

FOCUS DYNAMICS GROUP BERHAD (Company No: 582924-P)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

THE FIGURES HAVE NOT BEEN AUDITED

| | | INDIVIDUAL QUARTER | | CUMULATIVE QUARTERS | |
|---|------|--|--|--|--|
| | | UNAUDITED CURRENT QUARTER ENDED | UNAUDITED COMPARATIVE QUARTER ENDED | UNAUDITED CUMULATIVE YEAR TO DATE | AUDITED CUMULATIVE PRECEDING YEAR TO DATE |
| | Note | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| | | RM | RM | RM | RM |
| CONTINUING OPERATIONS | | | | | |
| REVENUE | A9 | 4,206,975 | 8,644,900 | 24,024,687 | 31,683,528 |
| COST OF SALES | | <u>(3,272,951)</u> | <u>(7,911,864)</u> | <u>(11,885,883)</u> | <u>(16,518,148)</u> |
| GROSS PROFIT | | 934,024 | 733,036 | 12,138,804 | 15,165,380 |
| OTHER INCOME | | 2,874,084 | 3,053,394 | 6,084,625 | 9,095,310 |
| OPERATING EXPENSES | | <u>(7,235,558)</u> | <u>(4,144,012)</u> | <u>(22,451,143)</u> | <u>(19,068,406)</u> |
| PROFIT/(LOSS) FROM OPERATIONS | | (3,427,450) | (357,582) | (4,227,714) | 5,192,284 |
| INTEREST INCOME | | 17,762 | 56,043 | 224,499 | 250,061 |
| INTEREST EXPENSES | | (15,986) | (16,012) | (64,501) | (63,900) |
| SHARE OF ASSOCIATES' PROFIT | | 575,924 | - | 575,924 | (45) |
| PROFIT/(LOSS) BEFORE TAX | | (2,849,750) | (317,551) | (3,491,792) | 5,378,400 |
| INCOME TAX EXPENSE | B6 | <u>(138,527)</u> | <u>(629,240)</u> | <u>(1,011,556)</u> | <u>(635,071)</u> |
| (LOSS)/ PROFIT FOR THE PERIOD | | (2,988,277) | (946,791) | (4,503,348) | 4,743,329 |
| OTHER COMPREHENSIVE INCOME | | - | (13,312) | - | (13,312) |
| TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD | | <u>(2,988,277)</u> | <u>(960,103)</u> | <u>(4,503,348)</u> | <u>4,730,017</u> |
| (LOSS)/ PROFIT FOR THE PERIOD ATTRIBUTABLE TO: | | | | | |
| OWNERS OF THE COMPANY | | (2,151,558) | (1,301,531) | (3,300,668) | 3,303,125 |
| NON-CONTROLLING INTEREST | | <u>(836,719)</u> | <u>354,740</u> | <u>(1,202,680)</u> | <u>1,440,204</u> |
| | | <u>(2,988,277)</u> | <u>(946,791)</u> | <u>(4,503,348)</u> | <u>4,743,329</u> |
| TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD ATTRIBUTABLE TO: | | | | | |
| OWNERS OF THE COMPANY | | (2,151,558) | (1,314,843) | (3,300,668) | 3,289,813 |
| NON-CONTROLLING INTEREST | | <u>(836,719)</u> | <u>354,740</u> | <u>(1,202,680)</u> | <u>1,440,204</u> |
| | | <u>(2,988,277)</u> | <u>(960,103)</u> | <u>(4,503,348)</u> | <u>4,730,017</u> |
| Weighted average no shares | | | | | |
| Before Share Split | | - | 777,089,722 | - | 777,089,722 |
| After Share Split | | 2,041,698,460 | 1,476,470,472 | 1,928,757,788 | 1,476,470,472 |
| Basic EPS (sen) | | (0.11) | 0.09 | (0.17) | 0.23 |
| Weighted average no shares | | | | | |
| Before Share Split | | - | 951,409,885 | - | 928,015,848 |
| After Share Split | | 2,043,723,039 | 1,807,678,782 | 1,930,835,212 | 1,763,230,111 |
| Diluted EPS (sen) | | (0.11) | 0.07 | (0.17) | 0.19 |

NOTE:

1. The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for financial year ended 31 December 2017 and the accompanying explanatory notes to this Interim Financial Statements.

2. On 26 March 2018, Focus Dynamics Group Berhad had completed the share split involving the subdivision of every 10 existing shares into 19 shares (Split Shares") resulting 2,041,533,608 Split Shares and 1,552,269 additional Warrants C on the ACE Market of Bursa Securities on even date.

FOCUS DYNAMICS GROUP BERHAD (Company No: 582924-P)
AS AT 31 DECEMBER 2018

THE FIGURES HAVE NOT BEEN AUDITED

| | UNAUDITED AS AT 31/12/2018 | AUDITED AS AT 31/12/2017 |
|--|----------------------------------|--------------------------------|
| | RM | RM |
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 17,618,156 | 13,871,249 |
| Investment in associate | 437,747 | - |
| Goodwill | 88,129 | 88,129 |
| | <u>18,144,032</u> | <u>13,959,378</u> |
| Current Assets | | |
| Inventories | 15,048,153 | 3,186,234 |
| Trade and other receivables | 16,377,353 | 16,294,195 |
| Amount due from associated company | 2,658,899 | - |
| Current tax assets | 327,490 | - |
| Deposits with licenced banks | 1,909,680 | 7,406,049 |
| Cash and bank balances | 3,471,447 | 2,975,325 |
| | <u>39,793,022</u> | <u>29,861,803</u> |
| TOTAL ASSETS | <u>57,937,054</u> | <u>43,821,181</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Company | | |
| Share capital | 56,453,205 | 39,102,905 |
| Share premium | 28,657,465 | 28,657,465 |
| ESOS reserves | - | 4,458,112 |
| Foreign currency translation reserves | (13,312) | (13,312) |
| Accumulated losses | (43,409,573) | (41,758,860) |
| | <u>41,687,785</u> | <u>30,446,310</u> |
| Non-controlling interest | (177,500) | 1,025,180 |
| | <u>41,510,285</u> | <u>31,471,490</u> |
| Non-current liabilities | | |
| Borrowings | 36,015 | 77,750 |
| Deferred tax liabilities | 59,827 | 44,824 |
| | <u>95,842</u> | <u>122,574</u> |
| Current Liabilities | | |
| Provision for warranty and maintenance cost | - | 72 |
| Trade and other payables | 15,194,601 | 10,589,746 |
| Amount owing to director | - | 17,813 |
| Current tax liabilities | (114,496) | 375,892 |
| Borrowings | 1,250,822 | 1,243,594 |
| | <u>16,330,927</u> | <u>12,227,117</u> |
| Total Liabilities | <u>16,426,769</u> | <u>12,349,691</u> |
| TOTAL EQUITY AND LIABILITIES | <u>57,937,054</u> | <u>43,821,181</u> |
| Number of ordinary shares | 2,041,792,408 | 782,058,088 |
| Net assets per share attributable to ordinary equity holders of the Company (sen) | 2.04 | 3.89 |

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 2017 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 RM41,368,340 (FYE 31/12/17-RM30,446,310) over the issued number of ordinary shares of 2,041,792,408 (FYE 31/12/17 - 782,058,088)

3. On 26 March 2018, Focus Dynamics Group Berhad had completed the share split involving the subdivision of every 10 existing shares into 19 shares (Split Shares") resulting 2,041,533,608 Split Shares and 1,552,269 additional Warrants C on the ACE Market of Bursa Securities on even date.

FOCUS DYNAMICS GROUP BERHAD (Company No: 582924-P)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

THE FIGURES HAVE NOT BEEN AUDITED

| | -----Attributable to Owners of the Company-----> | | | | | Total | Non- controlling Interest |
|---|--|-------------------|------------------|---|---|-------------------|---------------------------------|
| | -----Non-distributable----- | | | Distributable | | | |
| | Share Capital | Share Premium | ESOS Reserve | Foreign currency translation Reserve | Retained Profits/ (Accumulated Losses) | | |
| | RM | RM | RM | RM | RM | RM | RM |
| Balance at 1 January 2017 | 38,854,486 | 28,657,465 | 4,458,112 | - | (45,061,985) | 26,908,078 | (415,024) |
| Issue of shares | 248,419 | - | - | - | - | 248,419 | - |
| Profit for the year | - | - | - | - | 3,303,125 | 3,303,125 | 1,440,204 |
| Foreign currency translations | - | - | - | (13,312) | - | (13,312) | - |
| Total comprehensive (loss)/ income for the year | - | - | - | (13,312) | 3,303,125 | 3,289,813 | 1,440,204 |
| Balance at 31 December 2017 | <u>39,102,905</u> | <u>28,657,465</u> | <u>4,458,112</u> | <u>(13,312)</u> | <u>(41,758,860)</u> | <u>30,446,310</u> | <u>1,025,180</u> |
| Balance at 1 January 2018 | 39,102,905 | 28,657,465 | 4,458,112 | (13,312) | (41,758,860) | 30,446,310 | 1,025,180 |
| Effects of adoption of MFRS 9 | | | | | (92,462) | (92,462) | - |
| Issue of shares | 17,350,300 | - | - | - | - | 17,350,300 | - |
| Exercise of ESOS options | - | - | (2,715,695) | - | - | (2,715,695) | - |
| Lapse of ESOS options due to resignations | - | - | (1,742,417) | - | 1,742,417 | - | - |
| Total comprehensive profit/ (loss) for the year | - | - | - | - | (3,300,668) | (3,300,668) | (1,202,680) |
| Balance at 31 December 2018 | <u>56,453,205</u> | <u>28,657,465</u> | <u>-</u> | <u>(13,312)</u> | <u>(43,409,573)</u> | <u>41,687,785</u> | <u>(177,500)</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 2018 and this Interim Financial Statements.

FOCUS DYNAMICS GROUP BERHAD (Company No: 582924-P)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

| | CUMULATIVE QUARTERS | |
|---|--|--|
| | UNAUDITED CURRENT QUARTER ENDED | AUDITED COMPARATIVE QUARTER ENDED |
| | 31/12/2018 | 31/12/2017 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash receipts from customers | 27,752,920 | 29,360,436 |
| Cash payments to suppliers and employees | (38,137,075) | (29,379,889) |
| Cash used in operations | (10,384,155) | (19,453) |
| Interest received | 224,499 | 250,061 |
| Interest paid | (64,501) | (63,900) |
| Income taxes paid | (1,686,209) | (157,983) |
| Income taxes refund | 10,000 | - |
| Dividend income | - | 4,062 |
| Net cash used in operating activities | (11,900,366) | 12,787 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment ("PPE") | (7,699,979) | (5,202,474) |
| Proceeds from disposal of PPE | - | 2,060,001 |
| Investment in associate | - | (45) |
| Net cash used in investing activities | (7,699,979) | (3,142,518) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| (Placement)/ withdrawal of fixed deposits | - | (37,503) |
| Advances from Directors | - | 17,813 |
| Proceeds from issuance of shares | 14,634,605 | 248,419 |
| Repayments of hire purchase liabilities | (39,793) | (41,717) |
| | 14,594,812 | 187,012 |
| Net decrease in cash and cash equivalent | (5,005,533) | (2,942,719) |
| Effects in changes in exchange rate | - | (13,312) |
| Cash and cash equivalent at beginning of period | 9,181,616 | 10,821,246 |
| | 4,176,083 | 7,865,215 |
| Cash in hand and at banks | 3,471,447 | 2,975,325 |
| Deposits with licensed banks | 1,909,680 | 7,406,049 |
| Bank overdraft | (1,205,044) | (1,199,758) |
| | 4,176,083 | 9,181,616 |
| Less: Fixed deposits pledged as securities | - | (1,316,401) |
| | 4,176,083 | 7,865,215 |

NOTES:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2017 and the accompanying explanatory notes to this Interim Financial Statements.