

**Focus Dynamics Group Berhad (“Focus” or the “Company”)  
(Company No: 582924-P)  
Interim Financial Report for the three (3) months period ended 31 March 2018**

**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 2017. 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 2017.

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 2017, except for the adoption of the following new Amendments to MFRSs issued by MASB, effective for the annual periods beginning on or after 1 January 2018:-

| <b>MFRSs/ Amendments to MFRSs/ IC Interpretation</b>   | <b>Effective for annual periods beginning on or after</b> |
|--|---|
| MFRS 9- Financial Instruments (International Financial Reporting Standards (“IFRS”) 9 as issued by International Accounting Standards Board (“IASB”) in July 2014) | 1 January 2018  |
| MFRS 15- Revenue from Contracts with Customers   | 1 January 2018  |
| MFRS 15- Clarifications to MFRS 15   | 1 January 2018  |
| Amendments to MFRS 2- Share-based Payments- Classification and Measurement of Share-based Payment Transactions   | 1 January 2018  |
| Amendments to MFRS 140 Investment Property- Transfers of Investment Property   | 1 January 2018  |
| Annual Improvements to MFRS Standards 2014-2016 Cycle  | 1 January 2018  |
| IC Interpretation 22 Foreign Currency Transactions and Advance Consideration   | 1 January 2018  |
| MFRS 16- Leases  | 1 January 2019  |
| Amendments to MFRS 9 Financial Instruments- Prepayment Features with Negative Compensation   | 1 January 2019  |
| Amendments to MFRS 119 Employee Benefits- Plan Amendments, Curtailment or Settlement   | 1 January 2019  |
| Annual Improvements to MFRS Standards 2015-2017 Cycle  | 1 January 2019  |
| Amendments to MFRS 128 Investments in Associates and Joint Ventures- Long-term Interests in Associates and Joint Ventures  | 1 January 2019  |
| IC Interpretation 23 Uncertainty over Income Tax Treatments  | 1 January 2019  |
| MFRS 117- Insurance Contracts  | 1 January 2021  |

The adoption of these amendments are not expected to have a material impact to the financial statements of the Group and of the Company.

**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 2017 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 and equity securities during the current financial period.

**A7. DIVIDEND DECLARED**

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

On 28 November 2017, the Board of Directors of Focus announce that the Company had adopted a dividend policy to pay an annual dividend of up to 20% of its consolidated profits after tax attributable to owners of the Company in respect of any financial year, provided that such distribution will not be detrimental to the Company's cash flow requirements.

The declaration and payment of dividend is after taking into account:-

- (i) the level of the Company's available cash and cash equivalents;
- (ii) the projected level of working capital, capital expenditure and any other investment plan;
- (iii) cash flow solvency test within twelve months immediate after the distribution is made.

The Company reserves the discretion to pay higher rate of dividend as it deems appropriate.

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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 March 2018 are as follows:-

|                                   | ←-----Results for 3 months ended 31 March 2018-----> |                               |                                     |              |                   |
|-----------------------------------|--|-------------------------------|-------------------------------------|--------------|-------------------|
|                                   | Property<br>investment &<br>management<br>RM         | Engineering<br>services<br>RM | Food &<br>beverage<br>("F&B")<br>RM | Others<br>RM | Total<br>RM       |
| <b>Revenue</b>                    |  |                               |                                     |              |                   |
| Segment revenue                   | 2,317,503  | 91,720                        | 5,135,857                           | -            | 7,545,080         |
| Elimination- inter segment        | -  | -                             | -                                   | -            | -                 |
| <b>Total revenue</b>              | <b>2,317,503</b>                                     | <b>91,720</b>                 | <b>5,135,857</b>                    | <b>-</b>     | <b>7,545,080</b>  |
| Results from operating activities | 1,518,965  | (424,321)                     | 230,911                             | (127,681)    | 1,197,874         |
| Finance costs                     |  |                               |                                     |              | (15,891)          |
| <b>Profit before taxation</b>     |  |                               |                                     |              | <b>1,181,983</b>  |
| Tax expense                       |  |                               |                                     |              | (69,949)          |
| <b>Profit after taxation</b>      |  |                               |                                     |              | <b>1,112,034</b>  |
| Non-controlling interest          |  |                               |                                     |              | (744,293)         |
|                                   |  |                               |                                     |              | <b>367,741</b>    |
| <b>Assets and Liabilities</b>     |  |                               |                                     |              |                   |
| Segment assets                    | 9,045,469  | 989,758                       | 24,307,982                          | 3,180,510    | 37,523,719        |
| Goodwill on consolidation         |  |                               |                                     |              | 88,129            |
| Cash in hand and at banks         |  |                               |                                     |              | 4,137,300         |
| Deposits with licensed banks      |  |                               |                                     |              | 15,948,251        |
| Current tax assets                |  |                               |                                     |              | 237,381           |
| <b>Consolidated total assets</b>  |  |                               |                                     |              | <b>57,934,780</b> |
| Segment liabilities               | 5,625,226  | 327,438                       | 1,852,351                           | 898,891      | 8,703,906         |
| Provision for taxation            |  |                               |                                     |              | 664,948           |
| Deferred tax liabilities          |  |                               |                                     |              | 44,824            |
| Unallocated liabilities           |  |                               |                                     |              |                   |
| Bank overdraft                    |  |                               |                                     |              | 1,205,087         |
| Borrowings                        |  |                               |                                     |              | 110,826           |
| <b>Total liabilities</b>          |  |                               |                                     |              | <b>10,729,591</b> |
| Capital expenditure               | 999  | 5,575                         | 1,649,729                           | -            | 1,656,303         |
| Depreciation                      | -  | 26,282                        | 811,263                             | -            | 837,545           |

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| ←-----Results for 3 months ended 31 March 2017-----→ |  |                               |                                     |              |                   |
|--|--|-------------------------------|-------------------------------------|--------------|-------------------|
|  | Property<br>investment &<br>management<br>RM | Engineering<br>services<br>RM | Food &<br>beverage<br>("F&B")<br>RM | Others<br>RM | Total<br>RM       |
| <b>Revenue</b>                                       |  |                               |                                     |              |                   |
| Segment revenue                                      | 573,868                                      | 65,580                        | 4,748,227                           | -            | 5,387,675         |
| Elimination- inter segment                           | -  | -                             | -                                   | -            | -                 |
| <b>Total revenue</b>                                 | <b>573,868</b>                               | <b>65,580</b>                 | <b>4,748,227</b>                    | <b>-</b>     | <b>5,387,675</b>  |
| Results from operating activities                    | (575,552)                                    | 2,096,582                     | (251,621)                           | (98,848)     | 1,170,561         |
| Finance costs  |  |                               |                                     |              | (15,920)          |
| Gains arising from disposal of subsidiary            |  |                               |                                     |              | -                 |
| <b>Profit before taxation</b>                        |  |                               |                                     |              | <b>1,154,641</b>  |
| Tax expense  |  |                               |                                     |              | (1,600)           |
| <b>Profit after taxation</b>                         |  |                               |                                     |              | <b>1,153,041</b>  |
| Non-controlling interest                             |  |                               |                                     |              | 282,020           |
| <b>Profit attributable to owners of the Company</b>  |  |                               |                                     |              | <b>1,435,061</b>  |
| <b>Assets and Liabilities</b>                        |  |                               |                                     |              |                   |
| Segment assets                                       | 4,636,187                                    | 2,922,766                     | 19,340,810                          | 778,714      | 27,678,477        |
| Goodwill on consolidation                            |  |                               |                                     |              | 88,129            |
| Cash in hand and at banks                            |  |                               |                                     |              | 2,140,768         |
| Deposits with licensed banks                         |  |                               |                                     |              | 8,785,545         |
| Tax recoverable                                      |  |                               |                                     |              | 56,372            |
| <b>Consolidated total assets</b>                     |  |                               |                                     |              | <b>38,749,291</b> |
| Segment liabilities                                  | 6,233,597                                    | 781,295                       | 1,548,058                           | 1,185,683    | 9,748,633         |
| Borrowings   |  |                               |                                     |              | 1,354,563         |
| <b>Total liabilities</b>                             |  |                               |                                     |              | <b>11,103,196</b> |
| Capital expenditure                                  | -  | -                             | 1,996,469                           | -            | 1,996,469         |
| Depreciation of property, plant and equipment        |  | 86,462                        | 650,633                             | -            | 737,095           |

#### A9 MATERIAL EVENTS

There were no other material events during the current quarter for the period ended 31 March 2018 and up to the date of this report.

#### 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 2017.

#### 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 the incorporation of Bounce Entertainment Sdn Bhd on 26 January 2018 by a wholly-owned subsidiary, Marquee International Holding Sdn Bhd.

#### A12. CONTINGENT ASSETS AND LIABILITIES

There were no contingent liabilities or contingent assets, since the last financial year ended 31 December 2017

### A13. CAPITAL COMMITMENTS

Capital expenditure contracted and not provided for in the interim financial statements as at 31 March 2018 are as follows:-

|                               | <b>As at 31.03.2018</b> |
|-------------------------------|-------------------------|
|                               | <b>RM</b>               |
| Property, plant and equipment | <u>127,330,855</u>      |

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**Focus Dynamics Group Berhad (“Focus” or the “Company”)  
(Company No: 582924-P)**

**Interim Financial Report for three months period ended 31 March 2018**

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

**B1. REVIEW OF PERFORMANCE**

**CURRENT QUARTER COMPARED TO THE CORRESPONDING QUARTER OF LAST YEAR (Q1 18 vs Q1 17)**

|  | Individual Quarter Unaudited            |   | Changes<br>RM'000 % |         | Cumulative Quarter Unaudited                 |  | Changes<br>RM'000 % |         |
|--|---|---|---------------------|---------|--|--|---------------------|---------|
|  | Current Quarter<br>31.03.2018<br>RM'000 | Preceding Quarter<br>31.03.2017<br>RM'000 |                     |         | Current year to-date<br>31.03.2018<br>RM'000 | Preceding year to-date<br>31.03.2017<br>RM'000 |                     |         |
| Revenue  | 7,545                                   | 5,388                                     | 2,157               | 40.03   | 7,545  | 5,388  | 2,157               | 40.03   |
| Operating profit/ (loss)   | 1,144                                   | 1,085                                     | 59                  | 5.44    | 1,144  | 1,085  | 59                  | 5.44    |
| Profit / (loss) before interest & tax                                | 1,198                                   | 1,171                                     | 27                  | 2.31    | 1,198  | 1,171  | 27                  | 2.31    |
| Profit/ (loss) before tax  | 1,182                                   | 1,155                                     | 27                  | 2.34    | 1,182  | 1,155  | 27                  | 2.34    |
| Profit/ (loss) after tax   | 1,112                                   | 1,153                                     | (41)                | (3.56)  | 1,112  | 1,153  | (41)                | (3.56)  |
| Profit/ (loss) attributable to ordinary equity holders of the parent | 368                                     | 1,435                                     | (1,067)             | (74.36) | 368  | 1,435  | (1,067)             | (74.36) |

For the three months period ended 31 March 2018, the Group's revenue increased from RM5.39 million in corresponding quarter of last year to RM7.55 million in the current quarter, representing an increase of RM2.16 million or 40.03%. This was mainly due to higher contribution from the F&B and Property investment & management segment during the period.

The Group's gross profit (“GP”) margin improved to 59.60% during the 3-month FPE 31 March 2018 as compared to a GP margin of 56.51% during the previous corresponding period. This was mainly due to higher profit margin generated from rental income by Famous Ambience Sdn Bhd (“FASB”), a 51% subsidiary company of the Group.

The Group had also registered a slightly lower profit after tax (“PAT”) of RM1.11 million as compared to PAT of RM1.15 million in the previous corresponding quarter.

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

### Q1 18 vs Q4 17

|  | Current Quarter | Immediate         | Changes |         |
|--|-----------------|-------------------|---------|---------|
|  | 31.03.2018      | Preceding Quarter |         |         |
|  | RM'000          | 31.12.2017        | RM'000  | %       |
|  |                 | RM'000            |         |         |
| Revenue  | 7,545           | 8,613             | (1,068) | (12.40) |
| Operating profit/ (loss)   | 1,144           | (351)             | 1,495   | >100.00 |
| Profit / (loss) before interest & tax                                | 1,198           | (292)             | 1,490   | >100.00 |
| Profit (loss) before tax   | 1,182           | (308)             | 1,490   | >100.00 |
| Profit/ (loss) after tax   | 1,112           | (773)             | 1,885   | >100.00 |
| Profit/ (loss) attributable to ordinary equity holders of the parent | 368             | (1,124)           | 1,492   | >100.00 |

For the current quarter, the Group registered a decrease in revenue to RM7.55 million from RM8.61 million in the preceding quarter, represents a decrease of 12.40% or RM1.07 million. The decrease in revenue was mainly due to lower sales recorded by F&B segment.

The Group registered a PAT of RM0.37 million in the current quarter as compared to loss after taxation of RM1.12 million in the preceding quarter. This is mainly due to impairment loss on investment, capital work in progress and PPE written off in the preceding quarter.

## B3. COMMENTARY ON PROSPECTS

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

- (i) continue its diversification initiative to develop a mixed commercial development which will feature retail/ F&B lots, event hall, a Chinese restaurant, a seafood restaurant, a karaoke centre and car parks in a 5-storey building with a basement level to be erected on a piece of land next to TREC KL and the Tun Razak Exchange; and
- (ii) leverage on its existing F&B outlets, namely "Chaze", "LAVO" and "Maze" to further expand its F&B business including amongst others, opening of additional outlets or launching new F&B brands.

Besides these ventures, the Board views its Engineering Service Segment as a strategic business that is worth retaining despite the loss-making trend in the past few years. This is in view of the increasing awareness on cost and energy efficiency as well as green technology initiatives gradually being adopted by manufacturers across the country. For its Engineering Service Segment, the Group will continue to implement prudent cost-cutting measures as well as leverage on government initiatives to promote green technology and renewable energy, such as the Green Technology Financing Scheme as well as various tax allowances and exemptions for the use of green technology equipment and systems.

The Board believes that the abovementioned initiatives in the F&B, property investment and management as well as Engineering Service Segment should place the Group in a better position to further improve its financial performance in the near future.

## 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>31.03.2018</b> | <b>31.03.2017</b> |
|---|-------------------|-------------------|
|   | <b>RM</b>         | <b>RM</b>         |
| <b>Loss for the period is arrived at after charging</b> |                   |                   |
| Amortisation and depreciation                           | 837,545           | 737,095           |
| Interest expense  | 15,891            | 15,920            |
| Property, plant and equipment ("PPE") written off       | -                 | 4,753             |
| <b>And after crediting</b>                              |                   |                   |
| Other income  | 1,051,584         | -                 |
| Interest income   | 53,765            | 85,326            |
| Gain on disposal of PPE                                 | -                 | 1,573,408         |
| Reversal of impairment loss on trade receivables        | -                 | 922,628           |

**B6. INCOME TAX EXPENSE**

|              | <b>3 months ended</b> |                   |
|--------------|-----------------------|-------------------|
|              | <b>31.03.2018</b>     | <b>31.03.2017</b> |
|              | <b>RM</b>             | <b>RM</b>         |
| Deferred tax | -                     | -                 |
| Current tax  | 69,949                | 1,600             |
| Tax Expenses | 69,949                | 1,600             |

**B7. STATUS OF CORPORATE PROPOSALS**

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

On 9 January 2018, Mercury Securities Sdn Bhd ("**Mercury Securities**"), on behalf of the Board of Focus ("**Board**"), announced that the Company had resolved to revise the renounceable rights issue of up to 1,245,384,218 new irredeemable convertible preference shares in Focus ("**ICPS**") together with up to 207,564,036 free detachable warrants ("**Warrants D**") on the basis of 6 ICPS together with 1 free Warrant D for every 6 existing ordinary shares in Focus ("**Focus Shares**" or "**Shares**") held by the entitled Shareholders on an entitlement date to be determined later ("**Previous Rights Issue of ICPS with Warrants**"), which was approved by shareholders on 7 September 2017 to as follows:-

- (i) the proposed renounceable rights issue of up to 2,122,788,334 new ICPS together with up to 424,557,666 free Warrants D on the basis of 5 ICPS together with 1 free Warrant D for every 5 existing Focus Shares held by the entitled Shareholders of the Company on an entitlement date to be determined ("**Rights Entitlement Date**") ("**Entitled Shareholders**") ("**Proposed Rights Issue of ICPS with Warrants**");
- (ii) proposed share split involving the subdivision of every 10 existing Shares into 19 Shares ("**Split Shares**") ("**Proposed Share Split**"); and
- (iii) proposed amendments to the Constitution / Memorandum and Articles of Association of the Company ("**M&A**") ("**Proposed M&A Amendments**").

The Proposed Share Split, Proposed Rights Issue of ICPS with Warrants and Proposed M&A Amendments shall collectively be referred to as the "**Proposals**".



On 24 January 2018, Mercury Securities, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 24 January 2018, approved the following:-

- (i) Proposed Share Split;
- (ii) listing and quotation of up to 207,179,307 additional Warrants C to be issued from the adjustment to the number of Warrants C pursuant to the Proposed Share Split in accordance with the provisions of the Deed Poll C ("**Additional Warrants C**");
- (iii) admission to the Official List and the initial listing and quotation of up to 2,122,788,334 ICPS and up to 424,557,666 Warrants D to be issued pursuant to the Proposed Rights Issue of ICPS with Warrants;
- (iv) listing and quotation of up to 2,122,788,334 new Focus Shares to be issued pursuant to the conversion of the ICPS;
- (v) listing and quotation of up to 424,557,666 new Focus Shares to be issued pursuant to the exercise of the Warrants D; and
- (vi) listing and quotation of up to 207,179,307 new Focus Shares to be issued pursuant to the exercise of the Additional Warrants C.

The approval by Bursa Securities 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 Share Split and Proposed Rights Issue of ICPS with Warrants;
- (ii) Focus and Mercury Securities to inform Bursa Securities upon the completion of the Proposals; 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 Proposals are completed.

The Proposals was duly approved by the shareholders at the Extraordinary General Meeting of Focus held on 23 February 2018.

On 26 March 2018, Focus had completed its Share Split resulting 2,041,533,608 split shares and 1,552,269 additional Warrants C listed on the ACE Market of Bursa Securities on the same day.

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 March 2018 are as follows:

|                           | <b>As at<br/>31.03.2018<br/>RM</b> | <b>As at<br/>31.03.2017<br/>RM</b> |
|---------------------------|------------------------------------|------------------------------------|
| <b>Current</b>            |                                    |                                    |
| Bank overdraft - secured  | 1,205,087                          | 1,201,490                          |
| Hire purchase - unsecured | 44,366                             | 42,247                             |
|                           | <u>1,249,453</u>                   | <u>1,243,737</u>                   |
| <b>Non-current</b>        |                                    |                                    |
| Hire purchase - unsecured | 66,460                             | 110,826                            |
| Total Bank borrowings     | <u>1,315,913</u>                   | <u>1,354,563</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.

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

Basic profit/(loss) per ordinary share is calculated by dividing the net profit/(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 |               |
|---|----------------|---------------|----------------------|---------------|
|   | 31.03.2018     | 31.03.2017    | 31.03.2018           | 31.03.2017    |
|   | RM             | RM            | RM                   | RM            |
| Profit/ (loss) attributable to equity holders of the Company (RM) | 367,741        | 1,435,061     | 367,741              | 1,435,061     |
| Weighted average number of shares in issue                        |                |               |                      |               |
| Before Share Split  | -              | 777,089,722   | -                    | 777,089,722   |
| After Share Split   | 1,583,996,405  | 1,476,470,472 | 1,583,996,405        | 1,476,470,472 |
| Basic Earnings/ (loss) per share (sen)                            | 0.02           | 0.09          | 0.02                 | 0.09          |

**(b) Diluted earnings per share**

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity holders of the Company and the weighted average number of ordinary shares outstanding during the period have been adjusted for the dilutive effects of all potential ordinary shares from the exercise of Warrants.

|   | 3 months ended |               | Current year to date |               |
|---|----------------|---------------|----------------------|---------------|
|   | 31.03.2018     | 31.03.2017    | 31.03.2018           | 31.03.2017    |
| Profit/ (loss) attributable to equity holders of the Company (RM) | 367,741        | 1,435,061     | 367,741              | 1,435,061     |
| Weighted average number of shares in issue                        |                |               |                      |               |
| Before Share Split  | -              | 875,397,175   | -                    | 875,397,175   |
| After Share Split   | 1,586,468,744  | 1,663,254,633 | 1,586,468,744        | 1,663,254,633 |
| Diluted Earnings/ (loss) per share (sen)                          | 0.02           | 0.08          | 0.02                 | 0.08          |

\* *The fully diluted loss per ordinary share for the Group for the comparative financial period was not presented as the warrants would be anti-dilutive.*

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## 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 March 2018 is as follows:-

|                    | <b>Proposed<br/>utilisation<br/>RM'000</b> | <b>Actual<br/>utilisation<br/>RM'000</b> | <b>Balance of<br/>proceeds<br/>RM'000</b> | <b>Time frame<br/>for the<br/>utilisation of<br/>proceeds<br/>RM'000</b> |
|--------------------|--|--|---|--|
| Working capital    | 4,273                                      | 3,792                                    | 481                                       | 31.12.2018   |
| Defraying expenses | 100  | 83                                       | 17  | 31.12.2018   |
|                    | <u>4,373</u>                               | <u>3,875</u>                             | <u>498</u>                                |  |

The Board had on 28 November 2017 approved the utilisation of the proceeds derived from private placement to be extended to 31 December 2018.

### (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 March 2018 is as follows:-

|                    | <b>Proposed<br/>utilisation<br/>RM'000</b> | <b>Actual<br/>utilisation<br/>RM'000</b> | <b>Balance of<br/>proceeds<br/>RM'000</b> | <b>Time frame<br/>for the<br/>utilisation of<br/>proceeds<br/>RM'000</b> |
|--------------------|--|--|---|--|
| Working capital    | 3,107                                      | 2,362                                    | 745                                       | 31.12.2018   |
| Defraying expenses | 100  | 88                                       | 12  | 31.12.2018   |
|                    | <u>3,207</u>                               | <u>2,450</u>                             | <u>757</u>                                |  |

The Board has on 28 November 2017 approved the utilisation of the proceeds derived from private placement to be extended to 31 December 2018.

### (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.

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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 March 2018 is as follows:-

|  | <b>Proposed<br/>utilisation<br/>RM'000</b> | <b>Actual<br/>utilisation<br/>RM'000</b> | <b>Balance of<br/>proceeds<br/>RM'000</b> | <b>Time frame<br/>for the<br/>utilisation of<br/>proceeds<br/>RM'000</b> |
|--|--|--|---|--|
| Repayment of bank borrowings                             | 3,100                                      | 2,291                                    | 809                                       | 31.12.2018   |
| Capital expenditure and working capital for F&B business | 25,918                                     | 21,708                                   | 4,210                                     | 31.12.2018   |
| Future working capital/ Investment                       | 5,757                                      | 5,757                                    | -   | 31.12.2018   |
| Defraying expenses                                       | 500  | 500                                      | -   | 31.12.2018   |
|  | <u>35,275</u>                              | <u>30,256</u>                            | <u>5,019</u>                              |  |

The Board has on 28 November 2017 approved the utilisation of the proceeds derived from the Rights Issue with Warrants to be extended to 31 December 2018.

### **B13. 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