

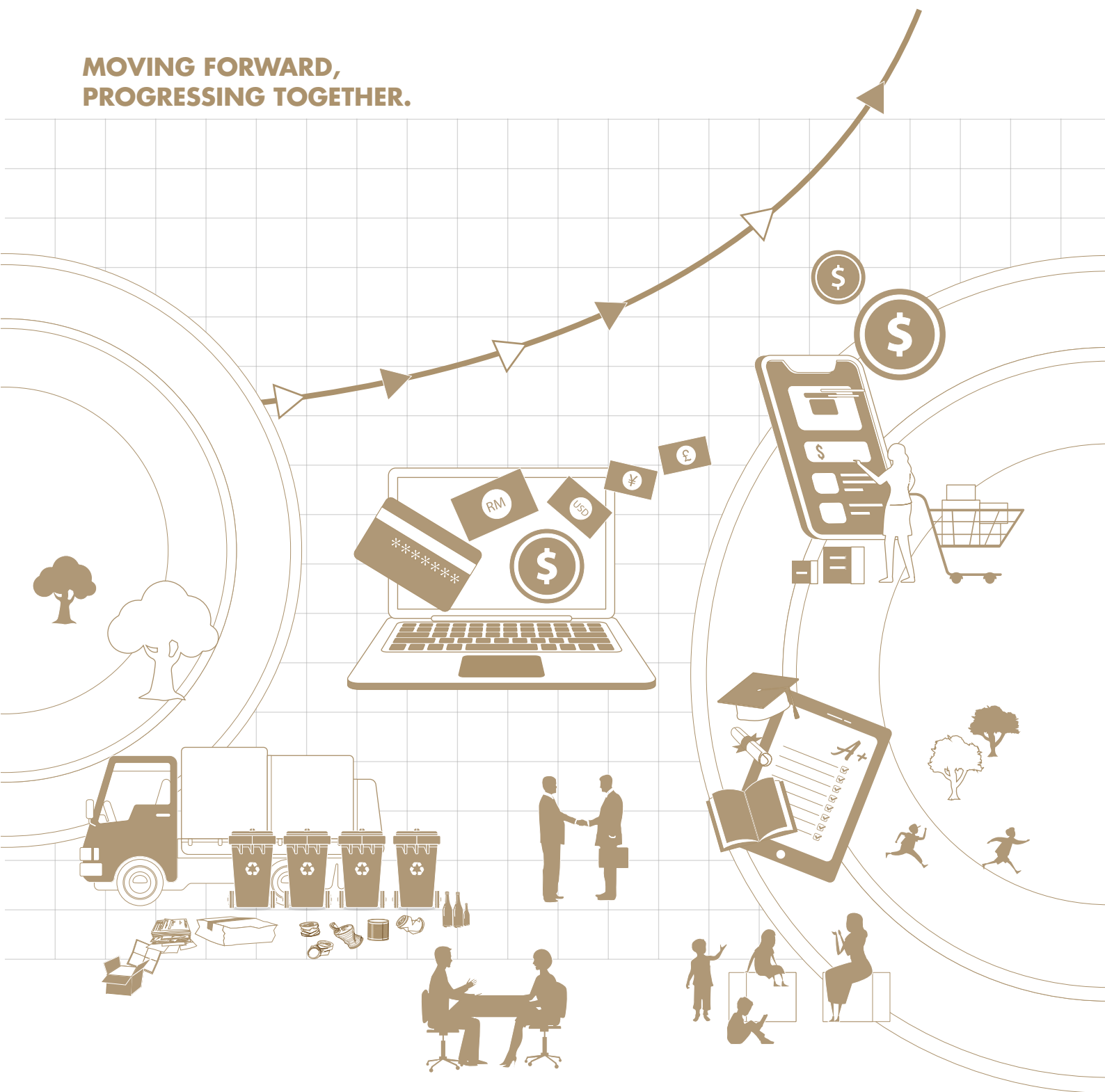
OSK

FINANCIAL SERVICES

Private Equity

OSK VENTURES INTERNATIONAL BERHAD
200301033696 (636117-K)

**MOVING FORWARD,
PROGRESSING TOGETHER.**



ANNUAL REPORT 2019



ABOUT THIS REPORT



THE COVER DESIGN OF OUR 2019 ANNUAL REPORT

"Moving Forward, Progressing Together" has been an ongoing theme that resonates with OSK Ventures International as it encapsulates our journey of striving and progressing together as a Group towards our vision of being a strategic long-term investor and delivering value to our stakeholders.

This year, the cover design of our annual report features a seamless overview of our core businesses in Venture Capital/Private Equity investment and Public Equity investment, with an added touch of carefully curated gold specks to signify continuous growth and success.

Our Annual Report is an important communication tool with our stakeholders, in which we showcase our financial and non-financial performance during 2019 including our achievements and challenges faced in an open and transparent manner. We also disseminate information regularly via the quarterly financial results and announcements made on Bursa Malaysia Securities Berhad's ("Bursa Malaysia") website, which are also accessible through our website:

 <http://www.oskvi.com/announcement.php>

and via press releases issued to the media.

Our financial statements are independently audited by Ernst & Young PLT and have been prepared according to the requirements of Malaysian Financial Reporting Standards, International Financial Reporting

Standards and Companies Act 2016 in Malaysia.

Our non-financial statements are aligned to the reporting requirements of the Malaysian Code on Corporate Governance and Bursa Malaysia's ACE Market Listing Requirements. In this report, we also adopted certain principles and concepts under the International Integrated Reporting Framework.

FEATURES IN THIS ANNUAL REPORT



This icon indicates where more details can be accessed elsewhere in our Annual Report 2019.



This icon indicates where more details can be accessed online.

CORPORATE WEBSITE



For more information on OSK Ventures International Berhad, please visit our corporate website:

 <http://www.oskvi.com>

ONLINE REPORT



Kindly Scan this QR code for a direct link to our Annual Report online or log on to:

 http://www.oskvi.com/annual_report.php

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FINANCIAL CALENDAR

ANNOUNCEMENT OF QUARTERLY CONSOLIDATED RESULTS

4TH QUARTER ENDED 31 DECEMBER 2018:
21 FEBRUARY 2019

1st Quarter ended 31 MARCH 2019:
16 MAY 2019

2nd Quarter ended 30 JUNE 2019:
20 AUGUST 2019

3rd Quarter ended 30 SEPTEMBER 2019:
21 NOVEMBER 2019

4th Quarter ended 31 DECEMBER 2019:
28 FEBRUARY 2020

ANNUAL GENERAL MEETING

Notice of 15th Annual General Meeting:
27 MARCH 2019

15th Annual General Meeting:
25 APRIL 2019

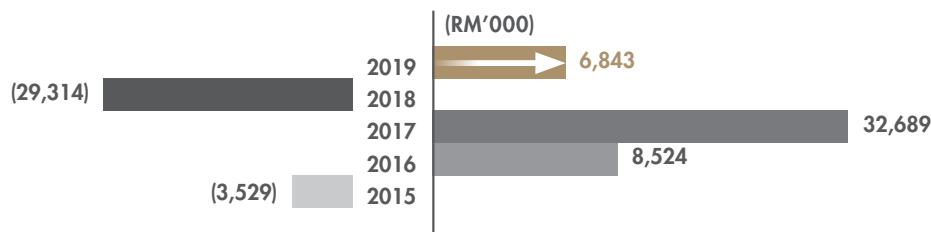
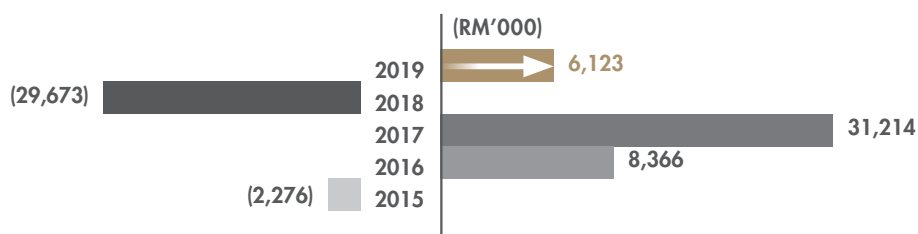


FIVE-YEAR GROUP FINANCIAL SUMMARY

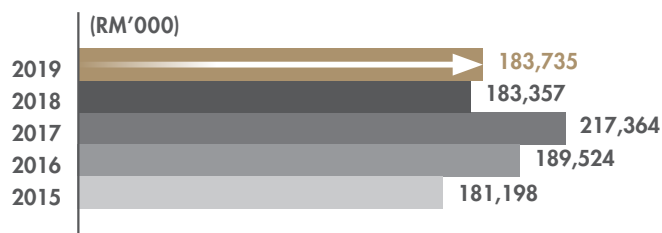
(RM'000)	2019	2018	2017	2016	2015
Profit/(Loss) before Tax	6,843	(29,314)	32,689	8,524	(3,529)
Profit/(Loss) attributable to Equity Owners of the Company	6,123	(29,673)	31,214	8,366	(2,276)
Total Assets	183,735	183,357	217,364	189,524	181,198
Total Liabilities	3,504	9,248	3,760	2,604	2,517
Net Assets attributable to Equity Owners of the Company (Shareholders' Funds)	180,231	174,109	213,604	186,920	178,681
Number of Outstanding Ordinary Shares as Issued and Fully Paid ('000 shares), exclude Treasury Shares held	196,445	196,445	196,445	197,445	197,585
Basic Earnings/(Loss) per Share (sen)	3.12	(15.11)	15.82	4.23	(1.16)
Gross Dividends per Share (sen) Declared	-	-	5.00	2.00	-
Net Assets per Share attributable to Equity Owners of the Company (RM)	0.92	0.89	1.09	0.95	0.90
Closing Price at end of the year (RM)	0.575	0.540	0.660	0.460	0.460

FIVE-YEAR GROUP FINANCIAL SUMMARY

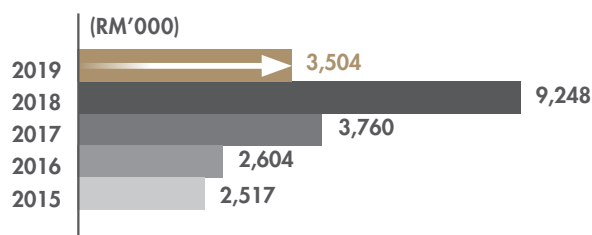
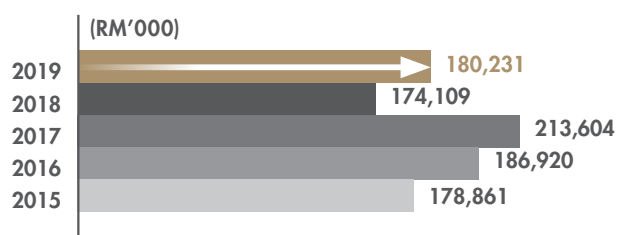
Profit/(Loss) before Tax

**RM6.84
million**Profit/(Loss)
attributable to Equity
Owners of the Company**RM6.12
million**

Total Assets

**RM183.74
million**

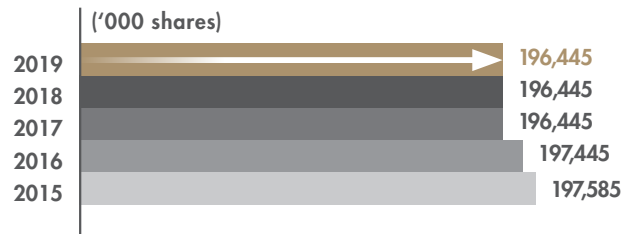
Total Liabilities

**RM3.50
million**Net Assets attributable
to Equity Owners of the
Company (Shareholders'
Funds)**RM180.23
million**

FIVE-YEAR GROUP FINANCIAL SUMMARY

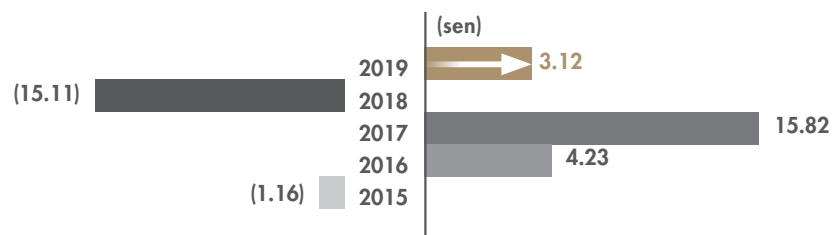
Number of Outstanding
Ordinary Shares as Issued
and Fully Paid, exclude
Treasury Shares held

196.45
million

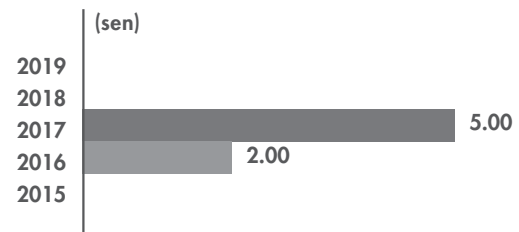


Basic Earnings/(Loss)
per Share

3.12 sen

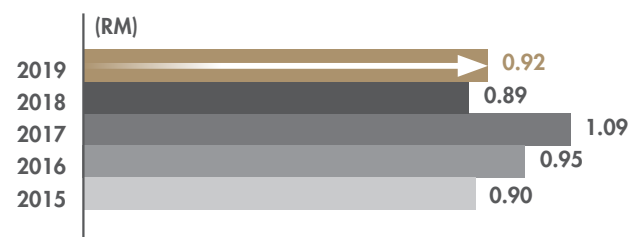


Gross Dividends per Share
Declared



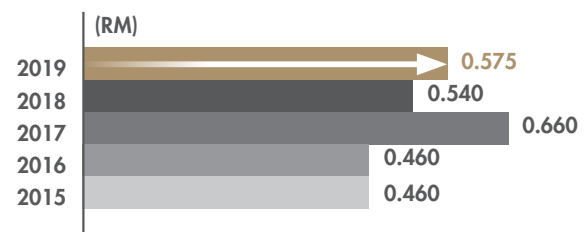
Net Assets per Share
attributable to Equity
Owners of the Company

RM0.92



Closing Share Price

RM0.575



THE YEAR 2019 IN REVIEW

JAN



Together with OSK Foundation ("OSKF"), we celebrated a meaningful Chinese New Year with 10 single mothers and their children through the Gifts of Hope initiative to ease their financial burden ahead of the festive season. OSK volunteers took them to Atria Shopping Gallery for an enjoyable outing where they purchased new clothes and Chinese New Year essential items.

APR



We won the "Exits 2018" Award at the Malaysian Venture Capital & Private Equity Association's Annual Dinner & Awards Night for its successful exit from Brightan System Sdn. Bhd., the owner of "AJobThing", an online recruitment platform that connects companies with job seekers through various targeted channels available on its website namely, "MauKerja", "RiceBowl" and "InternSheeps".

MAR



We successfully led a Series A1 round of funding for Turnkey Lender Pte. Ltd. ("Turnkey"). Through a cloud-based solution that provides credit scoring, automation technology and analytics, the startup serves a wide array of lenders globally, ranging from peer-to-peer microfinance companies to global financial institutions.

MAR



In conjunction with International Women's Day, our female employees and OSK Group were invited to attend a lunch talk themed, "Empowering Women's Image for Success". Participants learned how to evaluate and improve their personal grooming skills, as well as applying the right clothing language to project a professional image at the workplace.

MAR



We co-invested in a Bangladesh based mobile wallet business through its maiden Series D funding round, under a consortium led by a Japan-based investor.

THE YEAR 2019 IN REVIEW

APR



INVOLVE ASIA

Our investee company "Involve Asia", an affiliate marketing solutions platform company rolls out its new Partner Quality Score as an additional value add to its customers.

JUN



We participated in the second recycling campaign organised by OSK Group as part of efforts in practising responsible waste management at the workplace.

APR

We held our 15th AGM on 25th April 2019 at GTower Hotel, Kuala Lumpur.

MAY



We were delighted to be part of OSK Foundation's Gifts of Hope programme in conjunction with the Hari Raya Aidilfitri celebration. We invited 30 children from Rumah Amal Asnaf Al-Barakh to join us for a fun Hari Raya outing to purchase new shoes. We also contributed the daily necessities to the home.

MAY



We joined hands with OSK Group in organising the "Riang Ria Raya Decoration Competition & Iftar Get Together" during Ramadhan, as part of its employee engagement initiatives. The competition aimed to share the joy of Hari Raya and promote an inclusive work environment for all employees.

THE YEAR 2019 IN REVIEW

JUN



We successfully exited our investment from Bridestory, Indonesia's largest online wedding marketplace.

JUL



We took part in OSK Group's 2019 annual dinner in a glitzy affair at The Majestic Hotel Kuala Lumpur to strengthen engagement and interaction between the management and employees. Themed "Jukebox Night Fever", employees were dressed to the nines in vibrant and sparkly costumes that were reflective of the fashion trends of different eras.

AUG



Our team took part in a movie outing to catch the latest action-packed "Fast & Furious: Hobbs & Shaw" movie at MBO cinema in Atria Shopping Gallery.

SEP



Our employees joined a lunch talk entitled "Take Charge of Your Personal Safety; During Traveling, Anytime and Anywhere", which focused on practical safety measures for travelling, preventive solutions for road users, self-defense tips and the use of personal self-protection devices.

SEP



We were granted a moneylending licence by the Ministry of Housing and Local Government under the Moneylenders Act 1951 and Moneylenders (Control and Licensing) Regulations 2003, which allow us to undertake moneylending activities and provide loans to eligible parties.

THE YEAR 2019 IN REVIEW

OCT



Our volunteers joined hands with OSK Foundation in a half-day community programme with 40 single mothers and their children from Persatuan Kebajikan Kanak-kanak Kajang ("PKKKK"). PKKKK provides free tuition and daily meals for children from underserved backgrounds in Kajang in a safe and comfortable environment.

NOV



Two teams from OSKVI and OSK Group took part in the sixth edition of the Bursa Bull Charge to support efforts in improving the lives of underserved communities, including the Orang Asli, women, children and persons with disabilities.

NOV



We co-organised the Health Week initiative together with OSK Group, which featured a series of health-focused activities including health checks, lunch talks and a blood donation drive to raise health awareness and improve the well-being of our employees.

DEC



We invested into a Singapore-based foreign exchange trading platform, Spark Systems Pte. Ltd.

DEC



We collaborated with OSK Foundation in sharing the joy of Christmas with 60 underprivileged children from Rumah Kanak-Kanak Trinity, Rumah Kebajikan Karuna Illam and House of Joy at Atria Shopping Gallery. Among the fun-filled activities held during the event include games, gifts exchange and a movie screening of "Star Wars: The Rise of Skywalker" at MBO Cinema.

MEDIA HIGHLIGHTS



OSKVI leads Series A1 financing round for TurnKey Lender

KUALA LUMPUR, March 6 (Bernama) – OSK Ventures International Bhd has led a Series A financing round of funding for start-up TurnKey Lender Pte Ltd, together with Vertex Ventures SEA & India and Western NIS Enterprise Fund.

The private equity company said the fund would be utilised to ramp up the Singapore-based online lending software provider's product offerings and global footprint, mainly in the United States, Europe and Southeast Asia.

Chief operating officer Patrick Yee said the cloud-based lending software platform would be able to revolutionise a strong growth in the periphery of traditional bank and financial institutions.

"With TurnKey's proven track-record and fast-growing customer base, we look forward to scale with them in providing powerful enterprise-level and artificial intelligence (AI) solutions for lenders across the various spectrum of the industries," he said in a statement today.

Partner at Vertex Ventures SEA & India, Carmen Yuen said financing gap is still very apparent in Southeast Asia.

Citing McKinsey Global Institute's data, she said there is a US\$175 billion gap in the small and medium enterprise financing.

"Given the limitation of talent and time to market, these businesses are better off leveraging TurnKey's platform and focus on providing the loans.

"It was with this conviction that we invested in the company and continue to support them," she added.

TurnKey, founded by global technology leaders Dmitry Voronenko and Elena Ionenko are servicing clients across 27 countries.



OSK Ventures International gets moneylending licence

Justin Lim /theedgemarkets.com
September 18, 2019 20:06 pm +08



KUALA LUMPUR (Sept 18): OSK Ventures International has been granted a money lending licence by the Ministry of Housing and Local Government.

In a filing with Bursa Malaysia, OSK Ventures said its wholly-owned subsidiary OSK Loan Ventures Sdn Bhd had been granted the money licence today under the Moneylenders Act 1951 and Moneylenders (Control and Licensing) Regulations 2003, to undertake money lending activities and to provide loans.

OSK Ventures and its subsidiaries are involved in 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.

For the full year ended Dec 31, 2018 (FY18), OSK Ventures slipped into the red with a net loss of RM29.67 million versus a net profit of RM31.21 million in FY17 even though its revenue was substantially more at RM178.55 million compared with RM95.36 million in FY17.

It returned to the black in the cumulative six months ended June 30, 2019 (6MFY19) with a net profit of RM1.77 million against a net loss of RM12.11 million in 6MFY18, mainly because of a net fair value gain on financial assets of RM1.65 million compared to a net fair value loss of RM12.23 million in 6MFY18.

However, revenue for 6MFY19 was 44.7% lower at RM41.47 million against RM74.99 million a year ago.



Blue Planet raises US\$25 million from Nomura

SINGAPORE, March 24, 2020 /PRNewswire/ – Singapore-headquartered Blue Planet Environmental Solutions Pte Ltd (Blue Planet) today announced it has raised US\$25 million from Nomura, Asia's global investment bank.

This strategic engagement by Nomura's Loans and Principal Investments Area in Asia ex-Japan will help Blue Planet continue its efforts to develop integrated, inclusive and sustainable waste management solutions around the region.

By the end of 2030, Asia is predicted to account for half of the world's middle-class consumption. Waste generation rates are set to soar along with this increase in demand for resources.

Solid waste, in particular plastic and organic waste, is becoming a key challenge for the rapidly developing nations in the region as they seek to fulfil their commitments to climate change and to reduce marine pollution.

Blue Planet was founded with the vision to help avert this crisis by providing solutions that move beyond the traditional fragmented waste disposal paradigm of Asia where collection, processing and disposal are disconnected and inefficient.

By securing exclusive access to the entire waste management process, from generation to recovery, the company seeks to introduce a new standard of waste management that has social inclusion, resource efficiency and sustainability at its heart.

"The recent investment by Nomura will help Blue Planet expand our products and services, and provide circular economy solutions for sustainable waste management," said Madhujet Chimni, co-founder of Blue Planet.

"Together, we aim to deliver our vision of 'zero waste to landfill', which is a long-term ambition to eliminate waste from business activities, downstream consumption and waste handling processes. For us, this means developing capabilities to process all the waste produced through reusing, upcycling, recycling or energy recovery. This will help Asia's rapidly developing countries to achieve long-term sustainable growth."

According to the United Nation's assessment, Asia is falling behind on three key Sustainable Development Goals (SDGs), namely SDG 6 (clean water and sanitation), SDG 8 (decent work and economic growth), and SDG 12 (responsible consumption and production).

OSK Ventures International back in the black

BY ARJUNA CHANDRAN SHANKAR

KUALA LUMPUR: OSK Ventures International Bhd returned to the black with a net profit of RM1.34 million for the first quarter (1Q) ended March 31, 2019. The group had reported a net loss of RM13.82 million in the previous corresponding quarter.

Earnings per share stood at 0.68 sen compared with a loss per share of 7.03 sen previously, the group said in a filing yesterday. Revenue increased to RM15.8 million, from RM11.91 million a year earlier.

OSK Ventures said its net fair value gain on financial assets totalled RM1.77 million during the quarter. This compared to a net

fair value loss on those assets of RM12.47 million in the 4Q of the previous year.

The group said its improved earnings was due to increases in market value in quoted investments held by the group.

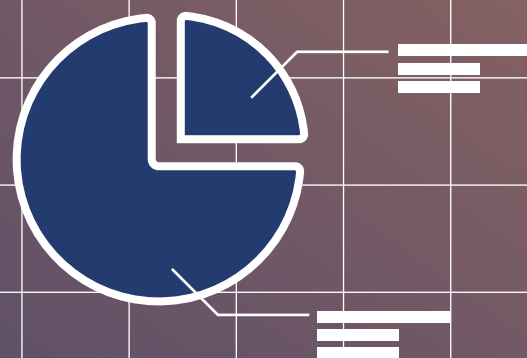
On prospects, the group said it had two new additions to its portfolio throughout 1Q and is looking to close a few more deals by the end of the year.

"On our existing portfolio, we are expecting a divestment to materialise in the coming months with a reasonable return," the group said.

OSK Ventures' share price closed two sen or 4.17% lower at 46 sen yesterday, with a market capitalisation of RM94.29 million.

02 Who We Are

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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)
(SSM PC No. 201908002648)

Chin Mun Yee
(MAICSA 7019243)
(SSM PC No. 201908002785)

AUDITORS

Ernst & Young PLT
202006000003 (LP 0022760-LCA) & AF 0039
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

PRINCIPAL BANKERS

Bangkok Bank 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) 2177 1999
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 WEBSITE

 <http://www.oskvi.com>

CORPORATE STRUCTURE

AS AT 22 APRIL 2020

OSK FINANCIAL SERVICES

Private Equity

OSK Ventures International Berhad 200301033696 (636117-K)

- OSK Venture Equities Sdn. Bhd.
200001003183 (505788-D)
100%
- OSK Technology Ventures Sdn. Bhd.
199401033921 (319604-V)
100%
- OSK Capital Partners Sdn. Bhd.
200501005901 (682948-W)
100%
- OSK Loan Ventures Sdn. Bhd.
199701012948 (428444-T)
100%
- OSK-SBI Venture Partners Ltd
(LL14744)
(Incorporated in Labuan)
50%

DIRECTORS' PROFILE

LEONG KENG YUEN

Independent Non-Executive Chairman

NATIONALITY:



AGE:

69

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 FY2019:

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 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 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 the Massachusetts Institute of Technology and a Bachelor of Engineering (First Class Honours) from the 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 interests with the Company and has no conviction for any offences within the past five years other than traffic offences, if any.

Mr. Leong attended all the four Board Meetings of the Company held during the financial year ended 31 December 2019.

YEE CHEE WAI

*Executive Director/
Chief Operating Officer*

NATIONALITY:



AGE:

55

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 FY2019:

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 OSKVI Group in August 2007 was with Public Investment Bank Berhad, where he worked for more than six 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 hold any other directorship in public companies.

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 interests with the Company and has no conviction for any offences within the past five years other than traffic offences, if any.

Mr. Yee attended all the four Board Meetings of the Company held during the financial year ended 31 December 2019.

DIRECTORS' PROFILE

ONG YEE MIN

Executive Director

NATIONALITY:



AGE:

36

GENDER:



QUALIFICATION:

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

BOARD MEETING ATTENDANCE IN FY2019:

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 does not hold any other directorship in public companies.

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 interests with the Company and has no conviction for any offences within the past five years other than traffic offences, if any.

Ms. Ong attended all the four Board Meetings of the Company held during the financial year ended 31 December 2019.

DR. NGO GET PING

Senior Independent Non-Executive Director

NATIONALITY:



AGE:

61

GENDER:



QUALIFICATION:

- DPhil in Metallurgy from University of Oxford, United Kingdom
- First Class Honours Degree in Bachelor of Science (Structural Engineering) from University of Sussex, United Kingdom

BOARD MEETING ATTENDANCE IN FY2019:

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 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, United Kingdom and University of Oxford, United Kingdom 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, United Kingdom, 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 10 years.

Dr. Ngo does not hold any other directorship in public companies.

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 interests with the Company and has no conviction for any offences within the past five years other than traffic offences, if any.

Dr. Ngo attended all the four Board Meetings of the Company held during the financial year ended 31 December 2019.

DIRECTORS' PROFILE

DATO' THANARAJASINGAM SUBRAMANIAM

Independent Non-Executive Director

NATIONALITY:



AGE:

69

GENDER:



QUALIFICATION:

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

BOARD MEETING ATTENDANCE IN FY2019:

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 interests with the Company and has no conviction for any offences within the past five years other than traffic offences, if any.

Dato' Thanarajasingam attended all the four Board Meetings of the Company held during the financial year ended 31 December 2019.

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

Head of Finance

NATIONALITY:



AGE:

40

GENDER:



QUALIFICATION:

- Fellow of the Association of Chartered Certified Accountants

Ms. Ong Shew Sze is the Head of Finance of the Company and was appointed on 17 February 2014.

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

Ms. Ong began her career with an audit firm in Ireland before returning to Malaysia. Prior to joining the Company in 2010, Ms. Ong was attached to a tele-communications firm where her last held position was Finance Manager. She was in charge of the full spectrum of financial reporting and was responsible for special projects for 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 interests with the Company and has no conviction for any offences within the past five years other than traffic offences, if any.

03 From Our Leaders

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CHAIRMAN'S STATEMENT

"Dear Valued Shareholders,

On behalf of the Board of Directors, it is my honour to present to you OSK Ventures International Berhad's ("OSKVI" or "the Company") Annual Report for the financial year ended 31 December 2019 ("FY2019")."

FINANCIAL PERFORMANCE

Year 2019 continued to be challenging with uncertainties in both the global economy and geopolitical landscape. The trade tension between the United States ("U.S.") and China continued to be one of the main causes of increasing volatility in the financial markets, together with other geopolitical issues such as the violent protest in Hong Kong ("H.K."), Brexit and political tension in the Middle East. On the domestic front, our local index ended the year in negative territory again, mainly due to political uncertainties in Malaysia. On the bright side, the U.S. economy remained robust, bringing about a record-breaking run in the U.S. financial market. The H.K. financial market also ended the year positively after a strong performance in December 2019, coinciding with the secondary listing of Alibaba on the Hong Kong Stock Exchange in November 2019.

Despite the challenges, we were able to turnaround our financial performance in FY2019 to register a net profit attributable to shareholders of the Company of RM6.1 million, compared to a net loss of RM29.7 million in the preceding year. This was attributed mainly to the improved overall performance of our investment portfolio. Meanwhile, total assets of the Company stood at RM183.7 million, with our shareholders' fund growing 3.5% year-on-year to RM180.2 million, as at 31 December 2019.

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

PORTFOLIO UPDATES

Despite a challenging environment, our private investment portfolio continued to grow during the year with three new investee companies that operate in the financial technology ("fintech") space. As we expand our private investment portfolio progressively, we remain guided by our belief that attractive opportunities are found along the following themes:

- The shift towards a cashless society anchored by digital payments;
- Continued growth in the adoption of smart mobile devices; and
- The need for efficient enterprises.

This private investment strategy has yielded us an aggregate return of RM3.6 million from exits and revaluation gains in FY2019.

Our public equity investment team also performed well during the year, leveraging on near-term trading ideas, and long-term value-based investments to deliver an aggregate return of RM6.3 million in FY2019. Going forward, we maintain a vigilant approach to our exposure to the U.S., H.K. and Malaysian capital markets, given the ongoing uncertainties in the external environment.

As part of efforts to diversify our revenue base, I am pleased to update that we have achieved a new business milestone in FY2019 with the granting of a moneylending licence by the Ministry of Housing and Local Government, under the Moneylenders Act 1951 and the Moneylenders (Control and Licensing) Regulations 2003. This license effectively allows us to undertake future moneylending activities in Malaysia.

 A detailed discussion on the Company's portfolio performance can be found in the Management Discussion & Analysis section in this Annual Report.

CHAIRMAN'S STATEMENT



OSKVI won the "Exits 2018" Award at the Malaysian Venture Capital & Private Equity Association's Annual Dinner & Awards Night.



ACCOLADES

Reaping the fruits of a systematic and prudent investment approach, I am proud that we won the "Exits 2018" Award in April 2019 at the 2019 Malaysian Venture Capital & Private Equity Association's Annual Dinner & Awards Night for our exit from Brightan System Sdn. Bhd via a trade sale. This company owns and operates the online recruitment platform, "AJobThing", which seamlessly connects employers with jobseekers through established staffing channels namely, "MauKerja", "RiceBowl" and "InternSheeps".

SUSTAINABILITY JOURNEY

Sustainability is a continuous journey for us. In improving our sustainability practices and impact, we continue to place emphasis on our key sustainability priorities aimed at contributing to economic development by promoting entrepreneurship and employment creation, mitigating environmental impact, inculcating the right corporate culture, ensuring a safe and healthy workplace, and improving livelihoods in local communities.

In addition to our internal initiatives, our partnership with OSK Foundation, the philanthropy arm of OSK Group, also enables us to continue to make a difference in the community, especially among the underserved.

 A detailed discussion on the Company's sustainability performance can be found in our Sustainability Report section in this Annual Report.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to record my appreciation to all our valued employees for their hard work and dedication in realising the Company's business objectives. To all our investees, business associates, investment partners, shareholders, authorities, suppliers and vendors we thank you for your trust and support that formed the cornerstone of our reputation and branding in the industry.

Lastly, I wish to extend my sincere thanks to members of the Board for your insights and wisdom in steering the Company forward. With the commitment and support given by all our stakeholders, I am confident that we are poised to deliver greater success in year 2020.

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. We provide liquidity and equity capital to private companies and invest into public listed companies in both the domestic and overseas markets.

FINANCIAL PERFORMANCE

Financial Result	2019 RM'000	2018 RM'000	% Change
Operating Income	10,444	(24,744)	+142%
Other Income	1	-	+100%
Foreign Exchange Gain	205	631	-68%
Operating Expenses	(4,411)	(5,136)	-14%
Operating Profit/(Loss)	6,239	(29,249)	+121%
Share of Results of a Joint Venture	604	(65)	+1,029%
Profit/(Loss) Before Tax	6,843	(29,314)	+123%
Income Tax Expense	(720)	(359)	+101%
Profit/(Loss) After Tax	6,123	(29,673)	+121%

In 2019, we reported a profit after tax of RM6.1 million as compared to a loss after tax of RM29.7 million in the preceding financial year.

An operating income of RM10.4 million in 2019 was reported as compared to a negative operating income of RM24.7 million in 2018. This was attributed to a net return of RM9.9 million on financial instruments from both public and private investments in 2019. In 2018, we registered a negative return on financial instruments of RM25.5 million.

Operational review

Through our shareholdings in the portfolio companies, we have exposure in a number of diverse industries. As we only invest and hold minority shareholdings in these companies, we are not involved in the day-to-day business activities of these operating businesses. Instead, we participate in the board and/or management committees as part of our corporate oversight in these businesses and we provide input to their overall strategic direction. At our own operating level, we decide on the capital allocation into and exit timing of our investments from these businesses.

From an accounting standard perspective, our investments in these companies affect our quarterly reporting as our financial statements include changes in the unrealised gains and losses on our investments in equity securities. This is especially the case with our investments in publicly listed companies due to the intrinsic volatility in the price of a listed security. The book values of our investments in private companies are also evaluated quarterly for any possible revaluation but this has relatively lower volatility.

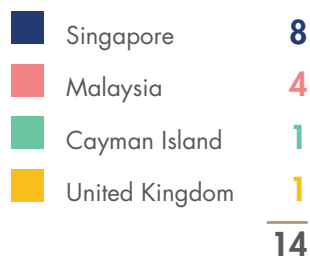
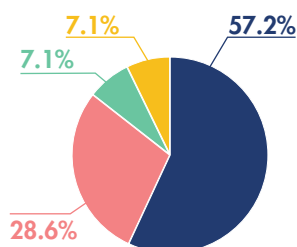
We are exposed to foreign currency risk as a substantial portion of our overall investment portfolio was made in foreign currencies and most of our investees operate in multiple jurisdictions. We evaluate the risk involved at all times and forms part of our investment decision process.

MANAGEMENT DISCUSSION & ANALYSIS

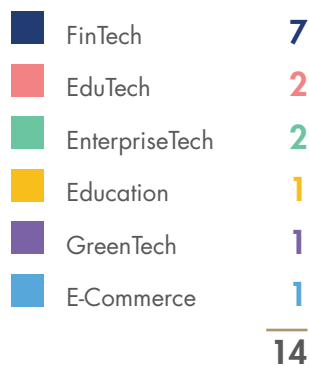
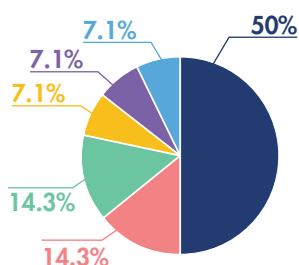
SNAPSHOT OF OUR PRIVATE INVESTMENT PORTFOLIO



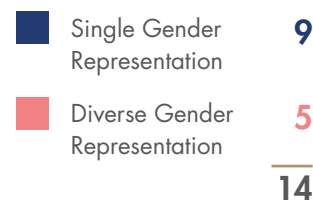
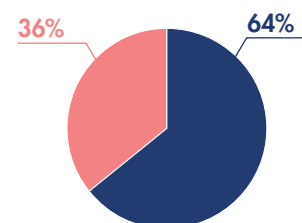
Private investment portfolio by geography



Private investment portfolio by industry



Private investment portfolio by gender diversity (Senior Management)



Private Investment Portfolio

As at the end of December 2019, our private investment portfolio stands at an amount of RM72.4 million across 14 companies in the technology, education and waste industries. Through our investments in these companies, we have helped to provide job opportunities to 991 employees across multiple countries. 71.4% of these 14 companies operate in a multi-jurisdictional environment while the remaining have plans to expand out of their home jurisdiction in the next 24 months. While it differs from company to company, in general, we work with them to expand their product offerings, improve their business processes and increase their client base.

MANAGEMENT DISCUSSION & ANALYSIS



In 2019, we saw the exit of our investment in Southeast Asia's leading wedding marketplace, Bridestory, via a trade sale to a strategic corporation in Indonesia and as mentioned in last year's annual report as a potential progress, we have started seeing upward financial revaluations to the entry prices of three of our portfolio companies. The portfolio companies continue to be growing well and improve in their product offerings and customer base. We also welcomed the addition of Turnkey Lender ("Turnkey"), Project E-wallet and Spark Systems Pte Ltd ("Spark") to our investment portfolio. The following provides a snapshot of these three companies:



TurnKey

Trusted by more than 140 clients across 50 countries, TurnKey provides cloud based embedded lending solutions for customers across industry spectrum and count various regional financial institutions, emerging startups and traditional lending companies as their lending solutions partner. Clients use TurnKey for their SaaS based AI & Alternative Credit Scoring, Decisioning and Lending Process Automation in transforming their lending and leasing services at scale.



Spark

Spark provides a platform for high-volume foreign exchange traders such as hedge funds, sovereign wealth funds, retail banks and large corporate treasuries to transact. By providing a low access and cost platform, Spark has helped level the playing field for its clients.



Project E-wallet

Project E-wallet is a mobile financial services platform in South Asia; a market leader in providing a complete payment solution to its customers and payment partners. An opportunity to tap on its high unbanked population, Project E-wallet is the sole distributor of the government's primary education stipend; assisting families to receive disbursements and access to digital financial services. They currently serve 20 million customers with a total transaction value of US\$700 million in the current financial year.

MANAGEMENT DISCUSSION & ANALYSIS

Public Equity Portfolio

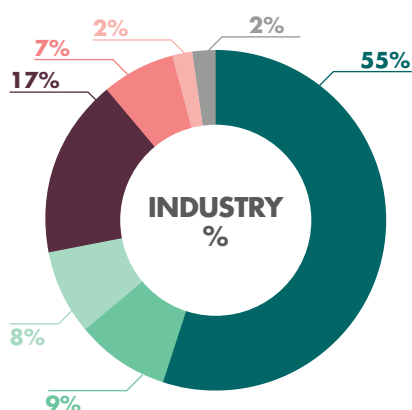
During the year, our public investment portfolio underwent continuous restructuring throughout the year while facing high volatility across all the markets in the light of the occurrence of various geopolitical tensions. For the first nine months of the year, our positive performance in the foreign markets was overshadowed by overall poor performance of the domestic market. However, during the last quarter, our public investment portfolio performed above expectation resulting from the continued record breaking run of the U.S. market, the rally of the Hong Kong market in December 2019 and the overall improved performance from our Malaysian investments. This resulted in us achieving a positive return for the year as compared to the adverse public portfolio performance in the year 2018. Going into the financial year 2020, we face additional challenges due to uncertainties arising from the current ongoing Covid-19 pandemic, the global oversupply of crude oil and the domestic political situation. Nevertheless, we will be pro-actively seeking for investment opportunities in both the global and domestic markets.

We used the FBM EMAS Index and MSCI World Index for the Malaysian and foreign portfolios respectively for benchmarking the performance of our public investment portfolio. For the financial year 2019, the portfolio is 0.6% higher as compared to the blended benchmark.

Corporate Developments

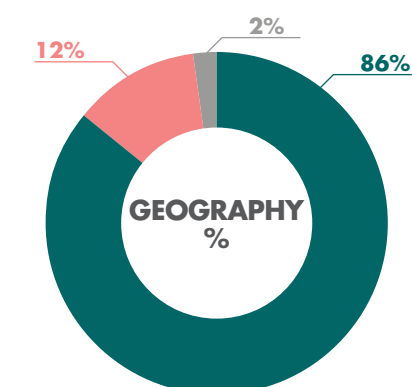
On 26 September 2019, the Company obtained an approval for a Money Lending license from KPKT under the 100% owned subsidiary OSK Loan Ventures Sdn Bhd. This entity will focus on providing short-term financing for Malaysian businesses.

Public investment portfolio by industry and geography



78.7

Industry	RM' million
ICT	42.9
Industrial	6.9
Consumer	6.5
Financial	13.6
Healthcare	5.5
Properties	1.6
Construction	1.7



78.7

Geography	RM' million
Malaysia	67.4
Hong Kong	9.3
United States	2.0

Share Buyback

Shareholders' approval was obtained at the last annual general meeting, held on 25 April 2019, for the purchase of up to 10% of the total issues and paid-up share capital of OSKVI. There were no share buybacks done during the financial year under review. The existing shares repurchased are being held as treasury shares and are treated in accordance with the requirements of Section 127 of the Companies Act 2016.

Outlook

Update of the Coronavirus Pandemic: As this report goes into publishing, Malaysia has gone into its 6th week of Movement Control Order ("MCO") and the global equity markets have seen significant drops and volatility since the start of 2020. OSKVI has been able to operate with the team members working well from home and expects to continue operating in a split team format for the foreseeable future post-MCO. We remain cautious with our economic outlook for the rest of the financial year and continue to optimise our resources and portfolio outcomes.

Acknowledgement

On behalf of the Management team, I would like to extend our appreciation to the Board of Directors for their counsel, as well as to all our stakeholders for their continued support. I would also like to thank our team for their effort and commitment in the work that we do towards realising our long-term goals and aspirations.

Yee Chee Wai

Executive Director/
Chief Operating Officer

04 Our Sustainability Journey

26 Sustainability Report



SUSTAINABILITY REPORT

OSK Ventures International Berhad's ("OSKVI" or "the Company") sustainability agenda in 2019 focused on delivering impactful outcomes from ongoing efforts in putting the principles of sustainability into practice throughout our business operations.

We believe that sustainable growth is vital to ensuring our long-term success. Among our key sustainability priorities include creating value for our stakeholders, growing our fund size, building the right corporate culture at the workplace, ensuring equal employment opportunities, promoting entrepreneurship, helping businesses become more productive and competitive, and contributing to the ecosystem that we operate in.

Our sustainability actions focus not only on direct revenue-generating activities, but also on enabling our people to understand sustainability in a holistic manner. In FY2019, we continued to work within the parameters of our sustainability framework through a number of initiatives as outlined in this report, under four main focus areas of Economic, Environment, Social and Community.

MATERIAL SUSTAINABILITY MATTERS

We recognise the increasing relevance of managing sustainability risks and opportunities to our long-term viability. Just as we expect our private equity/venture capital investee companies and public equity companies we invest in to be firm believers in sustainability, we apply the same internally to create both tangible and intangible values for all our stakeholders.

In FY2019, a review of our material matters was carried out at the Management level where we continued to recognise three material sustainability matters, based on an analysis of various aspects including capital market dynamics, regulatory space and the global economic landscape, as well as those that are considered important to our stakeholders.

Through this exercise, we were able to understand our key priorities, as we studied all possible measures to manage our risks and opportunities.

Material Matters	Description	What Are The Risks?	What Are The Opportunities?
Non Performing Investments - Public Listed Equities 	Non-performing investments refer to weak performance of investments in public listed equities. Actual returns from investments do not achieve the budgeted returns, which may lead to financial losses.	- Non-performing investments will affect the Group's bottom line returns if not addressed appropriately. - Underperforming stocks might be subject to potential losses or impairment.	- A properly managed public equity investment portfolio will enhance shareholders' returns. - Realised gain upon successful exit from investments will increase capital flow for new investments.
Non Performing Investments - PE/VC 	Weak performance of private equity/venture capital ("PE/VC") investments. Actual returns from investments do not achieve budgeted returns, which may lead to financial losses.	- Due to the inherent high-risk nature of PE/VC investment, returns are subject to a certain level of uncertainty. - There may also be reputational risk involved if the investee companies are embroiled in negative media coverage.	A well-performed internal evaluation and due diligence on potential investees can identify high-performing PE/VC opportunities with low default rate.
Geostrategic 	Political or economic instability in the region and countries where we invested in.	Uncertainties from the ongoing trade protectionism measures between the US and China, Brexit, global slowdown and virus outbreak were among the challenges which could affect the overall performance of the Group.	Understanding the global political landscape, its impacts and the strategic responses that are available allow us to address the challenges effectively, which is essential to driving sustained growth and protecting shareholder value.

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

At OSKVI, we engage regularly with our stakeholders to explain our sustainability priorities. Through formal and informal engagement channels, we gather feedback to understand issues that are material to our business, allowing us the benefit of diverse perspectives that contribute to informed decision-making. A summary of the engagements held and our response is tabled below:

Stakeholder Groups	Key Engagement Topics	OSKVI's Stance	Engagement Approach	Frequency of Engagement
Shareholders and Investors	• Business strategies • Corporate governance • Financial performance • Shareholders' returns	• Our overall goal is to create sustainable shareholder value, while fulfilling the expectations of our stakeholders. A strong focus on financial performance with sustainable returns, prudent risk management and internal control are instrumental in achieving this goal.	• Annual general meetings • Extraordinary general meetings • Annual reports • Bursa announcements • Corporate website • Emails/phone calls • Meetings or conference calls (upon request) • Quarterly financial results	• Annual • As and when required • Annual • Ongoing • Ongoing • Ongoing • As required • Quarterly
Investee Companies	• Business strategies • Corporate governance • Mentoring • Operational review • Performance management	• We are committed to maintaining an open, purposeful and effective dialogue with our investee companies and to provide the necessary support where appropriate to assist them in meeting their business goals.	• Emails/phone calls • Meetings • Results briefings	• Ongoing • Ongoing • Monthly, quarterly or annually (depending on each investment)
Employees	• 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	• We are committed to providing a diverse, inclusive and engaging work environment that encourages top-notch performance, high employee satisfaction and loyalty.	• Employee volunteerism • Employee engagement survey • Formal and informal gatherings • Internal employee portal • Internal engagement activities • Training and development • Whistleblowing channel	• Ongoing • Annual • Ongoing • Ongoing • Ongoing • Ongoing • Ongoing
Community	• Capacity building • Entrepreneurship development • Local community development • Philanthropy	• As an integrated part of society, we strive to deliver positive impacts to the community through our business operations. We are committed to our role as a contributor and enabler for the communities in which we operate.	• Community engagement activities • Corporate website	• Ongoing • Ongoing

SUSTAINABILITY REPORT

ECONOMIC

With rapid deployment of disruptive technology and innovation in the market, new enterprises are emerging to create new demand and shape consumer behaviour. These entrepreneurial enterprises are equipped with advanced skills and know-how in providing unique services and products that are not available by conventional means. In promoting innovation and market access, we capitalise on fast-emerging trends as we continue to contribute to economic development through job creation and supporting the growth of innovative enterprises.

With a diversified investment portfolio across the region, from enterprise technology to waste management and education, we are committed to be an ethical business entity through responsible investment practices.

We also encourage our investee companies and our potential investments to undertake the economic, environmental and social considerations, as part of their ongoing business decision-making.

Local Hiring

Where possible, we prioritise local hires to fill job openings. Although expatriate deployment can provide worthy knowledge transfer, we are cognisant that local recruitment brings significant socio-economic benefits, especially in regard to improving the living standards of the community. We only recruit foreign talent in the event that any particular skills or experiences are not readily available within the country.

Nurturing Young Talent

Our Internship Programme, approved by TalentCorp Malaysia under the Structured Internship Programme, provides eligible students with a wide range of learning opportunities and exposure to the investment field, especially those who aspire to be future asset managers or venture capitalists. Through on-the-job-training ("OJT"), they learn the skills that are required in actual work conditions and also acquire the experiences needed to better prepare them in pursuing a lifelong career in the investment industry.

In FY2019, we recruited three interns and provided them with a crucial learning avenue as they worked closely with our team of portfolio managers.

Industry Participation & Recognition

As an active industry player, we participate in various business and industry events and discussions to engage with the relevant ministries, regulators and industry peers, providing a voice for a range of issues and sharing industry best practices.

During the financial year, we were awarded the Malaysian Venture Capital and Private Equity Association's ("MVCA") "Exits 2018" Award for the best exit in the industry. We invested in Brightan System in 2015 and the company has since onboarded hundreds of thousands of jobseekers in Malaysia, Indonesia and Singapore.

Throughout the three-year investment period in Brightan System, we actively participated in nurturing Brightan System from a start-up until the successful divestiture of our investment in Brightan System via a trade sale.

This was one of our many industry success stories in nurturing entrepreneurs into future industry leaders.

Revolutionising Lending Software

We led a Series A1 financing round to fund TurnKey Lender Pte Ltd ("TurnKey"), together with other established venture partners in the region.

The Singapore-based fintech start-up offers end-to-end lending business automation technology powered by Artificial Intelligence ("AI") offering advanced credit scoring, decision automation and loan management services for various types of lenders, ranging from peer-to-peer microfinance to global financial institutions.

Its cloud-based loan management platform automates all stages of the lending lifecycle – from application processing to loan collections and reporting.

During the year, we continued to be actively involved in ongoing industry-level engagements with various governmental agencies, such as Cradle and Malaysia Digital Economy Corporation ("MDEC").

SUSTAINABILITY REPORT

ENVIRONMENT

Environmental conservation is an issue that has gained prominence during the year as global concern escalated in response to accelerating climate change impacts. At OSKVI, we are committed to mitigating the environmental impact created by our business operations, especially with regard to energy consumption and waste management.

In being committed to achieving environmental consciousness in our business operations and at the workplace at all times, we practise energy saving and reduce paper usage where possible. Our Board and Management have also adopted the usage of e-meeting papers since FY2018 for our Board meetings. This year, we continue with our effort to use eco-friendly paper for the printing of our annual report for the 6th consecutive year. We also encourage our shareholders to recycle the annual report after consumption in our efforts to promote a circular economy.

Recycling Initiative

We continued to collaborate with OSK Group in carrying out our second recycling campaign to ensure responsible waste management at our workplace. This is achieved through our partnership with RODA, a waste separation and recycling solutions provider, which supported us throughout the campaign via regular waste collection and ensuring the items are sorted and recycled by certified end-recyclers.

Total Collection	Equivalent Emissions Reduction
OSKVI – 149.0 kg of recyclables	104.3 kg CO ₂



Recyclables collection by RODA at Plaza OSK

SUSTAINABILITY REPORT

SOCIAL

Human capital is one of the key assets in OSKVI. We carry out active and meaningful engagements with our employees to create a work culture that is conducive to high morale and performance. Initiatives focused on skills training and career development, team work and personal growth for our employees, form part of the Group's social engagement.

Additionally, we adopt a non-discriminatory approach in our employment irrespective of gender, age, religious, cultural and social backgrounds, and rewards our employees in accordance with their contributions.

We encourage our employees to develop their skills and knowledge as a way to achieve their full potential. In FY2019, our employees underwent a total of 457 hours of work-related training. We also encourage our employees to attend, and where possible, contribute to industry talks and conferences to broaden their perspectives, network and to stay informed of the latest industry practices.

Engaged Workforce

Quality employee engagement is high priority agenda in OSKVI, in keeping with our belief that a well-engaged workforce translates to a motivated and productive workforce.

We aim to create a fun and inclusive workplace by encouraging social interaction among employees to further foster teamwork, commitment and a sense of belonging to the organisation. We encourage strong camaraderie among employees through formal and informal engagement events, such as annual dinner, movie nights, festive celebrations, informal team lunches and monthly birthday celebrations.

Our Human Resources department conducted employee engagement survey to gather insights on what was important to our employees. The survey helped us measure and increase the level of engagement by providing an avenue for employees to be heard and their views to be acknowledged. The survey offered our employees the opportunity to express themselves freely and provide their opinion on a range of topics associated with their work and the Group.

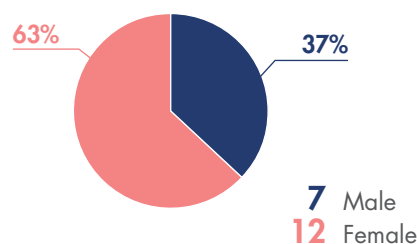
The result of the survey was shared with the Management with specific action plans formed. In 2019, our employee engagement index stood at 93.3% (2018: 78.9%) comparing favourably to the Global Engagement Index 2019 at 65%.

Diversity at Work

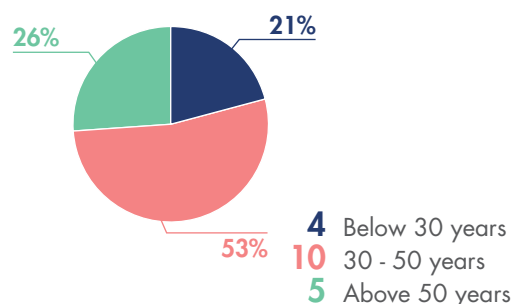
We encourage each individual to reach his or her full potential, irrespective of one's background. By leveraging on diverse perspectives and creating an inclusive environment that is merit-based, we strive to improve the organisation's effectiveness, boost innovation and drive growth. We believe that diversity and inclusion also help us to adapt and excel in an ever-evolving investment landscape.

As we continue to embrace the principle of equal treatment and fairness at the workplace, we strive to ensure that no one is denied the opportunity to employment or advancement for reasons unrelated to their performance. Our diversity and inclusion performance is presented in the subsequent charts.

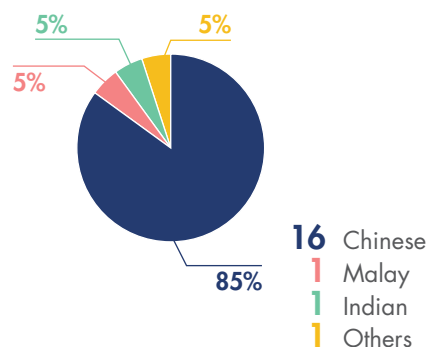
Workforce by Gender



Workforce by Age



Workforce by Ethnicity



SUSTAINABILITY REPORT

Human Rights

We are fully committed to operate in an ethical and responsible manner with a firm stance on respecting human rights. Being invested in a diverse portfolio of companies, our position on human rights extends not only to our employees, but also to our investee companies covering, among others, all forms of child and forced labour.

We stand firm against the practice of child labour and inappropriate working conditions both within our operations and those which bear our investment interest. These cover employees, 3rd party suppliers, service providers and contractors, volunteers and any other comparable form that constitutes as labour according to local and international laws, including our investee companies.

We are pleased to report that there have been no reported incidents of discrimination or child and forced labour within our organisation and those which we invest in, based on our best knowledge, throughout the year.

Promoting a Safe and Healthy at Workplace

In every area of activity and operations, we are committed to achieving the highest standards of workplace health and safety for our employees. We continue to manage and prevent untoward incidents to minimise risk of 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.

One of the pivotal precautionary steps undertaken by OSKVI was the fire drill exercise. In FY2019, we had one fire drill exercise to test the effectiveness of our fire evacuation plan, staff preparedness and improved certain aspects of our fire provisions.

Below is a snapshot of some of our OSHA activities that were conducted this year:

- Annual health week organised by OSK Group to inculcate health awareness among our employees.
- Health and safety information shared on our employee portal.
- Lunch talk on "Personal Safety" which focused on practical preventive measures during travelling and solutions for road users,

self-defense tips applicable for both genders and the use of personal safety protection devices.

Combating Novel Coronavirus (Covid-19)

Caring for Our Employees' Well-being and Playing Our Part to Flatten the Curve

In response to the Covid-19 pandemic that is affecting more than 175 countries and territories across the globe including Malaysia, our series of measures that began at an early stage before the onset of high daily infection rates proved successful in protecting our employees and their families from the virus.

Following the announcement of the national Movement Control Order ("MCO") (18 - 31 March 2020) by the Prime Minister on 16 March 2020, we closed our office premises at Plaza OSK and all employees were requested to work from home to mitigate the spread of Covid-19. At the of publication of this report, the MCO has been extended until 12 May 2020. We will continue to comply with the MCO and support the Government's ongoing efforts in curbing the transmission of the virus.

During this period, all day-to-day operations continued to run with minimal disruption, while ensuring that the safety of our employees and the community is protected at all times. Among the measures applied include daily checks to ensure each employee's well-being, sharing of recommendations and guidelines issued by the Ministry of Health, as well as the latest business developments.

The Board and management recognises the importance of protecting the safety and well-being of our employees and everyone around us. With this in mind, we took steps to ensure that the precautionary measures against Covid-19 were implemented consistently before and during MCO.

While the impact of the outbreak and the imposition of MCO caused many businesses to come to a standstill, we continued to assure our stakeholders and investee companies that OSKVI's operations remained fully functional to support their needs during the period. All internal and external meetings and correspondences were carried out via video conferencing, emails and mobile messaging.

We were actively involved in OSK Group's proactive precautionary measures implemented at Plaza OSK, such as:



Carried out due diligence on the Group's readiness to deploy offsite work arrangements (Business Continuity Management Plan) should there be a need to quarantine the work place;



Redesigning visitor flow within the building to manage crowds during peak office hours and minimise risk of transmission;



Issuing health advisories to employees including information on transmission risks and steps to mitigate such risks and practising self-regulation before reporting to work. Those who were unwell or exhibiting potential coronavirus symptoms were advised to seek medical treatment and refrain from coming to the office. On returning to work, employees were advised to wear face masks to further protect the people around them;



Issuing travel advisories to employees urging everyone to defer all overseas travel. Those who still wished to travel had to undergo self-quarantine upon their return to Malaysia; and



Providing hand sanitisers at the entrance of our office for all our visitors and employees.

As a responsible employer, we are committed to safeguarding the health and wellness of all our employees at all times. As a result of the measures taken above, we are pleased to update that as at 22 April 2020, none of our employees nor their family members have contracted Covid-19 or came into contact with anyone who contracted Covid-19.

SUSTAINABILITY REPORT

COMMUNITY

At OSKVI, the concept of being a responsible business is applied to how we benefit the community at large. We take pride of the efforts we undertake in supporting and encouraging our employees to engage in volunteering programmes to allow them to develop a sense of compassion and give back to the society.

In this respect, we worked closely with OSK Foundation ("OSKF" or "the Foundation"), the philanthropy arm of OSK Group to carry out initiatives targeted at helping the underprivileged and underserved in the community. We are a member of the Foundation since its establishment in May 2015.

Sharing the Gift of Joy



We actively participate in OSK Foundation's Gifts of Hope ("GOH") programme that reaches out to the less fortunate during major festive celebrations. We are pleased to have played a part in GOH's activities in FY2019, which include festive shopping with single mothers and orphanages for Chinese New Year and Hari Raya Aidilfitri, Deepavali charity home visit, as well as a gift exchange and movie outing with underprivileged children in conjunction with the Christmas celebration.



GOH is our way of providing OSK employees the opportunity to participate in active volunteerism and living the Group's values of humility and respect. The programme endeavours to create goodwill among charity homes, while helping to reduce their burden through in-kind and cash contributions from employees and the Foundation.

Blood Donation

In partnership with the National Blood Bank, we joined the blood donation drive organised by OSK Group which was held at Auditorium, Plaza OSK. As one of the programmes in the week-long health campaign, the drive started with health screening and a talk to raise awareness on healthy living.



MOVING FORWARD

We acknowledge that sustainability is an evolving subject that demands careful attention with timely follow-up measures. As we move into year 2020, we endeavour to align our material matters with enterprise risk processes structured as part of our risk management framework.

Our Board and management recognise the importance of being a responsible and sustainable organisation and that it goes beyond measuring our financial performance, but also the change we bring to those around us.

We are also preparing to look at sustainable growth from a global point of view. We continue to study the 17 United Nations Sustainable Development Goals to identify which goal is most suited for adoption.

We look forward to sharing more on the progress we have made and the achievements we have realised in our sustainability journey in the year ahead.

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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 principles set out in the Malaysian Code on Corporate Governance ("MCCG"):

- A. Board leadership and effectiveness
- B. Effective audit and risk management
- 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 2019 ("FY2019"). The comprehensive Corporate Governance Report 2019 ("CG Report") of the Company is published on Bursa Malaysia Securities Berhad ("Bursa Malaysia")'s website at http://www.bursamalaysia.com/market_information/announcements/company_announcement 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, which are reviewed from time to time to ensure their relevance. 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 carried the following key activities in FY2019:

- (i) Reviewed and approved strategies, business plans and policies;
- (ii) Oversaw the conduct of the Company's businesses to evaluate whether the businesses are being properly managed and sustained;
- (iii) Ensured management is competent and there is proper succession planning;
- (iv) Ensured the establishment of a sound risk management framework; and
- (v) Reviewed the adequacy and integrity of the Company's internal control system.

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

- (i) Audit Committee ("AC");
- (ii) Risk Management Committee ("RMC"); and
- (iii) Nomination and Remuneration Committee ("NRC").

The Board Committees operate within clearly defined TOR duly approved by the Board. The Board regularly reviews the TORs to ensure they are consistent with the ACE Market Listing Requirements of Bursa Malaysia ("Listing Requirements") and the MCCG.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(I) Board Responsibilities (Cont'd)

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 on 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 responsibilities and accountability between the provision of leadership to the Board and the executive responsibility of running the Group's businesses. The clear and distinct roles of the Chairman and ED/COO are specified in the Board Charter.

In FY2019, none of the Directors held more than three directorships in listed issuers which was well within the Bursa Malaysia's requirement to limit a maximum of five directorships in listed issuers to ensure that Directors are able to devote sufficient time and commitment to the Company.

The Board is supported by two suitably qualified, experienced, competent and knowledgeable Company Secretaries. The Company Secretaries are keeping abreast of regulatory changes, development in corporate governance, evolution of the Company Secretary's role and business trends through continuous training. 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.

The Board met four times during the FY2019 and had other ad-hoc discussions/informal meetings to discuss strategic and policy matters. All Directors attended and actively participated in all the Board meetings as well as the Board Committee meetings. The details of the Directors' attendance at Board and Board Committee meetings during the FY2019 are as follows:

No.	Name of Directors	Designation	Attendance at Meetings				Overall Percentage of Attendance
			Board	AC	RMC	NRC	
1.	Leong Keng Yuen	Independent Non-Executive Chairman	4/4	4/4	4/4	2/2	100%
2.	Yee Chee Wai	Executive Director/Chief Operating Officer	4/4	-	-	-	100%
3.	Ong Yee Min	Executive Director	4/4	-	-	-	100%
4.	Dr. Ngo Get Ping	Senior Independent Non-Executive Director	4/4	4/4	4/4	2/2	100%
5.	Dato' Thanarajasingam Subramaniam	Independent Non-Executive Director	4/4	4/4	4/4	2/2	100%

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(I) Board Responsibilities (Cont'd)

To ensure all Directors are able to attend all Board and Board Committee meetings, as well as the Annual General Meeting, the Company fixed the annual schedule of meetings the year before. In the last quarter of the FY2019, an annual schedule of meetings for year 2020 was tabled and approved at the Board meeting during the said quarter.

The Company has a Code of Conduct and Business Ethics, which promotes good business conduct with the highest principles of moral behaviour and integrity and it 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 with integrity and good character to nurture an ethical culture that engenders ethical conduct throughout all levels.

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

In line with the Guidelines on Adequate Procedures pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Company has developed an Anti-Bribery and Anti-Corruption Handbook, which was approved by the Board and adopted by the Company on 21 November 2019.

The Anti-Bribery and Anti-Corruption Handbook is available on OSKVI's website  http://www.oskvi.com/pdf/ABAC-Handbook_OSKVI.pdf.

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 on OSKVI's website  http://www.oskvi.com/whistle_blowing.php.

(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 Independent Non-Executive Directors (including the Independent Non-Executive Chairman); and
- (ii) two Executive Directors.

The Independent Non-Executive 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 composition, skills, experience and core competencies amongst Board members.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(II) Board Composition (Cont'd)

The Company has adopted the Board Combined Skills Matrix in replacement of the existing Mix of Skills and Experience Matrix on 21 November 2019, representing the skills/experience which the Board views are important to the Board's ability to provide effective oversight of the Group and relevant to the Company's business, strategies and operations, as follows:

Board Combined Skills Matrix



The Board has not developed a policy which limits the tenure of its Independent Directors to nine 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 years on the Board.

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CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(II) Board Composition (Cont'd)

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, would be 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:



Notes:

^ includes two Executive Directors

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

The Board takes cognizance of the importance of utilising independent sources to identify suitably qualified candidates as recommended by the MCCG although there was no appointment of Director during the FY2019.

In respect of the appointment of Directors, the Company will practise a clear and transparent nomination process which is provided in the Board Charter. The criteria used by the NRC in the selection process is also provided in the Board Charter.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(II) Board Composition (Cont'd)

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 and Board Committees, and the contribution of each individual Director, including the independence of the Independent Directors. The annual assessment criteria of individual Directors 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. The areas covered in the annual assessment criteria of the Board, Board Committees and individual Directors are as follows:

Evaluation	Assessment Criteria
Board	Board mix and composition, understanding of the Group's mission, succession planning and development, risk and internal control oversight, effectiveness and communication.
Board Committees	Composition, effectiveness, support, contribution and communication.
Individual Directors	Overall, time commitment, preparation for meetings, contribution and performance.

The Assessment Mechanism and Measurement System are available on OSKVI's website  http://www.oskvi.com/about_governance.php.

The key activities carried out by the NRC during the FY2019 are as follows:

- (i) Discussed and reviewed the annual performance assessment process of the Chairman, Executive Directors and Non-Executive Directors;
- (ii) Deliberated on the findings of the Board and Board Committee assessments and reported the findings in the Board meeting;
- (iii) Recommended the re-election of Directors;
- (iv) Reviewed and recommended the payment of Directors' fees and benefits to Non-Executive Directors to the Board to recommend to the shareholders for approval;
- (v) Reviewed and recommended the remuneration packages for Executive Directors to the Board for approval; and
- (vi) Reviewed the performance of the Head of Finance who is primarily responsible for the management of the financial affairs of the Company.

All Directors of the Company recognise the need to continually develop and refresh their skills and knowledge and to update themselves on the developments in the 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(II) Board Composition (Cont'd)

During the FY2019, the training programmes attended by the Directors are as follows:

Name of Directors	Training Programmes
Leong Keng Yuen	• Latest on Employers' Tax Obligations in 2019 • Project Management Essentials • Demystifying the Diversity Conundrum: The Road to Business Excellence • Latest Updates on Practical Tax Issues • Case Study Workshop for Independent Directors • Budget 2020: Key Updates and Changes for Corporate Accountants
Yee Chee Wai	• Group Leaders Program: Coaching for High Performance • CEO Conference 2019 • The Compelling Business Case for Sustainability • C Suite Leaders Development Program - Check In - Peer2peer Learning & Skill Practice • MIA's Engagement Session with Audit Committee Members on Integrated Reporting • Introduction to Formal Protocol and Etiquette • Takeovers and Mergers under The Code on Takeovers and Mergers 2016 • Leadership Greatness in Turbulent Times: Building Corporate Longevity • The Convergence of Digitisation and Sustainability • Internal Control, The 3 Lines of Defense and Internal Audit • Overview of Malaysia Foreign Exchange Administration Rules • Digital Marketing in 2019 and Beyond • Session on Corporate Governance and Anti-Corruption • Enterprise Risk Assessments and Mitigations • Corporate Accountability - "Small Details Big Problems"
Ong Yee Min	• Ring the Bell for Gender Equality 2019 • Demystifying the Diversity Conundrum: The Road to Business Excellence • Internal Control, The 3 Lines of Defense and Internal Audit • Sustainability Inspired Innovations Enablers of the 21st Century • Management Skills Training - How to Terminate an Employee's Services The Legal Way • Embarking on Sustainable Finance: A Practical Briefing • Sustainable and Responsible Investment Roadmap for The Malaysian Capital Market
Dr. Ngo Get Ping	• Enhancing Corporate Brand Value • Virtual Banking Presentation and Discussion • ICDM International Directors Summit 2019
Dato' Thanarajasingam Subramaniam	• Global Business Insight Series-Leap: How to Thrive in a World Where Everything Can Be Copied • Future Business Ideas (FBI) 2019 • MIA's Engagement Session with Audit Committee Members on Integrated Reporting • CG Watch: How Does Malaysia Rank? • Introduction to Formal Protocol and Etiquette

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(II) Board Composition (Cont'd)

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

To further strengthen the Directors' knowledge, updates on corporate governance and regulatory matters are provided regularly at Board meetings.

(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 on OSKVI's website  http://www.oskvi.com/about_governance.php.

The NRC carries out an annual review of the Directors and Key Senior Management's remuneration whereupon recommendations are submitted to the Board for approval. Such annual review shall ensure that the remuneration package remains sufficiently attractive to attract and retain Directors and Key Senior Management of calibre and to commensurate with their responsibilities for the effective management and operations of the Group.

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

The details of the Directors' remuneration for the FY2019 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 three 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 Chairman of the AC, 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 TOR of the AC includes the requirement for a former key audit partner of the Company to observe a cooling-off period of at least two years before being appointed as a member of the AC. In FY2019, none of the AC members were former key audit partners of the Company.

The composition and details of the key activities carried out by the AC during FY2019 are set out in the AC Report of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

(II) Risk Management and Internal Control Framework

The RMC established by the Board comprises three 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 Malaysia, which are available on Bursa Malaysia's website  <http://www.bursamalaysia.com>, 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 at  <http://www.oskvi.com> which provides corporate information of the Group, as well as the Company's announcements and financial information.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

(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 feedbacks, to benefit from the insights of shareholders, and to facilitate shareholders' 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 15th AGM held in year 2019.

The voting at the 15th AGM was conducted through electronic voting system. Voting in absentia and remote participation will be considered when the need arises.

This Statement was approved by the Board of Directors of the Company on 28 February 2020.

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 TOR 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 2019.

COMPOSITION

The AC comprises three 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 members consist of the following:

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 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 years.

ATTENDANCE OF MEETINGS

During the financial year ended 31 December 2019, the AC held a total of four meetings. The details of attendance of the AC members are as follows:

Name of Director	1st Quarter AC Meeting 20.02.2019	2nd Quarter AC Meeting 16.05.2019	3rd Quarter AC Meeting 20.08.2019	4th Quarter AC Meeting 21.11.2019	Attendance (%)
Dato' Thanarajasingam Subramaniam	✓	✓	✓	✓	4 / 4 (100%)
Leong Keng Yuen	✓	✓	✓	✓	4 / 4 (100%)
Dr. Ngo Get Ping	✓	✓	✓	✓	4 / 4 (100%)

AUDIT COMMITTEE REPORT

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 Head of Finance 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 extracts 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 internal audit function performing 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 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 auditor once in November 2019 without the presence of Management, from which no material concerns were raised.

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.

AUDIT COMMITTEE REPORT

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 2019 respectively to discuss any issues 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 reported.

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 made recommendations to the Board for approval; and
2. Reviewed the effectiveness and efficiency of internal controls and risk management processes.

Related Party Transactions

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 conducted by an internal auditor, Mr. Young Tat Yong, who reports directly to the AC. Mr. Young Tat Yong is a Chartered Fellow of the Institute of Internal Auditors Malaysia and an associate member of the Chartered Institute of Management Accountants and has more than 30 years' experience in auditing.

The internal audit function is independent of the activities and operations of the Group. The internal auditor performing this service is free from any relationships or conflicts of interest. The principal responsibility of the 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 internal auditor carried out two audit engagements namely Information Technology, as well as Investment and Finance & 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 internal auditor monitors the implementation of audit recommendations through periodic follow-up reviews.

The cost incurred for the internal audit function in respect of financial year ended 31 December 2019 amounted to RM38,783. Overall, the AC is satisfied with the services rendered by the internal auditor.

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 2019, 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, as outlined in 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 Management works on the Board-approved implementation of frameworks, policies and procedures on risk and control by identifying and assessing risks with mitigating controls.

The Board 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 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.

MANAGEMENT'S ROLE:

The Management is responsible for 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 system of internal control. The internal audit function is independent of the activities and operations of the Group. The internal auditor reviews and ensures the adequacy and integrity of the internal control system, assesses compliance with applicable laws and regulations, ascertains compliance with policies and procedures and makes appropriate recommendations in improving the internal control and governance process of the Group.

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

STATEMENT ON RISK MANAGEMENT AND 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;
- √ Establish risk appetite and risk tolerance based on measurable risk parameters; and
- √ Ascertain risk strategies in line within the risk appetite and tolerance of the Group.

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.

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 monitors the Group's portfolio of major risks with the following objectives:

Assure	Guide	Monitor	Implement
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.	Provide guiding risk management principles to functional leaders to govern the actions of risk identification and assessment.	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.	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.

In identifying risks, the Group practices 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 uses in generating an enterprise view of the Group operational risk profile. Risk exposure of each of the RCSA risk card can be determined by identifying risk impact and likelihood to produce the gross risk rating.

The Group applies risk mitigation strategies to manage identified risks. The Group has five core risk treatment strategies for risk management.

RISK TREATMENT STRATEGIES

Avoid	Retain	Reduce	Transfer	Exploit
Risk exposure shall be rejected entirely, as the potential return does not commensurate with the probabilities of losses.	Accept risk exposure. The potential return is desirable with a manageable downside exposure.	Risk exposure shall be minimized through mitigation (e.g. contingency plan, contractual agreement to share risks, etc.).	Risk exposure transfers systematically to other parties not within the Group (e.g. through insurance policies or outsourcing arrangements on certain tasks or processes).	Exploit the opportunity provided by a risk situation with a calculated and well-planned strategy to increase investment return.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK TREATMENT STRATEGIES (CONT'D)

The quarterly risk reports are updated to the RMC, highlighting all key risks and mitigating controls carried out by the Management. The Management is 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 Group's ERMF to all employees. The platforms include but not limited to management meetings, issuance of circular and ad-hoc discussions.

RISK MONITORING & REPORTING

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

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

For the financial year under review, the following are some of the key risks we actively managed:

Key Risks	Risk Review	Risk Ratings	Mitigation Measures
Risk of Non-Performing Investments – Listed Equity	Adverse returns from public investments.	Medium	Invest in fundamentally-sound and strong liquidity listed companies. Compliances to OSKVI's internal stop loss policies.
Risk of Non-Performing Investments – Private Equity/ Venture Capital	Adverse returns from Private Equity/ Venture Capital investments.	Medium	Invest in fundamentally-sound companies and ensure sufficient diversification across the industries and geography.

INTERNAL CONTROL

The Group's internal control system consists of various components such as control environment, risk assessment, control activities, information and 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:

- Governance – Ensure conducive control environment established by the Board and Management. 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. 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.
- Operation Internal Controls - 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL (CONT'D)

The key elements of the Group's internal control system are described below: (Cont'd)

- Internal audit provides independent and objective assurance on the adequacy and effectiveness of the systems of risk management and internal control. Audit follow-up is 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, meet regulatory requirements and to protect the interests of employees.

The Board has also received assurance from the Executive Director/Chief Operating Officer and Head of 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 operating 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 subsidiaries 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 2019, 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 2019, and of the results of their operations and cash flows for the year then ended.

In preparing the annual audited financial statements, the Directors have applied the appropriate and relevant accounting policies on a consistent basis; made judgements and estimates that are reasonable and prudent; and prepared the annual audited financial statements on a going concern basis.

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

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DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

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

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

FINANCIAL RESULTS

	Group RM	Company RM
Profit attributable to Owners of the Company	6,122,525	5,730,297

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

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

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

DIRECTORS

The Directors of the Company in office since the 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 the Company's subsidiaries.

DIRECTORS' REPORT

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 29 and 30 to the financial statements.

The Directors' benefits are as follows:

	Group RM	Company RM
Salaries, bonuses and other emoluments	1,038,906	21,000
Fees	143,000	143,000
Defined contribution plan	181,285	-
Social security costs	1,657	-
Employment insurance scheme	189	-
Estimated monetary value of benefit-in-kind	31,150	-
Insurance effected to indemnify Directors*	17,500	5,000
	1,413,687	169,000

* 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:

	1.1.2019	Company Number of ordinary shares		31.12.2019
		Acquired	Disposed	
Direct Interest:				
Ong Yee Min	2,511,980	475,699	-	2,987,679
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.

DIRECTORS' REPORT

TREASURY SHARES

As at 31 December 2019, 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 26 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 satisfied 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.
- (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.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D)

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

SIGNIFICANT 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 PLT, have expressed their willingness to continue in office.

Auditors' remuneration for the year ended 31 December 2019 is as follows:

	Group RM	Company RM
Ernst & Young PLT	133,000	65,000

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, 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 PLT for the financial year ended 31 December 2019.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 28 February 2020.

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 64 to 119 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 2019 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 28 February 2020.

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 64 to 119 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 28 February 2020.

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 ("the Company"), which comprise the statements of financial position as at 31 December 2019 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on page 64 to 119.

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 2019 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 (ISAs). 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 Code of Ethics for Professional Accountants (including International Independence Standards) ("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.

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)Determination of Fair Value of Investments Held by the Group

As at 31 December 2019, the carrying value of the Group's investment securities classified as fair value through profit or loss amounted to RM151,324,496 which represents 82% of the Group's total assets. The amount invested in unquoted investment securities in and outside of Malaysia amounted to RM72,595,354 (48% of the total investment securities). The valuation of unquoted 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.

The Group uses valuation technique appropriate in the circumstances and for which sufficient data is available. In that, management has maximised the use of relevant observable input and minimised the use of unobservable input. Such inputs include using prices and other relevant information of comparable peer companies, prices 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 32 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. Other information consists of Directors' Report and Annual Report other than the financial statements and our auditor's report thereon. We obtained Directors' Report, prior to the date of our auditor's report, and we expect to obtain Annual Report after the date of our auditor's 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate action.

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.

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**

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 auditor's 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 ISAs 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;
- 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.

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)**

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 PLT

202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
28 February 2020

Ng Sue Ean

No. 03276/07/2020 J
Chartered Accountant

INCOME STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

		Group		Company	
	Note	2019 RM	2018 RM	2019 RM	2018 RM
Income					
Net fair value gain/(loss) on financial assets	4	6,482,765	(28,850,488)	(1,058,206)	-
Interest income	5	1,752,244	1,142,242	3,288,925	3,525,406
Dividend income	6	2,209,016	2,964,413	-	1,900,000
Reversal of impairment losses/(impairment losses)	7	-	-	4,500,000	(19,100,000)
Other income		500	-	-	-
		10,444,525	(24,743,833)	6,730,719	(13,674,594)
Expenses					
Staff expense	8	(3,266,773)	(3,520,955)	(7,567)	(5,449)
Administrative expenses		(1,134,769)	(1,615,018)	(349,602)	(751,555)
Net foreign exchange gain/(loss)		205,149	631,079	-	(1,850)
		(4,196,393)	(4,504,894)	(357,169)	(758,854)
Operating profit/(loss)		6,248,132	(29,248,727)	6,373,550	(14,433,448)
Finance cost	21	(9,519)	-	-	-
Share of result of a joint venture	16	604,184	(65,062)	-	-
Profit/(Loss) before tax	8	6,842,797	(29,313,789)	6,373,550	(14,433,448)
Income tax expense	11	(720,272)	(359,325)	(643,253)	(656,190)
Profit/(Loss) for the year		6,122,525	(29,673,114)	5,730,297	(15,089,638)
Profit/(Loss) attributable to: Owners of the Company		6,122,525	(29,673,114)	5,730,297	(15,089,638)
Earnings/(Loss) per share attributable to equity owners of the Company (sen):					
Basic	12	3.12	(15.11)		

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 2019

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Profit/(Loss) after tax for the year, representing total comprehensive income/(loss) for the year, net of tax	6,122,525	(29,673,114)	5,730,297	(15,089,638)

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

		Group		Company	
	Note	2019 RM	2018 RM	2019 RM	2018 RM
ASSETS					
Equipment	13	505,025	598,710	5,801	7,314
Intangible assets	14	4,410	5,872	-	-
Investments in subsidiaries	15(a)	-	-	83,144,800	76,794,800
Amount due from subsidiary	15(b)	-	-	81,201,780	71,696,508
Investment in joint venture	16	942,372	338,188	403,250	403,250
Investments held at fair value through profit or loss:					
- Investment securities	18	142,416,907	137,717,100	-	-
- Investment in a fund	19	188,294	1,037,000	188,294	1,037,000
- Investment in notes receivables	20	8,719,295	2,626,020	-	-
Right-of-use asset	21	172,808	-	-	-
Trade and other receivables	22	151,109	1,181,796	2,934,330	2,883,096
Prepayments		234,198	510,088	1,112	416
Tax recoverable		14,706	2,612,278	-	-
Cash, cash equivalent and cash management fund	23	30,385,977	36,729,541	12,350,662	22,072,533
Total assets		183,735,101	183,356,593	180,230,029	174,894,917
EQUITY					
Contributed share capital	24	186,267,368	186,267,368	186,267,368	186,267,368
Reserves	25	(5,389,607)	(11,512,132)	(5,758,348)	(11,488,645)
Treasury shares	26	(646,527)	(646,527)	(646,527)	(646,527)
Total equity		180,231,234	174,108,709	179,862,493	174,132,196
LIABILITIES					
Deferred tax liability	27	2,130,539	2,053,520	-	-
Trade and sundry payables	28	1,164,360	7,130,953	330,493	699,310
Lease liability	21	171,925	-	-	-
Tax payable		37,043	63,411	37,043	63,411
Total liabilities		3,503,867	9,247,884	367,536	762,721
Total equity and liabilities		183,735,101	183,356,593	180,230,029	174,894,917

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 2019

GROUP

	Attributable to Owners of the Company (Accumulated losses)/ retained profits			Total equity
	Contributed share capital (Note 24) RM	Treasury shares (Note 26) RM	(Note 25) RM	RM
At 1 January 2019	186,267,368	(646,527)	(11,512,132)	174,108,709
Total comprehensive income	-	-	6,122,525	6,122,525
At 31 December 2019	186,267,368	(646,527)	(5,389,607)	180,231,234
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

COMPANY

	Non-distributable (Accumulated losses)/ retained profits			Total equity
	Share capital (Note 24) RM	Treasury shares (Note 26) RM	(Note 25) RM	RM
At 1 January 2019	186,267,368	(646,527)	(11,488,645)	174,132,196
Total comprehensive income	-	-	5,730,297	5,730,297
At 31 December 2019	186,267,368	(646,527)	(5,758,348)	179,862,493
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

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 2019

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Cash flows from operating activities				
Profit/(loss) before tax	6,842,797	(29,313,789)	6,373,550	(14,433,448)
Adjustments for:				
Amortisation of intangible assets	2,997	3,127	-	-
Depreciation of equipment	98,602	82,533	1,513	252
Depreciation on right-of-use asset	172,808	-	-	-
Equipment written off	3	9	-	-
(Reversal of impairment loss)/ impairment loss on cost of investment of subsidiaries	-	-	(4,500,000)	19,100,000
Net fair value (gain)/loss on financial assets	(6,482,765)	28,850,488	1,058,206	-
Loss from winding up of subsidiary	-	-	14,803	-
Interest income	(1,752,244)	(1,142,242)	(3,288,925)	(3,525,406)
Interest expense	9,519	-	-	-
Dividend income	(2,209,016)	(2,964,413)	-	(1,900,000)
Share of result of a joint venture	(604,184)	65,062	-	-
Unrealised loss/(gain) on foreign exchange	289,271	(284,162)	-	-
Operating loss before working capital changes	(3,632,212)	(4,703,387)	(340,853)	(758,602)
Decrease/(increase) in operating assets				
Receivables	1,318,303	7,833,665	(696)	189
Amounts due from subsidiary	-	-	(9,520,075)	10,942,904
Proceeds from disposals/redemption of:				
- investment securities	90,976,554	174,444,704	-	-
- notes receivable	1,962,500	2,023,107	-	-
Additions in:				
- investment securities	(88,135,390)	(165,064,099)	-	-
- notes receivable	(7,792,432)	(2,382,799)	-	-
- investment in a fund	(209,500)	(1,037,000)	(209,500)	(1,037,000)
(Decrease)/increase in operating liabilities				
Payables	(5,974,478)	5,880,791	(368,817)	61,488
Cash (used in)/generated from operations	(11,486,655)	16,994,982	(10,439,941)	9,208,979
Dividends received	2,197,011	2,974,270	-	1,900,000
Interest received	1,296,147	1,015,479	3,237,691	2,866,948
Taxes refunded/(paid)	1,927,951	(792,908)	(669,621)	(751,493)
Net cash (used in)/generated from operating activities	(6,065,546)	20,191,823	(7,871,871)	13,224,434

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Cash flows from investing activities				
Withdrawal from/(addition in) cash management fund	5,008,184	(1,348,392)	9,724,309	(2,850,426)
Purchase of :				
- equipment	(4,920)	(633,016)	-	(7,566)
- intangible assets	(1,535)	-	-	-
Subscriptions of additional:				
- shares in subsidiary company (Note 15 (a))	-	-	(1,850,000)	(99,998)
- shares in joint venture company (Note 16)	-	(403,250)	-	(403,250)
Net cash generated from/(used in) investing activities	5,001,729	(2,384,658)	7,874,309	(3,361,240)
Cash flows from financing activities				
Repayment of lease liability	(175,325)	-	-	-
Dividends paid to shareholders	-	(9,822,254)	-	(9,822,254)
Net cash used in financing activities	(175,325)	(9,822,254)	-	(9,822,254)
Net (decrease)/increase in cash and cash equivalents	(1,239,142)	7,984,911	2,438	40,940
Effects of exchange rate changes	(96,238)	194,609	-	-
Cash and cash equivalents at beginning of year	14,691,281	6,511,761	708,203	667,263
Cash and cash equivalents at end of year (Note 23)	13,355,901	14,691,281	710,641	708,203

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

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 except for a wholly-owned subsidiary principal activity had been changed to undertake money lending business as disclosed in Note 15(a).

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 28 February 2020.

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 2019 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 2019, 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 2019.

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 3, MFRS 11, MFRS 112 and MFRS 123	Annual Improvements to MFRS Standards 2015 - 2017 Cycle
IC Interpretation 23	Uncertainty over Income Tax Treatments

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 Group and of the Company, other than as described below:

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)**(b) Changes in accounting policies (Cont'd)****MFRS 16 Leases**

The Group had adopted MFRS 16 Leases on its effective date of 1 January 2019. Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. MFRS 16 introduces a single accounting model for a lessee which involves the recognition of a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments and eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet).

In its transition to MFRS 16, the Group has elected to apply the modified retrospective approach whereby the comparative amounts were not restated. The Group recognised the lease liability at the date of initial application which were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. Correspondingly, the Group recognised the right-of-use asset at an amount equal to the lease liability and hence the Group did not make any adjustment to the opening retained earnings. The right-of-use asset is depreciated in accordance with the principle in MFRS 116 Property, Plant and Equipment and the lease liability is accreted over time with interest expense recognised in the statement of profit or loss. The financial impact of MFRS 16 adoption on the financial statements of the Group are disclosed in Note 21.

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).

(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
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	Definition of a Business	1 January 2020
Amendments to MFRS 7 and MFRS 9	Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101	Definition of Material	1 January 2020
Amendments to MFRS 108	Definition of Material	1 January 2020
MFRS 17	Insurance Contracts	1 January 2020
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

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

The Directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

(d) Significant accounting judgments and estimates

The preparation of the Group's and Company's financial statements require management to make judgments, 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.

(i) Judgments

There are no critical judgments 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

These investment securities are held for trading and capital gain purposes. The fair value for investment securities 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 investment securities 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 is available. In that, management has maximised the use of relevant observable input and minimised 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 of comparable peer companies).

As at 31 December 2019, the carrying value of the Group's investment securities classified as fair value through profit or loss amounted to RM151,324,496 which represents 82% of the Group's total assets. The investment securities are invested in quoted shares in and outside Malaysia amounted to RM78,729,142 (52% of total investment securities) and unquoted shares and securities in and outside of Malaysia amounted to RM72,595,354 (48% of the total investment securities). The sensitivity analysis of the carrying amount to the assumptions and estimates are disclosed in Notes 31(f).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(d) Equipment and depreciation (Cont'd)**

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

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

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.

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 32.

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.

NOTES TO THE FINANCIAL STATEMENTS

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

- (i) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term, or
- (ii) 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
- (iii) 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

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 at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets measured at amortised cost include trade and other receivables.

Financial assets measured at fair value through profit or loss ("FVTPL")

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

- (i) 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
- (ii) 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
- (iii) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(h) Financial instruments (Cont'd)****Financial assets (Cont'd)**Financial assets measured at fair value through profit or loss ("FVTPL") (Cont'd)

Financial assets at FVTPL are carried in the statement of financial position at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. There are no changes in the accounting policy for financial assets carried at FVTPL by the Group and Company.

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.

Derecognition of financial assets

A financial asset or part of it is derecognised when, and only when the contractual rights to receive the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilitiesFinancial 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. The Group does not hold any financial liabilities under this classification.

Financial liabilities measured at amortised 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. Financial liabilities at amortised cost are subsequently measured using the EIR method.

Derecognition of financial liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

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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) Treasury shares

When shares of the Company that have not been cancelled and 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(n) Employee benefits****(i) Short term benefits**

Salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Group 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").

(o) 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 33, including the factors used to identify the reportable segments and the measurement basis of segment information.

(p) Income taxes**(i) Current tax**

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

Current taxes are recognised in 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(p) Income taxes (Cont'd)****(ii) Deferred tax**

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(r) Foreign currencies****(i) Functional and presentation currency**

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

(ii) Foreign currency transactions

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in 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.

NOTES TO THE FINANCIAL STATEMENTS

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

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Realised fair value gain/(loss) on financial assets	1,714,859	(2,195,729)	-	-
Unrealised fair value gain/(loss) on financial assets (Note 33)	4,767,906	(26,654,759)	(1,058,206)	-
	6,482,765	(28,850,488)	(1,058,206)	-

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

	Group	
	2019 RM	2018 RM
Proceeds from disposal of investment securities	90,976,554	174,444,704
Less: Cost of investment	(96,613,817)	(175,248,215)
Loss on disposal *	(5,637,263)	(803,511)
Add/(less): Previously recognised fair value changes	7,352,122	(1,392,218)
Realised fair value gain/(loss) on financial assets	1,714,859	(2,195,729)

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

5. INTEREST INCOME

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Cash management fund	444,816	658,392	333,690	620,426
Cash and cash equivalents	107,096	61,796	25,456	26,715
Notes receivables	1,200,332	422,054	-	-
Advance to subsidiary	-	-	2,929,779	2,878,265
	1,752,244	1,142,242	3,288,925	3,525,406

NOTES TO THE FINANCIAL STATEMENTS

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6. DIVIDEND INCOME

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Investment securities at fair value through profit or loss	2,209,016	2,964,413	-	-
From subsidiaries	-	-	-	1,900,000
	2,209,016	2,964,413	-	1,900,000

7. REVERSAL OF IMPAIRMENT LOSSES/(IMPAIRMENT LOSSES)

	Company	
	2019 RM	2018 RM
In respect of:		
Investment in subsidiaries (Note 15(a))	4,500,000	(19,100,000)

During the year, the Company made a reversal of impairment on cost of investment in subsidiaries of RM4,500,000 to other income due to recovery in of the investments valuation of the subsidiaries.

8. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Auditors' remuneration:				
(i) Statutory audit				
- current year	127,000	128,000	63,000	72,000
- over provision in prior year	-	-	(4,000)	-
(ii) Other services	6,000	6,000	6,000	6,000
Employee benefits expenses (excluding executive Directors' remuneration) (Note 9)	2,065,736	1,985,221	7,567	5,449
Directors' remuneration (Note 10)				
- Executive Directors	1,201,037	1,535,734	-	-
- Non-Executive Directors	164,000	181,592	164,000	181,592
Rental of office	-	175,325	-	-
Depreciation of equipment (Note 13)	98,602	82,533	1,513	252
Depreciation of right-of-use asset	172,808	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

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

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

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Equipment written off	3	9	-	-
Amortisation of intangible assets (Note 14)	2,997	3,127	-	-
Interest expenses	9,519	-	-	-
(Reversal of impairment loss)/impairment loss on cost of investment of subsidiaries	-	-	(4,500,000)	19,100,000
Net foreign exchange (gain)/loss	(205,149)	(631,079)	-	1,850

9. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Salaries and bonuses	1,764,095	1,725,756	-	-
Defined contribution plan	191,770	188,266	-	-
Other staff related expenses	109,871	71,199	7,567	5,449
	2,065,736	1,985,221	7,567	5,449

10. DIRECTORS' REMUNERATION

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Directors of the Company				
Executive:				
Salaries, bonuses and other emoluments	1,017,906	1,337,400	-	-
Defined contribution plan	181,285	196,488	-	-
Social security costs	1,657	1,657	-	-
Employment insurance scheme	189	189	-	-
	1,201,037	1,535,734	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

10. DIRECTORS' REMUNERATION (CONT'D)

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Directors of the Company (Cont'd)				
Non-executive:				
Salaries, bonuses and other emoluments	21,000	15,000	21,000	15,000
Directors' fees	143,000	166,592	143,000	166,592
	164,000	181,592	164,000	181,592
Total Directors' remuneration (Note 8)	1,365,037	1,717,326	164,000	181,592

The total executive directors' remuneration excludes the estimated monetary value of benefits-in-kind of RM31,150 (2018: RM24,916) and insurance premium paid for Directors' and Officers' Liability Insurance of RM17,500 (2018: RM17,500).

31 DECEMBER 2019

The details of the Directors' remuneration are as follow:

	Group			Company		
	Directors' fees RM	Other benefits^ RM	Estimated monetary value of benefit-in-kind RM	Directors' fees RM	Other benefits^ RM	Total RM
2019						
Executive Directors						
Yee Chee Wai	-	621,073	-	-	-	-
Ong Yee Min	-	579,964	31,150	-	-	-
	-	1,201,037	31,150	-	-	-
Non-Executive Directors						
Leong Keng Yuen	51,000	7,000	-	51,000	7,000	58,000
Dato' Thanarajasingam Subramaniam	46,000	7,000	-	46,000	7,000	53,000
Dr. Ngo Get Ping	46,000	7,000	-	46,000	7,000	53,000
	143,000	21,000	-	143,000	21,000	164,000
	143,000	1,222,037	31,150	143,000	21,000	164,000

Notes:

^a Other benefits included salaries, bonus, allowances, employees provident fund, social security costs and employment insurance scheme.

* The total Directors' remuneration is excluding the insurance premium to indemnify Directors of RM17,500.

NOTES TO THE FINANCIAL STATEMENTS

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10. DIRECTORS' REMUNERATION (CONT'D)

The details of the Directors' remuneration are as follow:

	Group			Company		
	Directors' fees RM	Other benefits [^] RM	Estimated monetary value of benefit-in-kind RM	Directors' fees RM	Other benefits [^] RM	Total RM
2018						
Executive Directors						
Yee Chee Wai	-	783,587	-	-	-	783,587
Ong Yee Min	-	752,147	24,916	-	-	777,063
	-	1,535,734	24,916	-	-	1,560,650
Non-Executive Directors						
Leong Keng Yuen	62,836	5,000	-	62,836	5,000	67,836
Dato' Thanarajasingam Subramaniam	48,205	5,000	-	48,205	5,000	53,205
Dr. Ngo Get Ping	50,521	5,000	-	50,521	5,000	55,521
Dato' Nik Mohamed Din bin Datuk Nik Yusoff #	4,734	-	-	4,734	-	4,734
Tan Sri Ong Leong Huat @ Wong Joo Hwa #	296	-	-	296	-	296
	166,592	15,000	-	166,592	15,000	181,592
	166,592	1,550,734	24,916	166,592	15,000	1,742,242*

Notes:

[^] Other benefits included salaries, bonus, allowances, employees provident fund, social security costs and employment insurance scheme.

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

* The total Directors' remuneration is excluding the insurance premium to indemnify Directors of RM17,500.

NOTES TO THE FINANCIAL STATEMENTS

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11. INCOME TAX EXPENSE

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Malaysian income tax:				
Current year	646,209	657,209	646,209	656,411
Over provision in prior years	(2,956)	(249)	(2,956)	(221)
	643,253	656,960	643,253	656,190
Deferred tax (Note 27):				
Relating to origination and reversal of temporary differences	65,670	(309,240)	-	-
Under provision in prior year	11,349	11,605	-	-
	77,019	(297,635)	-	-
	720,272	359,325	643,253	656,190

The domestic income tax is calculated at the statutory tax rate of 24% (2018: 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 profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Profit/(loss) before tax	6,842,797	(29,313,789)	6,373,550	(14,433,448)
Tax at Malaysian statutory tax rate of 24% (2018: 24%)	1,642,271	(7,035,309)	1,529,652	(3,464,028)
Effect of different tax rate in foreign jurisdiction	-	28	-	-
Expenses not deductible for tax purposes	32,795	799,195	(803,194)	4,725,730
Income not subjected to tax	(156,176)	(1,416,634)	(80,086)	(604,902)
Utilisation of capital allowance not subject to deferred tax	(163)	(389)	(163)	(389)
Share of results of a joint venture	(145,004)	15,614	-	-
Deferred tax assets (recognised)/ not recognised	(661,844)	7,985,464	-	-
Under provision of deferred tax in prior year	11,349	11,605	-	-
Over provision of income tax in prior year	(2,956)	(249)	(2,956)	(221)
Income tax expense for the year	720,272	359,325	643,253	656,190

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

11. INCOME TAX EXPENSE (CONT'D)

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

	2019 RM	Group 2018 RM
Unutilised tax losses	85,070,908	81,043,773
Unabsorbed capital allowances	110,771	69,327
Unrealised fair value changes on financial instruments	-	6,332,896
Other deductible temporary differences	-	520,181
	85,181,679	87,966,177

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 effect from year of assessment 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.

During the year, deferred tax assets are recognised to offset against the deferred tax liabilities arising from unrealised fair value changes on financial instruments as the Group considers that these fair value changes will generate taxable income upon realisation of the financial instruments. No further 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 the foreseeable future.

12. EARNINGS/(LOSS) PER SHARE

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

	2019 RM	Group 2018 RM
Profit/(loss) for the year attributable to owners of the Company (RM)	6,122,525	(29,673,114)
Weighted average number of ordinary shares in issue	196,445,072	196,445,072
Basic earnings/(loss) per share (sen)	3.12	(15.11)

NOTES TO THE FINANCIAL STATEMENTS

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13. EQUIPMENT

	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Computer equipment RM	Total RM
Group						
2019						
Cost						
At 1 January 2019	49,575	391,275	49,266	187,453	96,506	774,075
Additions	575	-	-	-	4,345	4,920
Written-off	-	-	-	-	(18,305)	(18,305)
At 31 December 2019	50,150	391,275	49,266	187,453	82,546	760,690
Accumulated depreciation						
At 1 January 2019	11,125	44,018	43,145	18,261	58,816	175,365
Charge for the year (Note 8)	4,312	58,691	3,226	18,745	13,628	98,602
Written-off	-	-	-	-	(18,302)	(18,302)
At 31 December 2019	15,437	102,709	46,371	37,006	54,142	255,665
Net carrying amount	34,713	288,566	2,895	150,447	28,404	505,025
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

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13. EQUIPMENT (CONT'D)

	Computer equipment RM
Company	
2019	
Cost	
At 1 January/31 December 2019	7,566
Accumulated depreciation	
At 1 January 2019	252
Depreciation (Note 8)	1,513
At 31 December 2019	1,765
Net carrying amount	5,801
2018	
Cost	
At 1 January 2018	-
Additions	7,566
At 31 December 2018	7,566
Accumulated depreciation	
At 1 January 2018	-
Depreciation (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:

	2019 RM	2018 RM
Computer equipment	10,408	28,713
Office equipment	29,325	27,235
Furniture and fittings	6,620	6,620
	46,353	62,568

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14. INTANGIBLE ASSETS

	Software licenses RM
Group	
2019	
Cost	
At 1 January 2019	23,078
Additions	1,535
At 31 December 2019	24,613
Accumulated amortisation	
At 1 January 2019	17,206
Amortisation (Note 8)	2,997
At 31 December 2019	20,203
Net carrying amount	4,410
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

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

	Company	
	2019	2018
	RM	RM
Unquoted shares, at cost In Malaysia		
At beginning of year	95,894,800	95,794,802
Subscription	1,850,000	99,998
At end of year	97,744,800	95,894,800
Outside Malaysia	-	-*
Allowance for impairment	97,744,800 (14,600,000)	95,894,800 (19,100,000)
	83,144,800	76,794,800

* Denotes amount less than RM1.00

Movement in allowance account:

	Company	
	2019	2018
	RM	RM
At beginning of year	19,100,000	-
(Reversal)/impairment (Note 33(a)(iii))	(4,500,000)	19,100,000
At end of year	14,600,000	19,100,000

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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 (%)	
		2019	2018
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 undertake money lending business.	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

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

^ The company was deregistered on 15 March 2019. The company was not audited by Messrs. Ernst & Young PLT, Malaysia or a member firm of Ernst & Young Global.

* The company had changed its principal activity during the financial year from establishing business as a recognised market operator of an online platform and to conduct the business of peer-to-peer financing to undertaking money lending business.

(b) Amount due from subsidiary

	Company	
	2019 RM	2018 RM
Amount due from subsidiary (Note 31(a))	81,201,780	71,696,508

The amount due from subsidiary is unsecured, repayable on demand and bear interest rate ranging from 3.29% to 3.70% (2018: 3.57% to 3.70%) per annum.

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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 (%)	
		2019	2018
OSK-SBI Venture Partners Ltd.	Fund manager of a private fund	50	50

(ii) Other information

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

	2019 RM	2018 RM
Proportion of ownership interest (50%)		
Cost of investment	403,250	403,250
Carrying value at beginning of year	338,188	403,250
Share of results of a joint venture	604,184	(65,062)
Carrying value at end of year	942,372	338,188

Summarised financial statements of the joint venture is as follows:

	2019 RM	2018 RM
Aggregate assets and liabilities of the joint venture (100%)		
Current assets	1,908,945	712,341
Current liabilities	(50,917)	(37,865)
Net Assets	1,858,028	674,476
Aggregate results (100%)		
Revenue	1,658,691	416,000
Profit/(loss) for the year	1,208,368	(130,124)

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17. CHANGES IN COMPOSITION OF THE GROUP**(a) Subscription of 1,850,000 ordinary shares in OSK Loan Ventures Sdn. Bhd. ("OSKLV")**

On 4 April 2019, OSKVI increased its investment in a wholly-owned subsidiary, OSKLV, by way of subscription of additional 1,850,000 new ordinary shares, for a total cash consideration of RM1,850,000 only. As a result, the issued and paid up share capital of OSKLV increased from 150,000 to 2,000,000 ordinary shares.

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

OSKVI's wholly-owned subsidiary, OSK Ventures International Limited (Company No. 1061002) ("OSKVIL") was deregistered on 15 March 2019.

18. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS - INVESTMENT SECURITIES

	Group	
	2019	2018
	RM	RM
<i>At Fair Value:</i>		
Quoted shares in Malaysia	67,348,071	65,280,625
Quoted shares outside Malaysia	11,381,071	26,077,703
Unquoted shares and securities in Malaysia	9,427,844	8,175,841
Unquoted shares and securities outside Malaysia	54,259,921	38,182,931
Investment securities at fair value through profit or loss	142,416,907	137,717,100

19. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS - INVESTMENT IN A FUND

	Group and Company	
	2019	2018
	RM	RM
Investment in a Fund	188,294	1,037,000

The Company established a joint venture fund with SBI Holdings, Inc in prior year. The fund's main investment targets are promising SME private companies within the ASEAN region. As at 31 December 2019, the fund comprises cash balances only.

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20. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS - INVESTMENT IN NOTES RECEIVABLES

	2019 RM	Group 2018 RM
Convertible notes outside Malaysia	6,583,728	2,626,020
Promissory notes outside Malaysia	2,135,567	-
	8,719,295	2,626,020

During the financial year, the Group agreed with the issuer on the early settlement of the convertible note. The Group received the settlement amounting to USD555,342 (or RM2,284,122 equivalent) on 12 July 2019.

21. LEASES

- (i) The adoption of MFRS 16 resulted in the following financial effects as summarised below:

	31 Dec 2018 RM	Group Effect of adoption of MFRS 16 RM	1 Jan 2019 RM
Right-of-use asset	-	345,616	345,616
Lease liability	-	337,731	337,731

- (ii) Reconciliation of right-of-use asset and lease liability

	Group 2019 RM
<u>Right-of-use asset</u>	
At 1 January	345,616
Depreciation	(172,808)
At 31 December	172,808
<u>Lease liability</u>	
At 1 January	337,731
Finance cost	9,519
Lease payment	(175,325)
At 31 December	171,925

The nature of the lease is related to rental of office. There was a provision of restoration cost of RM7,885 recognised on Day-1 due to the terms of the rental agreement.

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22. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Trade receivables				
Third parties	-	1,042,646	-	-
Other receivables				
Dividend receivables	98,308	86,303	-	-
Interest receivables	52	331	2,929,830	2,878,596
Deposits	52,749	52,516	4,500	4,500
	151,109	139,150	2,934,330	2,883,096
Total trade and other receivables	151,109	1,181,796	2,934,330	2,883,096

23. CASH, CASH EQUIVALENT AND CASH MANAGEMENT FUND

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Cash on hand and at banks	8,457,577	6,177,501	55,641	58,203
Deposits with a licensed investment bank	655,000	650,000	655,000	650,000
Cash held by third party	4,243,324	7,863,780	-	-
Cash and cash equivalents	13,355,901	14,691,281	710,641	708,203
Cash management fund	17,030,076	22,038,260	11,640,021	21,364,330
Cash, cash equivalent and cash management fund	30,385,977	36,729,541	12,350,662	22,072,533

Cash held by third party relates to trading account that was held by investments brokers (i.e. RHB Securities HK, Deutsche Bank Singapore, UBS AG Singapore and PT RHB Sekuritas Indonesia) on behalf of OSKTV 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	
	2019	2018	2019	2018
Weighted average effective interest rate (%)	2.90	3.10	2.90	3.10
Average maturity (days)	1	6	1	6

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24. CONTRIBUTED SHARE CAPITAL

	Group and Company		Amount	
	Number of ordinary shares 2019	2018	2019 RM	2018 RM
Issued and fully paid				
At beginning/end of year	197,596,872	197,596,872	186,267,368	186,267,368

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.

25. RESERVES

	2019 RM	Group 2018 RM	Company 2019 RM	2018 RM
Accumulated losses	(5,389,607)	(11,512,132)	(5,758,348)	(11,488,645)

26. TREASURY SHARES

	Group and Company 2019 RM	2018 RM
At cost:		
At beginning/end of year	646,527	646,527

	Number of shares 2019	2018
Number of treasury shares:		
At beginning/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

NOTES TO THE FINANCIAL STATEMENTS

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26. TREASURY SHARES (CONT'D)

The shareholders of the Company, by an ordinary resolution passed in the Annual General Meeting ("AGM") held on 25 April 2019, 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	Average cost* RM	Total amount paid RM
2019			
At beginning/end of year	1,151,800	0.56	646,527
2018			
At beginning/end of year	1,151,800	0.56	646,527

* Average cost includes transaction costs.

27. DEFERRED TAX LIABILITIES

	2019 RM	Group 2018 RM
Deferred tax liabilities	2,130,539	2,053,520

Deferred tax assets represent the temporary differences arising from the unutilised business losses. Deferred tax liabilities represent temporary differences arising from net fair value gain on financial instruments.

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27. DEFERRED TAX LIABILITIES (CONT'D)

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

Deferred tax asset/ (liability) of the Group:

	Other deductible temporary differences RM	Unutilised business losses RM	Fair value gain on financial instrument, net RM	Total RM
At 1 January 2018	-	-	(2,351,155)	(2,351,155)
Recognised in income statements (Note 11)	-	-	297,635	297,635
At 31 December 2018	-	-	(2,053,520)	(2,053,520)
Recognised in income statements (Note 11)	151,635	2,726,523	(2,955,177)	(77,019)
At 31 December 2019	151,635	2,726,523	(5,008,697)	(2,130,539)

28. TRADE AND SUNDRY PAYABLES

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Trade Payables				
Third parties	-	5,696,381	-	-
Sundry Payables				
Accruals	1,164,360	1,434,572	330,493	699,310
Total financial liabilities carried at amortised cost	1,164,360	7,130,953	330,493	699,310

29. 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

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30. SIGNIFICANT RELATED PARTY TRANSACTIONS AND RELATIONSHIPS

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

(a) Transactions with related parties

		Group (Income)/expenses		Company (Income)/expenses	
Nature of transactions		2019 RM	2018 RM	2019 RM	2018 RM
(i) OSK Holdings Berhad ("OSKH")*	Support service fees	-	111,333	-	6,259
	Professional fees	-	38,000	-	38,000
	Food beverages	1,360	1,360	440	560
(ii) Subsidiaries of OSKH					
OSK Realty Sdn. Bhd.	Rental of office and parking	190,023	188,860	-	-
	Deposit of rental parking	233	-	-	-
	Repair and maintenance	25	1,585	-	-
	Utilities charges	3,874	3,157	-	-
Subsidiary of OSK Property Holdings Berhad					
Atria Shopping Gallery Sdn. Bhd.	AGM related expenses	-	8,375	-	8,375
	CSR related expenses	63	-	-	-
Subsidiaries of PJ Development Holdings Berhad					
PJD Hotels Sdn. Bhd.	AGM related expenses	-	19,297	-	19,297
	Hotel facility expenses	472	1,637	472	1,137
	Food beverages	235	2,174	235	-
MM Hotels Sdn. Bhd.	Hotel facility expenses	-	974	-	-

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

		Group (Income)/expenses 2019 RM		Company (Income)/expenses 2019 RM	
Nature of transactions					
(iii) Associates of OSKH					
RHB Bank Berhad ("RHB")	Interest income	(104,066)	(51,594)	(25,456)	(26,715)
RHB group of companies					
RHB Investment Bank Berhad	Brokerage fees	97,182	264,720	-	-
RHB Asset Management Sdn. Bhd.	Interest income	(444,816)	(658,392)	(333,690)	(620,426)
	Management fees	39,750	58,108	29,618	54,675
RHB Securities Hong Kong Ltd	Brokerage fees	25,404	23,810	-	-
RHB Bank Berhad, Singapore	Interest income	(3,030)	(10,201)	-	-

* 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.

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

- (i) The Group holds a long term interest in Willowglen MSC Berhad ("Willowglen"), included in the investment securities of RM36,256,466 (2018: RM40,036,740). 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 a Director of the Company.
- (ii) The dividends received from Willowglen during the year amounted to RM775,617 (2018: RM782,807).
- (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 RM25,845 (2018: RM25,297), RM16,694 (2018: RM12,548) and RM3,793 (2018: RM2,480) respectively.

The cost of furniture and fittings paid by the Group to DDSD during the year is RM575 (2018: RM222,495).

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 2019 and 2018.

31. 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 abovementioned 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.

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

At the reporting date, the Group's and the Company's exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position. Details of credit risks relating to trade and other receivables are disclosed as follow:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Total trade and other receivables	151,109	1,181,796	2,934,330	2,883,096
Add: Cash, bank balances and cash management fund (Note 23)	30,385,977	36,729,541	12,350,662	22,072,533
Add: Notes receivables (Note 20)	8,719,295	2,626,020	-	-
Add: Amounts due from subsidiaries (Note 15(b))	-	-	81,201,780	71,696,508
Total loans and receivables	39,256,381	40,537,357	96,486,772	96,652,137

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 2 days (2018: 3 days) unless modified by terms of agreement on case-by-case basis. The Group seeks to maintain strict control over its outstanding receivables.

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 97% (2018: 96%) of total receivables of the Company.

(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 2019 and 31 December 2018. 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.

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**(b) Interest rate risk (Cont'd)**

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

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
<u>Floating rate instruments</u>				
Amount due from subsidiary	-	-	81,201,780	71,696,508
Deposits with a licensed investment bank	655,000	650,000	655,000	650,000
Cash management fund	17,030,076	22,038,260	11,640,021	21,364,330
Total	17,685,076	22,688,260	93,496,801	93,710,838

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 the Company other than unquoted investment securities (Note 18), investment in a fund (Note 19) and note receivables (Note 20) are expected to be recovered in no more than one year after the reporting period.

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**(c) Liquidity risk (Cont'd)****Contractual maturity of financial liabilities on an undiscounted basis**

The tables below present the cash flows payable by the Group and the Company under financial liabilities by remaining contractual maturities as at 31 December 2019 and 31 December 2018. The amounts disclosed in the table will not agree to the carrying amounts reported in the statements of financial positions as the amounts incorporated all contractual cash flows, on an undiscounted basis, relating to both principal and interest analysis. The Group and the Company manage liquidity risk based on discounted expected cash flows.

	Up to 1 month RM	More than 1 month - 3 months RM	More than 3 months - 1 year RM	More than 1 year - 5 year RM	Total RM
Group					
2019					
Liabilities					
Trade and sundry payables	109,860	697,000	357,500	-	1,164,360
Lease liability	14,090	42,527	115,308	-	171,925
	123,950	739,527	472,808	-	1,336,285
2018					
Liabilities					
Trade and sundry payables	5,796,795	601,000	358,500	374,658	7,130,953
Company					
2019					
Liabilities					
Trade and sundry payables	48,493	-	282,000	-	330,493
2018					
Liabilities					
Trade and sundry payables	33,652	-	291,000	374,658	699,310

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

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

Financial assets held in non-functional currencies:

	Group	
	2019 RM	2018 RM
United States Dollar	56,662,352	43,811,505
Singapore Dollar	9,477,863	11,837,356
Hong Kong Dollar	9,849,587	10,763,937
Australia Dollar	-	1
Indonesian Rupiah	658	638
British Pound	13,765,722	9,693,792
	89,756,182	76,107,229
Financial liabilities held in non-functional currencies:		
Hong Kong Dollar	-	14,103

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**(d) Foreign currency risk (Cont'd)**Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's 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	
	2019 RM	2018 RM
If RM strengthened/weakened against USD by 5% (2018: 5%)	2,833,118	2,190,575
If RM strengthened/weakened against SGD by 5% (2018: 5%)	473,893	591,868
If RM strengthened/weakened against HKD by 5% (2018: 5%)	492,479	538,197
If RM strengthened/weakened against IDR by 5% (2018: 5%)	33	32
If RM strengthened/weakened against AUD by 5% (2018: 5%)	-	-*
If RM strengthened/weakened against GBP by 5% (2018: 5%)	688,286	484,690

* Denote value less than RM1.

(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 unquoted investment securities. The quoted instruments in and outside of Malaysia are listed on the Bursa Malaysia, Hong Kong Stock Exchange, Singapore Exchange and New York Stock Exchange. The unquoted investment securities are based in Malaysia, Singapore, Bangladesh, United Kingdom and Cayman Island. 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 equity/share prices had been 5% higher/lower, with all other variables held constant, the Group's profit before tax would have been RM7,120,845 (2018: RM6,885,855) higher/lower, arising as a result of higher/lower fair value gains/(losses) on fair value through profit or loss on investments securities.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
2019				
Investment securities	78,729,142	-	63,687,765	142,416,907
Investment in a fund	-	-	188,294	188,294
Investment in notes receivable	-	-	8,719,295	8,719,295
Total	78,729,142	-	72,595,354	151,324,496
2018				
Investment securities	91,358,328	-	46,358,772	137,717,100
Investment in a fund	-	-	1,037,000	1,037,000
Investment in notes receivable	-	-	2,626,020	2,626,020
Total	91,358,328	-	50,021,792	141,380,120

The financial instruments of the Group and 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 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

32. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)**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 2019 and 31 December 2018.

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 2019 and 31 December 2018.

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 value is determined using valuation techniques deemed to be appropriate in the circumstances and for which sufficient data is available. In that, management has maximised the use of relevant observable input and minimised 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 of comparable peer companies). 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.

33. 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.

NOTES TO THE FINANCIAL STATEMENTS

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33. SEGMENT INFORMATION (CONT'D)**(a) Business segments (Cont'd)**

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.

	Venture capital and private equity businesses RM	Holding entity RM	Eliminations RM	Note	Consolidated RM
2019					
Income					
External income	11,143,585	(699,060)	-		10,444,525
Inter-segment income	58,000	7,429,779	(7,487,779)	(i)	-
Total income	11,201,585	6,730,719	(7,487,779)		10,444,525
Results					
Interest income	1,393,098	3,288,925	(2,929,779)		1,752,244
Dividend income	2,209,016	-	-		2,209,016
Depreciation and amortisation	100,086	1,513	-		101,599
Other non-cash items	(5,826,109)	1,058,206	-	(ii)	(4,767,903)
Segment profit before tax	4,365,393	6,373,550	(4,490,811)	(iii)	6,248,132
Finance cost					(9,519)
Share of result of a joint venture					604,184
Profit before tax					6,842,797
Income tax expense					(720,272)
Profit for the year					6,122,525
Assets					
Additions to capital expenditure	6,455	-	-	(iv)	6,455
Segment assets	170,242,307	13,492,794	-		183,735,101
Segment liabilities	367,536	3,136,331	-	(v)	3,503,867

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

33. 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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

33. 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:

	2019 RM	2018 RM
Unrealised fair value (gain)/loss on financial assets (Note 4)	(4,767,906)	26,654,759
Equipment written off	3	9
	(4,767,903)	26,654,768

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

	2019 RM	2018 RM
(Reversal)/impairment loss (Note 15(a))	(4,500,000)	19,100,000
Inter-segment dividend	-	(1,900,000)
Loss before tax from winding up subsidiary	9,189	-
	(4,490,811)	17,200,000

- (iv) Additions to assets consist of:

	Note	2019 RM	2018 RM
Equipment	13	4,920	633,016
Intangible assets	14	1,535	-
		6,455	633,016

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

33. 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 statements of financial position:

	Note	2019 RM	2018 RM
Lease liability	21	171,925	-
Deferred tax liabilities	27	2,130,539	2,053,520
Trade and sundry payables	28	1,164,360	7,130,953
Tax payable		37,043	63,411
		3,503,867	9,247,884

(b) Geographical segments

All of the Group's investments are managed in Malaysia, although it has investments in other geographical locations. Hence, the Group considers that it does not have separate geographical reporting segments.

During prior year, there were segment assets in Hong Kong of RM4,915 which does not generate any income, and was subsequently deregistered on 15 March 2019.

34. 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 Company's total debt includes trade and sundry payables. No changes were made in the objectives, policies or processes during the years ended 31 December 2019 and 31 December 2018. The Group and the Company are not subject to externally imposed capital requirements.

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Equity attributable to the owners of the Company, representing total capital	180,231,234	174,108,709	179,862,493	174,132,196

NOTES TO THE FINANCIAL STATEMENTS

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35. DIVIDEND

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 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

07 Additional Information

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STATEMENT OF DIRECTORS' INTERESTS

AS AT 22 APRIL 2020

Name of Directors	Number of Shares			
	Direct Interest	%	Indirect Interest	%
1. Leong Keng Yuen	73	^	-	-
2. Yee Chee Wai	-	-	⁽¹⁾ 1,000	^
3. Ong Yee Min	3,009,079	1.53	-	-

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 22 April 2020.

STATEMENT OF SHAREHOLDINGS

AS AT 22 APRIL 2020

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	4,366	27.83	82,624	0.04
100 — 1,000	7,973	50.83	2,892,359	1.47
1,001 — 10,000	2,578	16.44	8,378,872	4.27
10,001 — 100,000	688	4.39	20,912,805	10.65
100,001 — 9,822,252*	79	0.50	40,732,882	20.73
9,822,253 and above**	2	0.01	123,445,530	62.84
	15,686	100.00	196,445,072	100.00

Notes:

* 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⁾ 123,908,931	63.08
2. OSK Equity Holdings Sdn. Bhd.	123,445,530	62.84	-	-

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 22 APRIL 2020

30 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.	12,043,400	6.13
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	3,009,079	1.53
6. Sanjeev Chadha	2,361,700	1.20
7. Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Private Wealth Management for Yap Yoon Kong (PW-M01051) (423017)	2,207,900	1.12
8. Ong Yee Ching	2,010,678	1.02
9. Toh Ying Choo	2,000,000	1.02
10. Maybank Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Teo Huay Siong	1,629,000	0.83
11. Teo Huay Siong	1,314,001	0.67
12. Grandeur Holdings Sdn. Bhd.	1,129,494	0.57
13. Teo Kwee Hock	1,053,700	0.54
14. Foo San Kan	668,000	0.34
15. Lee Hui Gek	600,000	0.31
16. Teresa Goh Lean See	547,210	0.28
17. Life Enterprise Sdn. Bhd.	536,090	0.27
18. Teo Ah Khiang @ Chiang Kee Foon	515,000	0.26
19. Koo Boon Long	513,029	0.26
20. Siow Cheng Lee	500,000	0.25

STATEMENT OF SHAREHOLDINGS

AS AT 22 APRIL 2020

30 LARGEST REGISTERED HOLDERS (CONT'D)

Name	No. of Shares	%
21. Pang Boon Wah	491,312	0.25
22. Piong Teck Min	478,600	0.24
23. Lim Kim Loy	470,900	0.24
24. UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teo Siew Lai	465,100	0.24
25. OSK Holdings Berhad	463,401	0.24
26. Toh Yew Keong	445,100	0.23
27. Ong Ju Yan	443,869	0.23
28. Lee Choon Hooi	382,100	0.19
29. Lim Jit Hai	375,000	0.19
30. Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lai Siew Leong (6000479)	372,600	0.19

