

Unless otherwise stated, all abbreviations contained in this Abridged Prospectus are defined in the "Definitions" section of this Abridged Prospectus.

No securities will be allotted or issued based on this Abridged Prospectus after 6 months from the date of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. All enquiries concerning the Rights Issue of ICPS with Warrants, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur (Tel: +603 2783 9299).

This Abridged Prospectus, together with the NPA and RSF (collectively, the "Documents"), will be despatched only to our Entitled Shareholders whose names appear on our Record of Depositors as at 5.00 p.m. on 4 November 2020 at their registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing by 5.00 p.m. on 4 November 2020. The Documents are not intended to (and will not be made to) comply with the laws of any country or jurisdiction other than Malaysia and are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue of ICPS with Warrants complies with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal adviser and other professional advisers as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue of ICPS with Warrants, application for Excess ICPS with Warrants D, or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue of ICPS with Warrants would result in the contravention of any law of such countries or jurisdictions. We, Mercury Securities and/or the advisers named herein shall not accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of entitlements, application for Excess ICPS with Warrants D or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue of ICPS with Warrants made by any Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) are residents.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue of ICPS with Warrants or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of this Rights Issue of ICPS with Warrants. A copy of each of the Documents have also been lodged with the Registrar of Companies who takes no responsibility for its contents.

Approval for the Rights Issue of ICPS with Warrants has been obtained from our shareholders at our EGM convened on 9 October 2020. Approval has been obtained from Bursa Securities via its letter dated 10 September 2020 for the admission of the ICPS and Warrants D to the Official List as well as the listing and quotation of the ICPS, Warrants D and the new Shares to be issued upon conversion of the ICPS and exercise of the Warrants D on the ACE Market of Bursa Securities (subject to the conditions specified in the said letter), which will commence after, among others, receipt of confirmation from Bursa Depository that all the CDS Accounts of successful Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) have been duly credited with the ICPS and Warrants D allotted to them and notices of allotment have been despatched to them. However, such admission, listing and quotation are not an indication that Bursa Securities recommends the Rights Issue of ICPS with Warrants and are not to be taken as an indication of the merits of the Rights Issue of ICPS with Warrants.

The SC is not liable for any non-disclosure on the part of the Company and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 7 OF THIS ABRIDGED PROSPECTUS.



FOCUS DYNAMICS GROUP BERHAD

[Registration No. 200201015261 (582924-P)]

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 2,044,266,157 NEW IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES IN FOCUS DYNAMICS GROUP BERHAD ("FOCUS") ("ICPS") AT AN ISSUE PRICE OF RM0.055 PER ICPS TOGETHER WITH UP TO 3,066,399,235 FREE DETACHABLE WARRANTS IN FOCUS ("WARRANTS D") ON THE BASIS OF 2 ICPS TOGETHER WITH 3 FREE WARRANTS D FOR EVERY 6 EXISTING ORDINARY SHARES IN FOCUS HELD BY THE ENTITLED SHAREHOLDERS OF THE COMPANY AT 5.00 P.M. ON 4 NOVEMBER 2020

Principal Adviser



MERCURY SECURITIES SDN BHD

[Registration No. 198401000672 (113193-W)]

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date..... : Wednesday, 4 November 2020 at 5.00 p.m.

Last date and time for:

Sale of Provisional Allotments : Wednesday, 11 November 2020 at 5.00 p.m.

Transfer of Provisional Allotments : Friday, 13 November 2020 at 4.30 p.m.

Acceptance and payment : Thursday, 19 November 2020 at 5.00 p.m.

Excess ICPS with Warrants D Application and payment..... : Thursday, 19 November 2020 at 5.00 p.m.

This Abridged Prospectus is dated 4 November 2020

ALL ABBREVIATIONS AND DEFINED TERMS CONTAINED IN THIS ABRIDGED PROSPECTUS ARE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.

THE DIRECTORS OF THE COMPANY HAVE SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE OF ICPS WITH WARRANTS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THE SAID DOCUMENTATION. HAVING MADE ALL REASONABLE INQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

MERCURY SECURITIES, BEING THE PRINCIPAL ADVISER FOR THE RIGHTS ISSUE OF ICPS WITH WARRANTS, ACKNOWLEDGES THAT BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE OF ICPS WITH WARRANTS.

SHAREHOLDERS / INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

INVESTORS SHOULD NOTE THAT THEY MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THE ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THE ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO THE COMPANY.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE OF ICPS WITH WARRANTS, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE OF ICPS WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:-

Abridged Prospectus	- This abridged prospectus dated 4 November 2020 in relation to the Rights Issue of ICPS with Warrants
Act	- Companies Act, 2016 of Malaysia, as amended from time to time and any re-enactment thereof
Amendments	- Amendments to the Constitution to facilitate the issuance of the ICPS pursuant to the Rights Issue of ICPS with Warrants
Bloomberg	- Bloomberg Finance Singapore L.P. and its affiliates
BNM	- Bank Negara Malaysia
Board	- Board of Directors of Focus
Bursa Depository	- Bursa Malaysia Depository Sdn Bhd [Registration No. 198701006854 (165570-W)]
Bursa Securities	- Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
Business Partners	- Collectively, Mr. Ong Kah Hoe and Ms. Ong Yew Ming
CAGR	- Compound annual growth rate
CDS	- Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
CDS Accounts	- Securities accounts established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
City Growth	- City Growth Sdn Bhd [Registration No. 199401035236 (320919-M)], the master lessee of the Project Land pursuant to a Master Lease Agreement dated 6 June 2008
Closing Date	- 19 November 2020 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Provisional Allotments and Excess ICPS with Warrants D Applications
CMSA	- Capital Markets and Services Act, 2007, as amended from time to time and any re-enactment thereof
Code	- Malaysian Code on Take-Overs and Mergers, 2016, including any amendments made thereto from time to time
Constitution	- Constitution of the Company
Conversion Price	- RM0.55, being the amount to be satisfied in order for an ICPS holder to convert his/her/its ICPS into 1 new Share
Corporate Exercises	- Collectively, the Share Split, Rights Issue of ICPS with Warrants and Amendments

DEFINITIONS (CONT'D)

COVID-19	- Coronavirus disease
Deed Poll D	- Deed poll dated 19 October 2020 constituting the Warrants D and governing the rights of Warrant D Holders
Directors	- Directors of the Company
e-NPA	- Electronic NPA
e-RSF	- Electronic RSF
e-Subscription	- Electronic subscription
EGM	- Extraordinary general meeting of the Company
Engineering Services Segment	- Implementation and installation of industrial machines and processes, energy efficiency system, research and development of variable speed drives, installation of automation system, providing a range of support services covering project management services, maintenance support, engineering conceptualisation, system audit, energy saving services and other support services
Entitled Shareholders	- Shareholders whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date in order to be entitled to the Rights Issue of ICPS with Warrants
Entitlement Date	- 4 November 2020, at 5.00 p.m., being the date and time on which the names of Shareholders must appear in the Record of Depositors of the Company in order to be entitled to participate in the Rights Issue of ICPS with Warrants
EPS	- Earnings per Share
Excess ICPS with Warrants D	- ICPS with Warrants D which are not taken up or not validly taken up by Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) by the Closing Date
Excess ICPS with Warrants D Applications	- Applications for additional ICPS with Warrants D in excess of the Provisional Allotments
Exercise Period	- Any time within a period of 5 years commencing from and including the date of issue of the Warrants D to the close of business at 5.00 p.m. on the Market Day immediately preceding the date which is the 5 th anniversary from the date of issue of the Warrants D. Any Warrants D not exercised during the Exercise Period will thereafter lapse and cease to be valid
Exercise Price	- RM0.80, being the price at which 1 Warrant D is exercisable into 1 new Share, subject to adjustments in accordance with the provisions of the Deed Poll D
F&B	- Food and beverage
Famous Ambience	- Famous Ambience Sdn Bhd [Registration No. 201301001386 (1031223-D)], a 51%-owned subsidiary of Focus which functions as the special purpose vehicle through which Focus and the Business Partners will jointly develop The Arch

DEFINITIONS (CONT'D)

Fintec	- Fintec Global Berhad [Registration No. 200701016619 (774628-U)], a company listed on the ACE Market of Bursa Securities and the holding company of the Undertaking Shareholder
Focus or the Company	- Focus Dynamics Group Berhad [Registration No. 200201015261 (582924-P)]
Focus Group or the Group	- Collectively, the Company and its subsidiaries
Focus Shares or Shares	- Ordinary shares in the Company
Foreign-Addressed Shareholders	- Shareholders who have not provided an address in Malaysia for the service of documents which will be issued in connection with the Rights Issue of ICPS with Warrants
FPE	- Financial period ended
FYE	- Financial years ended / ending, as the case may be
GDP	- Gross domestic product
GFA	- Gross floor area
Government	- Government of Malaysia
GP	- Gross profit
ICPS	- Irredeemable convertible preference shares in the Company to be issued pursuant to the Rights Issue of ICPS with Warrants
IMR Report	- Independent market research report dated 6 October 2020 prepared by SMITH ZANDER
LAT	- Loss after taxation
LBT	- Loss before taxation
Listing Requirements	- ACE Market Listing Requirements of Bursa Securities including any amendments made thereto from time to time
LPD	- 6 October 2020, being the latest practicable date prior to the printing of this Abridged Prospectus
LTD	- 16 October 2020, being the last trading day prior to the date of fixing the issue price of the ICPS and Exercise Price
Manufacturing Segment	- Manufacturing of variable speed drives and instruments for the control of industrial machines and processes
Market Days	- Any day on which Bursa Securities is open for trading in securities

DEFINITIONS (CONT'D)

Maximum Scenario	- Assuming:- (i) all the Entitled Shareholders and/or their renouncee(s) fully subscribe for their respective entitlements under the Rights Issue of ICPS with Warrants; and (ii) the ICPS issued are fully converted into new Shares based on the conversion mode of surrendering 1 ICPS (which is issued at an issue price of RM0.055 each) with additional cash payment of RM0.495 to arrive at the Conversion Price of RM0.55 for every 1 new Share
MCO	- Movement control order issued by the Government under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
Mercury Securities or the Principal Adviser	- Mercury Securities Sdn Bhd [Registration No. 198401000672 (113193-W)]
MICE	Meetings, incentives, conferences and exhibitions
Minimum Scenario	- Assuming:- (i) the Rights Issue of ICPS with Warrants is undertaken on the Minimum Subscription Level; and (ii) the ICPS issued are fully converted into Shares based on the conversion mode of surrendering 10 ICPS (which are issued at an issue price of RM0.055 each) without additional cash payment to arrive at the Conversion Price of RM0.55 for every 1 new Share
Minimum Subscription Level	- Minimum subscription level of 512,099,792 ICPS together with 768,149,688 Warrants D based on the Undertaking
NA	- Net assets
NPA	- Notice of provisional allotment of ICPS with Warrants D pursuant to the Rights Issue of ICPS with Warrants
Official List	- Official list of the ACE Market of Bursa Securities
PAT	- Profit after taxation
PBT	- Profit before taxation
Project Land	- 2 contiguous parcels of freehold land measuring approximately 169,503 sf held under HSD 110729 PT 431 and HSD 110730 PT 432, both in Section 90, Town of Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur
Provisional Allotments	- The ICPS with Warrants provisionally allotted to Entitled Shareholders
p.s.m.	- Per square metre
Record of Depositors	- A record of securities holders established by Bursa Depository under the Rules of Bursa Depository

DEFINITIONS (CONT'D)

Registered Entitled Shareholders	- Entitled Shareholders who are the registered users of TIIH Online
Rights Issue of ICPS with Warrants	- Renounceable rights issue of up to 2,044,266,157 ICPS together with up to 3,066,399,235 free detachable Warrants D on the basis of 2 ICPS together with 3 free Warrants D for every 6 existing Shares held by the Entitled Shareholders on the Entitlement Date
RM and sen	- Ringgit Malaysia and sen respectively
RSGC	- The Royal Selangor Golf Club [Registration No. 192101000018 (351-D)]
RSF	- Rights subscription form in relation to the Rights Issue of ICPS with Warrants
Rules of Bursa Depository	- Rules of Bursa Depository as issued pursuant to the SICDA, as amended from time to time
Rules on Take-Overs, Mergers and Compulsory Acquisitions	- Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC pursuant to Section 377 of the Capital Markets and Services Act, 2007, as amended from time to time
SICDA	- Securities Industry (Central Depositories) Act, 1991, as amended from time to time and any re-enactment thereof
SC	- Securities Commission Malaysia
sf	- Square feet
Share Split	- Share split involving the subdivision of every 1 existing Share into 3 Shares of the Company which was completed on 27 October 2020.
Shareholders	- Registered holders of the Shares
SMITH ZANDER	- Smith Zander International Sdn Bhd [Registration No. 201301028298 (1058128-V)], an independent market researcher
sqm or s.m.	- Square metres
TEAP	- Theoretical ex-all price
TIIH Online	- Tricor's propriety owned application to facilitate Entitled Shareholders to subscribe for the ICPS with Warrants D provisionally allotted and to apply for Excess ICPS with Warrants D electronically.
The Arch	- A mixed commercial development which is expected to feature retail / F&B lots, concept stores, event hall, Chinese restaurant(s), seafood restaurant(s), western restaurant(s), karaoke centre and car parks in a 3-storey building with mezzanine levels on the 1st floor and 2nd floor as well as 2 lower ground levels to be erected on the Project Land
Tricor or the Share Registrar	- Tricor Investor & Issuing House Services Sdn Bhd [Registration No. 197101000970 (11324-H)]

DEFINITIONS (CONT'D)

- Undertaking** - The written undertaking from the Undertaking Shareholder dated 18 August 2020 pursuant to which it has irrevocably and unconditionally undertaken, amongst others, to apply and subscribe in full for its entitlement of the ICPS and additional ICPS not taken up by other Entitled Shareholders by way of excess applications (if required), to the extent such that the aggregate subscription in terms of number of ICPS received by the Company arising from the subscription by all Entitled Shareholders and/or their renounee(s) (including the Undertaking Shareholder, if necessary) amounts to not less than 512,099,792 ICPS, which is equivalent to the Undertaking Shareholder's entitlement under the Rights Issue of ICPS with Warrants based on its shareholding in the Company as at 30 July 2020, being the latest practicable date prior to the Company's announcement dated 18 August 2020
- Undertaking Shareholder or Asiabio Capital** - Asiabio Capital Sdn Bhd [Registration No. 200801038768 (840116-P)], a wholly-owned subsidiary of Fintec and a substantial shareholder of the Company which has provided the Undertaking
- VWAP** - Volume-weighted average market price
- Warrants D** - Free detachable warrants in the Company to be allotted and issued pursuant to the Rights Issue of ICPS with Warrants
- Warrant D Holders** - Holders of the Warrants D

In this Abridged Prospectus, all references to "the Company" are to Focus and references to "we", "us", "our" and "ourselves" are to the Company and, where the context otherwise requires, our subsidiaries. All references to "you" in this Abridged Prospectus are to the Entitled Shareholders.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any discrepancies in the tables included in this Abridged Prospectus between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise stated.

Certain statements in this Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty that the Company's plans and objectives will be achieved.

ADVISER'S DIRECTORY

- PRINCIPAL ADVISER** : Mercury Securities Sdn Bhd
L-7-2, No 2, Jalan Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur
Wilayah Persekutuan
Tel : +603 - 6203 7227
Fax : +603 - 6203 7117
- SOLICITORS FOR THE RIGHTS
ISSUE OF ICPS WITH
WARRANTS** : Mah-Kamariyah & Philip Koh
3A07, Block B, Phileo Damansara II
15 Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 - 7956 8686
Fax : +603 - 7956 2208
- SHARE REGISTRAR** : Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 - 2783 9299
Fax : +603 - 2783 9222
- REPORTING ACCOUNTANTS** : Nexia SSY PLT
UOA Business Park
Tower 3, 5th Floor, K03-05-08
1 Jalan Pengaturcara U1/51A
Section U1, 40150 Shah Alam
Selangor Darul Ehsan
Tel : +603 - 5039 1811
Fax : +603 - 5039 1822
- (For information, as at the LPD, Focus is in the midst of finalising the appointment of Nexia SSY PLT as the Auditors of the Company following the resignation of its previous Auditors – Crowe Malaysia PLT. An announcement will be made to Bursa Securities once the appointment is finalised.)
- INDEPENDENT MARKET
RESEARCHER** : Smith Zander International Sdn Bhd
15-01, Level 15, Menara MBMR
1, Jalan Syed Putra
58000 Kuala Lumpur
Tel : +603 - 2732 7537
- Managing Partner: Dennis Tan Tze Wen
(Bachelor of Science from Memorial University of
Newfoundland, Canada)
- STOCK EXCHANGE LISTING** : ACE Market of Bursa Securities

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SUMMARY OF THE RIGHTS ISSUE OF ICPS WITH WARRANTS

This summary of the Rights Issue of ICPS with Warrants only highlights the key information from other parts of the Abridged Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Abridged Prospectus.

Key information	Summary									
(i) Number of ICPS to be issued and basis of allotment	<p>Basis: 2 ICPS together with 3 free Warrants D for every 6 existing Shares held by the Entitled Shareholders</p> <table border="1"> <thead> <tr> <th></th> <th>Minimum Scenario</th> <th>Maximum Scenario</th> </tr> </thead> <tbody> <tr> <td>Number of ICPS to be issued</td> <td>512,099,792</td> <td>2,044,266,157</td> </tr> <tr> <td>Number of Warrants B attached</td> <td>768,149,688</td> <td>3,066,399,235</td> </tr> </tbody> </table> <p>The ICPS with Warrants D which are not taken up or not validly taken up by Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) prior to the Closing Date shall be made available for excess applications by the other Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable). It is the intention of the Board to allot the Excess ICPS with Warrants D, if any, in a fair and equitable manner in the following priority:-</p> <ol style="list-style-type: none"> (i) firstly, to minimise the incidence of odd lots; (ii) secondly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess ICPS with Warrants D, taking into consideration their respective shareholdings in the Company as at the Entitlement Date; (iii) thirdly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess ICPS with Warrants D, taking into consideration the quantum of their respective excess application; and (iv) finally, on a pro-rata basis and in board lots, to the transferee(s) and/or renounee(s) who have applied for Excess ICPS with Warrants D, taking into consideration the quantum of their respective excess application. <p>The Excess ICPS with Warrants D will firstly be allocated to minimise the odd lots (if any) held by each applicant of Excess ICPS with Warrants D. Thereafter, the allocation process will perform items (ii), (iii) and (iv) in succession. Any remaining balance of Excess ICPS with Warrants D will be allocated by performing the same sequence of allocation i.e. items (ii), (iii) and (iv) again in succession until all Excess ICPS with Warrants D are allotted.</p> <p>Further details are set out in Sections 3.1 and 11.7 of this Abridged Prospectus.</p>		Minimum Scenario	Maximum Scenario	Number of ICPS to be issued	512,099,792	2,044,266,157	Number of Warrants B attached	768,149,688	3,066,399,235
	Minimum Scenario	Maximum Scenario								
Number of ICPS to be issued	512,099,792	2,044,266,157								
Number of Warrants B attached	768,149,688	3,066,399,235								
(ii) Price of the ICPS	<p>Issue price of the ICPS : RM0.055 per ICPS</p> <p>Exercise Price for the Warrants D : RM0.80 per Warrant D</p>									
(iii) Shareholder's undertaking	<p>Undertaking Shareholder : Asiabio Capital Sdn Bhd (major Shareholder)</p> <p>Undertaking amount : RM28.17 million (based on entitlement and issue price of RM0.055 per ICPS)</p> <p>Minimum ICPS to be subscribed for if none of the other Entitled Shareholders and/or their transferee(s) and/or their renounee(s) subscribe for the ICPS : 512,099,792 ICPS (representing 25.05% of the total number of 2,044,266,157 ICPS available for subscription under the Maximum Scenario)</p> <p>Percentage shareholding after the Rights Issue of ICPS with Warrants assuming full conversion of ICPS : Minimum Scenario : 25.67% Maximum Scenario : 25.05%</p> <p>Further details are set out in Section 4 of this Abridged Prospectus.</p>									
(iv) Rationale	<ol style="list-style-type: none"> (i) To raise funds and channel them towards the proposed utilisation as set out in Section 6 of this Abridged Prospectus. (ii) To raise funds without incurring additional interest expense from borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs. 									

SUMMARY OF THE RIGHTS ISSUE OF ICPS WITH WARRANTS (CONT'D)

Key information	Summary																																
(iv) Rationale (cont'd)	<p>(iii) The free Warrants D provides Entitled Shareholders with the opportunity to increase their equity participation and further participate in the future growth of the Company through the exercise of the Warrants D during the tenure of the Warrants D.</p> <p>Further details are set out in Section 5 of this Abridged Prospectus.</p>																																
(v) Utilisation of proceeds	<p>The gross proceeds to be raised from the Rights Issue of ICPS with Warrants will be utilised in the following manner:-</p> <table border="1"> <thead> <tr> <th>Utilisation of proceeds</th> <th>Expected timeframe for utilisation from completion of the Rights Issue of ICPS with Warrants</th> <th>Minimum Scenario RM'000</th> <th>Maximum Scenario RM'000</th> </tr> </thead> <tbody> <tr> <td>(i) Construction works for The Arch⁽¹⁾</td> <td>Within 24 months</td> <td>28,165</td> <td>65,280</td> </tr> <tr> <td>(ii) Renovations, fixtures and fittings for The Arch</td> <td>Within 3 months from completion of The Arch's construction</td> <td>-</td> <td>14,280</td> </tr> <tr> <td>(iii) Working capital for The Arch</td> <td>Upon completion of The Arch's construction and renovation</td> <td>-</td> <td>6,120</td> </tr> <tr> <td>(iv) Working capital for the Group</td> <td>Within 24 months</td> <td>-</td> <td>6,000</td> </tr> <tr> <td>(v) Acquisition and/or investment in other complementary F&B businesses</td> <td>Within 24 months</td> <td>-</td> <td>20,125</td> </tr> <tr> <td>(vi) Estimated expenses for the Corporate Exercises</td> <td>Immediate</td> <td>-</td> <td>630</td> </tr> <tr> <td>Total</td> <td></td> <td>28,165</td> <td>⁽⁵⁾112,435</td> </tr> </tbody> </table> <p><u>Note:-</u> (1) The Arch is a mixed commercial development which is expected to feature, amongst others, retail / F&B lots, concept stores and event hall. The total funding requirement for The Arch is estimated to be RM168.00 million.</p> <p>Further details are set out in Section 6 of this Abridged Prospectus.</p>	Utilisation of proceeds	Expected timeframe for utilisation from completion of the Rights Issue of ICPS with Warrants	Minimum Scenario RM'000	Maximum Scenario RM'000	(i) Construction works for The Arch ⁽¹⁾	Within 24 months	28,165	65,280	(ii) Renovations, fixtures and fittings for The Arch	Within 3 months from completion of The Arch's construction	-	14,280	(iii) Working capital for The Arch	Upon completion of The Arch's construction and renovation	-	6,120	(iv) Working capital for the Group	Within 24 months	-	6,000	(v) Acquisition and/or investment in other complementary F&B businesses	Within 24 months	-	20,125	(vi) Estimated expenses for the Corporate Exercises	Immediate	-	630	Total		28,165	⁽⁵⁾112,435
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(vi) Risk factors	<p>You should consider the following risk factors before subscribing for or investing in the Rights Issue of ICPS with Warrants:-</p> <p>(i) our F&B business is subject to intense competition due to low barriers of entry;</p> <p>(ii) our F&B business is subject to uncertainties arising from dynamic and rapid changes in social factors;</p> <p>(iii) the construction of The Arch is subject to the risk of delay or non-completion and cost overruns as well as the risk of failing to achieve the anticipated benefits; and</p> <p>(iv) our F&B business is subject to the impact of COVID-19.</p> <p>Further details are set out in Section 7 of this Abridged Prospectus.</p>																																
(vii) Procedures for acceptance and payment	<p>Acceptance of and payment for the Provisional Allotments allotted to you must be made on the RSF issued together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein.</p> <p>The last day, date and time for acceptance of and payment for the Provisional Allotments and the Excess ICPS with Warrants D is on Thursday, 19 November 2020 at 5.00 p.m.</p> <p>Further details are set out in Section 11 of this Abridged Prospectus.</p>																																

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APPENDIX I : INFORMATION ON THE COMPANY

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FOCUS DYNAMICS GROUP BERHAD

[Registration No. 200201015261 (582924-P)]
(Incorporated in Malaysia)

Registered Office

No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan
Malaysia

4 November 2020

Board of Directors

Tay Ben Seng, Benson (*Executive Director*)

Tan Aik Heang (*Independent Non-Executive Director*)

Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad (*Independent Non-Executive Director*)

Chong Kwang Fock (*Independent Non-Executive Director*)

To: The Shareholders

Dear Sir / Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 2,044,266,157 ICPS AT AN ISSUE PRICE OF RM0.055 PER ICPS TOGETHER WITH UP TO 3,066,399,235 WARRANTS D ON THE BASIS OF 2 ICPS TOGETHER WITH 3 FREE WARRANTS D FOR EVERY 6 EXISTING SHARES HELD BY THE ENTITLED SHAREHOLDERS AT 5.00 P.M. ON 4 NOVEMBER 2020

1. INTRODUCTION

On 18 August 2020, Mercury Securities had, on behalf of the Board, announced that the Company proposes to undertake the Corporate Exercises.

On 10 September 2020, Mercury Securities had, on behalf of the Board, announced that Bursa Securities had, vide its letter on even date, granted its approval for the following:-

- (i) Share Split;
- (ii) admission to the Official List and the initial listing and quotation of the ICPS and Warrants D;
- (iii) listing and quotation of the new Shares to be issued pursuant to the conversion of the ICPS; and
- (iv) listing and quotation of the new Shares to be issued pursuant to the exercise of the Warrants D.

The approval of Bursa Securities for the above is subject to the following conditions:-

Conditions		Status of compliance
(a)	Focus and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue of ICPS with Warrants;	To be met
(b)	Focus and Mercury Securities to inform Bursa Securities upon the completion of the Rights Issue of ICPS with Warrants;	To be met
(c)	Focus to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue of ICPS with Warrants is completed; and	To be met
(d)	Focus to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of the ICPS and exercise of Warrants D as at the end of each quarter together with a detailed computation of listing fees payable.	To be met

The Shareholders had, during the EGM held on 9 October 2020, approved the Corporate Exercises.

On 19 October 2020, Mercury Securities had, on behalf of the Board, announced that the Board had on even date resolved to fix the issue price of the ICPS at RM0.055 per ICPS as well as the Exercise Price of the Warrants D at RM0.80 per Warrant D.

On 20 October 2020, Mercury Securities had, on behalf of the Board, announced that the Entitlement Date for the Rights Issue of ICPS with Warrants has been fixed at 5.00 p.m. on 4 November 2020.

On 27 October 2020, Mercury Securities had, on behalf of the Board, announced that the Share Split has been completed.

No person is authorised to give any information or make any representation not contained in this Abridged Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by Mercury Securities or the Company in connection with the Rights Issue of ICPS with Warrants.

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS WHICH SETS OUT THE DETAILS OF THE RIGHTS ISSUE OF ICPS WITH WARRANTS AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE OF ICPS WITH WARRANTS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

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2. DETAILS OF THE ARCH

In 2014, the Group diversified into the F&B business in order to improve its earnings base and reduce its reliance on its then existing core businesses of engineering services for energy efficiency management (i.e. the Engineering Services Segment⁽¹⁾) and manufacturing of variable speed drives and instruments for the control of industrial machines (i.e. the Manufacturing Segment⁽¹⁾). Currently, the Group's F&B segment⁽¹⁾ operates the following F&B outlets:-

- (i) a lounge / bar known as 'Chaze', located at Menara Lien Hoe, Tropicana Golf & Country Resort, Petaling Jaya ("**Menara Lien Hoe**");
- (ii) a restaurant / wine bar known as 'LAVO Restaurant & Wine Bar', serving pork-free western food targeted at both middle to high income consumers in the vicinity, located at Menara Lien Hoe;
- (iii) a bar known as 'Bounce', which offers beer-pong, electronic games such as console games and integrated electronic darts, located at Menara Lien Hoe;
- (iv) a lifestyle club known as 'Wicked' that offers international DJ events and premium beverages, located in W Hotel in Kuala Lumpur; and
- (v) an e-commerce wine platform known as "LavoWine.com" which sells, amongst others, wine, spirits and wine accessories online.

Note:-

- (1) For information, 99% of the Group's total revenue for FYE 31 December 2019 was contributed by the F&B segment while the balance 1% was contributed by the Engineering Services Segment. The Manufacturing Segment has ceased operations in 2016.

Since then, the Group has continued pursuing its diversification initiative by actively exploring opportunities for collaboration with potential business partners with the intention of expanding into other F&B-related businesses to complement its existing F&B operations and leverage on the experience of its F&B management team.

On 29 August 2016, the Company entered into a subscription and shareholders' agreement ("**SSA**") with the Business Partners and Famous Ambience, whereby the Company had subscribed for 51,000 new ordinary shares in Famous Ambience, representing 51% equity interest in the enlarged issued share capital of Famous Ambience, at a subscription consideration of RM51,000 ("**Subscription**"). The Subscription was completed on the same day in accordance with the terms of the SSA. Accordingly, the Company now holds 51% equity interest in Famous Ambience and Famous Ambience is now a subsidiary of the Company. The remaining 49% equity interest in Famous Ambience is held by the Business Partners.

Pursuant to the terms of the SSA, Famous Ambience will function as the special purpose vehicle through which Focus and the Business Partners will jointly develop an F&B and lifestyle hub known as 'The Arch' on the Project Land, which is owned by RSGC.

Further details of The Arch and the Project Land are set out in Sections 2.1 and 2.2 of this Abridged Prospectus respectively.

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2.1 Information on The Arch

Layout of The Arch

2MF		Retail / F&B Lots	
2F	Event Hall 1 & 2		
1MF	Karaoke Centre	Retail / F&B Lots	Restaurants
1F	Retail / F&B Lots		Restaurants
GF	Jalan Tun Razak	Restaurants	Retail / F&B Lots
LG1	Retail / F&B Lots		Car Park
LG2	Retail / F&B Lots		Car Park

Based on the latest layout plan of The Arch as at the LPD, The Arch is expected to consist of a 3-storey building with mezzanine levels on the 1st floor and 2nd floor as well as 2 lower ground levels to be developed on the Project Land, being 2 contiguous parcels of freehold land measuring approximately 169,503 sf.

Details of the Project Land are set out in Section 2.2 of this Abridged Prospectus.

Features of The Arch

Based on the latest layout plan of The Arch as at the LPD, upon completion, The Arch is expected to have a total estimated gross floor area of approximately 722,500 sf and a total estimated lettable area of approximately 510,670 sf comprising the following:-

(i) **Retail and F&B lots / Concept stores**

The Arch is expected to feature approximately 100 units of specially-designated retail and F&B lots / concept stores with a combined total floor space of approximately 157,100 sf. Some of these lots and innovative concept stores will be positioned at the front of The Arch facing Jalan Tun Razak. Those lots situated at the front end are expected to benefit from good visibility as Jalan Tun Razak is one of the busiest roads in Kuala Lumpur, due to its linkage with a network of interconnected major highways and main roads serving traffic into and out from Kuala Lumpur. The retail and F&B lots / concept stores, which are to be let out by Famous Ambience, are expected to measure between approximately 160 sf to 15,180 sf each.

The retail lots / concept stores are convertible into showrooms, making them ideal for branding purposes. The retail lots / concept stores will be catered to target renowned international brands, which will be sought to become premier tenants promoting and selling luxury goods such as cars, watches, handbags, jewellery and fashion accessories. Famous Ambience will seek to attract these tenants by leveraging on the good visibility offered by those lots positioned at the front end of The Arch. The presence of international brands is envisaged to elevate the prestige of The Arch and attract consumers with high spending power to The Arch.

For the F&B lots, Famous Ambience will seek to attract tenants comprising a mix of local and foreign F&B operators to offer patrons a wide range of dining options. These outlets are envisaged to provide, amongst others, a variety of local, Asian and western cuisines with a mix of modern and traditional tastes. To cater for more casual dining options, Famous Ambience may also seek to attract fashionable cafes, lounges and wine bars as tenants. These F&B lots can also be designed to cater for alfresco dining spaces to allow patrons to indulge in casual outdoor dining experiences. This alfresco feature may strategically enhance consumer traffic visibility at The Arch, thereby promoting vibrancy and a livelier atmosphere with spill-over benefits for The Arch's other attractions.

These retail and F&B lots / concept stores are expected to be The Arch's main crowd-pulling feature, promoting The Arch as a lifestyle retail, F&B and entertainment centre. The Arch will leverage on consumer traffic coming in from office workers during the daytime from surrounding office complexes such as the headquarters of RHB Banking Group, which is located immediately adjacent to the Project Land, as well as Menara JCorp and Menara AA, which are located immediately across Jalan Tun Razak facing the Project Land.

(ii) Event hall

The 2nd floor of The Arch is expected to feature a large event hall partitioned into 2 inter-connected sections with a combined total floor space of approximately 61,400 sf. Upon completion, the event hall would be one of the largest in the Kuala Lumpur city centre in terms of floor space. The floor space of other comparable event halls in Kuala Lumpur are set out in Section 8.3 of this Abridged Prospectus.

The multi-purpose event hall will be equipped with modern lighting and sound systems and will be ideal for hosting an array of large scale events such as banquets, wedding dinners, concerts, commercial fairs, trade exhibitions, fashion shows and corporate functions. If the event hall is used to host large dining events, it will have the capacity to host approximately 220 tables.

During events, the event hall will serve to pull a considerable crowd of event-goers, thereby providing spill-over consumer traffic for The Arch's retail / F&B lots, Chinese restaurant(s), seafood restaurant(s), western restaurant(s) and karaoke centre.

Upon completion, the event hall is intended to be operated by Famous Ambience.

(iii) Restaurants

On the ground floor, 1st floor and 1st mezzanine floor of The Arch, Famous Ambience intends to develop up to 6 restaurants which are expected to comprise upmarket Chinese restaurant(s), seafood restaurant(s) and western restaurant(s). Each restaurant is expected to measure between approximately 4,600 sf to 16,400 sf, for a total estimated lettable area of 58,000 sf.

The Chinese restaurant(s) is envisaged to serve banquet-style fine Chinese cuisine. The seafood restaurant(s) is envisaged to serve Chinese cuisine featuring quality, fresh and live seafood sourced locally and abroad. The western restaurant(s) is envisaged to serve casual as well as fine dining western food. These restaurants can also cater for hosting larger dining events such as wedding dinners by transforming The Arch's event hall into a banquet hall.

At this juncture, the restaurants are intended to be operated by Famous Ambience, thereby allowing the Group to capitalise on its experience in managing 'LAVO Restaurant & Wine Bar' as well as utilise some of the Group's existing key personnel in the F&B segment. In this regard, the Group's experience in the management of kitchen operations and dining service as well as the marketing of the 'LAVO Restaurant & Wine Bar' would serve well. The Group may also second some of its experienced kitchen operations personnel or marketing personnel from its existing F&B segment to oversee or assist in the management of the new restaurants.

Notwithstanding the foregoing, Famous Ambience may consider cooperating with local or foreign Chinese / western restaurant chains with an established brand and reputation to run any of the restaurants on a joint venture basis. Amongst others, Famous Ambience will consider whether the restaurant partner it identifies can add value to Famous Ambience's business. The Company will make the relevant announcements if Famous Ambience enters into any joint venture arrangement in this regard. At this juncture, Famous Ambience has yet to identify any restaurant partner to cooperate with and the exact number and composition of the restaurants have yet to be determined as Famous Ambience intends to consider the tenant mix of The Arch's retail / F&B lots so that the restaurants can complement the other F&B options offered by the retail / F&B lots.

(iv) Karaoke centre

Famous Ambience intends to develop a family karaoke centre which will be situated at the mezzanine level of the 1st floor. With a gross floor area of approximately 14,940 sf, the karaoke centre provides an entertainment offering to complement The Arch's retail / F&B attractions and event hall. The outlet will consist of private karaoke rooms equipped with the latest sound and karaoke systems as well as other facilities such as F&B offerings, bar / lounge area and en-suite toilets.

The karaoke centre is envisaged to adopt a family-oriented concept similar to established karaoke brands in the Klang Valley such as "Neway" and "Red Box". A comprehensive selection of classic hits as well as the latest songs featuring a variety of languages to cater to different cultures and ethnic races is expected to be available.

The karaoke centre is intended to be leased out to an established karaoke brand to be identified.

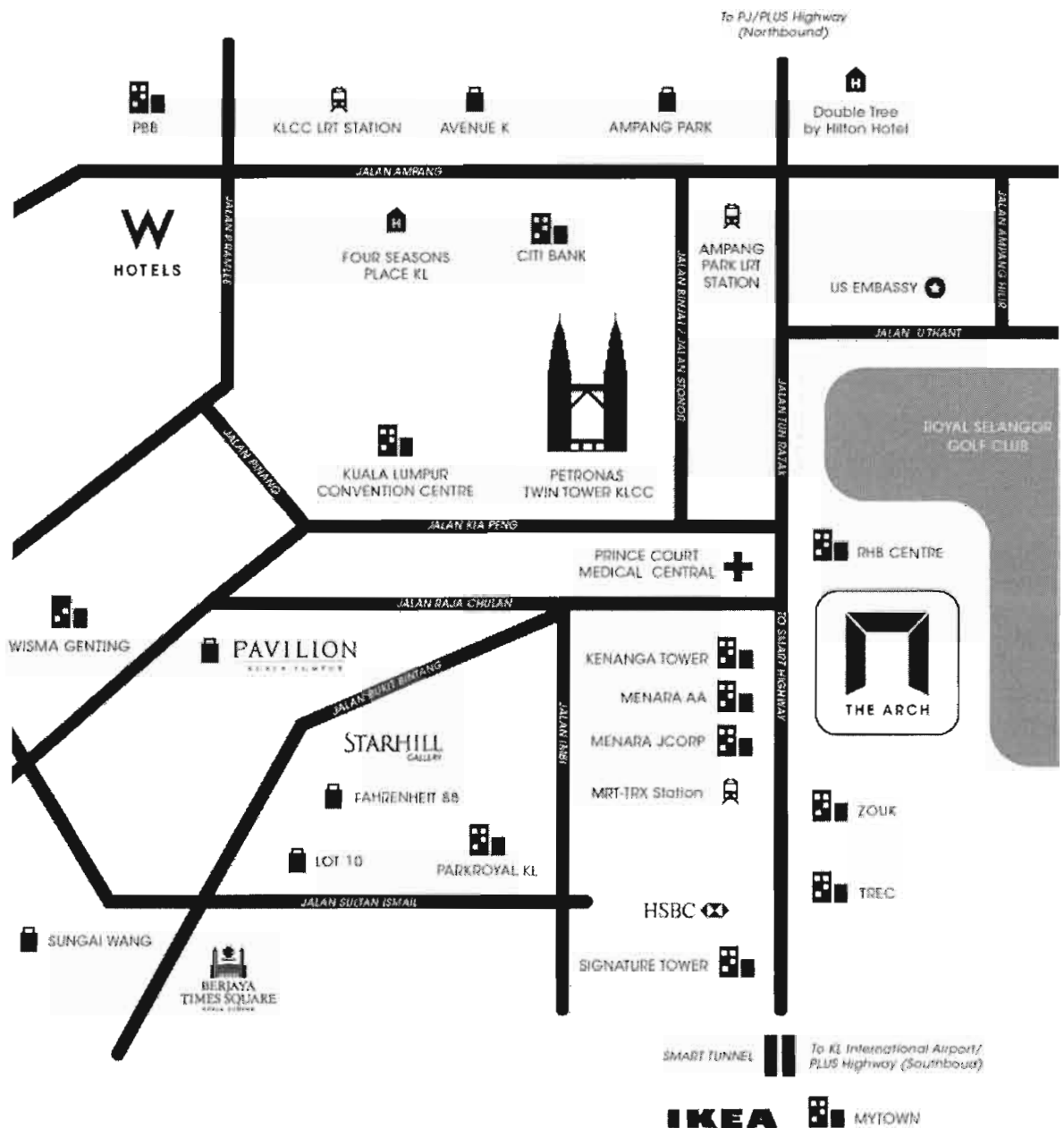
(v) Car park

Parking facilities will be provided at LG1 and LG2 levels with a total of 695 parking lots as well as additional car park on the ground floor providing another 45 parking lots. The car park is estimated to take up approximately 219,230 sf in lettable area. The car park at level LG1 is expected to include 235 parking spaces with mechanical parking features, which effectively translate into 470 parking lots. The mechanical parking feature allows a parking space to accommodate multiple vehicles by stacking them vertically to maximise the number of parking lots while minimising land usage. The car park is expected to capitalise on the Project Land's strategic location surrounded by office complexes including, amongst others, the headquarters of RHB Banking Group, Menara JCorp and Menara AA, as well as the relative lack of car park space in the locality.

During the day time, car park revenue is expected to come from workers from not only The Arch's F&B / retail lots, karaoke centre, Chinese restaurant(s), seafood restaurant(s) and western restaurant(s), but also from surrounding office complexes. As the sun sets, car park revenue is expected to come from consumers heading to The Arch for leisure and entertainment. Hence, the car park, which is to be operated by Famous Ambience, is expected to provide a continuous stream of revenue to Famous Ambience throughout the day and night.

With a total of 740 parking lots, The Arch's car park facilities will ensure that there will be sufficient parking for the convenience of guests of large scale events hosted at The Arch's event hall.

Location of The Arch



The Project Land fronts Jalan Tun Razak on one end and is located adjacent to TREC KL, the headquarters of RHB Banking Group and the Royal Selangor Golf Club. TREC KL is an urban F&B, lifestyle and entertainment centre situated on a 7-acre site featuring Zouk Club KL, the largest dance entertainment centre in Malaysia, as its anchor tenant and main attraction as well as various F&B outlets, retail lots and commercial spaces. Since the launch of Phase 1 with the opening of Zouk Club KL in August 2015, TREC has attracted a loyal crowd of party-goers.

In December 2015, TREC KL launched Electric Boulevard, which features 20 F&B venues of Malaysia's finest brands. Early-2016 saw the launch of Mercedes-Benz Cycle & Carriage Bintang TREC Autohaus, the first Mercedes-Benz City Store of its kind in Malaysia. TREC KL also hosts musical events and gigs performed by Malaysian independent artists at 'A Sunday Affair', Kuala Lumpur's first music-centric flea market. In May 2016, TREC KL launched Phase 2 with a new zone called 'The Hive', comprising F&B outlets in double-storey semi-detached shop lots, as well as a 5-storey carpark. As subsequent phases of TREC KL are gradually launched with more entertainment, retail and F&B offerings, it is only expected to draw an even larger crowd to its entertainment hub in the coming years.

TREC KL is not expected to be a direct competitor to The Arch, but the gradual development of TREC KL is expected to have synergistic benefits on The Arch in terms of visitor traffic once the locality becomes a well-known centre for F&B, entertainment and retail. Once completed, The Arch together with TREC KL is envisioned to be the largest urban entertainment, F&B and retail hub in Kuala Lumpur with entertainment venues, casual and fine dining F&B outlets and luxurious retail spaces.

The Project Land is also situated in close proximity to the Tun Razak Exchange. A government initiative under the Economic Transformation Plan, the Tun Razak Exchange is slated to be Kuala Lumpur's first international world-class financial district comprising commercial, residential, retail and hospitality features across 70 acres of land.

Once developed in the next few years, the Tun Razak Exchange is expected to host a multi-layered population of working-class professionals, high income individuals, travelling businessmen and expatriates which will likely look across the road for retail, entertainment and night life activities. In this regard, The Arch would be ideal in complementing the Tun Razak Exchange and, together with TREC KL, they are expected to be Kuala Lumpur's newest high street cum central business district, the city's focal point for business, entertainment and modern lifestyle.

Facing the Project Land immediately across Jalan Tun Razak are the office towers of Menara JCorp and Menara AA. The Project Land is also a 10-minute drive from the Petronas Twin Towers and the 'Golden Triangle', Kuala Lumpur's commercial, shopping, entertainment and tourism hub comprising the areas surrounding Jalan Bukit Bintang, Jalan Imbi, Jalan Sultan Ismail and Jalan Raja Chulan.

Through Jalan Tun Razak, The Arch will be accessible via a network of interconnected major highways and main roads, including Jalan Ampang, Lebuhraya Bertingkat Ampang-Kuala Lumpur, Lebuhraya Sultan Iskandar, Lebuhraya Kuala Lumpur-Putrajaya and Lebuhraya SMART. The Tun Razak Exchange MRT station, which has commenced operation in July 2017, is also situated close to The Arch across Jalan Tun Razak.

The relevant applications for planning approval and building plans for The Arch is expected to be submitted by Famous Ambience to the relevant authorities in the 1st quarter of 2021. The construction of The Arch is expected to commence in the 2nd quarter of 2021 and is expected to be completed within 24 months from commencement of construction i.e. by 3rd quarter of 2023.

Other information on The Arch

Description	: Mixed commercial development comprising a 3-storey building with 2 mezzanine floors together with 2 lower ground levels
Estimated lettable area (approximate)	: Event hall - 61,400 sf Retail / F&B lots - 157,100 sf Restaurants - 58,000 sf Karaoke centre - 14,940 sf Car park - 219,230 sf
Total estimated lettable area	: Approximately 510,670 sf
Total estimated gross floor area	: Approximately 722,500 sf
Estimated rental income per annum	: Approximately RM28 million per annum based on an average rental rate of approximately RM55 per sf per annum (which is comparable to the asking rentals for retail space in the area surrounding TREC KL and Jalan Tun Razak)
Estimated operation costs per annum	: Approximately RM9.20 million per annum
Total estimated construction cost	: Approximately RM128 million. Please refer to Section 6(i) of this Abridged Prospectus for details on the breakdown. The construction is expected to be out-sourced to a third party contractor.
Sources of funds for the Company's portion of the funding requirement of The Arch	: Proceeds from the Rights Issue of ICPS with Warrants, internally generated funds, bank borrowings and/or future fund raising exercises to be undertaken, if required. The actual funding breakdown cannot be determined at this juncture and can only be determined once the Rights Issue of ICPS with Warrants is completed with the actual proceeds ascertained, as well as the availability and suitability of other funding options at the relevant time.
Stage of completion	: Building construction has yet to commence

2.2 Details of the Project Land

The Project Land is owned by RSGC and leased to City Growth, being the master lessee, for a lease period of 30 years commencing from 6 June 2008 which is renewable for additional 3 terms of 3 years each until 5 June 2047.

In turn, the Project Land is sub-let by City Growth to Famous Ambience for a term of 3 years commencing from 1 February 2013, which shall be extended automatically and continuously⁽¹⁾⁽²⁾ for additional 11 terms of 3 years each until 31 May 2047, at a current rental rate of approximately RM0.39 million⁽³⁾ per month. Since the commencement of this tenancy up to the LPD, Famous Ambience has advanced a total of RM29.79 million to City Growth to pay for the rental payments. Out of this amount, RM0.8 million was advanced by Focus to Famous Ambience. These shareholders' advances are interest-free and have no fixed term of repayment.

Notes:-

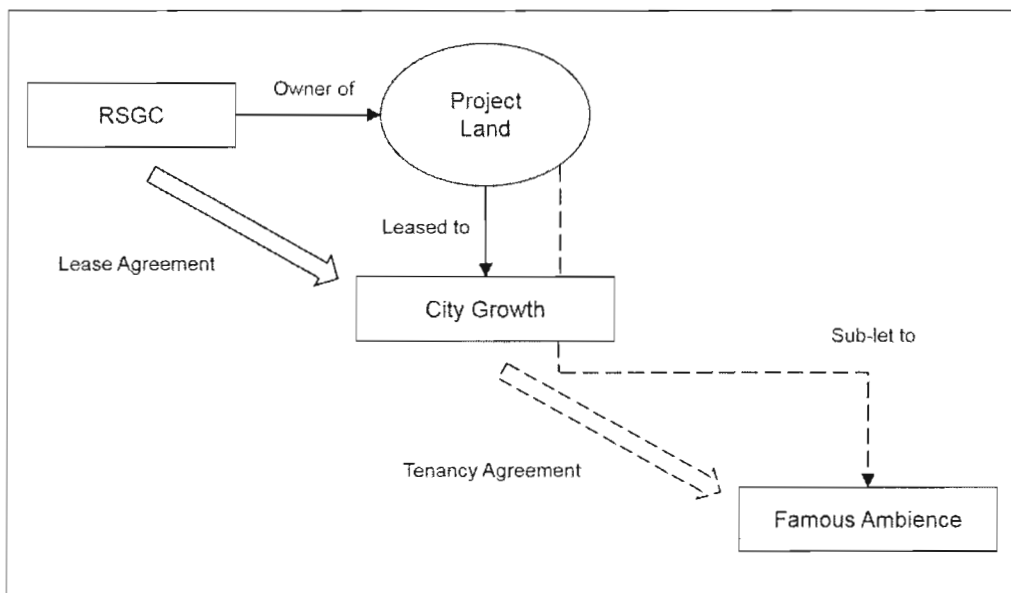
(1) Subject always that there shall not be any existing breach or non-observance on the part of Famous Ambience of the terms of the tenancy agreement dated 1 February 2013 ("**Tenancy Agreement**").

For information, since the commencement of this tenancy up to the LPD, there has not been any instances of breach or non-observance on the part of Famous Ambience in relation to the Tenancy Agreement.

(2) Under the terms of the Tenancy Agreement, apart from the occurrence of an event of default which is due to the fault of the other party, neither City Growth nor Famous Ambience has the right to early termination of the Tenancy Agreement. In the event of termination of the Tenancy Agreement due to the default of Famous Ambience, Famous Ambience shall be liable to pay to City Growth agreed liquidated damages equivalent to 36 times of the monthly rental payable for the applicable term in which the event of default occurred.

(3) Including sales and services tax.

The land ownership structure is illustrated below:-



Further details of the Project Land are as follows:-

Title particulars	: Held under HSD 110729 PT 431 and HSD 110730 PT 432, both in Section 90, Town of Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur
Tenure	: Freehold

Land owner / Lessor	: RSGC
Master lessee	: City Growth
Details of master lease	: The Project Land, together with 2 other contiguous parcels of land held under HSD 110731 PT 433 and HSD 110732 PT 434, are currently leased by RSGC to City Growth via a Master Lease Agreement dated 6 June 2008 for a lease period of 30 years commencing from 6 June 2008 and expiring on 5 June 2038, which is renewable for additional 3 terms of 3 years each until 5 June 2047.
Sub-tenant	: Famous Ambience
Details of sub-tenancy	: The Project Land is currently being sub-let by City Growth to Famous Ambience via a Tenancy Agreement dated 1 February 2013 for a term of 3 years commencing from 1 February 2013, which shall be extended automatically and continuously for additional 11 terms of 3 years each until 31 May 2047. Upon expiry of this tenancy and subject to the economic viability of The Arch and/or any future development to be undertaken on the Project Land, Famous Ambience intends to negotiate for a renewal of the tenancy of the Project Land with City Growth. In this regard, the tenancy is likely to be renewed as Famous Ambience will endeavour to negotiate for a rental rate that is viable in terms of the profitability of The Arch and/or any future development to be undertaken on the Project Land, yet sufficiently attractive for City Growth to agree to a renewal of the tenancy. However, if this cannot be achieved for whatsoever reason, Famous Ambience may have to relocate The Arch and/or any future development to be undertaken on the Project Land to another viable site to be identified at the relevant point in time.
Land area	: Total of 169,503 sf as follows:- (i) <u>HSD 110729 PT 431</u> 97,676 sf (ii) <u>HSD 110730 PT 432</u> 71,827 sf
Category of land use	: Nil
Restriction in interest	: Nil
Encumbrance	: Nil
Endorsement	: Nil
Existing use	: Construction site

3. PARTICULARS OF THE RIGHTS ISSUE OF ICPS WITH WARRANTS

3.1 Details of the Rights Issue of ICPS with Warrants

The Rights Issue of ICPS with Warrants entails a provisional allotment of up to 2,044,266,157 ICPS together with up to 3,066,399,235 free Warrants D on a renounceable basis of 2 ICPS together with 3 free Warrants D for every 6 existing Shares held by the Entitled Shareholders on the Entitlement Date, at an issue price of RM0.055 per ICPS.

The actual number of ICPS and Warrants D to be issued will depend on the eventual subscription level for the Rights Issue of ICPS with Warrants. As at the date of this Abridged Prospectus, the total number of issued shares of the Company is 6,132,798,471 and the Company does not have any outstanding convertible securities.

As the ICPS and Warrants D are prescribed securities, the respective CDS Accounts of the Entitled Shareholders will be duly credited with the number of Provisional Allotments they are entitled to subscribe for in full or in part under the terms of the Rights Issue of ICPS with Warrants. Entitled Shareholders will find the NPA as enclosed in this Abridged Prospectus, notifying Entitled Shareholders of the crediting of such securities into their respective CDS Accounts, and the RSF as enclosed in this Abridged Prospectus, enabling Entitled Shareholders to subscribe for the Provisional Allotments as well as to apply for Excess ICPS with Warrants D if Entitled Shareholders so choose to.

However, only Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors or who have provided our Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus together with the NPA and RSF. An electronic notification on the Rights Issue of ICPS with Warrants will also be sent to all Registered Entitled Shareholders on the date of despatch of this Abridged Prospectus together with the NPA and RSF.

The Warrants D are attached to the ICPS without any cost and will be issued only to Entitled Shareholders and/or their transferee(s) and/or their renounee(s) who subscribe for the ICPS. The Warrants D are exercisable into new Shares and each Warrant D will entitle the Warrant D Holder to subscribe for 1 new Share at the Exercise Price. The Warrants D will be immediately detached from the ICPS upon issuance and traded separately. The Warrants D will be issued in registered form and constituted by the Deed Poll D. The salient terms of the Warrants D are set out in Section 3.6 of this Abridged Prospectus.

Any dealings in the Company's securities will be subject to, amongst others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the ICPS, Warrants D and new Shares to be issued arising from the conversion of the ICPS and exercise of the Warrants D will be credited directly into the respective CDS Accounts of successful applicants and holders of ICPS who convert their ICPS and Warrant D Holders who exercise their Warrants D (as the case may be). No physical certificates will be issued to the successful applicants of the ICPS with Warrants D, nor will any physical share certificates be issued for the new Shares to be issued arising from the conversion of the ICPS and exercise of the Warrants D.

The ICPS with Warrants D is renounceable in full or in part. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Rights Issue of ICPS with Warrants. However, the ICPS and Warrants D cannot be renounced separately. As such, the Entitled Shareholders who renounce all of their ICPS entitlements will not be entitled to the Warrants D. If the Entitled Shareholders accept only part of their ICPS entitlements, they shall be entitled to the Warrants D in proportion to their acceptance of the ICPS entitlements.

The ICPS and Warrants D which are not taken up or not validly taken up by Entitled Shareholders and/or their transferee(s) and/or their renounee(s), if applicable, shall be made available for applications by the other Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable).

Fractional entitlements arising from the Rights Issue of ICPS with Warrants, if any, will be disregarded and dealt with by the Board in such manner and on such terms and conditions as the Board in its absolute discretion may deem fit or expedient and in the best interests of the Company.

Notices of allotment will be despatched to the successful applicants of the ICPS with Warrants D within 8 Market Days from the last date for acceptance and payment of the ICPS with Warrants D or such other period as may be prescribed by Bursa Securities.

The ICPS and Warrants D will be admitted to the Official List and the listing and quotation of these securities will commence 2 Market Days upon the receipt by Bursa Securities of an application for quotation for these securities as specified under the Listing Requirements, which will include amongst others, confirmation that all notices of allotment have been despatched to the successful applicants, and after receipt of confirmation from Bursa Depository that all CDS Accounts of successful applicants have been duly credited with the ICPS and Warrants D.

3.2 Basis of determining the issue price of the ICPS and the Exercise Price

(i) Issue price of the ICPS

The Board had fixed the issue price of the ICPS at RM0.055 per ICPS after taking into consideration, amongst others, the following:-

- (a) the funding requirements of the Group as set out in Section 6 of this Abridged Prospectus;
- (b) the TEAP⁽¹⁾ of the Shares based on the 5-day VWAP of the Shares up to and including the LTD; and
- (c) the rationale for the Rights Issue of ICPS with Warrants, as set out in Section 5 of this Abridged Prospectus.

Based on the issue price of RM0.055 per ICPS and the conversion ratio of 10 ICPS for every 1 new Share, the Conversion Price of RM0.55 represents a discount of 34.20% to the TEAP of the Shares of RM0.8359 calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM2.5901 and after adjusting for the effects of the Share Split.

Note:-

(1) TEAP is computed as follows:-

$$\text{TEAP} = \frac{(A \times X) + (B \times Y) + (C \times Z)}{(A / D) + B + C}$$

where:-

A = Number of ICPS

B = Number of Warrants D

C = Number of existing Shares

- D = Conversion ratio
- X = Issue price of the ICPS
- Y = Exercise Price
- Z = 5-day VWAP of the Shares up to and including the LTD (after adjusting for the effects of the Share Split)

and the ratio of A:B:C is 2:3:6, in accordance with the entitlement basis of 2 ICPS together with 3 free Warrants D for every 6 existing Shares held.

(ii) Exercise Price

The Board had fixed the Exercise Price at RM0.80 per Warrant D after taking into consideration, amongst others, the TEAP of the Shares based on the 5-day VWAP of the Shares up to and including the LTD.

The Exercise Price represents a discount of 4.29% to the TEAP of the Shares of RM0.8539, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM2.5901 and after adjusting for the effects of the Share Split.

3.3 Ranking of new Shares to be issued arising from conversion of the ICPS and/or exercise of the Warrants D

(i) New Shares to be issued arising from conversion of the ICPS

The new Shares to be issued arising from conversion of the ICPS shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment of such new Shares.

(ii) New Shares to be issued arising from exercise of the Warrants D

The new Shares to be issued arising from exercise of the Warrants D shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment of such new Shares.

3.4 Last date and time for acceptance and payment

The Closing Date is 5.00 p.m. on **Thursday, 19 November 2020**.

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3.5 Salient terms of the ICPS

The salient terms of the ICPS to be issued pursuant to the Rights Issue of ICPS with Warrants are set out below:-

Issuer	:	Focus
Issue size	:	Up to 2,044,266,157 ICPS
Issue price	:	RM0.055 per ICPS.
Form and denomination	:	The ICPS will be constituted by the Constitution and will be issued in registered form.
Dividend	:	The Company has full discretion over the declaration of dividends, if any. Dividends declared and payable annually in arrears are non-cumulative and shall be paid in priority over the Shares.
Board lot	:	For the purpose of trading on Bursa Securities, a board lot of the ICPS shall be 100 units of the ICPS, or such other number of units as may be prescribed by Bursa Securities from time to time.
Tenure	:	10 years commencing from and including the date of issuance of the ICPS.
Maturity date	:	The Market Day immediately preceding the date which is the 10th anniversary from the date of issue of the ICPS.
Conversion period	:	The ICPS may be converted, at the option of the holders of ICPS, into new Shares on any Market Day commencing on and including the issue date of the ICPS up to and including the Maturity Date. Any remaining ICPS that are not converted by the Maturity Date shall be mandatorily converted into new fully-paid Shares at the conversion ratio of 10 ICPS for every 1 new Share.
Redemption	:	Not redeemable for cash.
Conversion Price	:	The conversion price of the ICPS to be converted into 1 new Share is RM0.55.
Conversion mode	:	The ICPS may be converted into new fully-paid Shares at the Conversion Price in the following manner:- <ul style="list-style-type: none"> (i) by surrendering for cancellation the ICPS with an aggregate issue price of the ICPS equivalent to the Conversion Price, subject to a minimum of 1 ICPS and a maximum of 10 ICPS for every 1 new Share ("Conversion Ratio"); and (ii) by paying the difference between the aggregate issue price of ICPS surrendered and the Conversion Price, if any, in cash, for every 1 new Share.

Conversion mode (cont'd) : Based on the above, the different conversion modes are illustrated below:-

No. of ICPS to surrender for cancellation	Total issue price of ICPS surrendered RM	Additional cash payment RM	Conversion price RM
1	0.055	0.495	0.550
2	0.110	0.440	0.550
...
10	0.550	-	0.550

- Conversion mechanism : (i) The conversion of the ICPS into new Shares shall be exercised by the ICPS holders by delivering a duly completed and signed conversion notice ("**Conversion Notice**") and the payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia for the Conversion Price, if any, to the office of the share registrar of the Company during its business hours on any Market Day during the Conversion Period. The Conversion Notice is irrevocable upon receipt by the Company at the share registrar's office. A holder of the ICPS who has issued a Conversion Notice ("**Converting ICPS Holder**") shall further furnish to the Company such supporting documents or information as may be prescribed by the Company or as may be required under any applicable laws or regulations from time to time. The conversion shall be carried out in accordance with such procedures as may be prescribed by any applicable laws and regulations.
- (ii) Once a Conversion Notice has been submitted to the Company and received by the Company at the share registrar's office, the Converting ICPS Holder shall not sell, transfer, dispose or otherwise encumber the ICPS in respect of which the Conversion Rights has been exercised.
- (iii) Any remaining ICPS that are not converted by the Maturity Date shall be mandatorily converted into new Shares at the conversion ratio of 10 ICPS for every 1 new Share.
- (iv) Subject to all applicable laws, rules and regulations, within 8 Market Days from the date of receipt by the Company of a Conversion Notice or such other period as may be prescribed or allowed by Bursa Securities or under any applicable laws and regulations, the Company shall:-
- (a) issue and/or allot to the relevant Converting ICPS Holders, such number of Shares to which such holders are entitled to receive by virtue of the exercise of the Conversion Rights, credited as fully paid-up ("**Conversion Shares**"), and shall cause the securities account of the said holders to be credited with such number of Conversion Shares; and

- Conversion mechanism (cont'd) : (b) dispatch a notice of allotment to the relevant Converting ICPS Holders in respect of the Conversion Shares.
- (v) Once converted, the ICPS shall not be capable of reissuance.
- Conversion rights : (i) Each ICPS carries the entitlement to convert into new Shares at the Conversion Price through the surrender of the ICPS in the manner of the Conversion Mode; and
- (ii) If the conversion results in a fractional entitlement to the Shares, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of the ICPS, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.
- Adjustments to Conversion Price and/or Conversion mode : The Conversion Price and/or Conversion Mode may be adjusted at the determination of the Board, in all or any of the following events:-
- (i) a bonus issue of Shares by the Company; or
- (ii) a capital distribution to the Shareholders made by the Company whether on a reduction of capital or otherwise, but excluding any cancellation of capital which is lost or unrepresented by assets; or
- (iii) a rights issue of Shares or convertible securities by the Company; or
- (iv) a consolidation of shares, subdivision of shares or reduction of capital; or
- (v) any other circumstances deemed necessary by the Board,
- provided that any adjustment to the Conversion Price will be rounded down to the nearest 1 sen (RM0.01). The adjustments shall be adjusted, calculated or determined by the Board in consultation with and certified by an approved adviser or external auditor appointed by the Company, as the case may be.
- Ranking of the ICPS and liquidation preference : The ICPS are unsecured and shall, upon allotment and issue, rank *pari passu* amongst themselves and shall rank in priority to any other class of shares in the capital of the Company, except that:-
- (i) they will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared by the Company in respect of the ordinary shares; and
- (ii) they carry no right to vote at any general meeting of the Company save for the voting rights as set out under the "Rights of the holders of ICPS" section.

- Ranking of the ICPS and liquidation preference (cont'd) : In the event of liquidation or winding-up of the Company:-
- (i) the assets of the Company shall be distributed to the holders of the ICPS in full of the amount which is equal to the issue price for each ICPS in preference over the holders of the Shares, provided that there shall be no further right for the holders of the ICPS to participate in any surplus capital or surplus profits of the Company; and
 - (ii) in the event that the Company has insufficient assets to permit payment of the full issue price to the holders of the ICPS, the assets of the Company shall be distributed pro rata on an equal priority to the holders of the ICPS in proportion to the amount that each holder of the ICPS would otherwise be entitled to receive.
- Ranking of new Shares to be issued pursuant to the conversion of the ICPS : The new Shares to be issued pursuant to the conversion of the ICPS shall, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares arising from the conversion of the ICPS.
- Rights of the holders of the ICPS : An ICPS does not carry any right to vote at any general meeting of the Company except for the right to vote in person or by proxy or by attorney at such meeting in each of the following circumstances until and unless the holders of the ICPS convert their ICPS into new Shares:-
- (i) on a proposal considering the reduction of the share capital of the Company (excluding any cancellation of capital which is lost or unrepresented by assets);
 - (ii) on a proposal for the sale of the whole of the Company's property, business and undertaking;
 - (iii) on a proposal that directly affects the rights and privileges attached to the ICPS;
 - (iv) on a proposal to wind-up the Company; and
 - (v) during the winding-up of the Company,
- in which case, the ICPS holders shall be entitled to vote at any general meeting whereby every 10 ICPS shall, on a poll, carry 1 vote for each Share into which the ICPS may be converted into, based on the conversion ratio of 10 ICPS for every 1 new Share.
- The ICPS holders shall be entitled to receive notice of meetings, reports and accounts, and attend meetings and vote at any class meeting of the holders of the ICPS in relation to any proposal by the Company to vary or abrogate the rights of the ICPS as stated in the Constitution.

Listing : The ICPS and the new Shares to be issued upon conversion of the ICPS will be listed, quoted and traded on the ACE Market of Bursa Securities. The listing and quotation of the ICPS on the ACE Market of Bursa Securities is subject to a minimum of 100 holders of ICPS.

Transferability : As the ICPS will be listed and quoted on the ACE Market of Bursa Securities, they will be deposited with the central depository system of Bursa Securities and will be subject to the Rules of Bursa Depository. The ICPS shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository.

In the event the ICPS become unlisted, the ICPS shall be transferable by instrument in writing in the usual or common form or such other form as the Board or the relevant authorities may approve.

Modification of rights : The Company may from time to time with the consent or sanction of all the holders of the ICPS make modifications to the terms of which in the opinion of the Company are not materially prejudicial to the interest of the holders of the ICPS or are to correct a manifest error or to comply with mandatory provisions of the laws of Malaysia and the relevant regulations.

Any variation, modification or abrogation of the rights and privileges attached to the ICPS shall require the sanction of a special resolution of the ICPS holders holding or representing not less than 75% of the outstanding ICPS.

Governing law : The laws of Malaysia.

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3.6 Salient terms of the Warrants D

The salient terms of the Warrants D to be issued pursuant to the Rights Issue of ICPS with Warrants are set out below:-

Issuer	:	Focus
Issue size	:	Up to 3,066,399,235 Warrants D to be issued pursuant to the Rights Issue of ICPS with Warrants.
Form and detachability	:	The Warrants D will be issued in registered form and constituted by the Deed Poll D. The Warrants D which are to be issued with the ICPS will immediately be detached from the ICPS upon allotment and issuance and will be traded separately on Bursa Securities.
Board lot	:	For the purpose of trading on Bursa Securities, a board lot of Warrants D shall be 100 units of Warrants D, or such other number of units as may be prescribed by Bursa Securities from time to time.
Tenure	:	5 years commencing from and including the date of issuance of the Warrants D.
Exercise Period	:	The Warrants D may be exercised at any time within a period of 5 years commencing from and including the date of issuance of the Warrants D to the close of business at 5.00 p.m. on the Market Day immediately preceding the date which is the 5th anniversary from the date of issuance of the Warrants D. Any Warrants D not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.
Exercise Price	:	RM0.80 per Warrant D. The Exercise Price and/or the number of Warrants D in issue during the Exercise Period shall however be subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll D.
Exercise rights	:	Each Warrant D shall entitle its registered holder to subscribe for 1 new Share at any time during the Exercise Period at the Exercise Price, subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll D.
Mode of exercise	:	The holders of Warrants D are required to lodge a subscription form with the Company's share registrar, duly completed, signed and stamped together with payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia or any other mode of payment that may be accepted by the Company at its absolute discretion, for the aggregate of the Exercise Price payable when exercising their Warrants D to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.

- Adjustments to the Exercise Price and/or the number of the Warrants D : Subject to the provisions of the Deed Poll D, the Exercise Price and/or the number of unexercised Warrants D in issue may be subject to adjustments by the Board in consultation with an approved adviser appointed by the Company or the auditors in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants D, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the provisions of the Deed Poll D.
- Rights of the Warrant D Holders : The Warrants D do not confer on their holders any voting rights or any right to participate in any form of distribution and/or offer of further securities in the Company until and unless such holders of Warrants D exercise their Warrants D for new Focus Shares in accordance with the provisions of the Deed Poll D and such new Focus Shares have been allotted and issued to such holders.
- Ranking of the new Focus Shares to be issued pursuant to the exercise of the Warrants D : The new Shares to be issued pursuant to the exercise of the Warrants D in accordance with the provisions of the Deed Poll D shall, upon allotment, issuance and full payment of the Exercise Price of the Warrants D, rank *pari passu* in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares arising from the exercise of the Warrants D.
- Rights of the Warrant D Holders in the event of winding up, liquidation, compromise and/or arrangement : Where a resolution has been passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies, then:-
- (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the holders of Warrants D (or some other persons designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the holders of the Warrants D; and
 - (ii) in any other cases, every Warrant D holder shall be entitled to exercise his / her Warrants D at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of the Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon the Company shall allot the relevant new Shares to the Warrant D holder credited as fully paid subject to the prevailing laws, and such Warrant D holder shall be entitled to receive out of the assets of the Company which would be available in liquidation if he / she had on such date been the holder of the new Shares to which he / she would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all subscription rights of the Warrants D shall lapse and cease to be valid for any purpose.

- Modification of rights of Warrant D Holders : Save as otherwise provided in the Deed Poll D, a special resolution of the Warrant D Holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrant D Holders.
- Modification of the Deed Poll D : Any modification to the terms and conditions of the Deed Poll D may be effected only by a further deed poll, executed by the Company and expressed to be supplemental to the Deed Poll D. Any of such modification shall however be subject to the approval of Bursa Securities (if so required).
- No amendment or addition may be made to the provisions of the Deed Poll D without the sanction of a Special Resolution unless the amendments or additions are required to correct any typographical errors or relate purely to administrative matters or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or in the opinion of the Company, will not be materially prejudicial to the interests of the Warrant D Holders.
- Listing : The Warrants D and the new Shares to be issued upon exercise of the Warrants D will be listed, quoted and traded on the ACE Market of Bursa Securities. The listing and quotation of the Warrants D on the ACE Market of Bursa Securities is subject to a minimum of 100 holders of Warrants D.
- Transferability : The Warrants D shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository.
- Deed poll : The Warrants D shall be constituted by the Deed Poll D to be executed by the Company.
- Governing laws : The Warrants D and the Deed Poll D shall be governed by the laws and regulations of Malaysia.

3.7 Details of other corporate exercises

As at the date of this Abridged Prospectus, save for the Rights Issue of ICPS with Warrants, the Board confirmed that there are no other corporate exercises which have been approved by the regulatory authorities but are pending completion.

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4. MINIMUM SUBSCRIPTION LEVEL AND SHAREHOLDER'S UNDERTAKING

The Company has procured the Undertaking from Asiabio Capital (*a substantial shareholder of the Company and a wholly-owned subsidiary of Fintec*) to subscribe in full for its entitlement of ICPS under the Rights Issue of ICPS with Warrants together with any ICPS not taken up by way of excess ICPS applications (if required), to the extent such that the aggregate subscription in terms of number of ICPS received by the Company arising from the subscription by all Entitled Shareholders and/or their renouncee(s) (including the Undertaking Shareholder, if necessary) amounts to not less than 512,099,792 ICPS, which is equivalent to the Undertaking Shareholder's entitlement under the Rights Issue of ICPS with Warrants based on its shareholding in the Company as at the LPD.

Details of the Undertaking are as follows:-

Undertaking Shareholder	Existing direct shareholdings as at the LPD		Direct shareholdings after the Share Split		Minimum no. of ICPS to be subscribed for pursuant to the Undertaking	Entitlement of Warrants D	No. of Shares held after full conversion of the ICPS and assuming none of the other Entitled Shareholders subscribe for their ICPS			
	No. of Shares	%(1)	No. of Shares	%(2)	Subscription based on entitlement	No. of Warrants D	Surrender 10 ICPS without additional cash payment		Surrender 1 ICPS with additional cash payment of RM0.495	
							No. of Shares	%(3)	No. of Shares	%(4)
Asiabio Capital	512,099,792	25.05	1,536,299,376	25.05	(5)512,099,792	768,149,688	1,587,509,355	25.67	2,048,399,168	30.83

Notes:-

- (1) Based on the issued share capital of 2,044,266,157 Shares as at the LPD.
- (2) Based on the issued share capital of 6,132,798,471 Shares after the Share Split.
- (3) Based on the enlarged issued share capital of 6,184,008,450 Shares after full conversion of the ICPS.
- (4) Based on the enlarged issued share capital of 6,644,898,263 Shares after full conversion of the ICPS.
- (5) This represents 25.05% of the total number of ICPS available for subscription under the Rights Issue of ICPS with Warrants.

Pursuant to the Undertaking, the Undertaking Shareholder has confirmed that:-

- (i) it shall be obliged to subscribe for such number of excess ICPS as are required to ensure that it complies with its Undertaking irrespective of any sale or other disposal or transfer of any part of its existing holding of Shares during the period commencing from the date of the Undertaking up to the Entitlement Date; and
- (ii) it has sufficient financial means and resources to fulfil its obligations under the Undertaking.

To meet the minimum funding requirements of the Group as set out in Section 6 of this Abridged Prospectus, the Rights Issue of ICPS with Warrants will be undertaken based on the Minimum Subscription Level of 512,099,792 ICPS together with 768,149,688 Warrants D, which will be achieved in view of the Undertaking above.

Mercury Securities has verified the sufficiency of financial resources of the Undertaking Shareholder for the purpose of subscribing for the ICPS and excess ICPS pursuant to the Undertaking based on the issue price of RM0.055 per ICPS.

The Undertaking Shareholder has confirmed that its subscription for the ICPS pursuant to the Undertaking will not give rise to any mandatory take-over offer obligation under the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions immediately after the completion of the Rights Issue of ICPS with Warrants.

In the event that the Undertaking Shareholder triggers an obligation to undertake a mandatory take-over offer under the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions pursuant to the Undertaking, a separate announcement will be made.

Nonetheless, the Undertaking Shareholder has confirmed that it will at all times observe and ensure compliance with the provisions of the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions and will seek from the SC the necessary exemptions from undertaking such mandatory take-over offer, if required and if it qualifies for such exemption pursuant to the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions.

As the Minimum Subscription Level will be fully satisfied via the Undertaking, the Company will not procure any underwriting arrangement for the remaining ICPS not subscribed for by other Entitled Shareholders.

The Undertaking is not expected to result in any breach in the public shareholding spread requirement by the Company under Rule 8.02(1) of the Listing Requirements, which stipulates that a listed corporation must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders. As at the LPD, the Company does not hold any treasury shares.

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The pro forma public shareholding spread under the Minimum Scenario and assuming full conversion of the ICPS is illustrated as follows:-

Particulars	As at the LPD		(I) After the Corporate Exercises and assuming full conversion of the ICPS		(II) After (I) and assuming full exercise of the Warrants D	
	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(3)%
Issued share capital	2,044,266,157	100.00	6,184,008,450	100.00	6,952,158,138	100.00
Less:						
Directors, substantial shareholders and their associates						
- Asiabio Capital	512,099,792	25.05	1,587,509,355	25.67	2,355,659,043	33.88
- Fintec Global Limited	5,100,000	0.25	15,300,000	0.25	15,300,000	0.22
- Credit Suisse (Hong Kong) Limited	69,803,800	3.41	209,411,400	3.39	209,411,400	3.01
- Credit Suisse AG, Dublin Branch	133,088,000	6.51	399,264,000	6.46	399,264,000	5.74
- Tay Ben Seng, Benson	43,033,380	2.11	129,100,140	2.09	129,100,140	1.86
Public shareholding spread	1,281,141,185	62.67	3,843,423,555	62.14	3,843,423,555	55.29

Notes:-

- (1) Based on the issued share capital of 2,044,266,157 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 6,184,008,450 Shares assuming full conversion of the 512,099,792 ICPS by Asiabio Capital (the Undertaking Shareholder) based on the conversion mode of surrendering 10 ICPS without additional cash payment to arrive at the implied conversion price of RM0.55 for every 1 new Share.
- (3) Based on the enlarged issued share capital of 6,952,158,138 Shares assuming full exercise of the 768,149,688 Warrants D by Asiabio Capital (the Undertaking Shareholder).

5. RATIONALE FOR THE RIGHTS ISSUE OF ICPS WITH WARRANTS

The Rights Issue of ICPS with Warrants will enable the Company to raise funds and channel them towards the proposed utilisation as set out in Section 6 of this Abridged Prospectus.

After due consideration of the various options available, the Board is of the opinion that the Rights Issue of ICPS with Warrants is the most suitable means of fund raising for the Company for the following reasons:-

- (i) it will not have an immediate dilution effect on the Group's EPS as the option of converting the ICPS is at the discretion of the ICPS holders and hence the ICPS are expected to be converted over the Conversion Period as opposed to a fund raising exercise via rights issue of ordinary shares which will have an immediate upfront impact on the Group's EPS;
- (ii) it will not dilute the shareholdings of the Entitled Shareholders, assuming that all Entitled Shareholders subscribe to their entitlements and fully convert their ICPS;
- (iii) it allows the Entitled Shareholders to increase their equity participation in the Company through the conversion of the ICPS into new Shares during the Conversion Period; and
- (iv) it enables the Company to raise the requisite funds without incurring additional interest expense arising from additional borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs.

The free Warrants D which are to be attached to the ICPS are intended to provide an added incentive to Entitled Shareholders to subscribe for the ICPS. In addition, the free Warrants D will provide Entitled Shareholders with an opportunity to increase their equity participation in the Company at a pre-determined exercise price during the tenure of the Warrants D and will allow Entitled Shareholders to further participate in the future growth of the Company as and when the Warrants D are exercised.

The exercise of the Warrants D in the future will allow the Company to obtain additional funds without incurring additional interest expenses from borrowings. Furthermore, should the Company increase its borrowings in the future, the exercise of Warrants D will increase Shareholders' funds and lower the Company's gearing, thereby providing the Company with flexibility in terms of the options available to meet its funding requirements.

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6. UTILISATION OF PROCEEDS

The total funding requirement for The Arch is estimated to be RM168.00 million, which covers construction, renovation, fixtures and fittings as well as working capital.

Out of this amount, the Company is required to contribute an estimated total of RM85.68 million and the Business Partners are required to contribute an estimated total of RM82.32 million, being 51% and 49% of The Arch's total funding requirement, in accordance with the Company and the Business Partners' percentage shareholding in Famous Ambience respectively. The funds are expected to be injected into Famous Ambience via shareholders' advances, which are expected to be interest-free and have no fixed term of repayment.

The breakdown of the funding requirement is estimated to be as follows:-

Funding requirement for The Arch	Total funding requirement RM'000	To be contributed by	
		Focus RM'000	Business Partners RM'000
Construction works for The Arch	128,000	65,280	62,720
Renovations, fixtures and fittings for The Arch	28,000	14,280	13,720
Working capital for The Arch	12,000	6,120	5,880
Total	168,000	85,680	82,320

Given the above and based on the issue price of RM0.055 per ICPS, the gross proceeds to be raised from the Rights Issue of ICPS with Warrants are intended at this juncture to be utilised in the following manner:-

Utilisation of proceeds	Expected timeframe for utilisation from completion of the Rights Issue of ICPS with Warrants	⁽¹⁾ Minimum Scenario		Maximum Scenario	
		RM'000	%	RM'000	%
(i) Construction works for The Arch	Within 24 months	28,165	100.00	65,280	58.06
(ii) Renovations, fixtures and fittings ⁽⁴⁾ for The Arch	Within 3 months from completion of The Arch's construction	-	-	14,280	12.70
(iii) Working capital for The Arch	Upon completion of The Arch's construction and renovation	-	-	6,120	5.44
(iv) Working capital for the Group	Within 24 months	-	-	6,000	5.34
(v) Acquisition and/or investment in other complementary F&B businesses	Within 24 months	-	-	20,125	17.90
(vi) Estimated expenses for the Corporate Exercises	Immediate	⁽²⁾ -	-	⁽³⁾ 630	0.56
Total		⁽⁵⁾ 28,165	100.00	112,435	100.00

Notes:-

- (1) Any additional proceeds raised in excess of the RM28.17 million under the Minimum Scenario will be allocated up to its respective maximum allocation in the following order:-
- (i) estimated expenses for the Corporate Exercises;
 - (ii) construction works for The Arch;
 - (iii) renovations, fixtures and fittings for The Arch;
 - (iv) working capital for The Arch;
 - (v) working capital for the Group; and
 - (vi) acquisition and/or investment in other complementary F&B businesses.
- (2) Under the Minimum Scenario, the estimated expenses for the Corporate Exercises of RM0.63 million will be funded via internally generated funds.
- (3) If the actual expenses incurred are higher than the budgeted amount of RM0.63 million, the deficit will be funded via internally generated funds. Conversely, any surplus of funds following payment of expenses will be utilised in the order as set out in note (1) above.
- (4) Please refer to Section 6(ii) of this Abridged Prospectus for details on the types of fixtures and fittings.
- (5) Based on the Undertaking.

Any shortfall between the Company's funding requirement for The Arch of RM85.68 million and the amount to be raised under the Rights Issue of ICPS with Warrants will be financed via internally generated funds, bank borrowings and/or future fund raising exercises to be undertaken by the Company (if required). The exact breakdown cannot be determined at this juncture and can only be determined upon completion of the Rights Issue of ICPS with Warrants with the actual proceeds ascertained, as well as the availability and suitability of other funding options at the relevant time.

Under the Maximum Scenario, if the Company's actual funding requirement for The Arch exceeds the budgeted amount of RM85.68 million, the deficit will be funded from the portion allocated for the acquisition and/or investment in other complementary F&B businesses and/or future fund raising exercises to be undertaken by the Company (if required). Conversely, if the actual funding requirement for The Arch is less than the budgeted amount of RM85.68 million, any surplus funds will be reallocated for the acquisition and/or investment in other complementary F&B businesses or working capital.

Under the Minimum Scenario, the Company has set the Minimum Subscription Level based on a funding requirement of RM28.17 million instead of RM85.68 million in view that the Company:-

- (a) intends to utilise other sources of funds i.e. internally generated funds, bank borrowings and/or future fund raising exercises to be undertaken by the Company (if required) to meet the balance financial commitment of RM57.51 million; and
- (b) would not need to procure underwriting arrangements, thereby saving on additional expenses such as underwriting fees and legal fees.

Pending the utilisation of the proceeds from the Rights Issue of ICPS with Warrants as and when they may be utilised, the unutilised proceeds shall be placed in interest-bearing deposits and/or money market financial instruments.

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(i) Construction works for The Arch

The breakdown of the estimated construction cost of The Arch of RM128.00 million is illustrated below:-

<u>Construction works</u>	Amount RM'000
Preliminaries ⁽¹⁾	10,700
Building & external works	55,730
Mechanical & electrical works	33,120
Provisional sums such as project contingencies, landscape and final finishing costs	11,720
Associated development cost ⁽²⁾	16,730
Total estimated construction cost	<u>128,000</u>

Note:-

- (1) Preliminaries include, amongst others, site clearance, site survey, soil survey and construction planning and designing.
- (2) Associated development cost includes, amongst others, project management fee and site management fee.

Out of this RM128.00 million, the Company is required to contribute an estimated RM65.28 million in accordance with the Company's 51% shareholding in Famous Ambience. The balance RM62.72 million shall be contributed by the Business Partners.

(ii) Renovations, fixtures and fittings for The Arch

Once construction of The Arch is completed, Famous Ambience will need approximately RM28.00 million to renovate as well as install fixtures and fittings at The Arch's event hall, Chinese restaurant(s), seafood restaurant(s) and western restaurant(s).

The breakdown of the estimated costs for renovations, fixtures and fittings is illustrated below:-

<u>Renovations, fixtures and fittings</u>	Amount RM'000
Event hall	⁽¹⁾ 13,000
Chinese restaurant(s)	⁽²⁾ 5,000
Seafood restaurant(s)	⁽²⁾ 5,000
Western restaurant(s)	⁽²⁾ 5,000
Total estimated cost for renovations, fixtures and fittings	<u>28,000</u>

Notes:-

- (1) These include, amongst others, renovations, initial setup costs for fixtures and fittings such as interior design and decoration, air-conditioning systems, audio-visual systems, partitions, tables and chairs, stage platforms, podiums, props and other furnishing.
- (2) These include, amongst others, renovations, initial setup costs for fixtures and fittings such as interior design and decoration, air-conditioning systems, kitchen equipment and machinery, kitchen utensils, dining tables and chairs.

Out of this RM28.00 million, the Company is required to contribute an estimated RM14.28 million in accordance with the Company's 51% percentage shareholding in Famous Ambience. The balance RM13.72 million shall be contributed by the Business Partners.

(iii) Working capital for The Arch

Once The Arch is launched, Famous Ambience will need approximately RM12.00 million as initial working capital to operate The Arch's Chinese restaurant(s), seafood restaurant(s), western restaurant(s) and event hall.

The breakdown of the working capital requirement is illustrated below:-

<u>Working capital</u>	Amount RM'000
Chinese restaurant(s)	(1)3,200
Seafood restaurant(s)	(1)3,200
Western restaurant(s)	(1)3,200
Event hall	(2)2,400
Total working capital	12,000

Notes:-

- (1) These include, amongst others, purchasing costs for F&B raw materials and payment of salaries.
- (2) This includes, amongst others, payment of salaries.

Out of this RM12.00 million, the Company is required to contribute an estimated RM6.12 million in accordance with the Company's 51% percentage shareholding in Famous Ambience. The balance RM5.88 million shall be contributed by the Business Partners.

(iv) Working capital for the Group

The Group intends to utilise part of the proceeds to be raised from the Rights Issue of ICPS with Warrants for its general working capital purposes in the following manner:-

Utilisation	Percentage allocation %	RM'000
Payment of salaries to staffs of the Group including, amongst others, management and administrative personnel as well as operational employees such as kitchen staff	60	3,600
Operating expenses and administrative expenses such as purchasing costs, utilities, rental costs, transportation costs and other miscellaneous items ⁽¹⁾	40	2,400
Total	100	6,000

Note:-

- (1) The actual breakdown of these expenses cannot be determined at this juncture as it will depend on the actual operating and administrative requirements of the Group at the relevant time.

The additional working capital funds will help to support the Group's cashflow as its existing F&B outlets navigate the current challenging business environment due to the COVID-19 outbreak.

(v) Acquisition and/or investment in other complementary F&B businesses

The balance proceeds are earmarked to finance any potential acquisitions and/or investments in similar or other complementary F&B businesses including but not limited to opening of new F&B outlets when the opportunity arises for future business expansion of the Group.

These acquisitions and/or investments may include businesses within the Company's core business in the F&B industry, as well as businesses within the same value chain, and such other businesses which the Board may deem beneficial and are complementary to the Group's business expansion in the F&B business.

In this regard, the Company may acquire and/or invest in one or more F&B businesses which will operate at the designated retail / F&B lots in The Arch. The Company may also acquire and/or invest in other types of F&B businesses such as cloud kitchens⁽¹⁾. The Company may consider entering into joint venture arrangements with other potential business partners for the purpose of acquiring and/or investing in suitable F&B businesses.

Note:-

(1) A cloud kitchen is essentially a central kitchen that specialises in delivery only i.e. no walk-in or sit-down customers. Central kitchens allow food operators (whether it is a new entrant or an existing restaurant testing a new brand or menu) to save on start-up costs. As at the LPD, the Group is in the midst of developing an online platform and all other facilities for the cloud kitchen and exploring collaboration opportunities with other central kitchen providers.

As at the LPD, the Board has yet to identify any specific business for acquisition and/or investment. The Company will make the necessary announcements as provided for in the Listing Requirements as and when it has entered into any agreement in relation to the acquisition and/or investment in other complementary F&B businesses. In the event that the acquisition and/or investment in other complementary F&B businesses requires Shareholders' approval and/or other regulatory approvals pursuant to the Listing Requirements and/or other relevant laws and regulations, the necessary approvals will be sought.

Pending the identification of new businesses to be invested in, the Company will place the unutilised cash proceeds in interest-bearing deposits. The status of utilisation will also be reported in the quarterly financial announcements as well as annual reports of the Company.

If the Company is unable to identify suitable investments within 24 months from the completion of the Rights Issue of ICPS with Warrants, the timeframe for utilisation of proceeds that has been allocated for the said purpose will be extended and announced as well as disclosed in the Company's quarterly results announcements until the Company has successfully identified suitable businesses to acquire and/or invest in.

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(vi) Estimated expenses for the Corporate Exercises

The breakdown of the estimated expenses for the Corporate Exercises are illustrated below:-

Estimated expenses	Amount RM'000
Professional fees	390
Fees to relevant authorities	100
Printing, despatch and advertising expenses	110
Miscellaneous expenses and contingencies	30
Total	630

The actual gross proceeds to be raised from the Rights Issue of ICPS with Warrants will depend on the actual number of ICPS that will be issued.

The exact quantum of proceeds that may be raised by the Company from the conversion of the ICPS and/or exercise of the Warrants D would depend on the actual number of ICPS converted during the Conversion Period as well as its Conversion Price and/or the actual number of Warrants D exercised during the Exercise Period. The proceeds from the conversion of the ICPS and/or exercise of the Warrants D will be received on an "as and when basis" over the Conversion Period and/or the Exercise Period.

It is unlikely for the Company to receive significant additional proceeds from the conversion of the ICPS as the ICPS are expected to be converted mainly based on the conversion mode of surrendering 10 ICPS without additional cash payment instead of the conversion mode of surrendering such number of ICPS with additional cash payment to arrive at the Conversion Price for 1 new Share.

Nevertheless, any proceeds arising from the conversion of ICPS via the conversion mode of surrendering at least 1 ICPS with additional cash payment to arrive at the Conversion Price for 1 new Share during the Conversion Period will be used to finance the Group's working capital requirements such as those set out in Section 6(iv) above. The exact breakdown and timeframe of such utilisation cannot be determined at this juncture as it would be dependent on the actual requirements at the relevant time.

Strictly for illustrative purposes, based on the issue price of RM0.055 per ICPS which translates to an implied Conversion Price of RM0.55 and assuming all the ICPS issued under the Maximum Scenario are converted into new Shares based on the conversion mode of surrendering 1 ICPS with additional cash payment of RM0.495, the Company will raise gross proceeds of approximately RM1.01 billion upon full conversion of the ICPS.

Strictly for illustrative purposes, based on the exercise price of RM0.80 per Warrant D, the Company will raise gross proceeds of up to RM2.45 billion upon full exercise of the Warrants D under the Maximum Scenario. Any proceeds arising from the exercise of the Warrants D in the future will be used to finance the Group's working capital requirements such as those set out in Section 6(iv) above. The exact breakdown and timeframe of such utilisation cannot be determined at this juncture as it would be dependent on the actual requirements at the relevant time.

7. RISK FACTORS

You should carefully consider, in addition to the other information contained in this Abridged Prospectus, the following risk factors before subscribing for or investing in the Rights Issue with Warrants:-

7.1 Risks relating to the Group

7.1.1 Risks relating to the Group's F&B business

(i) Intense competition due to low barriers of entry

The barriers of entry into the F&B industry are low in view of its low capital and skills requirements. As such, F&B companies are constantly facing intense competition while striving to survive and remain profitable. Apart from the conventional way of renting a premise to run a restaurant, F&B owners can now rent a shared kitchen space and market and/or distribute their products online. The fast-changing economic landscape constantly eliminates F&B owners who fail to differentiate themselves from the others and adapt to the evolving market conditions.

There is no assurance that the Group can remain competitive among the new agile entrants. Emergence of new competitors who offer the same product range with the Group may adversely affect the revenue and profit margin of the Group moving forward.

(ii) Uncertainties arising from dynamic and rapid changes in social factors

The quality of food and services offered by a restaurant is a critical success factor in the F&B industry. Nonetheless, sustainability in the F&B industry is also dependent on external social factors such as social media influences and trending of consumers' lifestyles and preferences. For instance, restaurants which are renovated with "instagramable" ambience are likely to be marketable on social media and tend to sustain in the industry. Restaurant owners need to be innovative and constantly adjust their brand positioning and product packaging strategies to create unique selling points.

In another example, given the recent development of COVID-19, customers are gradually preferring takeaway services as compared to dining-in. Moreover, for those that are willing to dine-in, customers generally prefer dining areas that are cleaner and more spacious to allow for lower risk of infection and adequate social distancing.

Given the dynamic social factors, there is no assurance that the Group can aptly adjust themselves to the fast changing preferences of the customers. Any changes in the consumers' lifestyles and preferences may incur additional expense for the Group to adjust and adapt its business and service offerings. In turn, this may affect the profit margin of the Group.

7.1.2 Risks relating to The Arch

(i) Delay or non-completion of the construction of The Arch and cost overruns

The timely completion of the construction of The Arch is dependent on many external factors, some of which may be beyond the control of the Group such as obtaining various regulatory approvals as scheduled. Other factors that may cause delays include site accidents, unfavourable weather conditions, shortage or late arrival of raw materials as well as change in regulatory environment and framework.

As at the LPD, the building works of The Arch have yet to commence. Notwithstanding that, moving forward, with the recent development of COVID-19, the construction of The Arch may be affected by the implementation of various forms of MCO. The resultant restriction in the movement of people, imposition of stringent standard operating procedures or even the temporary closure of certain economic sectors, including the construction industry, may result in delays in the construction of The Arch.

Any delay in completing the construction of The Arch within the timeframe may expose the Group to additional costs which may impact the Group's financial performance. Such delays may also affect the Group's reputation and its ability to attract customers in the future.

Moreover, any delay may result in cost overruns which will further erode the economic viability of The Arch. Over the course of constructing The Arch, there may also be fluctuations in raw material prices and subcontractors' services as well as additional costs which are not previously factored into the Group's costing estimates. In turn, this may contribute to cost overruns.

There is no assurance that any delay or cost overruns will not result in material adverse impact to the Group's financial performance.

(ii) Failure to achieve the anticipated benefits arising from The Arch

Although The Arch is expected to contribute positively to the future earnings of the Group given its attractive features as set out in Section 2 of this Abridged Prospectus, there is no assurance that the anticipated benefits arising from The Arch will materialise.

For example, there is no assurance that the various features of The Arch are able to attract the anticipated consumer traffic to translate into sufficient rental income for the Group. Further, The Arch is located in central Kuala Lumpur where there are many other options for commercial / retail space, event halls and car park. In addition, the property market in Kuala Lumpur is subject to the risk of property overhang. These factors may have an adverse impact on The Arch's ability to achieve the anticipated consumer traffic and therefore the anticipated rental and car parking income.

Given the recent development of COVID-19, it may also take a long period of time for consumer confidence to recover before The Arch may be able to attract the anticipated volume of consumer traffic. In turn, there is no assurance that any income which may be generated by the Group from The Arch is enough to offset the associated construction costs and lease rental costs.

7.2 Risks relating to the impact of COVID-19 on the Group's business

Over the last few months, the COVID-19 pandemic has spread across the world resulting in lockdown or similar measures imposed by governments worldwide to curb the spread of the virus. These have resulted in adverse impact to the performance of the world's economies including Malaysia. Even with the gradual relaxation of lockdown measures moving forward, consumer sentiment is expected to remain dampened in the near future as consumers stay cautious in their spending. Until a vaccine and/or a cure can be developed and mass-distributed to the general population, the dampening effects of the COVID-19 pandemic on consumer spending is expected to remain in the foreseeable future.

Following the implementation of the MCO by the Government on 18 March 2020, the Group's F&B outlets had temporarily closed, save for LAVO Restaurant & Wine Bar which offers takeaway and delivery services.

However, following the implementation of the conditional MCO by the Government since 4 May 2020, the Group's F&B outlets gradually resumed full service operations. Upon resumption of full service operations, the Group's F&B outlets recorded rapid recovery in business volume back to levels comparable to before the implementation of the MCO.

For information, the Group recorded an increase in revenue by 22.88% in the latest financial quarter ended 30 June 2020 (RM11.44 million) as compared to the previous financial quarter ended 30 June 2019 (RM9.31 million). Despite the reduction in business volume due to the temporary closures of F&B outlets during the MCO, the higher revenue was mainly attributable to the launching of a new e-commerce wine platform known as "LavoWine.com" which sells, amongst others, wine, spirits and wine accessories online. As such, in general, while the implementation of the MCO has had an adverse impact on the Group's operations with the temporary closures of F&B outlets for dine-in, it has not had a material adverse impact on the Group's financial performance.

For the latest financial quarter ended 30 September 2020, the Group estimates that the sales figure would be higher as compared to the previous financial quarter ended 30 September 2019 mainly due to higher contribution from the new e-commerce wine platform.

Despite the reintroduction of the conditional MCO in the state of Selangor, Kuala Lumpur and Putrajaya beginning 14 October 2020, dine-in in the Group's F&B outlets are still permitted subject to the relevant SOPs at the prevailing time. Moving forward, given the general slowdown in the economy and consumer sentiment still very much affected by fears of infection, the Group's future operations and financials may be affected by COVID-19. However, given the fluid development of the COVID-19, it is still too early to estimate the full impact of the COVID-19 pandemic as a whole or the reintroduction of the conditional MCO on the business and financial performance of the Group at this juncture.

For information, 99% of the Group's total revenue for FYE 31 December 2019 was contributed by the F&B segment while the balance 1% was contributed by the Engineering Services Segment. As such, a disclosure on the impact of COVID-19 on the Group's Engineering Services Segment would not be meaningful.

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7.3 Risks relating to the Rights Issue of ICPS with Warrants

(i) Failure or delay in the completion of the Rights Issue of ICPS with Warrants

The Rights Issue of ICPS with Warrants is exposed to the risk that it may be terminated or delayed in the event of a material adverse change of events or circumstances (such as force majeure events including without limitation, acts of government, including imposition of MCO, natural disasters including without limitation the occurrence of a tsunami and/or earthquakes, acts of terrorism, strikes, national disorder, declaration of a state of war or accidents, or any change in law, regulation, policy or ruling), which is beyond the control of the Group and the Principal Adviser, arising prior to the completion of the Rights Issue of ICPS with Warrants.

There can be no assurance that the abovementioned factors or events will not cause a failure or delay in the completion of the Rights Issue of ICPS with Warrants. In the event the ICPS and Warrants D have been allotted to the successful Entitled Shareholders and/or their transferee(s) and/or their renounee(s) and/or their transferee(s), if applicable, and the Rights Issue of ICPS with Warrants is subsequently cancelled or terminated other than due to a stop order issued by the SC pursuant to Section 245 of the CMSA, a return of monies to the successful applicants can only be achieved by way of cancellation of share capital under the Act.

Such cancellation may require the approval of the Shareholders by way of a special resolution in a general meeting, consent of the Company's creditors (where applicable) and either the confirmation of the High Court of Malaya or a solvency statement by the Board. There can be no assurance that such monies can be returned within a short period of time under such circumstances.

In the event the Rights Issue of ICPS with Warrants cannot be implemented or completed for any reason prior to the issuance and allotment of the ICPS and Warrants D to the successful applicants, the Company will undertake the necessary procedures to ensure the refund of monies is made in full without interest in respect of any application for the subscription of the ICPS with Warrants D including the Excess ICPS with Warrants D within 14 days after the Company becomes liable to do so, in accordance with the relevant provisions of the CMSA.

If such monies are not repaid within 14 days after the Company becomes liable to do so, the Company shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC, in accordance with Section 245(7) of the CMSA.

(ii) Capital market risk

The market price of the new securities arising from the Rights Issue of ICPS with Warrants, like all listed securities traded on Bursa Securities, is subject to fluctuation. The respective price of the Company's securities is influenced by, amongst others, the prevailing market sentiments, the volatility of the stock market, movements in interest rates and the outlook of the industry in which the Company operates in.

In view of the foregoing, there can be no assurance that the Shares (together with any new Shares issued pursuant to the conversion of the ICPS and/or exercise of the Warrants D) will trade at or above the TEAP disclosed in Section 3.2 of this Abridged Prospectus after the completion of the Rights Issue of ICPS with Warrants.

The ICPS and Warrants D are new instruments issued by the Company. Therefore, there can be no assurance that an active market for the ICPS and Warrants D will develop upon listing on Bursa Securities, or if developed, will be sustainable. In addition, there is no assurance that the ICPS and Warrants D will be "in-the-money" during the Conversion Period / Exercise Period.

Accordingly, there is no assurance that the market price of the ICPS and Warrants D will be at a level that meets the specific investment objectives or targets of any subscriber of the ICPS and Warrants D.

(iii) Forward-looking statements and other information

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of future results and others are forward-looking in nature, which are subject to uncertainties and contingencies. All statements, other than statements of historical data, included in this Abridged Prospectus, including without limitation, those regarding the financial position, risk factors, prospects and future plans of the Group are forward-looking statements.

Such forward-looking statements are based on the estimates and assumptions made by the Company, unless stated otherwise, and although the Board believes these forward-looking statements to be reasonable at this point in time given the prevailing circumstances, they are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied in such forward-looking statements.

In light of these uncertainties, the inclusion of such forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by the Company, the Principal Adviser and/or other advisers in relation to the Rights Issue of ICPS with Warrants that the plans and objectives of the Group will be achieved.

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8. INDUSTRY OVERVIEW AND FUTURE PROSPECTS

8.1 Malaysian economy

The Malaysian economy contracted by 17.1% in the second quarter of 2020 (1Q 2020: 0.7%). The decline reflected the unprecedented impact of the stringent containment measures to control the COVID-19 pandemic globally and domestically. In Malaysia, the nationwide MCO issued by the Government included various measures that restricted production and consumption activities. This resulted in demand and supply shocks that emanated not only from significantly weak external demand conditions, but also production constraints in many economic sectors. On the supply side, most economic sectors registered negative growth, while most expenditure components declined. On a quarter-on-quarter seasonally-adjusted basis, the economy contracted by 16.5%.

Economic activity has resumed since the economy began to reopen in early May 2020. Consequently, growth is expected to have troughed in the second quarter of 2020, with a gradual recovery in the second half. This outlook is underpinned by the rebound of key indicators such as wholesale and retail trade, industrial production, gross exports, and electricity generation.

The improvement in growth in the second half of 2020 will also be supported by the recovery in global growth and continued policy support. In particular, consumption and investment activities are expected to benefit from the wide-range of measures in the fiscal stimulus packages, continued financial measures and low interest environment. While there is upside potential to growth, the pace and strength of the recovery remain susceptible to downside risks emanating from domestic and external factors. Growth could potentially be lifted by a larger-than-expected impact from stimulus measures. Nevertheless, the prospect of secondary COVID-19 outbreaks leading to the re-imposition of containment measures, more persistent weakness in labour market conditions, and a weaker-than-expected recovery in global growth pose downside risks to growth.

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2020, BNM published on 14 August 2020)

Economic activity has resumed since the economy began to reopen in early May 2020. Consequently, growth is expected to have troughed in the second quarter of 2020, with a gradual recovery in the second half. This outlook is underpinned by the rebound of key indicators such as wholesale and retail trade, industrial production, gross exports, and electricity generation.

This improvement in growth will also be supported by the recovery in global growth and continued domestic policy support. In particular, consumption and investment activities are projected to benefit from the wide-range of measures in the fiscal stimulus packages, continued financial measures and low interest environment. With the reopening of economic activities, a concurrent improvement in labour market conditions is expected. Overall, the Malaysian economy is therefore forecasted to grow within the range of -3.5% to -5.5% in 2020, before staging a rebound within a growth range of 5.5% to 8.0% in 2021.

(Source: Press Statement on the Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2020, BNM published on 14 August 2020)

The Malaysian economy expanded by 4.3% in 2019. Growth of the Malaysian economy was supported by resilient private sector spending, which grew by 6.2% amid a challenging external environment. In particular, household spending remained firm and provided support to overall growth. In line with most emerging market economies, however, weaker external demand weighed on Malaysia's exports and investment activity. In the second half of the year, the economy was affected by supply disruptions in the commodities sector.

(Source: Economic & Monetary Review 2019, BNM published on 3 April 2020)

8.2 F&B segment in Malaysia

Malaysia's foodservice market is fragmented, as there are a wide variety of foodservice segments at different price levels catering to various individuals and household characteristics. The foodservice segments available in Malaysia include full-service restaurant, café and bar, fast food restaurant or quick service restaurant ("QSR") and street stall/kiosk.

Full-service restaurants refer to conventional restaurant concepts where there are waiters to serve patrons when they are seated at their tables. Full-service restaurants, especially those serving Asian cuisine, are popular and common nationwide.

Cafés and bars have a stronger focus on beverages, as compared to full-service restaurants. In general, cafés do not have waiters to serve patrons, and are largely self-service restaurants. Meanwhile, the differentiating factor for bars is that they have a stronger focus on alcoholic beverages. Visiting cafés and bars have become a common lifestyle habit amongst youths and young adults in urban areas, either for work or for leisure or social engagement after working hours and on weekends.

Fast food restaurants or QSRs are typically self-service restaurants with pre-cooked meals. Fast food restaurants or QSRs appeal to time-pressed individuals seeking affordable and convenient dining options. Several fast food chains in Malaysia also offer delivery and drive-through services in response to consumer demands for convenience.

Street stalls/kiosks include stalls and kiosks set up by the roadside, or in the concourse area and food courts of shopping complexes and commercial buildings. Street stalls/kiosks offer a variety of foodservice products, such as local food and delicacies, bakery products, ice cream, snacks and coffee, at lower price levels.

Other foodservice segments include other non-traditional segments such as delivery and takeaway services.

Segmentation of the foodservice market (Malaysia)



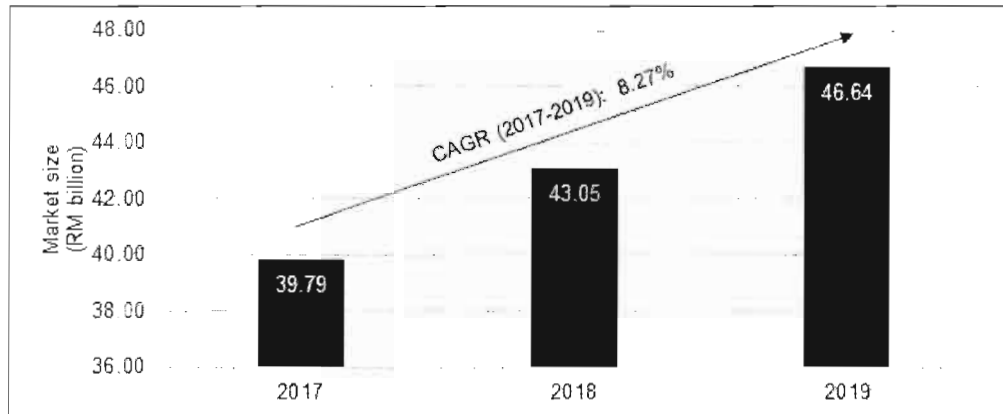
Note: This list is not exhaustive.

The foodservice market size in Malaysia grew, in terms of foodservice sales, from RM39.79 billion in 2017 to reach RM46.64 billion in 2019, registering a CAGR of 8.27%.

However, in the short-term, the foodservice market is estimated to decline in 2020 due to the imposition of the MCO, conditional MCO and recovery MCO by the Government to curb the spread of the COVID-19 virus, whereby during the MCO period, dine-ins at foodservice outlets were not allowed and foodservice outlets were only allowed to operate for takeaway or delivery services. Subsequently, during the conditional MCO and recovery MCO periods, the Government has instructed all foodservice outlet operators and consumers to adhere to strict guidelines such as maintaining table and physical distancing when dining-in at foodservice outlets. As a result, foodservice outlets are expected to derive lower sales from dine-ins during the MCO, conditional MCO and recovery MCO periods and instead depend on sales of takeaway or delivery services.

In addition, many consumers may choose to cook at home and be more cautious in their spending in view of anticipated adverse economic impact of the COVID-19 virus which may lead to loss of businesses and jobs, pay cuts or increase in unemployment. Based on latest available information, due to the adverse economic impact caused by the COVID-19 pandemic, Malaysia's unemployment rate reached 4.70% in July 2020 which was relatively high as compared to 3.30% in July 2019. As such, the demand for foodservice in Malaysia is expected to slowdown in 2020. SMITH ZANDER expects the foodservice market in Malaysia to decline by 21.74% from RM46.64 billion in 2019 to RM36.50 billion in 2020.

Foodservice market size (Malaysia), 2017-2019



Nevertheless, in the long term, the growth in the foodservice market in Malaysia is expected to continue to be driven by the increasing disposable income and affluence, rising urbanisation, diverse cuisines and flourishing tourism market in Malaysia.

Malaysia is an upper-middle income developing economy, with its GDP per capita growing from RM40,620.34 in 2017 to RM43,615.99 in 2019 at a CAGR of 3.62%. The increasing GDP per capita indicates a more affluent population with greater propensity to spend, which would in turn benefit the foodservice segment. In view of the COVID-19 pandemic in Malaysia, the Government has revised the GDP forecast growth in 2020, which was initially targeted at 4.80%, to the range of -5.50% to -3.50%, indicating potential slowdown in economic activities for the year. As such, Malaysia's GDP per capita is expected to decline to between RM41,132.43 and RM42,002.95 in 2020 in view of the potential adverse economic conditions for the year due to the COVID-19 pandemic in early 2020.

As a developing country, Malaysia experiences rising urbanisation rates, which has led to increased employment rates and busier lifestyles amongst the working individuals. This has led to a growing need for convenient meal options and a culture of dining out in Malaysia, resulting in a greater demand for the foodservice market in the country. Further, the shift of population from rural to urban areas to seek for better employment opportunities has also led to a growing population in urban areas such as Klang Valley (which includes both Kuala Lumpur and Selangor), benefiting the foodservice market in these areas.

In addition, Malaysia is known to be culturally diverse with various cuisines available, thus providing consumers with a variety of dining options to suit different tastes and preferences. Thus, it has become a norm amongst Malaysians to gather with friends and family members at foodservice outlets to experience different cuisines. This culture, coupled with the affordability of foodservice in Malaysia, contributes to the continuous growth of the foodservice market.

Apart from the continuous demand from the local market, the foodservice market in Malaysia also stands to benefit from the foreign market as Malaysia is a popular destination for tourists. According to Tourism Malaysia, the expenditure by tourists on food and beverages in Malaysia grew from RM10.93 billion in 2017 to RM11.46 billion in 2019 at a CAGR of 2.40%. However, in view of the COVID-19 pandemic in Malaysia since early 2020, all tourism activities in Malaysia were halted during the MCO and conditional MCO periods. Further, during the recovery MCO period, tourism activities are limited to domestic travels save for interstate travel between Sabah and Peninsular Malaysia, Sarawak and Labuan which are banned from 12 October 2020 to 25 October 2020.

While this is expected to temporarily dampen tourism activities in Malaysia, Malaysia remains an attractive tourist destination and tourism activities are expected to resume when the crisis ends. Since the outbreak of COVID-19 virus is unprecedented, the extent of the uncertainties caused to the tourism activities in Malaysia in 2020 is not clear at this point in time until the MCO, conditional MCO and recovery MCO are fully uplifted or until the crisis ends. Hence, the expenditure by tourists on food and beverages in Malaysia in 2020 cannot be quantified at this point in time.

(Source: IMR Report dated 6 October 2020 prepared by SMITH ZANDER)

8.3 Meetings, incentives, conferences and exhibitions (“MICE”) segment in Kuala Lumpur

The MICE industry encompasses venues specifically designed to hold functions, meetings, conferences and exhibitions:

Functions: typically involve the convening of individuals in a particular place for an event such as a wedding, celebration dinner or lunch and product launches;

Meetings: are organised to bring employees of a corporation together in a place, usually to discuss and share ideas, and solve problems. Examples of meetings include board/management/shareholder meetings, training seminars, as well as company retreats;

Conferences: are organised on a regular basis, usually by associations to bring attendees with common interests/purposes to the pre-determined venue, commonly for educational purposes; and

Exhibitions: allow corporations to showcase new products, services or information to interested attendees. As exhibitions are usually organised on a large scale, corporations interested to participate will have to purchase a booth space.

Examples of MICE Venues in Kuala Lumpur

Examples of MICE venues in Kuala Lumpur are as listed below:

Venue	Size ⁽ⁱ⁾ (square feet)	Examples of events/ exhibitions held
Berjaya Times Square Hotel, Kuala Lumpur	18,794	<ul style="list-style-type: none"> • Weddings • Celebration dinner/lunch • Corporate dinner/lunch • Seminars • Extraordinary general meeting and Annual General Meeting (“AGM”)

Venue	Size⁽ⁱ⁾ (square feet)	Examples of events/ exhibitions held
Concorde Hotel Kuala Lumpur	9,065	<ul style="list-style-type: none"> • Weddings • Celebration dinner/lunch • Corporate dinner/lunch • Seminars • Extraordinary general meeting and AGM
Grand Hyatt Kuala Lumpur	11,248	<ul style="list-style-type: none"> • Weddings • Celebration dinner/lunch • Corporate dinner/lunch • Seminars • Extraordinary general meeting and AGM
Grand Millennium Kuala Lumpur	3,541	<ul style="list-style-type: none"> • Weddings • Celebration dinner/lunch • Corporate dinner/lunch • Seminars • Extraordinary general meeting and AGM
JW Marriott Hotel Kuala Lumpur	8,913	<ul style="list-style-type: none"> • Weddings • Celebration dinner/lunch • Corporate dinner/lunch • Seminars • Extraordinary general meeting and AGM
Kuala Lumpur Convention Centre	104,480	<ul style="list-style-type: none"> • Exhibitions and expositions • Concerts • Conferences • Educational and career fairs • Scientific conferences and congresses
MATRADE Exhibition & Convention Centre	62,215	Exhibitions and expositions
Mid Valley Exhibition Centre	61,129	<ul style="list-style-type: none"> • Exhibitions and expositions • Educational and career fairs
Renaissance Kuala Lumpur Hotel	15,392	<ul style="list-style-type: none"> • Weddings • Celebration dinner/lunch • Corporate dinner/lunch • Seminars • Extraordinary general meeting and AGM
Shangri-la Hotel, Kuala Lumpur	16,243	<ul style="list-style-type: none"> • Weddings • Celebration dinner/lunch • Corporate dinner/lunch • Seminars • Extraordinary general meeting and AGM
Sheraton Imperial Kuala Lumpur Hotel	7,180	<ul style="list-style-type: none"> • Weddings • Celebration dinner/lunch • Corporate dinner/lunch • Seminars • Extraordinary general meeting and AGM

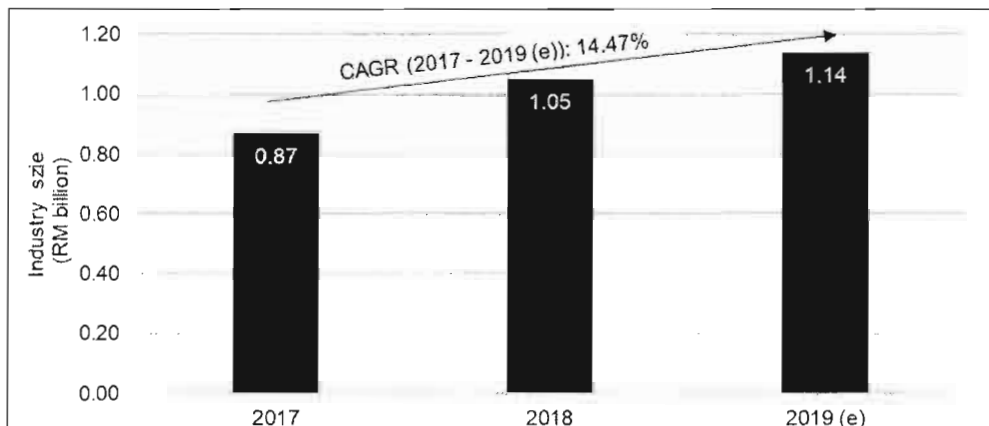
Venue	Size ⁽ⁱ⁾ (square feet)	Examples of events/ exhibitions held
Sime Darby Convention Centre	17,000	<ul style="list-style-type: none"> • Medical seminars • Corporate dinner/lunch • Extraordinary general meeting and AGM • Weddings
The Ritz-Carlton, Kuala Lumpur	5,229	<ul style="list-style-type: none"> • Weddings • Celebration dinner/lunch • Corporate dinner/lunch • Seminars • Extraordinary general meeting and AGM
The Westin Kuala Lumpur	6,700	<ul style="list-style-type: none"> • Weddings • Celebration dinner/lunch • Corporate dinner/lunch • Seminars • Extraordinary general meeting and AGM
World Trade Centre Kuala Lumpur	116,358	Exhibitions and expositions

Notes:-

- (i) The venue size refers to the size of the largest function hall in the venue.
- In general, the size of function halls in the venues listed above can be reduced to meet customers' requirements.

The MICE industry grew, in terms of visitor expenditure, from RM0.87 billion in 2017 to an estimated RM1.14 billion in 2019, registering a CAGR of 14.47%.

MICE industry size (Malaysia), 2017-2019 (e)



Note:-

(e) – Estimate.

(Sources: Malaysia Convention and Exhibition Bureau, SMITH ZANDER analysis)

The growing affluence and propensity to spend in Malaysia as a result of the country's growing economy, will lead to greater spending power for social gatherings such as weddings and celebration dinners or lunches. It is common in Malaysia for middle and high-income households in urban areas such as Kuala Lumpur and Selangor to hold such social gatherings in hotels and function halls which will also continue to drive the growth of the MICE industry in Kuala Lumpur.

Further, the positive long-term economic growth prospects in Malaysia also indicates growth amongst businesses and enterprises. As a result, these businesses and enterprises have a higher likelihood of having larger budgets for corporate functions such as extraordinary general meetings, AGMs, seminars, corporate dinners or lunches, educational and career fairs and conferences.

In addition, Kuala Lumpur, which is the capital of Malaysia and one of the country's main cities, has a higher density of affluent population relative to other areas in Malaysia. This has resulted in Kuala Lumpur being one of the main hubs to hold events, exhibitions, fairs and concerts in Malaysia.

Moving forward, the MICE industry in Kuala Lumpur will likely gain from the positive long-term economic growth prospects in Malaysia. However, in the short-term, the MICE industry is estimated to decline in 2020 in view of the outbreak of the COVID-19 in Malaysia since early 2020. The imposition of MCO from 18 March 2020 to 3 May 2020 and conditional MCO from 4 May 2020 to 9 June 2020 by the Government to curb the spread of COVID-19 virus has caused all corporate and social group events to be cancelled during this period. Subsequently, during the recovery MCO period from 10 June 2020 to 31 December 2020, corporate events such as meetings, seminars, and trainings are allowed to operate. Further, social group events such as wedding receptions and engagement parties are also allowed as of 1 July 2020. Such corporate and social group events are permitted given that the maximum number of participants are limited depending on the size of the event space and compliance of physical distancing starting from 15 July 2020. In addition, the Government has instructed all event organisers and participants to adhere to strict guidelines such as ensuring physical distancing and registration of participants. However, based on latest available information as of 6 October 2020, due to a recent surge in COVID-19 cases in Malaysia, the Government is considering suggestions to limit events and gatherings to reduce possibility of infections.

Since the outbreak of the COVID-19 virus is unprecedented, the extent of the uncertainties caused to the MICE industry is not clear at this point in time until the MCO, conditional MCO and recovery MCO are fully uplifted or until the crisis ends. While the MICE industry in 2020 cannot be quantified at this point in time, the demand for MICE venue is expected to shrink in 2020 as event organisers and participants may still be cautious and there may be continuous restrictions imposed on corporate and social group events by the Government after the MCO, conditional MCO and recovery MCO are lifted, and until the impact of the outbreak of the COVID-19 virus fully subsides.

Nevertheless, in efforts to support the events and exhibitions industry affected by the COVID-19 virus outbreak to adapt to the new normal, the Government has dedicated funding through a Pelan Jana Semula Ekonomi Negara (PENJANA) Short-Term Economic Recovery Plan (June – December 2020) by providing RM100 million in soft loans with interest rate of 3.50% and RM30 million in grants for the creative, events and exhibitions industries under MyCreative Ventures and RM10 million for the Cultural Economy Development Agency. Further, RM50 million worth of digital marketing from RM10 million Digital Marketing and Promotions Grant under MyCreative Ventures with a cap of RM5,000 per event which can benefit 2,000 events, exhibitions and productions is also provided. In addition, in order to support the events and exhibitions industry players in adapting the new normal, MyCreative Ventures will collaborate with the private sector to provide trainings in digital distribution methods and promotion, development of new business models as well as connectivity.

(Source: IMR Report dated 6 October 2020 prepared by SMITH ZANDER)

8.4 Property market in Malaysia (including Kuala Lumpur)

The property market performance recorded a sharp decline in the first half of 2020 (H1 2020) compared to the same period last year (H1 2019). A total of 115,476 transactions worth RM46.94 billion were recorded, showing a decrease of 27.9% in volume and 31.5% in value compared to the same period last year, which recorded 160,165 transactions worth RM68.53 billion.

The residential sub-sector led the overall property market, with 65.2% contribution. This was followed by agriculture sub-sector (20.1%), commercial (7.0%), development land and others (5.9%) and Industrial (1.7%). In terms of transaction value, residential took the lead with 54.6% share, followed by commercial (18.1%), industrial (11.5%), agriculture (8.8%) and development land and others (7.0%).

Volume of transactions across the sub-sectors contracted sharply in H1 2020. The residential, commercial, industrial, agriculture and development land sub-sectors recorded contraction of 24.6%, 37.4%, 36.9%, 32.8% and 28.6% respectively.

Value of transactions moved in tandem with residential, commercial, industrial, agriculture and development land sub-sectors recorded contraction of 26.1%, 33.2%, 23.0%, 39.1% and 55.3% respectively.

The slow market absorption of the primary market led to the increase in residential overhang. There were 31,661 overhang units worth RM20.03 billion, increased by 3.3% in volume (H2 2019: 30,664 units) and 6.4% in value against the preceding half (H2 2019: RM18.82 billion). Meanwhile the unsold under construction recorded a marginal increase to 74,230 units, up by 2.1% whilst the unsold not constructed improved as the numbers dropped to 14,542 units, reduced by 13.3%.

Commercial property

There were 8,118 transactions worth RM8.51 billion recorded, declined by 37.4% in volume and 33.2% in value (H1 2019: 12,962 transactions worth RM12.75 billion). Performance across the states worsened as all states recorded significant declines in market activity. By state, Selangor contributed the highest volume and value to the national market share, with 23.0% in volume (1,870 transactions) and 28.2% in value (RM2.4 billion); followed by Johor with 16.2% in volume (1,314 transactions) and 12.6% in value (RM1.08 billion). As for WPKL, though only 1,212 transactions (14.9% of the total) were recorded, the transaction value was the second highest at RM2.09 billion.

Shop sub-sector recorded 4,207 transactions worth RM3.55 billion, dominating the commercial property transactions with 51.8% of the total volume and 41.7% of the total value. Market performance recorded a significant decrease of 39.4% in volume and 38.8% in value (H1 2019: 6,937 transactions worth RM5.80 billion).

Shop sub-sector overhang continued to increase but at slower pace, recording a total of 6,187 units worth RM5.03 billion, up by 2.7% in volume and 3.3% in value against the preceding half (H2 2019: 6,024 units worth RM4.87 billion). Meanwhile the unsold under construction and not constructed recorded marginal increase to 6,333 units and 344 units, up by 1.6% and 2.4% respectively.

Prices of shops in Klang Valley were generally stable with mixed movements recorded in Klang, Selangor. In Johor, prices of shop were stable with positive growth in prime area such as Johor Bahru. Terraced shops in Taman Daya, Taman Universiti and Bandar Baru Permas Jaya recorded average growth of 6% to 10%. In Pulau Pinang, pre-war shops in George Town World Heritage Site (Core Zone) and Outside George Town World Heritage Site were transacted at RM3.35 million and RM1.2 million respectively.

On the development front, construction activities were on a low tone for completion and starts. Seven new completion were recorded injecting nearly 240,000 s.m. of space into the market in H1 2020 (H1 2019: 412,450 s.m. As at end-June 2020, there were slightly more than 16.70 million s.m. existing retail space from 1,042 shopping complexes. There were another 42 complexes (1.82 million s.m.) in the incoming supply and 14 complexes (0.52 million s.m.) in the planned supply. Selangor dominated the existing retail space with 151 shopping complexes offering 3.71 million s.m retail space.

Rentals of retail space were generally stable. Suria KLCC sustained its prominence, fetching the highest rental range per month from RM458 p.s.m. to as high as RM2,400 p.s.m. at concourse level, charting marginal increase of 2.5% to 5.0%. In Selangor, rental of retail space was stable for most shopping complexes with few exceptions. Lower ground floor of One Utama Shopping Centre and Sunway Pyramid enjoyed growth of 8.5% to 14.4% and 4.1% to 9.4% respectively with rental ranging from RM129 p.s.m. to RM538 p.s.m. and RM172 p.s.m. to RM488 p.s.m. respectively.

The overall performance of purpose-built office was stable, with occupancy rate of 80.6% in H1 2020, similar to that of H2 2019. The purpose-built office consists of 1,545 private buildings (17,088,560 s.m.) and 1,003 government buildings (5,865,691 s.m.) As for the private office buildings, the average occupancy rate moderated at 74.3%, declined further from 74.8% recorded in H2 2019. WPKL and Pulau Pinang secured higher occupancy rate at 75.8% and 78.6% respectively; whereas Selangor and Johor lower than national level at 69.8% and 65.0% respectively. Private office buildings in Putrajaya recorded the lowest occupancy rate at 39.1%.

The office rental market was overall stable with minimal mixed movements in selected buildings. Office space in the Intermark, Kuala Lumpur commanded higher rental range of RM99 p.s.m. to RM129 p.s.m. In Selangor, most of the office spaces were tenanted at the monthly rental range of RM40 – RM50 p.s.m. except for office spaces on the ground floor/level 1 in Damansara Uptown 1 & 2, ranging from RM96.88 p.s.m. to RM126.48 p.s.m.

2H 2020 outlook

The property market performance recorded a sharp decline in the first half of 2020 (H1 2020). The sharp decline was in consonant with the Malaysian economic performance, which contracted by 17.1% in Q2 2020 (Q1 2020: 0.7%). According to Bank Negara Malaysia report, Malaysian economy is expected to recover gradually in H2 2020 as the economy progressively re-opens and external demand improves. The Malaysia's GDP is projected to grow within the range of -3.5% to -5.5% in 2020 and 5.5% to 8.0% in 2021.

With the resuming of economic activities since early May 2020, property market activities recorded in the month of May and June 2020 saw a turnaround.

Further assistance from the government, initiated under a new short-term Economic Recovery Plan or Penjana, proposed a recovery plan which is related to property which include:

1. Reintroduction of Home Ownership Campaign (HOC) - Stamp duty exemption on the instruments of transfer and loan agreement for the purchase of residential homes priced between RM300,000 to RM2.5 million subject to at least 10% discounts provided by the developer. The exemption on the instrument of transfer is limited to the first RM 1 million of the home price while full stamp duty exemption is given on loan agreement effective for sales and purchase agreements signed between 1st June 2020 to 31st May 2021.
2. Real Property Gains Tax (RPGT) exemption for disposal of residential homes from 1st June 2020 to 31st December 2021 (This exemption is limited to the disposal of three units of residential homes per individual).

3. The uplifting of the current 70 percent margin of financing limit applicable for the third housing loan onwards for property valued at RM600,000 and above, during the period of the HOC, subject to internal risk management practices of financial institutions. (Ministry of Finance).

Notwithstanding the upturn of market activity and the proposed measures under Penjana, the property market is more than likely to remain soft for the rest of the second half 2020. The pace of improvement, will be depend on both domestic and external factors such as political stability, global oil and commodity prices as well as the COVID-19 pandemic development.

(Source: Property Market Report First Half 2020, Valuation and Property Services Department, Ministry of Finance)

8.5 Prospects and future plans for the Group

Prior to the Group's diversification into the F&B segment in 2014, the Group has been incurring consecutive losses since 2009 due to the weak financial performance of its then existing core businesses, namely the Engineering Services Segment and Manufacturing Segment. The weak performance was mainly due to, amongst others, the increasingly competitive environment in the engineering and manufacturing sectors.

In order to improve its financial performance, the Group has undertaken various efforts including, amongst others, diversifying into the F&B segment in 2014. In addition, the Group further identified the business venture with the Business Partners to develop The Arch as an opportunity to further contribute to the Group's earnings and improve its financial performance. Meanwhile, the Manufacturing Segment was discontinued in 2016 while the operations of the Engineering Services Segment have been gradually reduced to the extent that it contributed only 1% to the Group's total revenue for FYE 31 December 2019.

Moving forward, the Group expects its financial performance to improve in view of the following:-

- (i) with The Arch's unique features and offerings as well as its strategic location next to TREC KL and the Tun Razak Exchange, The Arch is expected to attract considerable consumer traffic, thereby generating streams of revenue to the Group to be contributed by the retail / F&B lots, event hall, Chinese restaurant(s), seafood restaurant(s), western restaurant(s), karaoke centre and car park; and
- (ii) the Group intends to leverage on its existing F&B outlets, namely 'Chaze' and 'LAVO Restaurant & Wine Bar', to further expand its F&B business including, amongst others, opening of additional outlets or launching new F&B brands or concepts such as cloud kitchens.

The outbreak of COVID-19 has impacted the business operations of the Group as the F&B outlets of the Group, save for LAVO Restaurant & Wine Bar which offers takeaway and delivery services, were temporarily closed from March 2020 to June 2020 in line with the imposition of MCO. Following the reopening of the other F&B outlets, the Group has been adhering to the standard operating procedure by practicing social distancing and body temperature screening across all the outlets of the Group. Notwithstanding the above, the business of the Group showed rapid recovery since the reopening of the premises. Given the unpredictability of the COVID-19 situation in Malaysia as well as the reintroduction of the conditional MCO in the state of Selangor and Kuala Lumpur beginning 14 October 2020, the Group is unable to quantify the full financial impact of the COVID-19 outbreak on the Group's business and financial performance at this juncture.

During the MCO period, the Group launched an e-commerce wine platform known as “LavoWine.com” which sells, amongst others, wine, spirits and wine accessories online. The launch of LavoWine.com signifies an additional stream of income to the Group. Further, the outbreak of COVID-19 has demonstrated the importance of business digitalisation across all industries. Thus, moving forward, the Group also intends to transform its business towards digitalisation to capitalise on the emerging consumer trends.

In addition, the Group is hopeful that the Malaysian economy, especially the F&B industry, will rebound strongly in the next year as consumer sentiment improves with the gradual containment of the COVID-19 pandemic.

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9. EFFECTS OF THE CORPORATE EXERCISES

9.1 Share capital

The pro forma effects of the Share Split and Rights Issue of ICPS with Warrants on the issued share capital of the Company are as follows:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	Share capital RM	No. of Shares	Share capital RM
Issued share capital as at the LPD	2,044,266,157	86,965,549	2,044,266,157	86,965,549
After the Share Split	6,132,798,471	86,965,549	6,132,798,471	86,965,549
New Shares to be issued assuming full conversion of the ICPS	51,209,979	⁽¹⁾ 28,165,488	2,044,266,157	⁽²⁾ 1,124,346,386
New Shares to be issued assuming full exercise of the Warrants D	768,149,688	⁽³⁾ 766,872,713	3,066,399,235	⁽³⁾ 3,061,301,640
Enlarged issued share capital after the Rights Issue of ICPS with Warrants	6,952,158,138	882,003,750	11,243,463,863	4,272,613,575

Notes:-

- (1) Assuming all the 512,099,792 ICPS issued under the Minimum Scenario are fully converted into 51,209,979 new Shares based on the conversion mode of surrendering 10 ICPS (which are issued at an issue price of RM0.055 each) without additional cash payment to arrive at the implied conversion price of RM0.55 for every 1 new Share.
- (2) Assuming all the 2,044,266,157 ICPS issued under the Maximum Scenario are fully converted into 2,044,266,157 Shares based on the conversion mode of surrendering 1 ICPS (which is issued at an issue price of RM0.055 each) with additional cash payment of RM0.495 to arrive at the implied conversion price of RM0.55 for every 1 new Share.
- (3) Based on the assumed fair value of RM0.4512 per Warrant D (computed based on the Trinomial option pricing model with data sourced from Bloomberg) and the exercise price of RM0.80 per Warrant D.

9.2 NA and gearing

The pro forma effects of the Rights Issue of ICPS with Warrants on the NA and gearing of the Group are as follows:-

Minimum Scenario

	Unaudited as at 30 June 2020 RM'000	(I) After subsequent event ⁽¹⁾ RM'000	(II) After (I) and the Rights Issue of ICPS with Warrants ⁽²⁾ RM'000	(III) After (II) and assuming full conversion of the ICPS ⁽⁴⁾ RM'000	(IV) After (III) and assuming full exercise of the Warrants D ⁽⁵⁾ RM'000
Share capital	86,966	86,966	86,966	115,131	882,004
Share capital – ICPS	-	-	28,165	-	-
Foreign exchange translation	(20)	(20)	(20)	(20)	(20)
Warrants reserve	-	-	152,353	152,353	-
Accumulated losses	(44,445)	(44,445)	⁽³⁾ (197,428)	(197,428)	(197,428)
Shareholders' equity / NA	42,501	42,501	70,036	70,036	684,556
Non-controlling interest	1,364	1,364	1,364	1,364	1,364
Total equity	43,865	43,865	71,400	71,400	685,920
No. of Shares in issue ('000)	2,044,266	6,132,798	6,132,798	6,184,008	6,952,158
NA per Share (RM)	0.02	0.01	0.01	0.01	0.10
Total borrowings (RM'000)	1,194	1,194	1,194	1,194	1,194
Gearing (times)	0.03	0.03	0.02	0.02	⁽⁶⁾ -

Notes:-

- (1) After accounting for the effects of Share Split.
- (2) Based on the Minimum Subscription Level of 512,099,792 ICPS at an issue price of RM0.055 per ICPS together with 768,149,688 Warrants D and the assumed fair value of RM0.4512 per Warrant D (computed based on the Trinomial option pricing model with data sourced from Bloomberg).
- (3) After deducting estimated expenses incidental to the Corporate Exercises of RM0.63 million.
- (4) Assuming all the 512,099,792 ICPS issued are fully converted into 51,209,979 Shares based on the conversion mode of surrendering 10 ICPS (which are issued at an issue price of RM0.055 each) without additional cash payment to arrive at the implied conversion price of RM0.55 for every 1 new Share.
- (5) Based on the Exercise Price of RM0.80 per Warrant D.
- (6) Less than 0.01.

Maximum Scenario

	Unaudited as at 30 June 2020 RM'000	(I) After subsequent event ⁽¹⁾ RM'000	(II) After (I) and the Rights Issue of ICPS with Warrants ⁽²⁾ RM'000	(III) After (II) and assuming full conversion of the ICPS ⁽⁴⁾ RM'000	(IV) After (III) and assuming full exercise of the Warrants D ⁽⁵⁾ RM'000
Share capital	86,966	86,966	86,966	1,211,312	4,272,613
Share capital – ICPS	-	-	112,435	-	-
Foreign exchange translation	(20)	(20)	(20)	(20)	(20)
Warrants reserve	-	-	608,182	608,182	-
Accumulated losses	(44,445)	(44,445)	⁽³⁾ (653,257)	(653,257)	(653,257)
Shareholders' equity / NA	42,501	42,501	154,306	1,166,217	3,619,336
Non-controlling interest	1,364	1,364	1,364	1,364	1,364
Total equity	43,865	43,865	155,670	1,167,581	3,620,700
No. of Shares in issue ('000)	2,044,266	6,132,798	6,132,798	8,177,064	11,243,463
NA per Share (RM)	0.02	0.01	0.03	0.14	0.32
Total borrowings (RM'000)	1,194	1,194	1,194	1,194	1,194
Gearing (times)	0.03	0.03	0.01	⁽⁶⁾ -	⁽⁶⁾ -

Notes:-

- (1) After accounting for the effects of Share Split.
- (2) Based on the assumption that all the Entitled Shareholders and/or their renounee(s) fully subscribe for their respective entitlements of 2,044,266,157 ICPS at an issue price of RM0.055 per ICPS together with 3,066,399,235 Warrants D and the assumed fair value of RM0.4512 per Warrant D (computed based on the Trinomial option pricing model with data sourced from Bloomberg).
- (3) After deducting estimated expenses incidental to the Corporate Exercises of approximately RM0.63 million.
- (4) Assuming all the 2,044,266,157 ICPS issued are fully converted into 2,044,266,157 Shares based on the conversion mode of surrendering 1 ICPS (which is issued at an issue price of RM0.055 each) with additional cash payment of RM0.495 to arrive at the implied conversion price of RM0.55 for every 1 new Share.
- (5) Based on the Exercise Price of RM0.80 per Warrant D.
- (6) Less than 0.01.

9.3 Substantial Shareholders' shareholdings

The pro forma effects of the Rights Issue of ICPS with Warrants on the substantial Shareholders' shareholdings based on the register of substantial shareholders of the Company as at the LPD are as follows:-

Minimum Scenario

Substantial Shareholders	As at the LPD				(I) After the Share Split			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Asiabio Capital	512,099,792	25.05	-	-	1,536,299,376	25.05	-	-
Fintec	-	-	⁽⁵⁾ 517,199,792	25.30	-	-	⁽⁵⁾ 1,551,599,376	25.30
Credit Suisse AG, Dublin Branch	133,088,000	6.51	-	-	399,264,000	6.51	-	-
Credit Suisse Group AG	-	-	⁽⁶⁾ 202,891,800	9.92	-	-	⁽⁶⁾ 608,675,400	9.92

Substantial Shareholders	(II) After (I) and assuming full conversion of the ICPS				(III) After (II) and assuming full exercise of the Warrants D			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽⁴⁾	No. of Shares	% ⁽⁴⁾
Asiabio Capital	1,587,509,355	25.67	-	-	2,355,659,043	33.88	-	-
Fintec	-	-	⁽⁵⁾ 1,602,809,355	25.92	-	-	⁽⁵⁾ 2,370,959,043	34.10
Credit Suisse AG, Dublin Branch	399,264,000	6.46	-	-	399,264,000	5.74	-	-
Credit Suisse Group AG	-	-	⁽⁶⁾ 608,675,400	9.84	-	-	⁽⁶⁾ 608,675,400	8.76

Notes:-

- (1) Based on the issued share capital of 2,044,266,157 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 6,132,798,471 Shares.
- (3) Based on the enlarged issued share capital of 6,184,008,450 Shares.

- (4) Based on the enlarged issued share capital of 6,952,158,138 Shares.
 (5) Deemed interested by virtue of its interest in Asiabio Capital and Fintec Global Limited pursuant to Section 8 of the Act.
 (6) Deemed interested by virtue of its interest in Credit Suisse AG, Dublin Branch and Credit Suisse (Hong Kong) Limited pursuant to Section 8 of the Act.

Maximum Scenario

Substantial Shareholders	As at the LPD				(I) After the Share Split			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Asiabio Capital	512,099,792	25.05	-	-	1,536,299,376	25.05	-	-
Fintec	-	-	⁽⁵⁾ 517,199,792	25.30	-	-	⁽⁵⁾ 1,551,599,376	25.30
Credit Suisse AG, Dublin Branch	133,088,000	6.51	-	-	399,264,000	6.51	-	-
Credit Suisse Group AG	-	-	⁽⁶⁾ 202,891,800	9.92	-	-	⁽⁶⁾ 608,675,400	9.92

Substantial Shareholders	(II) After (I) and assuming full conversion of the ICPS				(III) After (II) and assuming full exercise of the Warrants D			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽⁴⁾	No. of Shares	% ⁽⁴⁾
Asiabio Capital	2,048,399,168	25.05	-	-	2,816,548,856	25.05	-	-
Fintec	-	-	⁽⁵⁾ 2,068,799,168	25.30	-	-	⁽⁵⁾ 2,844,598,856	25.30
Credit Suisse AG, Dublin Branch	532,352,000	6.51	-	-	731,984,000	6.51	-	-
Credit Suisse Group AG	-	-	⁽⁶⁾ 811,567,200	9.92	-	-	⁽⁶⁾ 1,115,904,900	9.92

Notes:-

- (1) Based on the issued share capital of 2,044,266,157 Shares as at the LPD.
 (2) Based on the enlarged issued share capital of 6,132,798,471 Shares.
 (3) Based on the enlarged issued share capital of 8,177,064,628 Shares.

- (4) Based on the enlarged issued share capital of 11,243,463,863 Shares.
- (5) Deemed interested by virtue of its interest in Asiabio Capital and Fintec Global Limited pursuant to Section 8 of the Act.
- (6) Deemed interested by virtue of its interest in Credit Suisse AG, Dublin Branch and Credit Suisse (Hong Kong) Limited pursuant to Section 8 of the Act.

9.4 Earnings and EPS

The Board expects the Rights Issue of ICPS with Warrants to contribute positively to the future earnings of the Group via the utilisation of proceeds as set out in Section 6 of this Abridged Prospectus.

Subsequent to the completion of the Rights Issue of ICPS with Warrants, the consolidated EPS of the Company shall be correspondingly diluted as a result of the increase in the number of Shares arising from the conversion of the ICPS during the Conversion Period and/or the exercise of the Warrants D during the Exercise Period.

The potential effects of the conversion of the ICPS and the exercise of the Warrants D on the future consolidated earnings and EPS of the Company will depend on, amongst others, the Conversion Mode of the ICPS to be chosen by the holders of the ICPS during the Conversion Period and any additional contributions to earnings that may be derived from the utilisation of proceeds received from the conversion of the ICPS with cash option and exercise of the Warrants D as well as the number of Warrants D exercised at any point in time.

For illustration, assuming the Corporate Exercises had been completed on 1 January 2020 (being the beginning of the latest unaudited 6-month FPE 30 June 2020), the pro forma effects of the Corporate Exercises on the consolidated earnings and EPS of the Company would be as follows:-

	Unaudited 6-month FPE 30 June 2020	Adjusted for Share Split ⁽¹⁾	Pro forma I		Pro forma II	
			After the Rights Issue with Warrants		After Pro forma I and assuming full exercise of the Warrants D	
			Minimum Scenario	Maximum Scenario	Minimum Scenario	Maximum Scenario
PAT attributable to owners of the Company (RM'000)	3,076	3,076	3,076	3,076	3,076	3,076
Weighted average number of Shares ('000)	2,044,266	6,132,798	6,184,008	8,177,064	6,952,158	11,243,463
EPS (sen)	0.15	0.05	0.05	0.04	0.04	0.03

Note:-

- (1) Taking into account and after adjusting for the effects of the Share Split involving the subdivision of every 1 existing Share into 3 Shares of the Company.

10. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

10.1 Working capital and sources of liquidity

The Group's working capital is funded through cash generated from operating activities, credit extended by suppliers, credit facilities from financial institutions as well as the Group's existing cash and bank balances.

As at the LPD, the Group's cash and bank balances stood at RM31.17 million.

The Board confirmed that, after taking into consideration the funds generated from the Group's operations, the banking facilities available to the Group as well as the proceeds to be raised from the Rights Issue of ICPS with Warrants, the Group will have sufficient working capital available for a period of 12 months from the date of this Abridged Prospectus.

10.2 Borrowings

As at the LPD, the Group's total outstanding borrowings (all of which are interest bearing and denominated in RM) are set out as follows:-

Borrowings	Total RM'000
<u>Short-term borrowings (secured)</u>	
- Bank overdrafts	1,195
- Hire purchase	10
<u>Long-term borrowings (secured)</u>	
- Hire purchase	81
Total	1,286

There has not been any default on payments of either interest and/or principal sums on any borrowings throughout the past 1 financial year and subsequent financial period up to the LPD.

10.3 Contingent liabilities

As at the LPD, the Board confirmed that there are no contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial results or position of the Group.

10.4 Material commitments

As at the LPD, save as disclosed below, the Board confirmed that there are no other material commitments incurred or known to be incurred by the Group:-

Capital commitments	RM'000
Construction works for The Arch	85,680

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11. INSTRUCTIONS FOR ACCEPTANCE AND PAYMENT

Full instructions for the acceptance of and payment for the Provisional Allotments as well as Excess ICPS with Warrants D Applications and the procedures to be followed should you and/or your transferee(s) and/or your renounee(s) (if applicable) wish to sell or transfer all or any part of your/his rights entitlement are set out in this Abridged Prospectus and the RSF. You and/or your transferee(s) and/or your renounee(s) (if applicable) are advised to read this Abridged Prospectus, the RSF and the notes and instructions printed therein carefully. In accordance with Section 232(2) of the CMSA, the RSF must not be circulated unless accompanied by this Abridged Prospectus.

Acceptance of and/or payment for the Provisional Allotments which do not conform strictly to the terms of this Abridged Prospectus, the RSF or the notes and instructions printed therein or which are illegible may be rejected at the absolute discretion of the Board.

11.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments that you are entitled to subscribe for in full or in part under the terms and conditions of the Rights Issue of ICPS with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for such ICPS with Warrants D that you have been provisionally allotted as well as to apply for Excess ICPS with Warrants D if you choose to do so. This Abridged Prospectus and the RSF are also available from the registered office of the Company, the Share Registrar or Bursa Securities' website (<http://www.bursamalaysia.com>).

11.2 NPA

The Provisional Allotments are prescribed securities under Section 14(5) of the SICDA and therefore, all dealings in the NPA will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your transferee(s) and/or your renounee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making the applications.

11.3 Methods of acceptance and application

You may subscribe for the Provisional Allotments as well as apply for Excess ICPS with Warrants D, if you choose to do so, using either of the following methods:-

Method	Category of Entitled Shareholders
RSF	All Entitled Shareholders
e-Subscription	All Entitled Shareholders

11.4 Procedures for acceptance and payment

11.4.1 By way of RSF

Acceptance of and payment for the Provisional Allotments allotted to you must be made on the RSF issued together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein. Acceptances which do not strictly conform to the terms and conditions of this Abridged Prospectus, the RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of the Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF. YOU ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY.

If you wish to accept all or part of your entitlement to the Provisional Allotments, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF with the relevant payment must be despatched by ORDINARY POST, COURIER or DELIVERED BY HAND (at your own risk) to the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, at the following address:-

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 - 2783 9299
Fax : +603 - 2783 9222

OR

Customer Service Centre
Unit G-3 Ground Floor
Vertical Podium Avenue 3
Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur

so as to arrive not later than 5.00 p.m. on **Thursday, 19 November 2020**, being the last date and time for the acceptance and payment for the ICPS with Warrants D.

If you lose, misplace or for any other reason require another copy of the RSF, you may obtain additional copies from the registered office of the Company, the Share Registrar or Bursa Securities' website (<http://www.bursamalaysia.com>).

1 RSF must be used for acceptance of the Provisional Allotments standing to the credit of 1 CDS Account. Separate RSFs must be used for the acceptance of Provisional Allotments standing to the credit of more than 1 CDS Account. The ICPS with Warrants D accepted by you will be credited into the CDS Account(s) where the Provisional Allotments are standing to the credit.

Successful applicants to the ICPS with Warrants D will be given the Warrants D on the basis of 3 Warrants D for every 2 ICPS successfully subscribed for. The minimum number of ICPS that can be subscribed or accepted is 1 ICPS. However, you should take note that a trading board lot comprises 100 ICPS and 100 Warrants D. Fractions of a ICPS and/or Warrant D arising from the Rights Issue of ICPS with Warrants will be disregarded and the aggregate of such fractions shall be dealt with as the Board may at its absolute discretion deem fit and expedient and in the best interest of the Company. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar.

In the event that the ICPS with Warrants D are not fully taken up by such applicants, our Board will then have the right to allot such ICPS with Warrants D to the applicants who have applied for the Excess ICPS with Warrants D in the manner as set out in Section 11.6 of this Abridged Prospectus. Our Board reserves the right to accept any applicant in full or in part only without assigning any reasons.

A Notification on the Rights Issue of ICPS with Warrants enclosing the NPA and RSF will be sent to all Entitled Shareholders on the date of the issuance of the Abridged Prospectus. The Abridged Prospectus can be viewed or downloaded from our Company's website at <http://www.focusdynamics.com.my/> or from Bursa Malaysia Securities's website at <https://bursamalaysia.com>. You may also request for a copy of the printed Abridged Prospectus from our Share Registrar at the following address:-

Tricor Investor & Issuing House Services
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No 8 Jalan Kerinchi
59200 Kuala Lumpur

Tel : +603 - 2783 9299
Fax : +603 - 2783 9222

However, only Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors or who have provided our Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Notification of the Rights Issue with Warrants together with the NPA and RSF.

A reply envelope is enclosed with this Abridged Prospectus. To facilitate the processing of the RSFs by the Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the ICPS accepted in the form of a banker's draft or cashier's order or money order or postal order drawn on a bank or post office in Malaysia and which must be made payable to "**FOCUS RIGHTS ISSUE ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name in block letters and your CDS Account number, and must be received by the Share Registrar by 5.00 p.m. on **Thursday, 19 November 2020**. The payment must be made for the exact amount payable for the ICPS accepted. Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF THE BOARD.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU AND/OR YOUR TRANSFEREE(S) AND/OR YOUR RENOUNCEE(S) BY ORDINARY POST TO THE ADDRESS AS SHOWN ON THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. THE BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

YOU SHOULD NOTE THAT ANY RSF AND REMITTANCE LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

ACCEPTANCE AND PAYMENT FOR THE PROVISIONAL ICPS MUST BE MADE IN ACCORDANCE WITH THE RSF ENCLOSED WITH THIS ABRIDGED PROSPECTUS AND MUST BE COMPLETED STRICTLY IN ACCORDANCE WITH THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. ACCEPTANCES AND/ OR PAYMENTS WHICH DO NOT CONFORM WITH THE TERMS AND CONDITIONS OF THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF OR WHICH ARE ILLEGIBLE MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. OUR SHARE REGISTRAR WILL NOT CONTACT YOU AND/ OR YOUR RENOUNCEE(S)/ TRANSFEREE(S) (IF APPLICABLE) FOR SUCH ACCEPTANCES.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPACHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS AS SHOWN ON THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANT'S OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

11.4.2 By way of e-Subscription

You and /or your renounees and/or transferees (if applicable) can have the option to accept your or their entitlement to the Provisional Allotments and payment for the Provisional Allotments through e-Subscription available from TIIH Online website at <https://tiih.online>. The e-Subscription is available to all Entitled Shareholders including individuals, corporations or institutional Shareholders.

Subsequent to the Entitlement Date, The Company will, at its discretion, authorise the Share Registrar to send an electronic notification to the Registered Entitled Shareholders. If you are a Registered Entitled Shareholder, you will be notified on the availability of e-Subscription for the Rights Issue with Warrants on TIIH Online website.

The e-NPA and the e-RSF are available to you upon your login to TIIH Online. You are advised to read the instructions as well as the terms and conditions of the e-Subscription.

Registered Entitled Shareholders who wish to subscribe for the Provisional Allotments and apply for Excess ICPS with Warrants D by way of e-Subscription shall take note of the following:-

- (a) any e-Subscription received by the Share Registrar after the Closing Date for Acceptance, Excess Application and Payment shall be regarded as null and void and of no legal effect unless the Board in its absolute discretion determines otherwise. Any e-Subscription, once received by the Share Registrar from you, is irrevocable and shall be binding on you;
- (b) you will receive notification to login to TIIH Online in respect of your shareholding in your CDS Account(s). Accordingly, for each CDS Account, you can choose to subscribe the ICPS with Warrants D which you are entitled to in whole or part thereof as stipulated in this Abridged Prospectus;
- (c) the e-Subscription made must be in accordance with the procedures of submitting e-Subscription using TIIH Online, the terms and conditions of e-Subscription, this Abridged Prospectus and the e-RSF. Any e-Subscription submitted that does not conform to the terms and conditions of TIIH Online, this Abridged Prospectus and the e-RSF may not be accepted at the sole discretion of The Company. The Company reserves the right at its absolute discretion to reject any e-Subscription which are incomplete or incorrectly completed;
- (d) the number of ICPS with Warrants D you are entitled to under the Rights Issue of ICPS with Warrants is set out in the e-RSF. You are required to indicate the number of ICPS with Warrants D you wish to accept and number of Excess ICPS with Warrants D you wish to apply in the e-RSF;
- (e) the e-Subscription must be accompanied by remittance in RM which is to be made through online payment gateway or telegraphic transfer;
- (f) a handling fee of **RM5.00 per e-RSF** is payable should you make e-Subscription. You will also need to pay a stamp duty of RM10.00 for each e-RSF; and
- (g) the new Shares arising from the ICPS with Warrants D accepted and Excess ICPS with Warrants D applied (if successful pursuant to Procedure for Excess ICPS Application as stated in this Abridged Prospectus) will be issued and credited into your CDS Account as stated in the Record of Depositors as at the last date for transfer of Provisional Allotments.

All Entitled Shareholders who wish to opt for e-Subscription, either in full or in part of your Provisional Allotments, please read and follow the procedures set below: -

(i) Sign up as a user of TIIH Online

- (a) Access TIIH Online at <https://tjih.online>.
- (b) Under e-Services, select "Sign Up" – "Create Individual Account" (applicable for individual Shareholders) or "Create Corporate Holder Account" (applicable for corporation or institutional Shareholders). You may refer to the tutorial guide posted on the homepage for assistance.
- (c) Registration will be verified and you will be notified by email within two working days.

- (d) Proceed to activate your account with the temporary password given in the email and reset your own password.

Note: An email address is allowed to be used once to register as a new user account, and the same email address cannot be used to register another user account. If you are already a user of TIIH Online, you are not required to sign up again. If you are signing up to represent a Corporate Holder Account(s), please contact our Share Registrar for further details and requirements.

(ii) Procedures to make e-Subscription

Individual Registered Entitled Shareholders

- (a) Login to TIIH Online at <https://tiih.online>.
- (b) Select the corporate exercise name: Focus Rights Issue of ICPS with Warrants.
- (c) Read and agree to the Terms & Conditions and confirm the Declaration.
- (d) Preview your CDS Account details and your Provisional Allotments.
- (e) Select the relevant CDS Account and insert the number of ICPS with Warrants D to subscribe and the number of Excess ICPS with Warrants D to apply (if applicable) in the e-RSF.
- (f) Review and confirm the number of ICPS with Warrants D which you are subscribing and the number of Excess ICPS with Warrants you are applying (if applicable) and the total amount payable for the ICPS with Warrants D and Excess ICPS with Warrants D (if applicable).
- (g) Review the payment of stamp duty at RM10 for each e-RSF and handling fee of RM5 for each e-RSF which is included in the total amount payable.
- (h) Proceed to pay via online payment gateway either through Maybank2U or any Financial Process Exchange (FPX) participating bank which you have an internet banking account.
- (i) As soon as the online payment is completed, a confirmation message with details of your subscription and payment from TIIH Online and the relevant payment gateway will be sent to your registered e-mail address.
- (j) Print the payment receipt and your e-RSF for your reference and record.

Corporation or Institutional Registered Entitled Shareholders

- (a) Login to TIIH Online at <https://tiih.online>.
- (b) Select the corporate exercise name: Focus Rights Issue of ICPS with Warrants.
- (c) Agree to the Terms & Conditions and Declaration.

- (d) Proceed to download the "e-RSF file of Provisional Allotments".
- (e) Preview the respective CDS Account details and its Provisional Allotments.
- (f) Arrange to pay for the subscription of ICPS with Warrants D and Excess ICPS with Warrants D via telegraphic transfer into our designated bank account as follows:

Account Name:	FOCUS RIGHTS ISSUE ACCOUNT	FOCUS EXCESS RIGHTS ISSUE ACCOUNT
Bank:	Malayan Banking Berhad	Malayan Banking Berhad
Bank Account No.:	514012430983	514012430990

- (g) Arrange to pay stamp duty at RM10.00 for each e-RSF and handling fee of RM2.00 for each e-RSF into our Share Registrar's bank account as follows:

Account Name:	TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Bank:	Malayan Banking Berhad
Bank Account No.:	514012025081

- (h) Once payments are completed, prepare the submission of your subscriptions by translating the data into the "e-RSF file on the Provisional Allotments".
- (i) Login to TIIH Online, select corporate exercise name: Focus Rights Issue of ICPS with Warrants and proceed to upload the subscription file duly completed.
- (j) Select "Submit" to complete your submission.
- (k) Print the confirmation report of your submission for your record.

(iii) Terms and conditions for e-Subscription

The e-Subscription of ICPS with Warrants D and Excess ICPS with Warrants D (if successful), shall be made on and subject to the terms and conditions appearing herein:-

- (a) After login to TIIH Online, you are required to confirm and declare the following information given are true and correct:-
 - (i) you have attained 18 years of age as at the last day for subscription and payment;
 - (ii) you have, prior to making the e-Subscription, received a printed copy of this Abridged Prospectus and/or have had access to this Abridged Prospectus from Bursa Securities' website at www.bursamalaysia.com, the contents of which you have read and understood;

- (iii) you agree to all the terms and conditions for the e-Subscription as set out in this Abridged Prospectus and have carefully considered the risk factors as set out in this Abridged Prospectus, in addition to all other information contained in this Abridged Prospectus, before making the e-Subscription application;
- (b) you agree and undertake to subscribe for and to accept the number of ICPS with Warrants D and Excess ICPS with Warrants D applied (if applicable) for as stated in the e-RSF. Your confirmation of your subscription will signify, and will be treated as, your subscription of the number of ICPS with Warrants D that may be allotted to you.
- (c) by making and completing your e-Subscription, you, if successful, request and authorise Share Registrar or The Company to credit the ICPS with Warrants D allotted to you into your CDS Account;
- (d) you acknowledge that your e-Subscription is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of The Company or the Share Registrar and irrevocably agree that if:-
 - (i) the Company or the Share Registrar does not receive your e-Subscription; or
 - (ii) data relating to your e-Subscription application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to the Share Registrar, you will be deemed not to have made an e-Subscription and you may not make any claim whatsoever against the Company or the Share Registrar for the ICPS with Warrants D accepted and/or Excess ICPS with Warrants D applied for or for any compensation, loss or damage relating to the e-Subscription.
- (e) you will ensure that your personal particulars recorded with TIIH Online and Bursa Depository are correct. Otherwise, your e-Subscription may be rejected; you must inform Bursa Depository promptly of any change in address failing which the notification on the outcome of your e-Subscription will be sent to your address last maintained with Bursa Depository.
- (f) by making and completing an e-Subscription, you agree that:-
 - (i) in consideration of the Company agreeing to allow and accept your e-Subscription for the Provisional Allotment and Excess ICPS with Warrants D applied (if applicable), your e-Subscription is irrevocable and cannot be subsequently withdrawn; and
 - (ii) the Share Registrar will not be liable for any delays, failures or inaccuracies in the processing of data relating to your e-Subscription due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control.

- (g) the Share Registrar, on the authority of The Company, reserves the right to reject applications which do not conform to these instructions.
- (h) notification on the outcome of your e-Subscription for the ICPS with Warrants D and Excess ICPS with Warrants D will be despatched to you by ordinary post to the address as shown in the Record of Depositors of The Company at your own risk within the timelines as follows:-
 - (i) successful application - a notice of allotment will be despatched within 8 Market Days from the last day for application and payment for the ICPS; or
 - (ii) unsuccessful/partially successful application - the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day of application and payment for the ICPS.

The refund will be credited directly into your bank account if you have registered such bank account information to Bursa Depository for the purposes of cash dividend/distribution. If you have not registered such bank account information to Bursa Depository the refund will be by issuance of cheque and sent by ordinary mail to your last address maintained with Bursa Depository at your own risk.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY ACCEPTED APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCH BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

ALL ICPS AND WARRANTS D TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE OF ICPS WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING SUCH ICPS AND THE WARRANTS D INTO THE CDS ACCOUNTS OF THE SUCCESSFUL APPLICANTS. NO PHYSICAL SHARE OR WARRANT CERTIFICATES WILL BE ISSUED.

If acceptance of and payment for the Provisional Allotments allotted to you (whether in full or in part, as the case may be) are not received by our Share Registrar by 5.00 p.m. on **Thursday, 19 November 2020**, the provisional entitlement to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar.

The Board will then have the right to allot any ICPS with Warrants D not validly taken up to applicants applying for the Excess ICPS with Warrants D in the manner as set out in Section 11.7 of this Abridged Prospectus.

11.5 Procedures for part acceptance

If you do not wish to accept the ICPS with Warrants D provisionally allotted to you in full, you are entitled to accept part of your entitlements that can be subscribed / applied for. The minimum number of ICPS with Warrants D that may be subscribed or accepted is 1 ICPS. Fractions of a ICPS and/or Warrant D arising from the Rights Issue of ICPS with Warrants will be disregarded and the aggregate of such fractions shall be dealt with as the Board may at its absolute discretion deem fit and expedient and in the best interest of the Company. Applicants should take note that a trading board lot comprises 100 ICPS and 100 Warrants D respectively.

You must complete both Part I(A) of the RSF by specifying the number of ICPS with Warrants D which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to the Share Registrar in the same manner as set out in Section 11.4.1 and 11.4.2 of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

11.6 Procedures for sale or transfer of Provisional Allotments

As the Provisional Allotments are prescribed securities, should you wish to sell or transfer all or part of your entitlement to the Provisional Allotments to 1 or more persons, you may do so through your stockbroker during the period up to the last date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement on the open market during the period up to the last date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository during period up to the last date and time for transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository).

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL ALLOTMENTS, YOU ARE NOT REQUIRED TO DELIVER ANY DOCUMENT TO YOUR STOCKBROKER. YOU ARE HOWEVER ADVISED TO ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNT BEFORE SELLING OR TRANSFERRING.

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I(A) and II of the RSF and delivering the RSF together with the full amount payable on the balance of the ICPS with Warrants D applied for to the Share Registrar. Please refer to Section 11.4.1 and 11.4.2 of this Abridged Prospectus for the procedures for acceptance and payment.

YOU SHOULD NOTE THAT ANY RSF AND REMITTANCE LODGED WITH THE SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

11.7 Procedures for the Excess ICPS with Warrants D Application

11.7.1 By Way of RSF

If you wish to apply for additional ICPS with Warrants D in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it with a separate remittance made in RM for the full amount payable for the Excess ICPS with Warrants D applied for, to our Share Registrar so as to arrive not later than 5.00 p.m. on **Thursday, 19 November 2020**, being the last time and date for Excess ICPS with Warrants D Applications and payment.

Payment for the Excess ICPS with Warrants D Application(s) must be made in the same manner as set out in Section 11.4.1 of this Abridged Prospectus except that the banker's draft or cashier's order or money order or postal order drawn on a bank or post office in Malaysia must be made payable to "**FOCUS EXCESS RIGHTS ISSUE ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name in block letters and your CDS Account number, and must be received by our Share Registrar by 5.00 p.m. on **Thursday, 19 November 2020**. The payment must be made for the exact amount payable for the Excess ICPS with Warrants D Application(s). Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

11.7.2 By Way of e-Subscription

If you are an Entitled Shareholder and/or a renounee/transferee who is an individual, you may apply for the Excess ICPS with Warrants D via e-Subscription in addition to your Provisional Allotments. If you wish to do so, you may apply for the Excess ICPS with Warrants D by following the same steps as set out in Section 11.4.2 of this Abridged Prospectus.

The e-Subscription for Excess ICPS with Warrants D will be made on, and subject to, the same terms and conditions appearing in Section 11.4.2 of this Abridged Prospectus.

It is the intention of the Board to allot the Excess ICPS with Warrants D, if any, in a fair and equitable manner in the following priority:-

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess ICPS with Warrants D, taking into consideration their respective shareholdings in the Company as at the Entitlement Date;
- (iii) thirdly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess ICPS with Warrants D, taking into consideration the quantum of their respective Excess ICPS with Warrants D Applications; and
- (iv) finally, on a pro-rata basis and in board lots, to the transferee(s) and/or renounee(s) who have applied for Excess ICPS with Warrants D, taking into consideration the quantum of their respective Excess ICPS with Warrants D Applications.

The Excess ICPS with Warrants D will firstly be allocated to minimise the odd lots (if any) held by each applicant of Excess ICPS with Warrants D. Thereafter, the allocation process will perform items (ii), (iii) and (iv) in succession. Any remaining balance of Excess ICPS with Warrants D will be allocated by performing the same sequence of allocation i.e. items (ii), (iii) and (iv) again in succession until all Excess ICPS with Warrants D are allotted.

Notwithstanding the foregoing, the Board reserves the right to allot any Excess ICPS with Warrants D applied for under Part I(B) of the RSF or by way of e-Subscription in such manner as it deems fit and expedient and in the best interests of the Company subject always to such allocation being made on a fair and equitable basis, and that the intention of the Board as set out in Section 11.7.2 (i), (ii), (iii) and (iv) above is achieved. The Board also reserves the right at its absolute discretion not to accept any application for Excess ICPS with Warrants D, in full or in part, without assigning any reason thereof.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF THE BOARD.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE EXCESS ICPS WITH WARRANTS D APPLICATION OR APPLICATION MONIES IN RESPECT THEREOF. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

EXCESS ICPS WITH WARRANTS D APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. THE BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY SUCH APPLICATION OR TO ACCEPT ANY SUCH APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS ICPS WITH WARRANTS D APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCH BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

11.8 Procedures to be followed by transferee(s) and/or renounee(s)

As a transferee and/or renounee, the procedures for acceptance, selling or transferring of Provisional Allotments, applying for the Excess ICPS with Warrants D and/or payment is the same as that which is applicable to Entitled Shareholders as described in Sections 11.3 to 11.7 of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

If you wish to obtain a copy of this Abridged Prospectus and/or accompanying RSF, you can request the same from the registered office of the Company, the Share Registrar or Bursa Securities' website (<http://www.bursamalaysia.com>).

TRANSFEREE(S) AND/OR RENOUNCEE(S) ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

11.9 CDS Account

Bursa Securities has already prescribed the Shares listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the new securities arising from the Rights Issue of ICPS with Warrants are prescribed securities and, as such, all dealings with such securities will be by book entries through CDS Accounts and shall be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the ICPS with Warrants D. Failure to comply with these specific instructions or inaccuracy of the CDS Account number may result in your application being rejected.

Your subscription for the ICPS with Warrants D and application for excess ICPS with Warrants D, if any, shall signify your consent to receiving such ICPS with Warrants D as deposited securities that will be credited directly into your CDS Account. No physical certificates will be issued.

If you have multiple CDS Accounts into which the Provisional Allotments have been credited, you cannot use a single RSF to accept all these Provisional Allotments. Separate RSFs must be used for acceptance of Provisional Allotments credited into separate CDS Accounts. If successful, the ICPS with Warrants D that you subscribed for will be credited into the CDS Accounts where the Provisional Allotments are standing to the credit.

11.10 Notice of Allotment

Within 5 Market Days after the Closing Date, the Company will make the relevant announcements in relation to the subscription rate of the Rights Issue of ICPS with Warrants.

Upon allotment of the ICPS in respect of your acceptance and/or your renounee / transferee acceptance (if applicable) and Excess ICPS with Warrants D Application (if any), the ICPS shall be credited directly into the respective CDS Account where the Provisional Allotments were credited. No physical certificates will be issued in respect of the ICPS. However, a notice of allotment will be despatched to you and/ or your renounee / transferee (if applicable), by ordinary post within 8 Market Days from Closing Date, or such other period as may be prescribed or allowed by Bursa Securities, at the address last shown on the Record of Depositors at your own risk.

Where any application for the ICPS is not accepted due to non-compliance with the terms of the ICPS or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest to you. The refund will be credited directly into your bank account if you have registered such bank account information to Bursa Depository for the purposes of cash dividend/distribution. If you have not registered such bank account information to Bursa Depository the refund will be by issuance of cheque and will be despatched to you within 15 Market Days from the Closing Date by ordinary post to the address shown on the Record of Depositors at your own risk.

Please note that a completed RSF and the payment thereof once lodged with our Share Registrar for the ICPS cannot be withdrawn subsequently.

11.11 Foreign-Addressed Shareholders

This Abridged Prospectus, the NPA and the RSF have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction other than Malaysia, and have not been (and will not be) lodged, registered or approved under any applicable securities or equivalent legislation (or with or by any regulatory authority or other relevant body) of any country or jurisdiction other than Malaysia.

The distribution of this Abridged Prospectus, the NPA and the RSF, as well as the acceptance of the Provisional Allotments and the subscription for or the acquisition of the ICPS with Warrants D may be restricted or prohibited (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain countries or jurisdiction under the relevant laws of those countries or jurisdictions.

This Abridged Prospectus, the NPA and the RSF are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue of ICPS with Warrants will not be made or offered or deemed made or offered for acquisition or subscription of any ICPS, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue of ICPS with Warrants to which this Abridged Prospectus relates is only available to Entitled Shareholders receiving this Abridged Prospectus, the NPA and the RSF or otherwise within Malaysia.

As a result, this Abridged Prospectus, the NPA and the RSF have not been (and will not be) sent to our Foreign-Addressed Shareholders. However, Foreign-Addressed Shareholders may collect this Abridged Prospectus, the NPA and the RSF from the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, who will be entitled to request such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting this Abridged Prospectus, the NPA and the RSF.

The Company will not make or be bound to make any enquiry as to whether you have a registered address in Malaysia or an address for service in Malaysia if not otherwise stated on our Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. The Company will assume that the Rights Issue of ICPS with Warrants and the acceptance thereof by you would be in compliance with the terms and conditions of the Rights Issue of ICPS with Warrants and would not be in breach of the laws of any jurisdiction. The Company will further assume that you had accepted the Rights Issue of ICPS with Warrants in Malaysia and will at all applicable times be subject to the laws of Malaysia.

A Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) may only accept or renounce all or any part of his/their entitlements and exercise any other rights in respect of the Rights Issue of ICPS with Warrants only to the extent that it would be lawful to do so, and our Company, the Board and officers, Mercury Securities and/or the advisers named herein ("**Parties**") would not, in connection with the Rights Issue of ICPS with Warrants, be in breach of the laws of any country or jurisdiction to which the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) is or might be subject to.

The Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) shall be solely responsible to seek advice from his/their legal and/or professional advisers as to whether the acceptance or renunciation in any manner whatsoever of his entitlement under the Rights Issue of ICPS with Warrants would result in the contravention of the laws of the countries or jurisdictions to which he/they is/are or might be subject to. The Parties shall not accept any responsibility or liability in the event any acceptance or renunciation made by any Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction. The Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of his/their entitlements or to any net proceeds thereof.

The Company reserves the right, in our absolute discretion, to treat any acceptances as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional Allotments relating to any acceptance which is treated as invalid will be included in the pool of ICPS with Warrants D available for excess application by other Entitled Shareholders and/or their transferee(s) and/or their renounee(s).

Each person, by accepting the delivery of this Abridged Prospectus, the NPA and the RSF, accepting any Provisional Allotments by signing any of the forms accompanying this Abridged Prospectus or subscribing for or acquiring the ICPS with Warrants D, will be deemed to have represented, warranted, acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:-

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Entitled Shareholder and/or his transferee(s) and/or his renounee(s) is or might be subject to;
- (ii) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) has complied with the laws to which the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) is or might be subject to in connection with the acceptance or renunciation;
- (iii) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) is not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation of the Provisional Allotments, be in breach of the laws of any jurisdiction to which that person is or might be subject to;
- (iv) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) is/are aware that the ICPS with Warrants D can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged or dealt with in any other way in accordance with all applicable laws in Malaysia;
- (v) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) has/have obtained a copy of this Abridged Prospectus and has/have read and understood the contents of this Abridged Prospectus, has/have had access to such financial and other information and has/have been provided the opportunity to ask such questions to the representatives of the Parties and receive answers thereto as the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) deem(s) necessary in connection with the Foreign-Addressed Shareholder and/or his transferee and/or his renounee's decision to subscribe for or purchase the ICPS and Warrants D; and
- (vi) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) has/have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the ICPS and Warrants D, and is/are and will be able, and is/are prepared to bear the economic and financial risks of investing in and holding the ICPS and Warrants D.

NOTWITHSTANDING ANYTHING HEREIN, THE FOREIGN-ADDRESSED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE TO THEM. NO PERSON IN ANY TERRITORY OUTSIDE OF MALAYSIA RECEIVING THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS MAY TREAT THE SAME AS AN OFFER, INVITATION OR SOLICITATION TO SUBSCRIBE FOR OR ACQUIRE ANY ICPS AND WARRANTS D UNLESS SUCH OFFER, INVITATION OR SOLICITATION COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER REGULATORY OR LEGAL REQUIREMENTS ON SUCH TERRITORY.

12. TERMS AND CONDITIONS

The issuance of the ICPS and Warrants D pursuant to the Rights Issue of ICPS with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the Deed Poll D, the NPA and RSF.

13. FURTHER INFORMATION

You are requested to refer to the enclosed Appendix I for further information.

Yours faithfully,
For and on behalf of the Board of
FOCUS DYNAMICS GROUP BERHAD



TAY BEN SENG, BENSON
Executive Director

APPENDIX I - INFORMATION ON THE COMPANY**1. SHARE CAPITAL**

As at the LPD, the issued share capital of the Company is RM86,965,549 comprising 2,044,266,157 Shares.

2. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Please refer to Section 9.3 of this Abridged Prospectus for information on the substantial Shareholders' shareholdings before and after the Rights Issue of ICPS with Warrants.

3. DIRECTORS

The details of the Board as at the LPD are set out in the table below:-

Name (<i>Designation</i>)	Age	Address	Nationality
Tay Ben Seng, Benson (<i>Executive Director</i>)	36	No. 17, Jalan 19/5 46300 Petaling Jaya Selangor, Malaysia	Malaysian
Tan Aik Heang (<i>Independent Non-Executive Director</i>)	53	5, Jalan Wan Mohd Salleh Green Town 30450 Ipoh Perak, Malaysia	Malaysian
Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad (<i>Independent Non-Executive Director</i>)	73	No. 12, Jalan Ubin U8/19D Bukit Jelutong 40150 Shah Alam Selangor, Malaysia	Malaysian
Chong Kwang Fock (<i>Independent Non-Executive Director</i>)	41	A14-13A, Bougainvilla Apartment No. 1 Jalan Prima Pelangi 1 Bukit Prima Pelangi 51200 Kuala Lumpur	Malaysian

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APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

Save as disclosed below, none of the Directors have any direct and/or indirect shareholding in the Company as at the LPD. The pro forma effects of the Corporate Exercises on the shareholding of the Directors are as follows:-

Minimum Scenario

Director	As at the LPD				(I) After the Corporate Exercises and assuming full conversion of the ICPS				(II) After (I) and assuming full exercise of the Warrants D			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(3)%	No. of Shares	(3)%
Tay Ben Seng, Benson	43,033,380	2.11	-	-	129,100,140	2.09	-	-	129,100,140	1.86	-	-

Notes:-

- (1) Based on the issued share capital of 2,044,266,157 Shares as at the LPD.
- (2) Based on the issued share capital of 6,184,008,450 Shares.
- (3) Based on the issued share capital of 6,952,158,138 Shares.

Maximum Scenario

Director	As at the LPD				(I) After the Corporate Exercises and assuming full conversion of the ICPS				(II) After (I) and assuming full exercise of the Warrants D			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(3)%	No. of Shares	(3)%
Tay Ben Seng, Benson	43,033,380	2.11	-	-	172,133,520	2.11	-	-	236,683,590	2.11	-	-

Notes:-

- (1) Based on the issued share capital of 2,044,266,157 Shares as at the LPD.
- (2) Based on the issued share capital of 8,177,064,628 Shares.
- (3) Based on the issued share capital of 11,243,463,863 Shares.

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)**4. HISTORICAL FINANCIAL INFORMATION**

The following table sets out a summary of the financial information of the Group for the FYE 31 December 2017, FYE 31 December 2018, FYE 31 December 2019 and 6-month FPE 30 June 2020:-

Historical financial performance

	Audited			Unaudited	
	Restated FYE 31 December 2017	FYE 31 December 2018	FYE 31 December 2019	6-month FPE 30 June 2019	6-month FPE 30 June 2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	24,024	24,210	39,077	19,255	20,721
Cost of sales	(12,172)	(11,954)	(18,683)	(9,206)	(7,975)
GP	11,852	12,256	20,394	10,049	12,746
Other operating income	17,118	6,336	3,509	1,477	242
Other operating expenses	(23,648)	(18,220)	(20,080)	(8,486)	(7,337)
Finance costs	(64)	(65)	(905)	(34)	(402)
Net impairment losses on financial assets	-	(2,938)	(2,237)	-	-
Share of profit on investment in joint venture	(1)-	438	60	(350)	(227)
PBT / (LBT)	5,258	(2,193)	741	2,656	5,022
Taxation	(635)	(826)	(2,632)	(1,281)	(1,954)
PAT / (LAT)	4,623	(3,019)	(1,891)	1,375	3,068
Profit / (loss) attributable to:-					
- owners of the Company	3,180	(3,122)	(1,809)	1,295	3,076
- non-controlling interests	1,443	103	(82)	80	(8)
GP margin (%)	49.33	50.62	52.19	52.19	61.51
PAT / (LAT) margin (%)	19.24	(12.47)	(4.84)	7.14	14.81

Note:-

(1) Negligible.

Historical financial position

	Audited			Unaudited
	Restated FYE 31 December 2017	FYE 31 December 2018	FYE 31 December 2019	6-month FPE 30 June 2020
	RM'000	RM'000	RM'000	RM'000
Non-current assets	14,000	21,732	35,025	34,742
Current assets	29,091	36,723	34,672	42,823
Total assets	43,091	58,455	69,697	77,565

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

	Audited			Unaudited
	Restated FYE 31 December 2017	FYE 31 December 2018	FYE 31 December 2019	6-month FPE 30 June 2020
	RM'000	RM'000	RM'000	RM'000
Share capital	39,202	86,816	86,966	86,966
Share premium	25,691	-	-	-
Warrant reserve	4,604	32	-	-
ESOS reserve	2,716	-	-	-
Foreign currency translation reserve	(13)	(13)	(14)	(20)
Accumulated losses	(42,503)	(45,718)	(47,521)	(44,445)
Shareholders' equity / NA	29,697	41,117	39,431	42,501
Non-controlling interests	1,045	1,148	1,373	1,364
Total equity	30,742	42,265	40,804	43,865
Non-current liabilities	122	82	3,699	3,852
Current liabilities	12,227	16,108	25,194	29,848
Total liabilities	12,349	16,190	28,893	33,700
Total equity and liabilities	43,091	58,455	69,697	77,565

Historical cash flow

	Audited			Unaudited
	Restated FYE 31 December 2017	Restated FYE 31 December 2018	FYE 31 December 2019	6-month FPE 30 June 2020
	RM'000	RM'000	RM'000	RM'000
<u>Net cash from / (used in)</u>				
Operating activities	(241)	(9,362)	17,561	12,813
Investing activities	(2,889)	(10,092)	(14,328)	(3,378)
Financing activities	187	14,572	(1,669)	(575)
Net increase / (decrease) in cash and cash equivalents	(2,943)	(4,882)	1,564	8,860
Effects of changes in exchange rate	(13)	-	-	-
Cash and cash equivalents at beginning of the year / period	10,821	7,865	2,983	4,547
Cash and cash equivalents at end of the year / period	7,865	2,983	4,547	13,407

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

(i) 6-month FPE 30 June 2020 vs 6-month FPE 30 June 2019

The Group's revenue increased by 7.58% to RM20.72 million as compared to the previous corresponding period. The higher revenue was mainly due to higher contribution from the F&B segment as a result of new sales of imported wine following the launching of a new e-commerce wine platform known as "LavoWine.com" which sells, amongst others, wine, spirits and wine accessories online.

In line with the higher revenue, the Group recorded a 26.87% increase in GP to RM 12.75 million for the 6-month FPE 30 June 2020 (GP margin of 61.51%) as compared to a GP of RM10.05 million (GP margin of 52.19%) in the previous corresponding period. Apart from the higher revenue, the higher GP was contributed by higher GP margin which in turn was mainly due to the new sales of imported wines following the launching of "LavoWine.com" as set out above.

In line with the higher GP, the Group recorded a higher PAT for 6-month FPE 30 June 2020 of RM3.07 million as compared to a PAT of RM1.38 million in the previous corresponding period.

For 6-month FPE 30 June 2020, the Group recorded an increase in cash and cash equivalents of RM8.86 million (6-month FPE 30 June 2019: increase of RM0.27 million) mainly due to the net cash generated from operating activities of RM12.81 million.

(ii) FYE 31 December 2019 vs FYE 31 December 2018

The Group's revenue for FYE 31 December 2019 increased by RM14.87 million or 61.42% as compared to the previous financial year. The higher revenue was mainly due to the opening and operation of the Group's entertainment bar known as 'Bounce' towards the end of 2018.

In line with the higher revenue, the Group recorded a higher GP of RM20.39 million (GP margin of 52.19%) in FYE 31 December 2019 as compared to a GP of RM12.26 million (GP margin of 50.62%) in the previous financial year. The higher GP was mainly due to the additional sales contributed by 'Bounce'.

In line with the higher GP, the Group recorded a lower LAT of RM1.89 million in FYE 31 December 2019 as compared to a LAT of RM3.02 million in the previous financial year, representing a decrease of 37.42%. The higher GP was partly offset by the following:-

- (a) higher other operating expenses of RM20.08 million in FYE 31 December 2019 (FYE 31 December 2018: RM18.22 million) due to additional expenses incurred arising from the opening and operation of 'Bounce'; and
- (b) lower other operating income of RM3.51 million in FYE 31 December 2019 (FYE 31 December 2018: RM6.34 million) due to lower income from rental of car park and billboard as a result of conversion of part of the rental space into construction site as well as absence of reversal of impairment loss on property, plant and equipment of RM1.08 million as described in Section 4(iii) below.

For FYE 31 December 2019, the Group recorded an increase in cash and cash equivalents of RM1.56 million (FYE 31 December 2018: decrease of RM4.88 million) mainly due to the net cash generated from operating activities of RM17.56 million (FYE 31 December 2018: net cash used of RM9.36 million). However, this was partly offset by the following:-

- (a) higher purchase of property, plant and equipment (in the form of furniture, fittings and equipment as well as renovation costs, amongst others) of RM6.86 million (FYE 31 December 2018: RM4.84 million); and

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

- (b) lease rental and other expenses incurred in relation to The Arch of RM8.18 million (FYE 31 December 2018: RM5.26 million).

(iii) FYE 31 December 2018 vs FYE 31 December 2017

The Group's revenue for FYE 31 December 2018 remained relatively unchanged at RM24.21 million as compared to RM24.02 million in the previous financial year, representing a slight increase of 0.79%.

Similarly, the Group's GP remained relatively unchanged at RM12.26 million (GP margin of 50.62%) in FYE 31 December 2018 as compared to a GP of RM11.85 million (GP margin of 49.33%) in the previous financial year.

Despite the relatively unchanged GP, the Group recorded a LAT of RM3.02 million in FYE 31 December 2018 as compared to a PAT of RM4.62 million in the previous financial year. This was mainly due to:-

- (a) lower other operating income of RM6.34 million in FYE 31 December 2018 (FYE 31 December 2017: RM17.12 million) due to lower rental income from car park and billboard as a result of conversion of part of the rental space into construction site as well as absence of a one-off gain on disposal of property, plant and equipment of RM2.02 million in the previous financial year;
- (b) an impairment loss on trade and other receivables amounting to RM2.94 million in FYE 31 December 2018 (FYE 31 December 2017: nil) as a result of predicting the non-collectability of certain overdue debts, mainly in respect of trade receivables where some of the debtors have not been responding after numerous follow ups.

The above was partly offset by:-

- (a) lower other operating expenses of RM18.22 million for FYE 31 December 2018 (FYE 31 December 2017: RM23.65 million) as a result of lower rental of premises following the closure of a few loss-making outlets; and
- (b) a one-off reversal of impairment loss on property, plant and equipment amounting RM1.08 million for FYE 31 December 2018 (FYE 31 December 2017: nil) due to refund by the contractor on renovation works that were not up to mark.

For FYE 31 December 2018, the Group recorded a decrease in cash and cash equivalents of RM4.88 million (FYE 31 December 2017: decrease of RM2.94 million) mainly due to the following:-

- (a) net cash used in operating activities of RM9.36 million (FYE 31 December 2017: net cash used of RM0.24 million); and
- (b) lease rental and other expenses incurred in relation to The Arch of RM5.26 million (FYE 31 December 2017: nil).

However, the above was partly offset by the proceeds raised from the conversion of warrants 2014/2019 of the Company and options granted pursuant to the employees' share option scheme amounting to RM14.63 million (FYE 31 December 2017: RM0.25 million).

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)**5. HISTORICAL SHARE PRICES**

The monthly highest and lowest market prices of Focus Shares as transacted on Bursa Securities for the past 12 months preceding the date of this Abridged Prospectus are as follows:-

	High RM	Low RM
<u>2019</u>		
November	0.390	0.335
December	0.505	0.355
<u>2020</u>		
January	0.695	0.490
February	0.790	0.605
March	0.760	0.545
April	0.685	0.495
May	0.740	0.620
June	0.875	0.690
July	1.400	0.845
August	2.600	1.370
September	2.640	2.080
October	2.680	0.620

Last transacted market price on 17 August 2020, being the last Market Day immediately prior to the first announcement of the Rights Issue of ICPS with Warrants (RM) 2.000

Last transacted market price on 2 November 2020, being the Market Day immediately prior to the ex-date for the Rights Issue of ICPS with Warrants (RM) 0.630

Last transacted market price as at the LPD (RM) 2.400

(Source: Bloomberg)

6. OPTION TO SUBSCRIBE FOR SHARES

As at the LPD, save for the Provisional Allotments and Excess ICPS with Warrants D, no option to subscribe for the Shares has been granted or is entitled to be granted to any person.

7. MATERIAL CONTRACTS

The Board confirmed that there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group during the 2 years preceding the date of this Abridged Prospectus, save as disclosed below:

- (a) Sale and purchase agreement dated 26 August 2020 entered into between AK Star Sdn Bhd (as developer) and Marquee International Sdn Bhd (as purchaser) for the purchase of a parcel of housing accommodation under a housing development known as Axon Bukit Bintang located in Kuala Lumpur with vacant possession distinguished as Parcel No. A-29-15, Level 29, Block A, measuring approximately 801 square feet, for the purchase consideration of RM1,472,000.00. As at the LPD, the purchaser is paying the purchase consideration progressively in accordance with the terms of the sale and purchase agreement during the period of construction of the project.

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

- (b) Sale and purchase agreement dated 26 August 2020 entered into between AK Star Sdn Bhd (as developer) and Marquee International Sdn Bhd (as purchaser) for the purchase of a parcel of housing accommodation under a housing development known as Axon Bukit Bintang located in Kuala Lumpur with vacant possession distinguished as Parcel No. A-30-15, Level 30, Block A, measuring approximately 801 square feet with the purchase consideration of RM1,473,000.00. As at the LPD, the purchaser is paying the purchase consideration progressively in accordance with the terms of the sale and purchase agreement during the period of construction of the project.
- (c) Subscription agreement dated 13 October 2020 entered into between Top Standard Corporation and Focus Dynamic Group Limited whereby Focus Dynamic Group Limited shall subscribe for 192,000,000 new shares in Top Standard Corporation in cash, at the subscription price of Hong Kong dollar 0.077 per share. As at the LPD, the transaction is pending completion in accordance with the terms of the subscription agreement.

8. MATERIAL LITIGATION

As at the LPD, the Board confirmed that neither the Company nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of the Group and the Board confirmed that there are no proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group.

9. CONSENTS

- (i) The written consents of the Principal Adviser, Share Registrar, Reporting Accountants, Independent Market Researcher and the Solicitors for the Rights Issue of ICPS with Warrants for the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not been subsequently withdrawn.
- (ii) The written consent of Bloomberg for the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Focus at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan, Malaysia during normal business hours from Monday to Friday (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:-

- (i) the Constitution;
- (ii) the Undertaking referred to in Section 4 of this Abridged Prospectus;
- (iii) the letters of consent referred to in Section 9 of Appendix I above;
- (iv) the Deed Poll D;
- (v) the IMR Report referred to in Sections 8.2 and 8.3 of this Abridged Prospectus; and
- (vi) the material contracts referred to in Section 7 of Appendix I above.

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

11. RESPONSIBILITY STATEMENT

- (i) The Board has seen and approved this Abridged Prospectus, together with the NPA and RSF, and they collectively and individually accept full responsibility for the accuracy of the information contained therein and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in these documents false or misleading.
- (ii) Mercury Securities, being the Principal Adviser for the Rights Issue of ICPS with Warrants, acknowledges that, based on all available information and to the best of their knowledge and belief, this Abridged Prospectus constitutes full and true disclosure of all material facts concerning the Rights Issue of ICPS with Warrants.

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