

**FOCUS DYNAMICS GROUP BERHAD (Company No: 582924-P)**  
**(FORMERLY KNOWN AS FOCUS DYNAMICS TECHNOLOGIES BERHAD)**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

THE FIGURES HAVE NOT BEEN AUDITED

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		UNAUDITED CURRENT QUARTER ENDED	UNAUDITED COMPARATIVE QUARTER ENDED	UNAUDITED CUMULATIVE YEAR TO DATE	AUDITED CUMULATIVE PRECEDING YEAR TO DATE
		31/12/2015	31/12/2014	31/12/2015	31/12/2014
		RM	RM	RM	RM
<b>CONTINUING OPERATIONS</b>					
REVENUE	A9	2,312,029	3,467,470	8,045,098	12,210,718
COST OF SALES		(1,946,151)	(1,905,720)	(4,607,751)	(5,853,484)
GROSS PROFIT		365,878	1,561,750	3,437,347	6,357,234
OTHER INCOME		23,077	110,633	99,385	279,745
OPERATING EXPENSES		(4,903,596)	(4,262,845)	(17,731,065)	(13,041,506)
LOSS FROM OPERATIONS		(4,514,641)	(2,590,462)	(14,194,333)	(6,404,527)
INTEREST INCOME		236,711	195,383	1,097,941	219,143
INTEREST EXPENSES		(27,886)	(157,858)	(170,684)	(405,869)
GAIN OR (LOSS) ARISING FROM DISPOSAL OF SUBSIDIARY COMPANY		-	-	147,998	-
GAIN OR (LOSS) ARISING FROM DISPOSAL OF ASSOCIATE COMPANY		-	-	2	-
LOSS BEFORE TAX		(4,305,816)	(2,552,937)	(13,119,076)	(6,591,253)
INCOME TAX EXPENSE	B6	(200,703)	54,252	(200,703)	(6,815)
LOSS FOR THE PERIOD		(4,506,519)	(2,498,685)	(13,319,779)	(6,598,068)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(4,506,519)	(2,498,685)	(13,319,779)	(6,598,068)
LOSS FOR THE PERIOD ATTRIBUTABLE TO:					
OWNERS OF THE PARENT		(4,506,519)	(2,498,685)	(13,319,779)	(6,481,873)
NON-CONTROLLING INTEREST		-	-	-	(116,195)
		(4,506,519)	(2,498,685)	(13,319,779)	(6,598,068)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:					
OWNERS OF THE PARENT		(4,506,519)	(2,498,685)	(13,319,779)	(6,481,873)
NON-CONTROLLING INTEREST		-	-	-	(116,195)
		(4,506,519)	(2,498,685)	(13,319,779)	(6,598,068)
Loss Per Ordinary Share					
- Basic (sen)	B11	(0.64)	(0.62)	(1.89)	(1.60)
- Dilutive (sen)		#	#	#	#

**NOTE:**

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements forended 31 December 2014 and the accompanying explanatory notes to this Interim Financial Statements.

# The fully dilutive loss per share of the Group for the current financial period is not presented as the warrants would be anti-dilutive as the exercise price of the warrants is higher than the fair value of the Company's shares.

**FOCUS DYNAMICS GROUP BERHAD (Company No: 582924-P)**  
**(FORMERLY KNOWN AS FOCUS DYNAMICS TECHNOLOGIES BERHAD)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**

THE FIGURES HAVE NOT BEEN AUDITED

	UNAUDITED AS AT 31/12/2015	AUDITED AS AT 31/12/2014
	RM	RM
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	10,694,340	8,783,814
Investment	714,471	-
Goodwill on consolidation	-	2,331,544
	<u>11,408,811</u>	<u>11,115,358</u>
<b>Current Assets</b>		
Inventories	1,534,880	793,559
Trade and other receivables	6,543,243	9,481,730
Tax recoverable	2,500	200,673
Deposits with licenced banks	24,999,180	35,067,176
Cash and bank balances	543,786	1,074,770
	<u>33,623,589</u>	<u>46,617,908</u>
<b>TOTAL ASSETS</b>	<u>45,032,400</u>	<u>57,733,266</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	70,550,279	70,550,279
Share premium	2,966,427	2,966,427
ESOS reserves	3,239,872	-
Accumulated losses	(37,491,203)	(24,171,424)
	<u>39,265,375</u>	<u>49,345,282</u>
Non-controlling interest	-	-
<b>Total Equity</b>	<u>39,265,375</u>	<u>49,345,282</u>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Borrowings	163,303	460,944
Deferred tax liabilities	-	90,613
	<u>163,303</u>	<u>551,557</u>
<b>Current Liabilities</b>		
Trade and other payables	4,058,374	5,513,518
Provision for warranty and maintenance cost	-	377
Amount due to associated companies	-	5,055
Amount due to directors	-	12,900
Provision for taxation	232,936	32,233
Borrowings	1,312,412	2,272,344
	<u>5,603,722</u>	<u>7,836,427</u>
<b>Total Liabilities</b>	<u>5,767,025</u>	<u>8,387,984</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>45,032,400</u>	<u>57,733,266</u>
Number of ordinary shares at RM0.10 sen par each	705,502,788	705,502,788
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	5.57	6.99

**NOTES:**

1. The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for financial year ended 31 December 2014 and the accompanying explanatory notes to this Interim Financial Statements.

2. Net assets per share is derived based on Focus Dynamics Technologies Berhad's consolidated net assets of RM41,240,280 (FYE 31/12/14-RM49,345,282) over the issued number of ordinary shares of 705,502,788 (FYE 31/12/14 - 705,502,788) of RM0.10 each.

**FOCUS DYNAMICS GROUP BERHAD (Company No: 582824-P)**  
**(FORMERLY KNOWN AS FOCUS DYNAMICS TECHNOLOGIES BERHAD)**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

THE FIGURES HAVE NOT BEEN AUDITED

	←-----Non-distributable-----→					-----Distributable-----→			Total Equity RM
	Share Capital RM	Share Premium RM	Warrant Reserve RM	Foreign Currency Translation Reserve RM	ESOS Reserve RM	Retained Profits/ (Accumulated Losses) RM	Total RM	Non- Controlling Interest RM	
Balance at 1 January 2014	35,275,140	3,464,689	-	-	-	(18,374,721)	20,365,108	801,865	21,166,973
Issue of shares	35,275,139	-	-	-	-	-	35,275,139	-	35,275,139
Share issue expenses	-	(488,262)	-	-	-	-	(488,262)	-	(488,262)
Total comprehensive loss for the period	-	-	-	-	-	(6,481,873)	(6,481,873)	(116,195)	(6,598,068)
Changes in a subsidiary's ownership interest that do not result in a loss of control	-	-	-	-	-	685,170	685,170	-	685,170
Net assets acquired from non-controlling interest	-	-	-	-	-	-	-	(685,670)	(685,670)
Balance at 31 December 2014	<u>70,550,279</u>	<u>2,966,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,171,424)</u>	<u>49,345,282</u>	<u>-</u>	<u>49,345,282</u>
Balance at 1 January 2015	70,550,279	2,966,427	-	-	-	(24,171,424)	49,345,282	-	49,345,282
Issue of shares	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	3,239,872	-	3,239,872	-	3,239,872
Total comprehensive loss for the period	-	-	-	-	-	(13,319,779)	(13,319,779)	-	(13,319,779)
Interest	-	-	-	-	-	-	-	-	-
Balance at 31 December 2015	<u>70,550,279</u>	<u>2,966,427</u>	<u>-</u>	<u>-</u>	<u>3,239,872</u>	<u>(37,491,203)</u>	<u>39,265,375</u>	<u>-</u>	<u>39,265,375</u>

**NOTE:**

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying explanatory notes to this Interim Financial Statements.

**FOCUS DYNAMICS GROUP BERHAD (Company No: 582924-P)**  
**(FORMERLY KNOWN AS FOCUS DYNAMICS TECHNOLOGIES BERHAD)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

	CUMULATIVE QUARTERS	
	UNAUDITED CURRENT QUARTER ENDED	AUDITED COMPARATIVE QUARTER ENDED
	31/12/2015 RM	31/12/2014 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	11,082,979	10,764,603
Cash payments to suppliers and employees	(17,291,003)	(15,233,917)
Cash used in operations	<u>(6,208,024)</u>	<u>(4,469,314)</u>
Interest received	1,097,941	219,143
Interest paid	(132,637)	(368,177)
Income taxes refund	10,485	59,174
Income taxes paid	(45,449)	(141,879)
Expenses incurred for share issue	-	-
Net cash used in operating activities	<u>(5,277,684)</u>	<u>(4,701,053)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment ("PPE")	(6,771,113)	(2,017,523)
Proceeds from disposal of PPE	-	4,844,789
Proceeds from disposal of subsidiary company	3,018,841	-
Proceeds from disposal of an associated company	2	-
Acquisition of subsidiary company	-	(500)
Investment in subsidiary company	(714,471)	-
Net cash used in investing activities	<u>(4,466,741)</u>	<u>2,826,766</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of shares issued expenses	-	(498,262)
Proceeds from issuance of shares	-	35,275,139
Payment of hire purchase interest	(21,683)	(37,692)
Repayments of hire purchase liabilities	(189,174)	(273,684)
Term loan drawdown	-	2,400,000
Repayment of term loans	(171,207)	(4,502,771)
Payment of term loans interest	(16,364)	-
Net cash generated from financing activities	<u>(398,428)</u>	<u>32,362,730</u>
Net increase in cash and cash equivalent	(10,142,853)	30,488,443
Cash and cash equivalent at beginning of year	34,484,432	3,995,989
Cash and cash equivalent at end of year	<u>24,341,579</u>	<u>34,484,432</u>
Cash and cash equivalent comprise:		
Cash in hand and at banks	543,786	1,074,770
Short term deposits	61,901	182,384
Deposits with licensed banks	24,937,279	34,884,792
Bank overdraft	(1,201,387)	(1,657,514)
	<u>24,341,579</u>	<u>34,484,432</u>

**NOTES:**

*The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the financial period ended 31 December 2014 and the accompanying explanatory notes to this Interim Financial Statements.*

**Focus Dynamics Group Berhad ("Focus" or the "Company")**  
**(formerly known as Focus Dynamics Technologies Berhad)**  
**(Company No: 582924-P)**  
**Interim Financial Report for the three months period ended 31 December 2015**

**PART A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 ("MFRS 134") INTERIM FINANCIAL REPORTING**

**A1. BASIS OF PREPARATION**

The interim financial statements are unaudited and have been prepared in accordance with the requirements outlined in the Malaysian Financial Reporting Standards ("MFRSs") No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and Paragraph 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Securities") ACE Market Listing Requirements ("ACE Listing Requirements") and should be read in conjunction with the audited financial statements of the Company and its subsidiaries ("Group") for the financial year ended 31 December 2014. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2014.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the financial year ended 31 December 2014.

New MFRs and Amendments/ Improvements to MFRSs that are issued, but, not yet effective and have not been early adopted.

The Group and the Company have not adopted the following new MFRs and amendments/ improvements to MFRSs that have been issued by the MASB as at the date of authorization of these financial statements but are not yet effective for the Group and the Company.

<b>New MFRs</b>	<b>Effective for financial periods beginning on or after</b>	
MFRS 9	Financial instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2017
<b>Amendments to MFRSs</b>		
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
MFRS 116 and MFRS 141	Agriculture: Bearer Plants	1 January 2016
MFRS 119	Defined Benefit Plans: Employees Contributions	1 July 2014
MFRS 127	Equity Method in Separate Financial Statements	1 January 2016

<b>Amendments to MFRs contained in the document entitled</b>	<b>Effective for financial periods beginning on or after</b>
Annual improvements to MFRs 2010- 2012 Cycle	1 July 2014
Annual improvements to MFRs 2011-2013 Cycle	1 July 2014
Annual improvements to MFRs 2012-2014 Cycle	1 January 2016

**A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audit report for the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2014 were not subject to any qualification.

**A3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

The Group's business operational results were not materially affected by any major seasonal or cyclical factors.

**A4. UNUSUAL ITEM DUE TO THEIR NATURE, SIZE OR INCIDENCE**

During the current quarter under review, there were no unusual items or events that affecting the assets, liabilities, equity, net income or cash flows, to the effect that is unusual nature, size or incidence.

**A5. MATERIAL ESTIMATES AND CHANGES IN ESTIMATES**

There were no changes in estimates that have a material effect in the current quarter and financial period-to-date results under review.

**A6. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES**

There were no issuances, repurchases and repayment of debt securities during the period under the review and up to the date of this report

**A7. DIVIDEND DECLARED**

No dividend has been declared or paid by the Company during the current quarter under review.

The Directors do not recommend the payment of any dividend in respect of the current financial period under review.

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## A8. SEGMENT INFORMATION

Segment information is provided based on three (3) major business segments, i.e. engineering services, manufacturing and Food & Beverage. Expenses, assets and liabilities which are common and cannot be meaningfully allocated to the segments are presented under allocated expenses, assets and liabilities respectively.

Business segments in revenue and results of the Company and its subsidiaries ("Group") for the current year to date ended 31 December 2015 are as follows:-

	←-----Results for 12 months ended 31 December 2015-----→				
	Manufacturing RM	Engineering services RM	Food & Beverage RM	Others RM	Total RM
<b>Revenue</b>					
Segment revenue	3,600	3,768,391	4,273,107	-	8,045,098
Elimination- inter segment	-	-	-	-	-
<b>Total revenue</b>				-	<b>8,045,098</b>
<b>Results from operating activities</b>	(1,302,668)	(2,811,163)	(6,251,383)	(2,731,178)	(13,096,392)
Finance costs					(170,684)
Gain on disposal of a subsidiary company					147,998
Gain on disposal of associated company					2
Impairment loss on goodwill					(1,714,233)
<b>Loss before taxation</b>					<b>(13,119,076)</b>
Tax expense					(200,703)
<b>Loss after taxation</b>					<b>(13,319,779)</b>
<b>Assets and Liabilities</b>					
Segment assets	-	7,126,944	12,291,884	68,106	19,486,934
Goodwill on consolidation					-
Investment in associates					-
Cash in hand and at banks					543,786
Deposits with licensed banks					24,999,180
Tax recoverable					2,500
<b>Consolidated total assets</b>					<b>45,032,400</b>
Segment liabilities	6,500	1,125,255	1,798,908	1,127,711	4,058,374
Provision for taxation					232,936
Deferred tax liabilities					-
Borrowings					1,475,715
<b>Total liabilities</b>					<b>5,767,025</b>
Capital expenditure	-	-	6,771,113	-	6,771,113
Depreciation of property, plant and equipment	-	795,078	674,431	-	1,469,509

←-----Results for 12 months ended 31 December 2014-----→					
	Manufacturing RM	Engineering services RM	Food & Beverage RM	Others RM	Total RM
<b>Revenue</b>					
Segment revenue	18,865	5,252,112	6,939,741	-	12,210,718
Elimination- inter segment					-
Total revenue					<u>12,210,718</u>
Results from operating activities	(2,078,203)	(1,572,602)	(1,951,383)	(583,196)	(6,185,384)
Finance costs					<u>(405,869)</u>
Loss before taxation					<u>(6,591,253)</u>
Tax expense					<u>(6,815)</u>
Loss after taxation					<u>(6,598,068)</u>
<b>Assets and Liabilities</b>					
Segment assets	-	10,806,081	8,215,447	37,575	19,059,103
Goodwill on consolidation					2,331,544
Cash in hand and at banks					1,074,770
Deposits with licensed banks					35,067,176
Tax recoverable					200,673
Consolidated total assets					<u>57,733,266</u>
Segment liabilities	6,518	2,544,351	1,751,822	1,229,159	5,531,850
Provision for taxation					32,233
Deferred tax liabilities					90,613
Borrowings					2,733,288
Total liabilities					<u>8,387,984</u>
Capital expenditure	-	774,190	1,963,893	-	2,738,083
Depreciation of property, plant and equipment	-	908,516	673,926	-	1,582,442

## A9 SUBSEQUENT MATERIAL EVENTS

There were no other material events during the current quarter for the year ended 31 December 2015 and up to the date of this report, which is likely to substantially affect the results of the operations of the Company, except the following which has been announced:-

- (i) On 1 October 2015, the Board announced that Marquee International Holdings Sdn Bhd ("MIHSB") had on 23 September 2015 incorporated a new wholly-owned subsidiary, Focus Dynamic Limited ("FDL") under the Republic of Seychelles International Business Companies Act, 1994. The authorized share capital of FDL is USD50,000 with 50,000 shares at par value of USD1.00 each and the issued and paid-up share capital is USD1.00 with 1 share at a par value of USD1.00 each. The principal activities of FDL are food and beverage business and investment holding.
- (ii) On 27 October 2015, the Board announced that FDL had on 23 October 2015 incorporated a wholly-owned subsidiary, Focus Dynamic Group Limited ("FDGL") in Hong Kong under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) with the share capital of HK\$1.00 comprising 1 ordinary share of HK\$1.00 each fully paid. The principal activities of FDGL are food and beverage business and investment holding.



- (iii) On 24 November 2015, the Board announced that the Company had on 24 November 2015 received the Certificate of Incorporation on Change of Name of Company (Form 13) dated 17 November 2015 issued by the Companies Commission of Malaysia ("CCM"). Pursuant to the above and in accordance with the Section 23(2) of the Companies Act, 1965 ("Act"), the Company had changed its name from Focus Dynamics Technologies Berhad to Focus Dynamics Group Berhad with effect from 17 November 2015.
- (iv) On 26 November 2015, TA Securities Holdings Berhad ("TA Securities"), on behalf of the Board, announced that the Company had via its legal counsel, filed a petition to the High Court of Malaya in relation to the reduction of the issued and paid-up share capital of the Company pursuant to Section 64(1) of the Act, involving the cancellation of RM0.05 of the par value of the ordinary shares of RM0.10 each in Focus ("Shares") ("Par Value Reduction").
- (v) On 3 February 2016 and 5 February 2016, TA Securities, on behalf the Board, announced that the High Court of Malaya had on 3 February 2016 granted an order confirming the Par Value Reduction, which the office copy of the seal order has been lodged with CCM on 5 February 2016, upon which the Par Value Reduction shall take effect. The shareholders of the Company should note that the Par Value Reduction does not affect the number of or the rights attached to the existing Shares held by them. All Shares held in the securities account of the shareholders shall be unaffected, except for the reduction in its par value from RM0.10 to RM0.05 per Share. Consequential to the Par Value Reduction, the exercise price of the outstanding warrants 2011/2016 ("Warrants B") and warrants 2014/2019 (Warrants C") will be adjusted from RM0.10 to RM0.05 per Share payable with effect from 9.00 a.m., on 10 February 2016; and
- (vi) On 16 February 2016, the Company announced that the subscription price of the share options offered to employees has been revised from RM0.10 to RM0.05 per Share pursuant to the Company's ESOS By-Law 17 and Par Value Reduction.

**A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There were no changes in the valuation of property, plant and equipment since the latest audited financial statements for the financial year ended 31 December 2014.

**A11. CHANGES IN THE COMPOSITION OF THE GROUP**

There are no changes in the composition of the Group during the quarter under review except for incorporating two wholly owned subsidiaries namely FDL in Republic of Seychelles and FDGL in Hong Kong.

**A12. CONTINGENT ASSETS AND LIABILITIES**

There were no changes in contingent liabilities or contingent assets, since the last financial year ended 31 December 2014.

**A13. CAPITAL COMMITMENTS**

Capital expenditure commitments contracted and not provided for in the interim financial statements as at 31 December 2015 are as follows:-

	<b>As at 31.12.2015</b>
	RM
Property, plant and equipment	<u>2,633,884</u>

**Focus Dynamics Group Berhad ("Focus" or the "Company")**  
**(formerly known as Focus Dynamics Technologies Berhad)**  
**(Company No: 582924-P)**  
**Interim Financial Report for three months period ended 31 December 2015**

**B. ADDITIONAL INFORMATION REQUIRED BY "BURSA SECURITIES"**

**B1. REVIEW OF PERFORMANCE**

**CURRENT QUARTER COMPARED TO THE CORRESPONDING QUARTER OF LAST YEAR (4Q 15 vs 4Q 14)**

	3 months ended	
	31.12.2015	31.12.2014
	RM	RM
Revenue	2,312,029	3,467,470
Loss before taxation ("LBT")	4,305,816	2,552,937

For the three months period ended 31 December 2015, the Group revenue reduced from RM3.47 million to RM2.31 million in the corresponding quarter, represent a reduction of RM1.16 million or 33.3% due to no contribution of revenue from Max Wisdom Sdn Bhd ("MWSB") in the current quarter following the completion of the disposal of MWSB on 3 July 2015.

As a result from the reduction in revenue and coupled with the impairment loss on goodwill on consolidation, the Group suffered a loss of RM4.31 million in the current quarter as against RM2.55 million in the corresponding quarter of last financial year.

**B2. COMPARISON OF CURRENT QUARTER RESULTS WITH THE PRECEDING QUARTER**

**4Q 15 vs 3Q 15**

	3 months ended	3-months ended
	31.12.2015	30.09.2015
	RM	RM
Revenue	2,312,029	1,378,901
LBT	4,305,816	1,716,138

For the current quarter, the Group registered an increase of revenue to RM2.31 million from the preceding quarter of RM1.38 million, represents an increase of 67.67% or 0.93 million due to contribution of revenue from wholly owned subsidiary, Marquee International Sdn Bhd ("MISB") with the opening of Chaze@ Marquee, a new lounge at Menara Lien Hoe and increase in revenue from engineering division.

The Group incurred a higher LBT of RM4.31 million as against RM1.72 million in the preceding quarter, which is due to higher general & admin expenses coupled with the impairment loss on goodwill on consolidation.

**B3. COMMENTARY ON PROSPECTS**

Our Group continues to expect energy efficiency systems and solutions to be one of the main contributor to our revenue, alongside with our F&B business. In view of the renewed awareness on cost efficiency in particular energy efficiency management and green technology initiatives, our Group is continuously working towards enhancing our products and services to propel into the immediate and future needs of energy efficiency management. In other words, our Company is always exploring and investing into acquiring new energy efficiency products and solutions to meet the ever increasing demands of the customers.

Moving forward, our Company intends to utilise major portions of the proceeds from Rights Issue with Warrants for the expansion in the F&B business via opening of additional new outlets of restaurant to expand the Group F&B segment.

**B4. PROFIT FORECAST OR PROFIT GUARANTEE**

Not applicable as the Group did not publish any profit forecast or profit guarantee

**B5. NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	31.12.2015 RM	31.12.2014 RM
<b>Loss for the period is arrived at after charging</b>		
Amortisation and depreciation	(1,469,509)	(1,582,442)
Interest expense	(132,637)	(405,869)
Impairment loss on trade receivables	-	(891,777)
Impairment loss on goodwill	(1,714,233)	-
Fixed assets written off	(839,011)	-
Inventories written off	(217,688)	-
Loss on foreign exchanged – unrealised	(233)	(370)
Revaluation deficit		(384,312)
Equity settled share-based payment	(3,239,872)	-
<b>And after crediting</b>		
Gain on disposal of property, plant and equipment	-	75,744-
Gain on foreign exchanged- unrealised	546	1,414-
Other income	99,298	94,587
Interest income	1,097,941	219,143

**B6. INCOME TAX EXPENSE**

	3 months ended	
	31.12.2015 RM	31.12.2014 RM
Deferred tax	-	-
Current tax	(200,703)	(6,815)
Tax Expenses	(200,703)	(6,815)

**7. STATUS OF CORPORATE PROPOSALS**

On 3 February 2016 and 5 February 2016, TA Securities, on behalf the Board, announced that the High Court of Malaya had on 3 February 2016 granted an order confirming the Par Value Reduction, which the office copy of the seal order has been lodged with CCM on 5 February 2016, upon which the Par Value Reduction shall take effect. The shareholders of the Company should note that the Par Value Reduction does not affect the number of or the rights attached to the existing Shares held by them. All Shares held in the securities account of the shareholders shall be unaffected, except for the reduction in its par value from RM0.10 to RM0.05 per Share. Consequential to the Par Value Reduction, the exercise price of the outstanding warrants 2011/2016 ("Warrants B") and warrants 2014/2019 (Warrants C") will be adjusted from RM0.10 to RM0.05 per Share payable with effect from 9.00 a.m., on 10 February 2016.

## B8. GROUP BORROWINGS AND DEBT SECURITIES

The details of the Group's borrowings as at 31 December 2015 are as follows:

	As at 31.12.2015 RM	As at 31.12.2014 RM
<b>Current</b>		
Term loan- secured	-	335,679
Bank overdraft- secured	1,201,387	1,657,514
Hire purchase unsecured	111,025	279,151
	<u>1,312,412</u>	<u>2,272,344</u>
<b>Non-current</b>		
Term loan-secured	-	110,258
Hire purchase-unsecured	163,303	350,686
	<u>163,303</u>	<u>460,944</u>
Total Bank borrowings	<u>1,475,715</u>	<u>2,733,288</u>

The Group does not have any foreign borrowings as at the date of this report.

## B9. MATERIAL LITIGATION

Save for the following, the Group does not engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary companies and the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary companies as at the date of this report:-

### **Focus Dynamics Centre Sdn Bhd ("FDC") vs Black Tiger Aquaculture Sdn Bhd ("BTASB") (High Court of Malaya, Johor Bahru)**

FDC, a subsidiary of the Company presented a winding up petition against BTASB in the High Court of Malaya, Johor Baru on 25 January 2010 based on a debt of RM121,320 and interest of RM28,106 which was admitted by BTASB. The Winding Up Order was granted by the High Court on 20 August 2010. Due to its dissatisfaction with the decision of the High Court, BTASB filed a Notice of Motion for Leave to appeal against the said decision pursuant to Section 68 of the Courts of Judicate Act, 1964 on 14 September 2010 ("Application for leave to appeal").

BTASB filed an appeal against the Winding Up Order on 28 February 2011 via Court of Appeal. The appeal was dismissed by the Court of Appeal on 4 January 2013, where the Court of Appeal held that there was a clear admission by BTASB on its indebtedness to FDC. BTASB later sought leave from Federal Court to appeal against the decision of the Court of Appeal and was rejected by the Federal Court on 19 June 2013.

The solicitors in charge of this matter are of the view that since the earlier Winding Up Order is affirmed by the Court of Appeal and Federal Court, the Official Receiver is continued to act as liquidator of BTASB including to call for creditors' meeting and to manage the assets of BTASB as to pay off the debts to creditors, including FDC, if any. As at todate, there is no instruction and information for such distribution assets from the Official Receiver.

## B10. PROPOSED DIVIDEND

No dividend has been declared or paid during the current quarter under review and financial year-to-date.

**B11. EARNINGS/ (LOSS) PER SHARE****Basic**

Basic loss per ordinary share is calculated by dividing the net loss for the financial period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

	3 months ended		Current year to date	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Loss attributable to equity holders of the parent (RM)	4,506,519	2,498,685	13,319,779	6,598,068
Weighted average number of Ordinary shares in issue	705,502,788	405,905,714	705,502,788	405,905,714
Basic Loss per Ordinary Share (sen)	0.64	0.62	1.89	1.60

The fully diluted loss per ordinary share for the Group for the current financial period is not presented as the warrants would be anti-dilutive as the exercise price is higher than the fair value of the Company's shares.

**B12. STATUS OF UTILISATION OF PROCEEDS****(a) Private placement 1**

The status of the utilisation of the proceeds raised from the private placement of 29,153,050 Shares at an issue price of RM0.15 per share amounting to RM4,372,950 as at 31 December 2015 is as follows:-

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance of proceeds RM'000	Time frame for the utilisation of proceeds RM'000
Working capital	4,273	3,792	481	31.12.2016
Defraying expenses	100	83	17	31.12.2016
	<u>4,373</u>	<u>3,875</u>	<u>498</u>	

The Board has on 25 November 2015 approved the utilisation of the proceeds derived from private placement to be extended to 31 December 2016.

**(b) Private Placement 2**

The status of the utilisation of the proceeds raised from the private placement of 32,068,300 Shares at an issue price of RM0.10 per share amounting to RM3,206,830 as at 31 December 2015 is as follows:-

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance of proceeds RM'000	Time frame for the utilisation of proceeds RM'000
Working capital	3,107	1,124	1,983	31.12.2016
Defraying expenses	100	88	12	31.12.2016
	<u>3,207</u>	<u>1,212</u>	<u>1,995</u>	

The Board has on 25 November 2015 approved the utilisation of the proceeds derived from private placement to be extended to 31 December 2016.

**(c) Rights Issue of Shares with Warrants**

On 14 November 2014, the Company had completed the Renounceable Rights Issues by issuance of 352,751,394 new ordinary shares of RM0.10 each ("Rights Issues") on the basis of three (3) Rights Share for every three (3) existing ordinary share of RM0.10 each in the Company held on 14 November 2014 at an issue price of RM0.10 per Rights Share, together with the issuance of 235,167,596 new free detachable warrants ("Warrants") on the basis of two (2) Warrants for every three (3) Rights Shares subscribed.

The status of the utilisation of the proceeds raised from the Rights Issue of Shares with Warrants of 352,751,394 Rights Shares at an issue price of RM0.10 per share amounting to RM35,275,139 as at 31 December 2015 is as follows:-

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance of proceeds RM'000	Time frame for the utilisation of proceeds RM'000
Repayment of bank borrowings	3,100	2,291	809	31.12.2016
Capital expenditure and working capital for F&B business	25,918	8,921	16,997	31.12.2016
Future working capital/ investment	5,757	5,381	376	31.12.2016
Defraying expenses	500	500	-	31.12.2016
	<u>35,275</u>	<u>17,093</u>	<u>18,182</u>	

The Board has on 25 November 2015 approved the utilisation of the proceeds derived from the Rights Issue with Warrants to be extended to 31 December 2016.

**(d) Disposal of Property**

On 31 December 2014, the Company had completed the disposal of the Property held by FDD, a wholly-owned subsidiary of Focus to Pan Asia for a cash consideration of RM7,200,000. The status of the utilisation of the disposal proceeds of RM7,200,000 as at 31 December 2015 is as follows:-

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance of proceeds RM'000	Time frame for the utilisation of proceeds RM'000
Repayment of bank borrowings	1,900	1,900	-	
Future working capital/ investment	5,000	1,452	3,548	31.12.2016
Defraying expenses	300	300	-	
	<u>7,200</u>	<u>3,652</u>	<u>3,548</u>	

The Board has on 25 November 2015 approved the utilisation of the proceeds derived from the disposal of the Property to be extended to 31 December 2016.

**B13. REALISED AND UNREALISED PROFIT OR LOSSES**

Breakdown of the Group's realised profit or losses as at 31 December 2015 is as follows:-

	<b>As at 31.12.2015 RM</b>	<b>As at 31.12.2014 RM</b>
Total accumulated loss of the Company and its subsidiaries:-		
- Realised	(37,407,902)	(24,088,123)
- Unrealised	116,699	116,699
Total share of accumulated losses from associate		
- Realised	(200,000)	(200,000)
- Unrealised	-	-
Less: Consolidation adjustments		-
<b>Total accumulated loss as per statement of financial position</b>	<b>(37,491,203)</b>	<b>(24,171,424)</b>

**B14. AUTHORITY FOR ISSUE**

The interim financial report were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.

By order of the Board

**WONG KEO ROU**  
Company Secretary