



**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 2016

THE FIGURES HAVE NOT BEEN AUDITED

	<b>UNAUDITED AS AT 31/12/2016</b>	<b>AUDITED AS AT 31/12/2015</b>
	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	12,198,378	10,694,342
Investment	714,471	714,471
Goodwill on consolidation	88,129	-
	<u>13,000,978</u>	<u>11,408,813</u>
<b>Current Assets</b>		
Property development expenditure	1,158,723	-
Inventories	1,503,629	1,040,608
Trade and other receivables	9,838,652	6,433,329
Tax recoverable	56,372	2,500
Deposits with licenced banks	11,230,360	24,989,430
Cash and bank balances	2,075,991	543,786
	<u>25,863,727</u>	<u>33,009,653</u>
<b>TOTAL ASSETS</b>	<u><u>38,864,705</u></u>	<u><u>44,418,466</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	38,854,486	70,550,279
Share premium	28,657,465	2,966,427
ESOS reserve	4,458,112	3,239,870
Accumulated losses	<u>(45,034,985)</u>	<u>(37,779,696)</u>
	26,935,078	38,976,880
Non-controlling interest	(415,024)	-
<b>Total Equity</b>	<u><u>26,520,054</u></u>	<u><u>38,976,880</u></u>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Borrowings	132,214	163,303
<b>Current Liabilities</b>		
Trade and other payables	10,984,819	3,503,584
Provision for warranty and maintenance cost	72	72
Amount due to directors	-	229,278
Provision for taxation	-	232,937
Borrowings	1,227,546	1,312,412
	<u>12,212,437</u>	<u>5,278,283</u>
<b>Total Liabilities</b>	<u><u>12,344,651</u></u>	<u><u>5,441,586</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>38,864,705</u></u>	<u><u>44,418,466</u></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	
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	3.47	5.52

# TI **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 Group Berhad's consolidated net assets of RM31,145,484 (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 FOURTH QUARTER ENDED 31 DECEMBER 2016

THE FIGURES HAVE BEEN AUDITED

	-----Attributable to Owners of the Parent----->						
	-----Non-distributable-----		Distributable				
	Share Capital	Share Premium	ESOS Reserve	Retained Profits/ (Accumulated Losses)	Total	Non- Controlling Interest	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	-	49,345,282
Share based payments	-	-	3,239,870	-	3,239,870	-	3,239,870
Total comprehensive loss for the year	-	-	-	(13,608,272)	(13,608,272)	-	(13,608,272)
Balance at 31 December 2015	<u>70,550,279</u>	<u>2,966,427</u>	<u>3,239,870</u>	<u>(37,779,696)</u>	<u>38,976,880</u>	<u>-</u>	<u>38,976,880</u>

THE FIGURES HAVE NOT BEEN AUDITED

Balance at 1 January 2016	70,550,279	2,966,427	3,239,870	(37,779,696)	38,976,880	-	38,976,880
Acquisition of subsidiaries during the year	-	-	-	-	-	(35,673)	(35,673)
Issue of shares	3,579,346	-	-	-	3,579,346	-	3,579,346
Share-based payments	-	-	1,218,242	-	1,218,242	-	1,218,242
Total comprehensive loss for the year	-	-	-	(16,694,953)	(16,694,953)	(379,351)	(17,074,304)
Par Value Reduction	(35,275,139)	25,691,038	-	9,439,664	(144,437)	-	(144,437)
Balance at 31 December 2016	<u>38,854,486</u>	<u>28,657,465</u>	<u>4,458,112</u>	<u>(45,034,985)</u>	<u>26,935,078</u>	<u>(415,024)</u>	<u>26,520,054</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 FOURTH QUARTER ENDED 31 DECEMBER 2016

	CUMULATIVE QUARTERS	
	UNAUDITED CURRENT QUARTER ENDED  31/12/2016 RM	AUDITED COMPARATIVE QUARTER ENDED  31/12/2015 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	15,710,268	9,515,354
Cash payments to suppliers and employees	(26,323,014)	(13,456,969)
Cash used in operations	(10,612,746)	(3,941,615)
Interest received	613,520	1,117,458
Interest paid	(54,525)	(119,083)
Income taxes refund	-	10,485
Income taxes paid	(360,436)	(45,449)
Net cash used in operating activities	(10,414,187)	(2,978,204)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment ("PPE")	(5,219,009)	(7,683,593)
Proceeds from disposal of PPE	-	2,425,211
Proceeds from disposal of subsidiary company	2	218,976
Proceeds from disposal of an associate	-	2
Fixed deposits pledged	(41,076)	(1,032,823)
Investment in subsidiary	97,890	-
Investment in other investment	-	(714,471)
Net cash used in investing activities	(5,162,193)	(6,786,698)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of Par Value Reduction expenses	(144,437)	-
Proceeds from issuance of shares	3,579,346	-
Payment of hire purchase interest	(10,516)	(21,684)
Repayments of hire purchase liabilities	(111,024)	(189,174)
Repayment of term loans	-	(171,207)
Net cash generated from/ (used in) financing activities	3,313,369	(382,065)
Net decrease in cash and cash equivalent	(12,263,011)	(10,146,967)
Cash and cash equivalent at beginning of year	23,094,008	33,240,975
Cash and cash equivalent at end of year	10,830,997	23,094,008
Cash and cash equivalent comprise:		
Cash in hand and at banks	2,075,991	543,786
Short term deposits	16,274	61,901
Deposits with licensed banks	9,935,189	23,689,708
Bank overdraft	(1,196,457)	(1,201,387)
	10,830,997	23,094,008

**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 31 December 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**

There were no other issuances, repurchases and repayment of debt and equity securities during the period except the following:-

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 second 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.

**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. property investment & management, engineering services 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 2016 are as follows:-

←-----Results for 12 months ended 31 December 2016-----→					
	Property investment & management RM	Engineering services RM	Food & beverage ("F&B") RM	Others RM	Total RM
<b>Revenue</b>					
Segment revenue	816,816	3,597,179	11,118,938	-	15,532,933
Elimination- inter segment	-	-	-	-	-
<b>Total revenue</b>	<b>816,816</b>	<b>3,597,179</b>	<b>11,118,938</b>	<b>-</b>	<b>15,532,933</b>
Results from operating activities	(775,185)	(7,858,830)	(7,695,005)	(641,015)	(16,943,035)
Finance costs					(65,041)
Gains arising from disposal of subsidiary					7,399
<b>Loss before taxation</b>					<b>(17,000,677)</b>
Tax expense					(73,627)
<b>Loss after taxation</b>					<b>(17,074,304)</b>
Non-controlling interest					379,351
					<b>(16,694,953)</b>
<b>Assets and Liabilities</b>					
Segment assets	5,692,112	2,009,046	17,003,351	709,344	25,413,853
Goodwill on consolidation					88,129
Cash in hand and at banks					2,075,991
Deposits with licensed banks					11,230,360
Tax recoverable					56,372
<b>Consolidated total assets</b>					<b>38,864,705</b>
Segment liabilities	6,903,614	591,139	2,102,732	1,387,406	10,984,891
Borrowings					1,359,760
<b>Total liabilities</b>					<b>12,344,651</b>
Capital expenditure	-	(189,674)	(5,029,335)	-	(5,219,009)
Depreciation of property, plant and equipment	(1,133)	(542,273)	(1,884,515)	-	(2,427,921)

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←-----Results for 12 months ended 31 December 2015----->					
	Manufacturing RM	Engineering services RM	F&B 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>3,600</b>	<b>3,768,391</b>	<b>4,273,107</b>	<b>-</b>	<b>8,045,098</b>
Results from operating activities	(78,018)	(4,321,872)	(6,263,497)	(1,037,182)	(11,700,569)
Finance costs					(140,767)
Gain on disposal of a subsidiary company					147,998
Impairment loss on goodwill					(1,714,233)
Gain on disposal of associates					2
<b>Loss before taxation</b>					<b>(13,407,569)</b>
Tax expense					(200,703)
<b>Loss after taxation</b>					<b>(13,608,272)</b>
<b>Assets and Liabilities</b>					
Segment assets	-	6,470,207	11,629,967	68,105	18,168,279
Other investment					714,471
Cash in hand and at banks					543,786
Deposits with licensed banks					24,989,430
Tax recoverable					2,500
<b>Consolidated total assets</b>					<b>44,418,466</b>
Segment liabilities	6,500	745,118	1,849,605	1,131,711	3,732,934
Provision for taxation					232,937
Borrowings					1,475,715
<b>Total liabilities</b>					<b>5,441,586</b>
Capital expenditure	-	18,857	7,328,454	-	7,683,593
Depreciation of property, plant and equipment	-	795,078	674,431	-	1,469,509

## A9 MATERIAL EVENTS

There were no other material events during the current quarter for the period ended 31 December 2016 and up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

## 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 on 21 October 2016, the Company announced that Marquee International Holding Sdn Bhd ("MIHSB"), a wholly-owned subsidiary, had on 20 October 2016 acquired two (2) ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Finch Entertainment Sdn Bhd ("FESB") from Mr Chieng Siong Kuong and Mr Tay Ben Seng, Benson for a cash consideration of RM2.00 ("FESB Acquisition"), resulting in FESB becoming a wholly-owned subsidiary of MIHSB.

#### **A12. CONTINGENT ASSETS AND LIABILITIES**

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

#### **A13. CAPITAL COMMITMENTS**

Capital expenditure contracted and not provided for in the interim financial statements as at 31 December 2016 are as follows:-

	<b>As at 31.12.2016</b>
	<b>RM</b>
Property, plant and equipment ("PPE")	<u>1,268,948</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 31 December 2016**

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

**B1. REVIEW OF PERFORMANCE**

**CURRENT QUARTER COMPARED TO THE CORRESPONDING QUARTER OF LAST YEAR (Q4 16 vs Q4 15)**

	<b>3 months ended</b>	
	<b>31.12.2016</b>	<b>31.12.2015</b>
	<b>RM</b>	<b>RM</b>
Revenue	4,820,647	2,312,029
Loss before taxation (“LBT”)	12,519,406	4,594,309

For the three months period ended 31 December 2016, the Group’s revenue increased significantly from RM2.31 million in corresponding quarter of last year to RM4.82 million in the current quarter, representing an increase of RM2.51 million or 108.66%. The increase in revenue was mainly due to higher revenue contribution from F&B segment. However, the Group incurred a higher LBT of RM12.52 million in the current quarter against RM4.59 million in the previous corresponding quarter due to impairment loss on trade receivables of RM5.31 million and PPE written off of RM1.31 million in a wholly owned subsidiary, Modern Cuisine Sdn Bhd.

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

**Q4 16 vs Q3 16**

	<b>3 months ended</b>	<b>3-months ended</b>
	<b>31.12.2016</b>	<b>30.09.2016</b>
	<b>RM</b>	<b>RM</b>
Revenue	4,820,647	3,980,622
LBT	12,519,406	2,338,367

For the current quarter, the Group registered an increase in revenue to RM4.82 million from the preceding quarter of RM3.98 million, represents an increase of 21.11% or RM0.84 million. The increase in revenue was mainly due to higher sales recorded by F&B segment.

The Group incurred a higher LBT of RM12.52 million against RM2.34 million in the preceding quarter due to higher administrative expenses and impairment loss on trade receivable of RM5.31 million and PPE written off of RM1.31 million in a wholly owned subsidiary, Modern Cuisine Sdn Bhd in the current quarter.

**B3. COMMENTARY ON PROSPECTS**

The Group has redirected its strategic direction towards its F&B segment and Property Investment segment.

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**

	<b>31.12.2016</b>	<b>31.12.2015</b>
	<b>RM</b>	<b>RM</b>
<b>Loss for the period is arrived at after charging</b>		
Amortisation and depreciation	2,427,921	1,469,509
Interest expense	65,041	140,767
Property, plant and equipment written off	1,311,527	839,010
Share-based payment under ESOS	1,218,242	3,239,870
Bad debt written off	-	6,351
Deposit written off	-	1,470
Impairment loss on goodwill	-	1,714,233
Inventories written off	-	217,688
Impairment loss on trade receivables	5,310,046	-
<b>And after crediting</b>		
Fixed deposit interest	607,585	1,097,150
Interest income	4,376	20,308
Gain on disposal of investment in an associate	-	2
Gain on disposal of a subsidiary	-	147,998
Reversal of impairment loss on trade receivables	-	2,420
Other income	5,055	-

**B6. INCOME TAX EXPENSE**

	<b>3 months ended</b>	
	<b>31.12.2016</b>	<b>31.12.2015</b>
	<b>RM</b>	<b>RM</b>
Provision for the financial year	-	206,000
(Over) provision of tax in prior years	-	(5,297)
Tax Expenses	<u>1,400</u>	<u>200,703</u>

**B7. STATUS OF CORPORATE PROPOSALS**

The corporate proposals announced but pending completion as at the date of this report are as follows:-

On 2 September 2016, Mercury Securities, on behalf of the Board announced that the Company proposed to undertake the following:-

- (i) proposed diversification of business of the Group into property investment and management ("Proposed Diversification"); and
- (ii) proposed renounceable rights issue of up to 1,245,384,218 new ordinary shares of RM0.05 each in Focus ("Focus Shares" or "Shares") ("Rights Shares") together with up to 622,692,109 free detachable warrants in Focus ("Warrants D") on the basis of two (2) Rights Shares together with one (1) free Warrant D for every two (2) existing Focus Shares held by entitled shareholders of Focus ("Entitled Shareholders") on an entitlement date to be determined later ("Entitlement Date") ("Proposed Rights Issue with Warrants").

Proposed Diversification and Proposed Rights Issue with Warrants are collectively known as the Proposals.

On 28 September 2016, Mercury Securities, on behalf of the Board of Focus, announced that Bursa Securities had, vide its letter dated 27 September 2016, approved the following:-

- (i) admission to the Official List of up to 622,692,109 Warrants D to be issued pursuant to the Proposed Rights Issue with Warrants;
- (ii) listing and quotation of up to 1,245,384,218 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
- (iii) listing and quotation of up to 622,692,109 new Focus Shares to be issued pursuant to the exercise of Warrants D;
- (iv) listing and quotation of up to 20,989,457 additional Warrants C to be issued pursuant to the adjustment in accordance with the provisions of the Deed Poll C as a result of the Proposed Rights Issue with Warrants (“Additional Warrants C”); and
- (v) listing of and quotation of up to 20,989,457 new Focus Shares to be issued pursuant to the exercise of Additional Warrants C.

The approval by Bursa Securities for the above is subject to, amongst others, the following conditions:-

- (i) Focus and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Rights Issue with Warrants;
- (ii) Focus and Mercury Securities to inform Bursa Securities upon the completion of the Proposed Rights Issue with Warrants; and
- (iii) Focus to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Proposed Rights Issue with Warrants is completed.

The Circular in relation to the Proposals was despatched to shareholders on 10 October 2016. The Proposals was approved by the shareholders at the extraordinary general meeting held on 25 October 2016.

On 22 February 2017, Mercury Securities, on behalf of the Board announced that Bursa Securities has, vide its letter dated 22 February 2017, resolved to grant the Company an extension of time of six (6) months from 28 March 2017 until 27 September 2017 to complete the implementation of the Rights Issue with Warrants.

Save as disclosed above, there are no other corporate proposals announced, which are pending completion as at the date of this report.

## **B8. GROUP BORROWINGS AND DEBT SECURITIES**

The details of the Group’s borrowings as at 31 December 2016 are as follows:

	<b>As at 31.12.2016 RM</b>	<b>As at 31.12.2015 RM</b>
<b>Current</b>		
Bank overdraft - secured	1,196,457	1,201,387
Hire purchase - unsecured	31,089	111,025
	<u>1,227,546</u>	<u>1,312,412</u>
<b>Non-current</b>		
Hire purchase - unsecured	132,214	163,303
Total Bank borrowings	<u>1,359,760</u>	<u>1,475,715</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 Bahru 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 Judicature 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 to-date, 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.

	<b>3 months ended</b>		<b>Current year to date</b>	
	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
Loss attributable to equity holders of the parent (RM)	(12,242,895)	(4,795,012)	(16,694,953)	(13,608,272)
Weighted average number of Ordinary shares in issue	777,089,722	705,502,788	748,985,181	705,502,788
Basic Loss per Ordinary Share (sen)	(1.58)	(0.68)	(2.23)	(1.93)

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 31 December 2016 is as follows:-

	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Balance of proceeds RM'000</b>	<b>Time frame for the utilisation of proceeds RM'000</b>
Working capital	4,273	3,792	481	31.12.2017
Defraying expenses	100	83	17	31.12.2017
	<u>4,373</u>	<u>3,875</u>	<u>498</u>	

The Board had on 29 November 2016 approved the utilisation of the proceeds derived from private placement to be extended to 31 December 2017.

### (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 2016 is as follows:-

	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Balance of proceeds RM'000</b>	<b>Time frame for the utilisation of proceeds RM'000</b>
Working capital	3,107	2,362	745	31.12.2017
Defraying expenses	100	88	12	31.12.2017
	<u>3,207</u>	<u>2,450</u>	<u>757</u>	

The Board has on 29 November 2016 approved the utilisation of the proceeds derived from private placement to be extended to 31 December 2017.

### (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 2016 is as follows:-

	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Balance of proceeds RM'000</b>	<b>Time frame for the utilisation of proceeds RM'000</b>
Repayment of bank borrowings	3,100	2,291	809	31.12.2017
Capital expenditure and working capital for F&B business	25,918	15,013	10,905	31.12.2017
Future working capital/ Investment	5,757	5,757	-	31.12.2017
Defraying expenses	500	500	-	31.12.2017
	<u>35,275</u>	<u>23,561</u>	<u>11,714</u>	

The Board has on 29 November 2016 approved the utilisation of the proceeds derived from the Rights Issue with Warrants to be extended to 31 December 2017.

**(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 2016 is as follows:-

	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Balance of proceeds RM'000</b>	<b>Time frame for the utilisation of proceeds RM'000</b>
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 in financial period ended 30 June 2016.

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

Breakdown of the Group's realised and unrealised profit or losses as at 31 December 2016 is as follows:-

	<b>As at 31.12.2016 RM</b>	<b>As at 31.12.2015 RM</b>
Total accumulated loss of the Company and its subsidiaries:-		
- Realised	(45,034,985)	(37,780,001)
- Unrealised	-	305
<b>Total accumulated loss as per statement of financial position</b>	<u><b>(45,034,985)</b></u>	<u><b>(37,779,696)</b></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