

FOCUS DYNAMICS GROUP BERHAD (Company No: 582924-P)
(FORMERLY KNOWN AS FOCUS DYNAMICS TECHNOLOGIES BERHAD)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2016

THE FIGURES HAVE NOT BEEN AUDITED

		INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		UNAUDITED CURRENT QUARTER ENDED	UNAUDITED COMPARATIVE QUARTER ENDED	UNAUDITED CUMULATIVE YEAR TO DATE	UNAUDITED CUMULATIVE PRECEDING YEAR TO DATE
Note	30/06/2016	30/06/2015	30/06/2016	30/06/2015	
	RM	RM	RM	RM	
CONTINUING OPERATIONS					
REVENUE	A9	4,129,780	2,193,359	6,731,664	4,354,168
COST OF SALES		<u>(2,709,126)</u>	<u>(1,191,241)</u>	<u>(4,285,272)</u>	<u>(2,103,064)</u>
GROSS PROFIT		1,420,654	1,002,118	2,446,392	2,251,104
OTHER INCOME		996	24,311	3,996	75,904
OPERATING EXPENSES		<u>(4,016,716)</u>	<u>(3,676,388)</u>	<u>(8,148,157)</u>	<u>(9,902,903)</u>
LOSS FROM OPERATIONS		(2,595,066)	(2,649,959)	(5,697,769)	(7,575,895)
INTEREST INCOME		166,278	296,209	374,161	608,223
INTEREST EXPENSES		(22,198)	(68,677)	(34,887)	(129,452)
GAIN OR (LOSS) ARISING FROM DISPOSAL OF SUBSIDIARY COMPANY		7,399	-	7,399	-
GAIN OR (LOSS) ARISING FROM DISPOSAL OF ASSOCIATE COMPANY		-	2	-	2
LOSS BEFORE TAX		(2,443,587)	(2,422,425)	(5,351,096)	(7,097,122)
INCOME TAX EXPENSE	B6	<u>(41,100)</u>	-	<u>(53,600)</u>	-
LOSS FOR THE PERIOD		(2,484,687)	(2,422,425)	(5,404,696)	(7,097,122)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u><u>(2,484,687)</u></u>	<u><u>(2,422,425)</u></u>	<u><u>(5,404,696)</u></u>	<u><u>(7,097,122)</u></u>
LOSS FOR THE PERIOD ATTRIBUTABLE TO:					
OWNERS OF THE PARENT		(2,484,687)	(2,422,425)	(5,404,696)	(7,097,122)
NON-CONTROLLING INTEREST		-	-	-	-
		<u><u>(2,484,687)</u></u>	<u><u>(2,422,425)</u></u>	<u><u>(5,404,696)</u></u>	<u><u>(7,097,122)</u></u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:					
OWNERS OF THE PARENT		(2,484,687)	(2,422,425)	(5,404,696)	(7,097,122)
NON-CONTROLLING INTEREST		-	-	-	-
		<u><u>(2,484,687)</u></u>	<u><u>(2,422,425)</u></u>	<u><u>(5,404,696)</u></u>	<u><u>(7,097,122)</u></u>
Loss Per Ordinary Share					
- Basic (sen)	B11	(0.34)	(0.34)	(0.75)	(1.01)
- 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 2015 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

FOCUS DYNAMICS GROUP BERHAD (Company No: 582924-P)
(FORMERLY KNOWN AS FOCUS DYNAMICS TECHNOLOGIES BERHAD)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

THE FIGURES HAVE NOT BEEN AUDITED

	UNAUDITED AS AT 30/06/2016	AUDITED AS AT 31/12/2015
	RM	RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	12,258,192	10,694,342
Investment	714,471	714,471
	<u>12,972,663</u>	<u>11,408,813</u>
Current Assets		
Inventories	1,299,495	1,040,608
Trade and other receivables	9,620,026	6,433,329
Tax recoverable	2,500	2,500
Deposits with licenced banks	17,218,292	24,989,430
Cash and bank balances	2,840,167	543,786
	<u>30,980,480</u>	<u>33,009,653</u>
TOTAL ASSETS	<u>43,953,143</u>	<u>44,418,466</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	38,854,486	70,550,279
Share premium	28,657,465	2,966,427
ESOS reserves	4,458,112	3,239,870
Accumulated losses	(33,744,728)	(37,779,696)
	<u>38,225,335</u>	<u>38,976,880</u>
Non-controlling interest	-	-
Total Equity	<u>38,225,335</u>	<u>38,976,880</u>
Liabilities		
Non-Current Liabilities		
Borrowings	163,435	163,303
Current Liabilities		
Trade and other payables	4,039,579	3,503,584
Provision for warranty and maintenance cost	72	72
Amount due to directors	23,362	229,278
Provision for taxation	251,272	232,937
Borrowings	1,250,088	1,312,412
	<u>5,564,373</u>	<u>5,278,283</u>
Total Liabilities	<u>5,727,808</u>	<u>5,441,586</u>
TOTAL EQUITY AND LIABILITIES	<u>43,953,143</u>	<u>44,418,466</u>
Number of ordinary shares at RM0.10 sen par each	-	705,502,788
Number of ordinary shares at RM0.05 sen par each	777,089,722	
Net assets per share attributable to ordinary equity holders of the parent (sen)	4.92	5.52

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 2015 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 RM37,628,926 (FYE 31/12/15-RM38,976,880) over the issued number of ordinary shares of 777,089,722 (FYE 31/12/15 - 705,502,788) of RM0.10 each.

FOCUS DYNAMICS GROUP BERHAD (Company No: 582924-P)
(FORMERLY KNOWN AS FOCUS DYNAMICS TECHNOLOGIES BERHAD)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2016

THE FIGURES HAVE NOT BEEN AUDITED

	←-----Attributable to Owners of the Parent-----→				Distributable		
	Share Capital	Share Premium	Warrant Reserve	Foreign Currency Translation Reserve	ESOS Reserve	Retained Profits/ (Accumulated Losses)	Total Equity
	RM	RM	RM	RM	RM	RM	RM
Balance at 1 January 2015	70,550,279	2,966,427	-	-	-	(24,171,424)	49,345,282
Issue of shares	-	-	-	-	-	-	-
Share based payments	-	-	-	-	2,832,881	-	2,832,881
Total comprehensive loss for the period	-	-	-	-	-	(7,097,122)	(7,097,122)
Balance at 30 June 2015	<u>70,550,279</u>	<u>2,966,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,268,546)</u>	<u>45,081,041</u>
Balance at 1 January 2016	70,550,279	2,966,427	-	-	3,239,870	(37,779,696)	38,976,880
Issue of shares	3,579,346	-	-	-	-	-	3,579,346
Share-based payments	-	-	-	-	1,218,242	-	1,218,242
Total comprehensive loss for the period	-	-	-	-	-	(5,404,696)	(5,404,696)
Par Value Reduction	(35,275,139)	25,691,038	-	-	-	9,439,664	(144,437)
Balance at 30 June 2016	<u>38,854,486</u>	<u>28,657,465</u>	<u>-</u>	<u>-</u>	<u>4,458,112</u>	<u>(33,744,728)</u>	<u>38,225,335</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 2015 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 SECOND QUARTER ENDED 30 JUNE 2016

	CUMULATIVE QUARTERS	
	UNAUDITED CURRENT QUARTER ENDED	UNAUDITED COMPARATIVE QUARTER ENDED
	30/06/2016 RM	30/06/2015 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	3,548,963	7,645,904
Cash payments to suppliers and employees	(10,257,067)	(9,478,554)
Cash used in operations	<u>(6,708,104)</u>	<u>(1,832,650)</u>
Interest received	374,161	608,223
Interest paid	(28,989)	(98,959)
Income taxes refund	-	9,652
Income taxes paid	(35,264)	(45,449)
Expenses incurred for share issue	-	-
Net cash used in operating activities	<u>(6,398,196)</u>	<u>(1,359,183)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment ("PPE")	(2,443,383)	(2,574,711)
Proceeds from disposal of PPE	-	-
Proceeds from disposal of subsidiary company	-	-
Proceeds from disposal of an associated company	2	2
Acquisition of subsidiary company	-	-
Investment in subsidiary company	-	-
Net cash used in investing activities	<u>(2,443,381)</u>	<u>(2,574,709)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of Par Value expenses	(144,437)	-
Proceeds from issuance of shares	3,579,346	-
Payment of hire purchase interest	(5,898)	(14,129)
Repayments of hire purchase liabilities	(60,250)	(115,264)
Term loan drawdown	-	-
Repayment of term loans	-	(171,207)
Payment of term loans interest	-	(16,363)
Net cash generated from financing activities	<u>3,368,761</u>	<u>(316,963)</u>
Net increase in cash and cash equivalent	(5,472,816)	(4,250,855)
Cash and cash equivalent at beginning of year	24,331,829	34,484,431
Cash and cash equivalent at end of year	<u>18,859,013</u>	<u>30,233,576</u>
Cash and cash equivalent comprise:		
Cash in hand and at banks	2,840,167	926,483
Short term deposits	315,431	58,156
Deposits with licensed banks	16,902,861	31,913,996
Bank overdraft	(1,199,446)	(2,665,059)
	<u>18,859,013</u>	<u>30,233,576</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 2015 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 30 June 2016

**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 2015. 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 2015.

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 2015, except for the adoption of the following new MFRSs and amendments/improvement to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") which are applicable to its financial statements:-

New MFRs

MFRS 14 Regulatory Deferral Accounts

Amendments/Improvement to MFRSs

MFRS 11 Accounting for Acquisitions of interests
in Joint Operations

MFRS 127 Equity Method in Separate Financial
Statements

MFRS 116 and Clarification of Acceptable Methods of
MFRS 138 Depreciation and Amortisation

MFRS 116 and Agriculture: Bearer Plants

MFRS 141

MFRS 101 Disclosure Initiatives

MFRS 10, MFRS Investment Entities: Applying the
12 and MFRS 128 Consolidation Exception

Annual improvements to MFRs 2012-2014 Cycle

These adoption of the above new MFRSs and amendments/improvements to MFRSs are not expected to have any significant effect to the financial statements of the Group and of the Company upon their initial application.

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 2015 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

On 5 February 2016, the issued and fully paid-up share capital of the Company was reduced from RM70,550,279 to RM35,275,139 pursuant to the par value reduction involving the cancellation of RM0.05 of the par value of the ordinary shares of RM0.10 each in the Company to RM0.05 each as stated in paragraph B7 below.

Thereafter, the issued and paid-up share capital of the Company increased from RM35,275,139 to RM35,773,390 as at 31 March 2016 via the issuance of 9,965,000 new ordinary shares of RM0.05 each at an issue price of RM0.05 per share pursuant to the conversion of 9,965,000 warrants 2011/2016 ("Warrants B") of the Company.

During the current quarter, the issued and fully paid-up capital of the Company increased further from RM35,773,390 to RM38,854,486 as the result of the issuance of 61,621,934 new ordinary shares of RM0.05 each at an issue price of RM0.05 per share pursuant to the conversion of 61,621,934 Warrants B of the Company.

There were no other issuances, repurchases and repayment of debt securities during the period under the review.

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 30 June 2016 are as follows:-

←-----Results for 6 months ended 30 June 2016-----→					
	Manufacturing RM	Engineering services RM	Food & Beverage RM	Others RM	Total RM
Revenue					
Segment revenue	-	2,751,249	3,980,415	-	6,731,664
Elimination- inter segment	-	-	-	-	-
Total revenue				-	<u>6,731,664</u>
Results from operating activities	-	(1,585,650)	(3,263,928)	(474,030)	(5,323,608)
Finance costs					(34,887)
Gains arising from disposal of subsidiary					7,399
Loss before taxation					<u>(5,351,096)</u>
Tax expense					(53,600)
Loss after taxation					<u>(5,404,696)</u>
Assets and Liabilities					
Segment assets	-	7,774,655	16,046,779	70,750	23,892,184
Goodwill on consolidation					-
Investment in associates					-
Cash in hand and at banks					2,840,167
Deposits with licensed banks					17,218,292
Tax recoverable					2,500
Consolidated total assets					<u>43,953,143</u>
Segment liabilities	-	613,493	2,364,692	1,084,828	4,063,013
Provision for taxation					251,272
Deferred tax liabilities					-
Borrowings					1,413,523
Total liabilities					<u>5,727,808</u>
Capital expenditure	-	-	2,443,383	-	2,443,383
Depreciation of property, plant and equipment	-	307,927	571,604	-	879,531

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←-----Results for 6 months ended 30 June 2015-----→

	Manufacturing RM	Engineering services RM	Food & Beverage RM	Others RM	Total RM
Revenue					
Segment revenue	3,600	1,818,405	2,532,163	-	4,354,168
Elimination- inter segment	-	-	-	-	-
Total revenue				-	<u>4,354,168</u>
Results from operating activities	(1,302,668)	(935,418)	(3,771,408)	(958,178)	(6,967,672)
Finance costs					(129,452)
Impairment of goodwill					(7,097,122)
Loss before taxation					<u>(7,097,122)</u>
Tax expense					-
Loss after taxation					<u>(7,097,122)</u>
Assets and Liabilities					
Segment assets	-	7,407,567	9,600,677	50,620	17,058,864
Goodwill on consolidation					2,331,544
Investment in associates					-
Cash in hand and at banks					926,483
Deposits with licensed banks					31,972,152
Tax recoverable					236,470
Consolidated total assets					<u>52,525,513</u>
Segment liabilities	6,500	733,808	2,006,821	1,120,135	3,867,264
Provision for taxation					32,233
Deferred tax liabilities					90,613
Borrowings					3,454,362
Total liabilities					<u>7,444,472</u>
Capital expenditure		17,506	2,557,205	-	2,574,711
Depreciation of property, plant and equipment		407,439	422,773	-	830,212

A9 MATERIAL EVENTS

There were no other material events during the current quarter for the period ended 30 June 2016 and up to the date of this report, which is likely to substantially affect the results of the operations of the Company.

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 2015.

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A11. CHANGES IN THE COMPOSITION OF THE GROUP

There are no changes in the composition of the Group during the quarter under review, except the following:-

- (i) On 18 April 2016, the Company announced that it had disposed of 100% equity interest in Steamroom Restaurant Sdn Bhd ("SRSB") to Hasan Bin Mat Zain and Mustapha bin Mad Nawi for RM2.00 ("Disposal"). SRSB remains a dormant company since its inception. Pursuant to the Disposal, SRSB ceases to be a wholly-owned subsidiary of Focus with effect from 18 April 2016; and
- (ii) On 27 April 2016, the Company wishes to announce that its wholly-owned subsidiary, Marquee International Holding Sdn Bhd ("MIH") has incorporated a new wholly-owned subsidiary, Marquee Resources Sdn Bhd ("MRSB"). MRSB was incorporated on 25 April 2016 in Malaysia under the Companies Act, 1965 with the share capital of RM2.00 comprising 2 ordinary shares of RM1.00 each fully paid. The principal activities of MRSB are human resources, event management and general trading.

A12. CONTINGENT ASSETS AND LIABILITIES

There were no changes in contingent liabilities or contingent assets, since the last financial year ended 31 December 2015.

A13. CAPITAL COMMITMENTS

Capital expenditure commitments contracted and not provided for in the interim financial statements as at 30 June 2016 are as follows:-

	As at 30.06.2016
	RM
Property, plant and equipment	<u>1,749,908</u>

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**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 30 June 2016

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES

B1. REVIEW OF PERFORMANCE

CURRENT QUARTER COMPARED TO THE CORRESPONDING QUARTER OF LAST YEAR (Q2 16 vs Q2 15)

	3 months ended	
	30.06.2016	30.06.2015
	RM	RM
Revenue	4,129,780	2,193,359
Loss before taxation (“LBT”)	2,484,687	2,422,425

For the three months period ended 30 June 2016, the Group revenue increased from RM2.19 million to RM4.13 million in the current quarter, represent an Increase of RM1.22 million or 41.94%. The increase in revenue was mainly due to higher contribution from F&B segment.

The Group registered a higher LBT of RM2.48 million in the current quarter as against RM2.42 million in the previous corresponding quarter due to higher administrative expenses.

B2. COMPARISON OF CURRENT QUARTER RESULTS WITH THE PRECEDING QUARTER

Q2 16 vs Q1 16

	3 months ended	3-months ended
	30.06.2016	31.03.2016
	RM	RM
Revenue	4,129,780	2,601,884
LBT	2,484,687	2,907,509

For the current quarter, the Group registered an increase of revenue to RM4.13 million from the preceding quarter of RM2.60 million, represents an increase of 58.7% or RM1.53 million. The increase in revenue was mainly contributed by F&B segment.

The Group incurred a lower LBT of RM2.48 million as against RM2.91 million in the preceding quarter. For the preceding quarter, the Group incurred equity share-based payment of RM1.22 million for ESOS options granted to eligible directors and employees of the Group.

B3. COMMENTARY ON PROSPECTS

Our Group continues to expect energy efficiency systems and solutions to be one of the 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, the Company intends to utilise the proceeds from the Rights Issue for expansion in F&B business via opening additional outlet to increase our market share in the F&B market and to improve the Group’s earnings.

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

	30.06.2016 RM	30.06.2015 RM
Loss for the period is arrived at after charging		
Amortisation and depreciation	508,310	412,819
Interest expense	22,198	68,677
Property, plant and equipment written off	-	135
Equity settled share-based payment	-	787,046
Gain arising from the disposal of subsidiary company	7,399	-
And after crediting		
Other income	996	24,311
Interest income	166,278	296,209

B6. INCOME TAX EXPENSE

	3 months ended	
	30.06.2016 RM	30.06.2015 RM
Deferred tax	-	-
Current tax	53,600	-
Tax Expenses	53,600	-

B7. STATUS OF CORPORATE PROPOSALS

- (i) On 5 February 2016, the Company had completed the par value reduction involving the cancellation of RM0.05 of the par value of the ordinary shares of RM0.10 each in the Company to RM0.05 each via the lodgement of the seal order of the High Court of Malaya confirming the par value reduction with Companies Commission of Malaysia;
- (ii) On 10 February 2016, the Company announced that 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 on even date; and
- (iii) 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.

There are no other corporate proposals announced but not completed as at the reporting date.

B8. GROUP BORROWINGS AND DEBT SECURITIES

The details of the Group's borrowings as at 30 June 2016 are as follows:

	As at 30.06.2016 RM	As at 31.12.2015 RM
Current		
Bank overdraft- secured	1,199,446	1,201,387
Hire purchase unsecured	50,642	111,025
	1,250,088	1,312,412
Non-current		
Hire purchase-unsecured	163,435	163,303
Total Bank borrowings	1,413,523	1,475,715

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	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Loss attributable to equity holders of the parent (RM)	2,484,687	2,422,425	5,404,696	7,097,122
Weighted average number of Ordinary shares in issue	720,414,819	705,502,788	720,414,819	705,502,788
Basic Loss per Ordinary Share (sen)	0.34	0.34	0.75	1.01

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.

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 30 June 2016 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 had 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 30 June 2016 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	2,328	778	31.12.2016
Defraying expenses	100	88	12	31.12.2016
	<u>3,207</u>	<u>2,416</u>	<u>790</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 30 June 2016 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	11,241	14,677	31.12.2016
Future working capital/ Investment	5,757	5,757	-	31.12.2016
Defraying expenses	500	500	-	31.12.2016
	<u>35,275</u>	<u>19,789</u>	<u>15,486</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 30 June 2016 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	5,000	-	31.12.2016
Defraying expenses	300	300	-	
	<u>7,200</u>	<u>7,200</u>	<u>-</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. The proceeds has been fully utilised during this quarter ended 30 June 2016.

B13. REALISED AND UNREALISED PROFIT OR LOSSES

Breakdown of the Group's realised and unrealised profit or losses as at 30 June 2016 is as follows:-

	As at 30.06.2016 RM	As at 31.12.2015 RM
Total accumulated loss of the Company and its subsidiaries:-		
- Realised	(33,745,033)	(37,780,001)
- Unrealised	305	305
Total accumulated loss as per statement of financial position	<u>(33,744,728)</u>	<u>(37,779,696)</u>

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 YUET CHYN
Company Secretary