(e) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Impairment losses are recognised in the 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 the 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.

(f) Intangible assets

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%.

(g) 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 best economic interest.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Fair value measurement (Cont'd)

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 fair value for financial assets traded in active markets is based on quoted market closing price at the end of each reporting period, without any deduction for transaction costs.

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 31.

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.

(h) Financial instruments

Classification

In accordance with MFRS 9, the Group classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

(a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term, or

(b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking, or

(c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets

The Group classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets

- The contractual cash flow characteristics of the financial assets

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial instruments (Cont'd)

Financial assets (Cont'd)

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if:

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding, or

(b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell, or

(c) At initial recognition, it is irrevocably designated as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Group includes in this category:

- Debt instruments. These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

- Instruments held for trading. This category includes equity instruments and debt instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

Financial liabilities

Financial liabilities measured at fair value through profit or loss

A financial liability is measured at fair value through profit or loss if it meets the definition of held for trading.

Financial liabilities measured at amortised at cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Group's and the Company's financial liabilities include trade and sundry payables.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) 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.

The Group and the Company holds trade and other receivables and other financial assets, which have maturities of less than 12 months at amortised cost and, as such has chosen to apply an approach similar to the simplified ECL under MFRS 9. Therefore the Group and the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) 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 the 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.

(o) 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 and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

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

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

(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 the 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.

(q) Segment reporting

For management purposes, the Group and the Company are organised into business segments as the Group's and the Company's risk and rate of return are affected predominantly by its business activities. The Group's and the Company's geographical segments are based on the location of the operations of the Group's and of the Company's assets. Income by geographical segment is based on income derived from those assets. Additional disclosures on each of these segments are shown in Note 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 the income statements except to the extent that the tax relates to items recognised outside the 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 and interest in joint venture, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Income taxes (Cont'd)

(ii) Deferred tax (Cont'd)

Deferred tax relating to items recognised outside the income statements is recognised outside the 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) Income recognition

Income is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the Company and the income can be reliably measured.

The following specific recognition criteria must also be met before income is recognised:

(i) Net fair value gain/(loss) on financial assets

Net fair value gain/(loss) on financial assets are changes in the fair value of financial assets held for trading or designated upon initial recognition as at fair value through profit or loss and exclude interest and dividend income and expenses.

Unrealised fair value gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of the prior period's unrealised gains and losses for financial instruments which were realised in the reporting period. Realised gains and losses on disposals of financial instruments classified as at fair value through profit or loss are calculated using the average method. Net fair value gain/(loss) on financial assets is measured as the difference between the fair value as at the reporting date and the carrying amounts of the financial instruments.

(ii) Interest income

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

(iii) Dividend income

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

(iv) Other income

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

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

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

(iii) Foreign operations

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

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

4. NET FAIR VALUE (LOSS)/GAIN ON FINANCIAL ASSETS

	Group 2018 RM	Group 2017 RM
Realised fair value (loss)/gain on financial assets	(2,195,729)	4,723,851
Unrealised fair value (loss)/gain on fnancial assets (Note 32)	(26,654,759)	28,139,760
	(28,850,488)	32,863,611

Realised fair value (loss)/gain on financial assets is arrived at based on the following:

	Group 2018 RM	Group 2017 RM
Proceeds from disposal of investment securities	174,444,704	91,061,037
Less: Cost of investment	(175,248,215)	(120,733,642)
Loss on disposal *	(803,511)	(29,672,605)
(Less)/add: Previously recognised fair value changes	(1,392,218)	34,396,456
Realised fair value (loss)/gain on financial assets	(2,195,729)	4,723,851

* Loss on disposal of financial assets represents the difference between an instrument's cost of investment and disposal proceeds.

5. INTEREST INCOME

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Cash management fund	658,392	1,310,561	620,426	1,236,629
Cash and cash equivalents	61,796	34,657	26,715	28,776
Note receivables	422,054	16,850	-	-
Advance to subsidiary	-	-	2,878,265	2,219,993
	1,142,242	1,362,068	3,525,406	3,485,398

Notes to the Financial Statements
31 December 2018

6. DIVIDEND INCOME

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Equity securities at fair value through profit or loss	2,964,413	2,936,097	-	-
From subsidiaries	-	-	1,900,000	8,000,000
	2,964,413	2,936,097	1,900,000	8,000,000

7. IMPAIRMENT LOSSES

	Company 2018 RM	Company 2017 RM
In respect of:		
Investment in subsidiaries (Note 15(a))	19,100,000	-

During the year, the Company recognised an impairment loss of RM19,100,000 (2017: RM NIL) on certain subsidiaries as the estimated recoverable amounts of the said investments are lower than their costs of investments.

The Company made a reversal of impairment on cost of investment of a subsidiary of RM2,637,800 to other income in prior year due to recoverability of the operating performance of the said subsidiary.

8. (LOSS)/PROFIT BEFORE TAX

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

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Auditors' remuneration:				
(i) Statutory audit				
- current year	128,000	127,103	72,000	62,000
- under provision in prior year	-	1,011	-	-
(ii) Other services	6,000	6,000	6,000	6,000
Employee benefits expenses (excluding executive Directors' remuneration) (Note 9)	1,987,067	1,262,306	5,449	7,133
Directors' remuneration (Note 10)	1,715,480	1,344,000	181,592	155,712
Rental of office	175,325	146,059	-	-
Depreciation of equipment (Note 13)	82,533	81,382	252	-
Loss on disposal of equipment	-	48,856	-	-
Equipment written off	9	15,294	-	-
Amortisation of intangible assets (Note 14)	3,127	3,036	-	-
Impairment loss/(reversal of impairment loss) on cost of investment of subsidiaries	-	-	19,100,000	(2,637,800)
Net foreign exchange (gain)/loss	(631,079)	107,739	1,850	-

9. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Salaries and bonuses	1,725,756	1,050,895	-	-
Defined contribution plan	188,266	136,027	-	-
Other staff related expenses	73,045	75,384	5,449	7,133
	1,987,067	1,262,306	5,449	7,133

10. DIRECTORS' REMUNERATION

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Directors of the Company				
Executive:				
Salaries, bonuses and other emoluments	1,337,400	1,032,300	-	-
Defined contribution plan	196,488	155,988	-	-
	1,533,888	1,188,288	-	-
Non-executive:				
Salaries, bonuses and other emoluments	15,000	15,000	15,000	15,000
Directors' fees	166,592	140,712	166,592	140,712
	181,592	155,712	181,592	155,712
Total Directors' remuneration (Note 8)	1,715,480	1,344,000	181,592	155,712

The total executive directors' remuneration excludes the estimated money value of benefits-in-kind of RM24,916 (2017: RM17,100) and insurance premium paid for Directors' and Officers' Liability Insurance of RM17,500 (2017: RM17,500).

10. DIRECTORS' REMUNERATION (CONT'D)

The details of the Directors' remuneration are as follow:

	Group				Company		
	Directors' fees RM	Salaries and bonus^ RM	Meeting allowances RM	Total RM	Directors' fees RM	Meeting allowances RM	Total RM
2018							
Executive Directors							
Yee Chee Wai	-	782,664	-	782,664	-	-	-
Ong Yee Min	-	751,224	-	751,224	-	-	-
	-	1,533,888	-	1,533,888	-	-	-
Non-Executive Directors							
Leong Keng Yuen	62,836	-	5,000	67,836	62,836	5,000	67,836
Dato' Thanarajasingam Subramaniam	48,205	-	5,000	53,205	48,205	5,000	53,205
Dr. Ngo Get Ping	50,521	-	5,000	55,521	50,521	5,000	55,521
Dato' Nik Mohamed Din bin Datuk Nik Yusoff #	4,734	-	-	4,734	4,734	-	4,734
Tan Sri Ong Leong Huat @ Wong Joo Hwa #	296	-	-	296	296	-	296
	166,592	-	15,000	181,592	166,592	15,000	181,592
	166,592	1,533,888*	15,000	1,715,480	166,592	15,000	181,592

Notes:

^ The salaries and bonus are inclusive of employer's provident fund contributions and fixed allowance.

The Directors had retired on 18 April 2017. The amount represent the approved payable amount in Annual General Meeting on 26 April 2018.

* The total Executive Directors' remuneration is excluding the estimated money value of benefit-in-kind of RM24,916 and insurance premium to indemnify Directors of RM17,500.

10. DIRECTORS' REMUNERATION (CONT'D)

The details of the Directors' remuneration are as follow:

	Group				Company		
	Directors' fees RM	Salaries and bonus^ RM	Meeting allowances RM	Total RM	Directors' fees RM	Meeting allowances RM	Total RM
2017							
Executive Directors							
Yee Chee Wai	-	622,044	-	622,044	-	-	-
Ong Yee Min	-	566,244	-	566,244	-	-	-
	-	1,188,288	-	1,188,288	-	-	-
Non-Executive Directors							
Leong Keng Yuen	45,000	-	5,000	50,000	45,000	5,000	50,000
Dato' Thanarajasingam Subramaniam	35,000	-	5,000	40,000	35,000	5,000	40,000
Dr. Ngo Get Ping	40,000	-	5,000	45,000	40,000	5,000	45,000
Dato' Nik Mohamed Din bin Datuk Nik Yusoff #	10,356	-	-	10,356	10,356	-	10,356
Tan Sri Ong Leong Huat @ Wong Joo Hwa #	10,356	-	-	10,356	10,356	-	10,356
	140,712	-	15,000	155,712	140,712	15,000	155,712
	140,712	1,188,288*	15,000	1,344,000	140,712	15,000	155,712

Notes:

^ The salaries and bonus are inclusive of employer's provident fund contributions and fixed allowance.

The Directors had retired on 18 April 2017.

* The total Executive Directors' remuneration is excluding the estimated money value of benefit-in-kind of RM17,100 and insurance premium to indemnify Directors of RM17,500.

11. INCOME TAX EXPENSE

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Malaysian income tax:				
Current year	657,209	523,227	656,411	522,034
(Over)/under provision in prior years	(249)	3,915	(221)	2,899
	656,960	527,142	656,190	524,933
Deferred tax (Note 26):				
Relating to origination and reversal of temporary differences	(309,240)	947,362	-	-
Under provision in prior year	11,605	625	-	-
	(297,635)	947,987	-	-
	359,325	1,475,129	656,190	524,933

The domestic income tax is calculated at the statutory tax rate of 24% (2017: 24%) of the estimated assessable profit for the year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdiction.

A reconciliation of income tax expense applicable to (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 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
(Loss)/profit before tax	(29,313,789)	32,688,936	(14,433,448)	13,188,299
Tax at Malaysian statutory tax rate of 24% (2017: 24%)	(7,035,309)	7,845,345	(3,464,028)	3,165,192
Effect of different tax rate in foreign jurisdiction	28	1,910	-	-
Expenses not deductible for tax purposes	799,195	429,558	4,725,730	206,705
Income not subjected to tax	(1,416,634)	(875,271)	(604,902)	(2,849,863)
Utilisation of capital allowance	(389)	-	(389)	-
Utilisation of previously unrecognised deferred tax assets	-	(5,935,061)	-	-
Share of results of a joint venture	15,614	-	-	-
Deferred tax assets not recognised	7,985,464	4,108	-	-
Under provision of deferred tax in prior year	11,605	625	-	-
(Over)/under provision of income tax in prior year	(249)	3,915	(221)	2,899
Income tax expense for the year	359,325	1,475,129	656,190	524,933

11. INCOME TAX EXPENSE (CONT'D)

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

	Group	
	2018 RM	2017 RM
Unutilised tax losses	81,146,182	74,907,084
Unabsorbed capital allowances	113,659	7,764
Unrealised fair value loss on financial instruments	6,332,896	-
Other deductible temporary differences	509,640	(20,137,742)
	88,102,377	54,777,106

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. However, with effective from year of asssement 2019, unutilised tax losses in a year of assessment can only be carried forward for a maximum period of 7 consecutive years of assessment to be utilised against income from any business source. The amendments were passed and gazetted in the Parliament on 10 December 2018 and 27 December 2018 respectively.

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 certain that the Group will be able to generate sufficient taxable income for the utilisation of these tax benefits in foreseeable future.

12. (LOSS)/EARNINGS PER SHARE

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

	Group	
	2018 RM	2017 RM
(Loss)/profit for the year attributable to Owners of the Company (RM)	(29,673,114)	31,213,807
Weighted average number of ordinary shares in issue*	196,445,072	197,337,227
Basic (loss)/earnings per share (sen)	(15.11)	15.82

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

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13. EQUIPMENT

	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Computer equipment RM	Total RM
Group						
2018						
Cost						
At 1 January 2018	26,182	-	67,869	-	83,178	177,229
Additions	35,041	391,275	3,349	187,453	15,898	633,016
Written-off	(11,648)	-	(21,952)	-	(2,570)	(36,170)
At 31 December 2018	49,575	391,275	49,266	187,453	96,506	774,075
Accumulated depreciation						
At 1 January 2018	17,895	-	62,112	-	48,986	128,993
Charge for the year (Note 8)	4,872	44,018	2,983	18,261	12,399	82,533
Written-off	(11,642)	-	(21,950)	-	(2,569)	(36,161)
At 31 December 2018	11,125	44,018	43,145	18,261	58,816	175,365
Net carrying amount	38,450	347,257	6,121	169,192	37,690	598,710
2017						
Cost						
At 1 January 2017	109,493	327,136	169,950	204,933	74,912	886,424
Additions	7,914	-	-	-	15,889	23,803
Disposal	-	(327,136)	-	-	-	(327,136)
Written-off	(91,225)	-	(102,081)	(204,933)	(7,623)	(405,862)
At 31 December 2017	26,182	-	67,869	-	83,178	177,229
Accumulated depreciation						
At 1 January 2017	95,305	155,388	160,391	176,168	47,207	634,459
Charge for the year (Note 8)	9,326	40,892	3,151	18,612	9,401	81,382
Disposal	-	(196,280)	-	-	-	(196,280)
Written-off	(86,736)	-	(101,430)	(194,780)	(7,622)	(390,568)
At 31 December 2017	17,895	-	62,112	-	48,986	128,993
Net carrying amount	8,287	-	5,757	-	34,192	48,236

13. EQUIPMENT (CONT'D)

	Computer equipment RM
Company	
2018	
Cost	
At 1 January 2018	-
Additions	7,566
At 31 December 2018	7,566
Accumulated depreciation	
At 1 January 2018	-
Charge for the year (Note 8)	252
At 31 December 2018	252
Net carrying amount	7,314

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

	2018 RM	2017 RM
Computer equipment	28,713	28,124
Office equipment	27,235	48,111
Furniture and fittings	6,620	-
	62,568	76,235

14. INTANGIBLE ASSETS

	Software licenses RM
Group	
2018	
Cost	
At 1 January 2018	23,078
Additions	-
At 31 December 2018	23,078
Accumulated amortisation	
At 1 January 2018	14,079
Amortisation (Note 8)	3,127
At 31 December 2018	17,206
Net carrying amount	5,872
2017	
Cost	
At 1 January 2017	19,451
Additions	3,627
At 31 December 2017	23,078
Accumulated amortisation	
At 1 January 2017	11,043
Amortisation (Note 8)	3,036
At 31 December 2017	14,079
Net carrying amount	8,999

15. SUBSIDIARIES

(a) Investments in subsidiaries

	Company 2018 RM	2017 RM
Unquoted shares, at cost In Malaysia		
At beginning of year	95,794,802	95,794,802
Subscription	99,998	-
At end of year	95,894,800	95,794,802
Outside Malaysia	-*	-*
	95,894,800	95,794,802
Allowance for impairment	(19,100,000)	-
	76,794,800	95,794,802

* Denotes amount less than RM1.00

Movement in allowance account:

	Company 2018 RM	2017 RM
At beginning of year	-	2,637,800
Impairment/(reversal) (Note 32(a)(iii))	19,100,000	(2,637,800)
At end of year	19,100,000	-

15. 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 which is incorporated in Hong Kong, are as follows:

Held by the Company

Name of company	Principal activities	Proportion of ownership interest (%) 2018	2017
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 Loan Ventures Sdn. Bhd.	To establish business as a recognised market operator of an online platform and to conduct the business of peer-to-peer financing.	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

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

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

(b) Amount due from subsidiary

	Company 2018 RM	2017 RM
Amount due from subsidiary (Note 21)	71,696,508	82,639,412

The amount due from subsidiary are unsecured, repayable on demand and bear interest rate ranging from 3.57% to 3.70% (2017: 3.50% to 3.59%) per annum.

16. INVESTMENT IN JOINT VENTURE

Details of the joint venture, which is incorporated in Federal Territory of Labuan, Malaysia is as follows:

(i) Held by the Company

Name of company	Principal activity	Proportion of ownership interest (%) 2018	2017
OSK-SBI Venture Partners Ltd.	Fund manager of a private fund	50	-

(ii) Other information

The reconciliation of net assets to carrying value of the joint venture is a follows:

	2018 RM
Proportion of ownership interest (50%)	
Cost of investment	403,250
Share of results of a joint venture	(65,062)
Carrying value	338,188

Summarised financial statements of the joint venture is as follows:

	2018 RM
Aggregate assets and liabilities of the joint venture (100%)	
Current assets	712,341
Current liabilities	(37,865)
Net Assets	674,476
Aggregate results (100%)	
Revenue	416,000
Loss for the year	(130,124)

17. CHANGES IN COMPOSITION OF THE GROUP

(a) Joint Venture - OSK-SBI Venture Partners Ltd.

On 18 May 2018, OSK Ventures International Berhad ("OSKVI") subscribed One Hundred Thousand (100,000) ordinary shares of USD1.00 each representing 50% of the enlarged share capital of OSK-SBI Venture Partners Ltd. (Company No. LL14744) ("OSK-SBI") for a total cash consideration of USD100,000.

OSK-SBI was incorporated in the Federal Territory of Labuan, Malaysia under the Labuan Companies Act, 1990 with a total paid-up share capital of USD200,000 comprising 200,000 ordinary shares. The principal activity of OSK-SBI is the fund manager of a private fund.

(b) Subscription of 99,998 ordinary shares in OSK Capital Partners Sdn. Bhd. ("OSKCP")

On 25 June 2018, OSKVI increased its investment in a wholly-owned subsidiary, OSKCP. By way of subscription of additional 99,998 new ordinary shares, for a total cash consideration of RM99,998 only. As a result, the issued and paid up share capital of OSKCP increased from 2 to 100,000 ordinary shares.

(c) Deregistration of OSK Ventures International Limited, a wholly-owned subsidiary

OSKVI's wholly-owned subsidiary, OSK Ventures International Limited (Company No. 1061002) ("OSKVIL") had on 30 October 2018 applied to the Companies Registry of Hong Kong for deregistration of the company pursuant to Section 750 of the Companies Ordinance (Cap. 622) of Hong Kong ("the Deregistration").

The Deregistration of OSKVIL is not expected to have any material effect on the Group's net assets and earnings for the financial year ending 31 December 2018. The application of Deregistration was announced on 30 October 2018.

18. INVESTMENT SECURITIES

	Carrying amount 2018 RM	Market value of quoted investments 2018 RM	Carrying amount 2017 RM	Market value of quoted investments 2017 RM
Group				
Investment securities				
Quoted shares in Malaysia	65,280,625	65,280,625	111,057,437	111,057,437
Quoted shares outside Malaysia	26,077,703	26,077,703	44,975,061	44,975,061
Unquoted shares in Malaysia	8,175,841	-	5,672,518	-
Unquoted shares outside Malaysia	38,182,931	-	14,243,177	-
Total financial assets at fair value through profit or loss	137,717,100	91,358,328	175,948,193	156,032,498

19. INVESTMENT IN FUND

	Group and Company	
	2018	2017
	RM	RM
Investment in Fund	1,037,000	-

During the financial year, the Company established a joint venture fund with SBI Holdings, Inc. The fund's main investment target is promising SME private companies within the ASEAN region. As at 31 December 2018, the fund comprises cash balances.

20. NOTES RECEIVABLES

	Group	
	2018	2017
	RM	RM
Notes Receivables		
Convertible notes outside Malaysia:		
- 10% p.a. convertible note mature on 29 March 2020	2,067,750	-
- 7% p.a. convertible note mature on 31 December 2019	413,550	-
Promissory note outside Malaysia	-	2,033,250
	2,481,300	2,033,250

During the financial year, the Group agreed with the issuer on the settlement of the high-yield promissory note. The Group received the settlement amounting to USD575,000 (or RM2,294,825 equivalent) on 18 June 2018.

21. TRADE AND OTHER RECEIVABLES

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Trade receivables				
Third parties	1,042,646	9,392,104	-	-
Other receivables				
Dividend receivables	86,303	96,161	-	-
Interest receivables	145,051	17,092	2,878,596	2,220,138
Deposits	52,516	46,207	4,500	4,500
	283,870	159,460	2,883,096	2,224,638
Total trade and other receivables	1,326,516	9,551,564	2,883,096	2,224,638
Add: Cash, bank balances and cash management fund (Note 22)	36,729,541	27,201,629	22,072,533	19,181,167
Add: Notes receivables (Note 20)	2,481,300	2,033,250	-	-
Add: Amounts due from subsidiary (Note 15(b))	-	-	71,696,508	82,639,412
Total loans and receivables	40,537,357	38,786,443	96,652,137	104,045,217

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with the exchange are mainly on credit, generally for a period of 3 days (2017: 3 days) unless modified by terms of agreement on case-by-case basis. The Group seeks to maintain strict control over its outstanding receivables.

As at the reporting date, the third parties receivables are not yet due. The amounts were fully settled subsequent to the reporting date.

22. CASH, BANK BALANCES AND CASH MANAGEMENT FUND

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Cash on hand and at banks	6,177,501	141,058	58,203	57,263
Deposits with a licensed investment bank	650,000	740,000	650,000	610,000
Cash held by third party	7,863,780	5,630,703	-	-
Cash and cash equivalents	14,691,281	6,511,761	708,203	667,263
Cash management fund	22,038,260	20,689,868	21,364,330	18,513,904
Cash, bank balances and cash management fund	36,729,541	27,201,629	22,072,533	19,181,167

22. CASH, BANK BALANCES AND CASH MANAGEMENT FUND (CONT'D)

Cash held by third party relates to trading account that was held by investments brokers (i.e. RHB Securities HK, Deutsche Bank and PT RHB Sekuritas Indonesia) on behalf of OSK Technology Ventures Sdn. Bhd. to facilitates investment held overseas.

Cash management fund is an open-end unit trust established in Malaysia. The 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.

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Weighted average effective interest rate (%)	3.10	2.92	3.10	2.90
Average maturity (days)	6	4	6	3

23. CONTRIBUTED SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2018	2017	2018 RM	2017 RM
Authorised				
At beginning of year:	-	500,000,000	-	250,000,000
Effect of implementation of the Companies Act 2016 *	-	(500,000,000)	-	(250,000,000)
At end of year	-	-	-	-
Issued and fully paid				
At beginning of year	197,596,872	197,596,872	186,267,368	98,798,436
Transferred pursuant to the Companies Act 2016 *	-	-	-	87,468,932
At end of year	197,596,872	197,596,872	186,267,368	186,267,368

* The Companies Act 2016 ("New Act") which was enacted to replace the Companies Act, 1965 and came into operation on 31 January 2017, abolished the concepts of authorised share capital and par value of share capital. In accordance with the New Act, the Group had transferred a total of RM87,468,932 from its share premium and capital redemption reserve accounts to the contributed share capital.

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.

Notes to the Financial Statements
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24. RESERVES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Share premium	-	84,277,332	-	84,277,332
Capital redemption reserve	-	3,191,600	-	3,191,600
	-	87,468,932	-	87,468,932
Transferred pursuant to the Companies Act 2016 *	-	(87,468,932)	-	(87,468,932)
	-	-	-	-
(Accumulated losses)/retained profits	(11,512,132)	27,983,236	(11,488,645)	13,423,247
	(11,512,132)	27,983,236	(11,488,645)	13,423,247

* In accordance with Section 618 of Companies Act 2016 ("New Act"), any amount standing to the credit of the share premium and capital redemption reserve has become part of the Group and the Company's contributed share capital. The Group and the Company has twenty-four (24) months upon the commencement of the New Act on 31 January 2017 to utilise on the credit.

25. TREASURY SHARES

	Group and Company	
	2018 RM	2017 RM
At cost:		
At beginning of year	646,527	65,846
Share buyback	-	580,681
At end of year	646,527	646,527

	Number of shares	
	2018 RM	2017 RM
Number of treasury shares:		
At beginning of year	1,151,800	151,800
Share buybacks	-	1,000,000
At end of year	1,151,800	1,151,800
Total number of outstanding shares in issue after set off (excluding treasury shares held)	196,445,072	196,445,072
Total number of issued and fully paid ordinary shares	197,596,872	197,596,872

25. TREASURY SHARES (CONT'D)

The shareholders of the Company, by an ordinary resolution passed in the Annual General Meeting ("AGM") held on 26 April 2018, 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 retained profits 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 127 of the Companies Act 2016. The Company may distribute the treasury shares as dividend to the shareholders or re-sell the treasury shares in accordance with Section 127 of the Companies Act 2016.

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
2018					
At beginning/end of year	1,151,800			0.56	646,527
2017					
At beginning of year	151,800			0.43	65,846
Share buyback in					
- November 2017	1,000,000	0.61	0.54	0.58	580,681
At end of year	1,151,800			0.56	646,527

* Average cost includes transaction costs.

26. DEFERRED TAX LIABILITY

	Group 2018 RM	2017 RM
As at 1 January	2,351,155	1,403,168
Recognised in income statement (Note 11)	(297,635)	947,987
At 31 December	2,053,520	2,351,155

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

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

Deferred tax liability of the Group:

	Fair value gain on financial instrument, net RM
At 1 January 2017	1,403,168
Recognised in income statements	947,987
At 31 December 2017	2,351,155
Recognised in income statements	(297,635)
At 31 December 2018	2,053,520

27. TRADE AND SUNDRY PAYABLES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Trade Payables				
Third parties	5,696,381	-	-	-
Sundry Payables				
Accruals	1,434,572	1,250,162	699,310	637,822
Total financial liabilities carried at amortised cost	7,130,953	1,250,162	699,310	637,822

28. COMPENSATION OF KEY MANAGEMENT PERSONNEL

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of that Company.

The following Directors of the Company are members of key management personnel of the Company. The Directors' remuneration are disclosed in Note 10.

Executive Directors

Yee Chee Wai
Ong Yee Min

Non-executive Directors

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

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND RELATIONSHIPS

In addition to the related party information disclosed elsewhere in the financial statements the following significant transaction between the Group and related parties took place at terms agreed between the parties during the financial year:

(a) Transactions with related parties

	Nature of transactions	Group (Income)/expenses 2018 RM	Group (Income)/expenses 2017 RM	Company (Income)/expenses 2018 RM	Company (Income)/expenses 2017 RM
(i) OSK Holdings Berhad ("OSKH")*	Support service fees	111,333	180,543	6,259	45,600
	Professional fees	38,000	38,000	38,000	38,000
	Food beverages	1,360	-	560	-
(ii) Subsidiaries of OSKH					
OSK Realty Sdn. Bhd.	Rental of office and parking	188,860	146,059	-	-
	Repair and maintenance	1,585	622	-	-
	Utilities charges	3,157	-	-	-

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

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

	Nature of transactions	Group (Income)/expenses 2018 RM	Group (Income)/expenses 2017 RM	Company (Income)/expenses 2018 RM	Company (Income)/expenses 2017 RM
(ii) Subsidiaries of OSKH (Cont'd)					
Subsidiary of OSK Property Holdings Berhad					
Atria Shopping Gallery Sdn. Bhd.	AGM related expenses	8,375	18,320	8,375	18,320
Subsidiaries of PJ Development Holdings Berhad					
PJD Hotels Sdn. Bhd.	AGM related expenses	19,297	3,691	19,297	3,691
	Hotel facility expenses	1,637	3,826	1,137	1,736
	Food beverages	2,174	-	-	-
MM Hotels Sdn. Bhd.	Hotel facility expenses	974	868	-	-
(iii) Associates of OSKH					
RHB Bank Berhad ("RHB")	Interest income	(51,594)	-	(26,715)	-
RHB group of companies					
RHB Investment Bank Berhad	Interest income	-	(19,576)	-	(19,576)
	Brokerage fees	264,720	263,381	-	1,734

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

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

	Nature of transactions	Group (Income)/expenses 2018 RM	Group (Income)/expenses 2017 RM	Company (Income)/expenses 2018 RM	Company (Income)/expenses 2017 RM
(iii) Associates of OSKH (Cont'd)					
RHB group of companies (Cont'd)					
RHB Asset Management Sdn. Bhd.	Interest income	(658,392)	(1,310,561)	620,426	(1,236,629)
	Management fees	58,108	127,482	54,675	120,348
RHB Securities Hong Kong Ltd	Brokerage fees	23,810	2,103	-	-
RHB Bank Berhad, Singapore	Interest income	(10,201)	-	-	-
PT RHB Sekuritas Indonesia	Brokerage fees	-	5,548	-	-

* OSKH is deemed a related party by virtue of a common substantial shareholder.

Balances outstanding with subsidiaries are reflected in Note 15(b) in the statements of financial position. There were no significant 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 RM40,036,740 (2017: RM44,228,581). 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 Director of the Company.

(ii) The dividends received from Willowglen during the year amounted to RM782,807 (2017: RM782,807).

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

(b) Transactions with other related parties (Cont'd)

(iii) The Group and the Company have entered into insurance contracts with DC Services Sdn. Bhd. ("DCSSB"), Sincere Source Sdn. Bhd. ("SSSB") and Dindings Risks Management Services Sdn. Bhd. ("DRMSSB") and capital expenditure transaction with Dindings Design Sdn. Bhd. ("DDSD"). 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 Director of the Company.

The insurance premium paid by the Group to DCSSB, SSSB and DRMSSB during the year is RM25,297 (2017: RM20,652), RM12,548 (2017: RM9,891) and RM2,480 (2017: RM4,896) respectively.

The cost of renovation, furniture and fittings paid by the Group to DDSD during the year is RM222,495 (2017: Nil).

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 2018 and 2017.

30. 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 21.

The carrying amounts of the financial assets recorded in the statement of financial position at the reporting date represent the Company's maximum exposure to credit risk in relation to financial assets. As at reporting date, the Company has concentration of credit risk in the form of outstanding balance due from intercompany representing 96% (2017: 97%) of total receivables of the Company.

30. 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 of 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 cash management fund.

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

The Group and the Company has no substantial long term interest bearing liability and assets as at 31 December 2018 and 31 December 2017. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in current accounts.

At the reporting date, the interest rate profile of the interest bearing financial instrument is as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Floating rate instruments				
Financial asset	22,688,260	21,429,868	71,696,508	82,639,412

Sensitivity analysis for floating rate instrument

Management has assessed that there are no reasonably possible changes in interest rates that would result in a material impact to the financial statements of the Company.

(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 mature in less than one year as at the reporting date. The financial assets of the Group and of the Company other than unquoted investment securities (Note 18), investment in fund (Note 19) and notes receivables (Note 20) are expected to be recovered in no more than one year after the reporting date.

(d) Foreign currency risk

The Group is exposed to currency risk primarily through placements of deposits and 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"), Indonesian Rupiah ("IDR"), British Pound ("GBP") and Australia Dollar ("AUD").

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.

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

(d) Foreign currency risk (Cont'd)

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

	Group 2018 RM	2017 RM
Financial assets held in non-functional currencies:		
United States Dollar	43,811,505	41,599,184
Singapore Dollar	11,837,356	2,746,780
Hong Kong Dollar	10,763,937	19,427,477
Australia Dollar	1	3,840,000
Indonesian Rupiah	638	3,472,002
British Pound	9,693,792	-
	76,107,229	71,085,443
Financial liabilities held in non-functional currencies:		
Hong Kong Dollar	14,103	16,289

Sensitivity analysis for foreign currency risk

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

	Group 2018 RM	2017 RM
If RM strengthened/weakened against USD by 5% (2017: 5%)	2,190,575	2,079,959
If RM strengthened/weakened against SGD by 5% (2017: 5%)	591,868	137,339
If RM strengthened/weakened against HKD by 5% (2017: 5%)	538,197	971,374
If RM strengthened/weakened against IDR by 5% (2017: 5%)	32	173,600
If RM strengthened/weakened against AUD by 5% (2017: 5%)	-*	192,000
If RM strengthened/weakened against GBP by 5% (2017: 5%)	484,690	-

* Denote value less than RM1.00

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

(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, Hong Kong Stock Exchange, Singapore Exchange, Bursa Efek Indonesia and New York 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 profit before tax would have been RM6,900,000 (2017: RM8,800,000) higher/lower, arising as a result of higher/lower fair value (losses)/gains on fair value through profit or loss investments securities.

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash, bank balances and cash management fund, notes receivables, trade and other receivables, amount due from subsidiaries and sundry 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).

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

Fair value hierarchy (Cont'd)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
2018				
Investment securities	91,358,328	-	46,358,772	137,717,100
2017				
Investment securities	156,032,498	-	19,915,695	175,948,193

The financial instruments of the Company are related to cash, bank balances and cash management fund, other receivables, sundry payables and amounts due from subsidiaries. The carrying amounts due from 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 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 assets of the unquoted investment. The fair value of the underlying assets 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 31 December 2018 and 31 December 2017.

Level 3

The Group and the Company have classified certain financial instrument's fair value as Level 3 for the financial years ended 31 December 2018 and 31 December 2017.

Certain unquoted investments carried at fair value through profit or loss are based on its net cash paid to acquire the investments when:

(i) the fair value of the underlying assets 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.

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

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 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 then assess if the net carrying amount of the investments approximates its fair value, and changes, if any, will be recognised in the income statements.

32. 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.

32. SEGMENT INFORMATION (CONT'D)

(a) Business segments (Cont'd)

	Venture capital and private equity businesses RM	Holding entity RM	Eliminations RM	Note	Consolidated RM
2018					
Income					
External income	(25,390,974)	647,141	-		(24,743,833)
Inter-segment income	50,000	4,778,265	(4,828,265)	(i)	-
Total income	(25,340,974)	5,425,406	(4,828,265)		(24,743,833)
Results:					
Interest income	495,101	3,525,406	(2,878,265)		1,142,242
Dividend income	2,964,413	1,900,000	(1,900,000)		2,964,413
Depreciation and amortisation	85,408	252	-		85,660
Other non-cash items	26,654,768	-	-	(ii)	26,654,768
Segment loss before tax	(32,015,279)	(14,433,448)	17,200,000	(iii)	(29,248,727)
Share of result of a joint venture					(65,062)
Loss before tax					(29,313,789)
Income tax expense					(359,325)
Loss for the year					(29,673,114)
Assets:					
Additions to capital expenditure	625,450	7,566	-	(iv)	633,016
Segment assets	159,896,310	23,460,283	-		183,356,593
Segment liabilities	8,485,163	762,721	-	(v)	9,247,884

32. SEGMENT INFORMATION (CONT'D)

(a) Business segments (Cont'd)

	Venture capital and private equity businesses RM	Holding entity RM	Eliminations RM	Note	Consolidated RM
2017					
Income					
External income	35,897,371	1,265,405	-		37,162,776
Inter-segment income	97,475	12,857,793	(12,955,268)	(i)	-
Total income	35,994,846	14,123,198	(12,955,268)		37,162,776
Results:					
Interest income	96,663	3,485,398	(2,219,993)		1,362,068
Dividend income	2,936,097	8,000,000	(8,000,000)		2,936,097
Depreciation and amortisation	84,418	-	-		84,418
Other non-cash items	(28,124,466)	-	-	(ii)	(28,124,466)
Segment profit before tax	30,138,437	13,188,299	(10,637,800)	(iii)	32,688,936
Income tax expense					(1,475,129)
Profit for the year					31,213,807
Assets:					
Additions to capital expenditure	27,430	-	-	(iv)	27,430
Segment assets	198,177,690	19,186,418	-		217,364,108
Segment liabilities	2,963,495	796,536	-	(v)	3,760,031

32. SEGMENT INFORMATION (CONT'D)

(a) Business segments (Cont'd)

(i) Inter-segment income 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:

	2018 RM	2017 RM
Unrealised fair value loss/(gain) on financial assets (Note 4)	26,654,759	(28,139,760)
Equipment written off	9	15,294
	26,654,768	(28,124,466)

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

	2018 RM	2017 RM
Impairment loss/(reversal) (Note 15(a))	19,100,000	(2,637,800)
Inter-segment dividend	(1,900,000)	(8,000,000)
	17,200,000	(10,637,800)

(iv) Additions to assets consist of:

	Note	2018 RM	2017 RM
Equipment	13	633,016	23,803
Intangible assets	14	-	3,627
		633,016	27,430

32. SEGMENT INFORMATION (CONT'D)

(a) Business segments (Cont'd)

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

	Note	2018 RM	2017 RM
Deferred tax liabilities	26	2,053,520	2,351,155
Trade and sundry payables	27	7,130,953	1,250,162
Tax payable		63,411	158,714
		9,247,884	3,760,031

(b) Geographical segments

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

	Income RM	Segment assets RM	Capital expenditure RM
2018			
Malaysia	(16,722,927)	183,351,678	633,016
Hong Kong	(3,042,772)	4,915	-
Singapore	1,275,379	-	-
United States of America	(2,280,553)	-	-
Indonesia	(395,991)	-	-
Cayman Island	278,530	-	-
Australia	(3,855,499)	-	-
	(24,743,833)	183,356,593	633,016
2017			
Malaysia	29,933,225	217,356,637	27,430
Hong Kong	4,239,780	7,471	-
Singapore	(580,581)	-	-
United States of America	4,151,336	-	-
Indonesia	(598,693)	-	-
Cayman Island	16,850	-	-
British Virgin Island	859	-	-
	37,162,776	217,364,108	27,430

33. 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. The Group and the Company monitor capital using a net gearing ratio, which is total debt divided by total capital. The Company's total debt includes trade and sundry payables. The Group's and the Company's policy are to maintain net gearing ratio at an acceptable limit. No changes were made in the objectives, policies or processes during the years ended 31 December 2018 and 31 December 2017.

The Group and the Company are not subject to externally imposed capital requirements.

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Trade and sundry payables, representing total debts	7,130,953	1,250,162	699,310	637,822
Less: Cash, bank balances and cash management fund	(36,729,541)	(27,201,629)	(22,072,533)	(19,181,167)
Net cash	(29,598,588)	(25,951,467)	(21,373,223)	(18,543,345)
Equity attributable to the Owners of the Company, representing total capital	174,108,709	213,604,077	174,132,196	199,044,088
Net gearing ratio	4.1%	0.6%	0.4%	0.3%

34. DIVIDEND

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Final single-tier dividend of 5.0 sen per share for financial year ended 31 December 2017, declared on 26 April 2018 and paid on 17 May 2018	9,822,254	-	9,822,254	-
Final single-tier dividend of 2.0 sen per share for financial year ended 31 December 2016, declared on 18 April 2017 and paid on 11 May 2017	-	3,948,901	-	3,948,901
	9,822,254	3,948,901	9,822,254	3,948,901

ADDITIONAL INFORMATION

- Statement of Directors' Interests
- Statement of Shareholdings

STATEMENT OF DIRECTORS' INTERESTS

AS AT 28 FEBRUARY 2019

	Number of Shares			
Name of Director	**Direct Interest**	**%**	**Indirect Interest**	**%**
1. Leong Keng Yuen	73	^	-	-
2. Yee Chee Wai	-	-	[1]1,000	^
3. Ong Yee Min	2,511,980	1.28	-	-

Notes:

^ Negligible

[1] Disclosure made pursuant to Section 59(11)(c) of the Companies Act 2016 on interest held by his spouse.

Other than as disclosed above, none of the Directors in office has any interests in the shares of the Company or its related corporations as at 28 February 2019.

STATEMENT OF SHAREHOLDINGS

AS AT 28 FEBRUARY 2019

Total number of Issued Shares	:	196,445,072 (excluding the treasury shares of 1,151,800)
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Ordinary Share

BREAKDOWN OF HOLDINGS

Range of Holdings	No. of Holders	Percentage of Holders	No. of Holdings	Percentage of Issued Capital
1 – 99	4,344	27.03	82,131	0.04
100 – 1,000	8,157	50.76	2,980,096	1.52
1,001 – 10,000	2,729	16.98	8,949,758	4.56
10,001 – 100,000	753	4.69	22,736,672	11.57
100,001 – 9,822,252*	87	0.54	50,294,285	25.60
9,822,253 and above**	1	^	111,402,130	56.71
	16,071	100.00	196,445,072	100.00

Notes:

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

SUBSTANTIAL SHAREHOLDERS

According to the Register of Substantial Shareholders of the Company, the following are the substantial shareholders of the Company:

Name of Substantial Shareholders	Number of Shares			
	Direct Interest	%	Indirect Interest	%
1. Tan Sri Ong Leong Huat @ Wong Joo Hwa	-	-	[1]120,753,031	61.47
2. OSK Equity Holdings Sdn. Bhd.	120,289,630	61.23	-	-

Notes:

[1] Deemed interested pursuant to Section 8 of the Companies Act 2016 by virtue of his substantial shareholdings in OSK Holdings Berhad and OSK Equity Holdings Sdn. Bhd.

Statement of Shareholdings as at 28 February 2019

THIRTY LARGEST REGISTERED HOLDERS

Name		No. of Shares	%
1.	OSK Equity Holdings Sdn. Bhd.	111,402,130	56.71
2.	RHB Nominees (Tempatan) Sdn. Bhd. OSK Equity Holdings Sdn. Bhd.	8,887,500	4.52
3.	Nora Ee Siong Chee	3,750,000	1.91
4.	Alliancegroup Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Lim Hun Swee (8108460)	3,021,200	1.54
5.	Ong Yee Min	2,511,980	1.28
6.	Sanjeev Chadha	2,259,400	1.15
7.	Toh Kam Choy	2,000,000	1.02
8.	Maybank Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Teo Huay Siong	1,629,000	0.83
9.	Chan Yan Ping	1,425,699	0.73
10.	Teo Kwee Hock	1,398,600	0.71
11.	Teo Huay Siong	1,314,001	0.67
12.	Grandeur Holdings Sdn. Bhd.	1,129,494	0.57
13.	Ong Yee Ching	1,060,678	0.54
14.	Yap Yoon Kong	732,500	0.37
15.	Foo San Kan	668,000	0.34
16.	Mary Ang Poh Chan	656,720	0.33
17.	Lee Hui Gek	600,000	0.31
18.	Teresa Goh Lean See	547,210	0.28
19.	Life Enterprise Sdn. Bhd.	536,090	0.27
20.	Teo Ah Khiang @ Chiang Kee Foon	515,000	0.26
21.	Koo Boon Long	503,029	0.26
22.	Siow Cheng Lee	500,000	0.25
23.	Pang Boon Wah	491,312	0.25
24.	Piong Teck Min	478,600	0.24
25.	Lim Kim Loy	470,900	0.24
26.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teo Siew Lai	465,100	0.24
27.	OSK Holdings Berhad	463,401	0.24
28.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lai Siew Leong (6000479)	446,800	0.23
29.	Toh Yew Keong	445,100	0.23
30.	Ong Ju Yan	443,869	0.23

NOTICE OF ANNUAL GENERAL MEETING

- Notice of Annual General Meeting

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting of the Company will be held at the Klang Room, Mezzanine Floor, GTower Hotel, 199 Jalan Tun Razak, 50400 Kuala Lumpur on Thursday, 25 April 2019 at 10:00 a.m. to transact the following business:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2018 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 RM143,000.00 for the financial year ended 31 December 2018. **Ordinary Resolution 1**

3. To approve the payment of Directors' benefits to the Non-Executive Directors up to an amount of RM30,000.00 from 26 April 2019 until the next Annual General Meeting of the Company. **Ordinary Resolution 2**

4. 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) Mr. Leong Keng Yuen **Ordinary Resolution 3**

   (b) Dato' Thanarajasingam Subramaniam **Ordinary Resolution 4**

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

AS SPECIAL BUSINESS

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

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

   "THAT, subject always to the Companies Act 2016, the Articles of Association/Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad and any other relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to the Companies Act 2016, to issue shares in the capital of the Company from time to time and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten percent (10%) of the total number of issued shares 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 commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Notice of Annual General Meeting

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

"THAT, subject always to the Companies Act 2016, the provisions of the Articles of Association/Constitution of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad 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 ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Malaysia Securities Berhad 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 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 in their absolute discretion either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends and/or in such manner as may be permitted pursuant to Section 127 of the Companies Act 2016 and the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad and any other relevant authorities;

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 with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the interests of the Company."

8. **PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY** **Special Resolution**

"THAT approval be and is hereby given to revoke the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company, as set out in Appendix II of the Circular to Shareholders dated 27 March 2019 be and is hereby adopted as the Constitution of the Company ("Proposed Adoption of New Constitution");

AND THAT the Directors of the Company be and are hereby authorised to assent to any modification, variation and/or amendment as may be required by the relevant authorities (if any) and to do all acts and things and take all such steps as may be considered necessary to give full effect to the Proposed Adoption of New Constitution."

9. 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
27 March 2019

NOTES:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 April 2019 ("General Meeting Record of Depositors") shall be eligible to attend, participate, speak and vote at the Meeting.

2. A member entitled to attend, participate, speak 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.

Notice of Annual General 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 (1) 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 340(1)(a) of the Companies Act 2016 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 2 - Directors' benefits payable

The proposed Directors' benefits payable comprises allowances and other benefits.

The total estimated amount of Directors' benefits payable is calculated based on the number of scheduled Board's and Board Committees' meetings from the day after the Fifteenth Annual General Meeting until the next Annual General Meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

(iii) Ordinary Resolution 6 - Authority to Issue Shares

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

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

(iv) Ordinary Resolution 7 - Proposed Renewal of Share Buy-Back Authority

The proposed resolution, if passed, will allow the Company to purchase the Company's shares up to ten percent (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the aggregate of the retained profits of the Company.

Please refer to the Share Buy-Back Statement dated 27 March 2019 for further information.

(v) Special Resolution - Proposed Adoption of New Constitution of the Company

In view of the substantial amount of amendments to the existing Memorandum and Articles of Association, the Board proposed that the existing Memorandum and Articles of Association be amended by the Company in its entirety by the replacement thereof with a new Constitution as set out in Appendix II of the Circular to Shareholders dated 27 March 2019.

The proposed resolution, if passed, will streamline the Company's Constitution with the new provisions of the Companies Act 2016, amendments made to Bursa Malaysia Securities Berhad ACE Market Listing Requirements and enhance administrative efficiency.

The Proposed Adoption of New Constitution of the Company shall take effect once it has been passed by a majority of not less than 75% of such members who are entitled to attend and vote and do vote in person or by proxy at the Fifteenth Annual General Meeting.

Please refer to the Circular to Shareholders dated 27 March 2019 for further information.

OSK VENTURES INTERNATIONAL BERHAD (636117-K)

(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.	Number of ordinary shares

I/We____NRIC/Passport/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			

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 Fifteenth Annual General Meeting of the Company to be held at the Klang Room, Mezzanine Floor, GTower Hotel, 199 Jalan Tun Razak, 50400 Kuala Lumpur on Thursday, 25 April 2019 at 10:00 a.m. and at any adjournment thereof, in the manner indicated below:

Item	Agenda		
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and the Auditors thereon.		
		For	**Against**
2.	Ordinary Resolution 1 - To approve the payment of Directors' fees of RM143,000.00 for the financial year ended 31 December 2018.		
3.	Ordinary Resolution 2 - To approve the payment of Directors' benefits to the Non-Executive Directors up to an amount of RM30,000.00 from 26 April 2019 until the next Annual General Meeting of the Company.		
4.	Ordinary Resolution 3 - 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.		
5.	Ordinary Resolution 4 - To re-elect Dato' Thanarajasingam Subramaniam who retires by rotation in accordance with Article 94 of the Company's Articles of Association and being eligible, offers himself for re-election.		
6.	Ordinary Resolution 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.		
Special Business			
7.	Ordinary Resolution 6 - Authority to Issue Shares		
8.	Ordinary Resolution 7 - Proposed Renewal of Share Buy-Back Authority		
9.	Special Resolution - Proposed Adoption of New Constitution of the Company		

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__________________2019

____

*Signature(s)/Common Seal of Shareholder

*delete if not applicable

NOTES:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 April 2019 ("General Meeting Record of Depositors") shall be eligible to attend, participate, speak and vote at the Meeting.
2. A member entitled to attend, participate, speak 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 (1) 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.

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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1st fold here

OSK VENTURES INTERNATIONAL BERHAD (636117-K)
(Incorporated in Malaysia)
21st Floor, Plaza OSK, Jalan Ampang,
50450 Kuala Lumpur, Malaysia.

Tel. No. : (603) 2161 7233 Fax No. : (603) 2161 0254

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