

**Focus Dynamics Group Berhad (“Focus” or the “Company”)  
(Company No: 582924-P)  
Interim Financial Report for the nine (9) months period ended 30 September 2020**

**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 2019. 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 2019.

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 2019, 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 2020:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139, and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 16: COVID-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9	17 August 2020 (Effective Immediately)
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current – Deferral of Effective Date	17 August 2020 (Effective Immediately)
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 & MFRS 16: Interest Rate Benchmark Reform-Phrase 2	1 January 2021
Amendments to MFRS 1: Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9: Annual Improvements to MFRS Standard 2018-2020	1 January 2022
Amendments to Illustrative Examples accompanying MFRS 16: Annual Improvement to MFRS Standard 2018-2022	1 January 2022
Amendments to MFRS 116: Proceed before Intended Use	1 January 2022
Amendment to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 141: Annual Improvements to MFRS Standard 2018-2022	1 January 2022
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2023
MFRS 10: Consolidated Financial Statements	Deferred
MFRS 128: Investments in Associates and Joint Ventures	Deferred
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and 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 2019 were not subject to any qualification.

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

The Group's business operational results is 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.

The current outbreak of COVID-19 has resulted in the occurrence of a multitude of associated events such as temporarily closing of businesses, travel restrictions and quarantine measures across the globe. However, the group has managed to break thru the pandemic by pushing hard on other components of the business.

**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.

*[The rest of this page has been intentionally left blank]*

## 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 30 September 2020 are as follows:-

	←-----Results for 9 months ended 30 September 2020-----→				
	Property investment & management RM	Engineering services RM	Food & beverage ("F&B") RM	Others RM	Total RM
<b>Revenue</b>					
Segment revenue	-	143,255	42,736,247	-	42,879,502
Elimination- inter segment	-	-	-	-	-
<b>Total revenue</b>	<b>-</b>	<b>143,255</b>	<b>42,736,247</b>	<b>-</b>	<b>42,879,502</b>
Results from operating activities	21,016	(583,264)	13,621,876	(1,296,195)	11,763,433
Finance costs					(376,427)
Share of loss on investment in joint venture					(420,392)
<b>Profit before taxation</b>					<b>10,966,614</b>
Tax expense					(3,792,542)
<b>Profit after taxation</b>					<b>7,174,072</b>
Non-controlling interest					90,373
					<b>7,264,445</b>
<b>Assets and Liabilities</b>					
Segment assets	22,721,599	395,898	30,954,676	3,721,006	57,793,179
Goodwill on consolidation					88,129
Cash in hand and at banks					30,200,476
Deposits with licensed banks					2,870,481
<b>Consolidated total assets</b>					<b>90,952,265</b>
Segment liabilities	19,375,742	440,419	16,744,623	1,151,357	37,712,141
Current tax liabilities					4,076,369
Deferred tax liabilities					-
Unallocated liabilities					-
Bank overdraft					1,194,790
Borrowings					-
<b>Total liabilities</b>					<b>42,983,300</b>
Other information					
Capital expenditure	2,427,295	-	299,336	1,524,474	4,251,105
Depreciation	-	68,714	3,499,273	290,112	3,858,099
Depreciation of right of use assets	-	26,781	889,388	-	916,169

*[The rest of this page has been intentionally left blank]*

	←-----Results for 9 months ended 30 September 2019-----→				
	Property investment & management RM	Engineering services RM	Food & beverage ("F&B") RM	Others RM	Total RM
<b>Revenue</b>					
Segment revenue	-	187,503	28,941,362	-	29,128,865
Elimination- inter segment	-	-	-	-	-
<b>Total revenue</b>	<b>-</b>	<b>187,503</b>	<b>28,941,362</b>	<b>-</b>	<b>29,128,865</b>
Results from operating activities	202,466	(935,392)	4,716,413	(549,625)	3,433,862
Finance costs					(50,018)
Share of profit/ (loss) on investment in joint venture					(232,336)
<b>Profit before taxation</b>					<b>3,151,508</b>
Tax expense					(1,895,480)
<b>Profit after taxation</b>					<b>1,256,028</b>
Non-controlling interest					(30,814)
					<b>1,225,214</b>
<b>Assets and Liabilities</b>					
Segment assets	16,543,479	574,721	41,922,887	2,182,397	61,223,484
Goodwill on consolidation					88,129
Cash in hand and at banks					1,931,587
Deposits with licensed banks					4,396,575
<b>Consolidated total assets</b>					<b>67,640,187</b>
Segment liabilities	13,128,684	375,658	6,211,428	1,227,286	20,943,056
Provision for taxation					1,700,000
Deferred tax liabilities					44,824
Unallocated liabilities					-
Bank overdraft					1,204,582
Borrowings					143,535
<b>Total liabilities</b>					<b>24,035,997</b>
Other information					
Capital expenditure	6,916,012	130,250	3,553,952	1,937,676	12,537,890
Depreciation	1,588	105,748	3,606,980	96,704	3,811,020

## A9 MATERIAL EVENTS

The outbreak of COVID-19 in early 2020 has affected the business and economic environments of the Group. Different measures taken by the governments and various private corporations to prevent the spread of the virus such as travel bans, closures of non-essential services, social distancing and home quarantine requirements may impact consumers' spending pattern and the Group's operations directly or indirectly. In addition, the outbreak of COVID-19 may also affect the right-of-use assets, goodwill, investment in joint venture in the future. Given the widespread nature of the outbreak and the unpredictability of future development of COVID-19, the Group is unable to quantify the potential financial impact of the COVID-19 outbreak on the Group's 2020 financial statements reliably at this juncture.

## 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 2019.

*[The rest of this page has been intentionally left blank]*

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

There are no changes in the composition of the Group during the quarter under review.

However, the Group has invested in the following companies after the 30 September 2020:-

- (i) From 7 October 2020 to 12 October 2020, Focus, via Focus Dynamics Centre Sdn Bhd (“**FDC**”) acquired 38,000,000 ordinary shares of Brahim’s Holdings Berhad (“**Brahim**”), representing 16.08% of the issued and paid up capital of Brahim, at RM0.255 per share (“**Brahim Shares**”) for a total cash consideration of RM9,690,000 (“**Consideration**”) (“**Aggregate Investment**”) from direct business transaction.
- (ii) On 13 October 2020, Focus, via its 100%-owned Hong Kong subsidiary, Focus Dynamic Group Limited (“**FDGL**”), entered into a conditional subscription agreement (“**Agreement**”) to invest in Top Standard Corporation (“**Top Standard**”) via subscription of 192,000,000 new shares pursuant to the proposed General Mandate at a Subscription Price of HK\$0.077 each per Subscription Share, for the total consideration of HK\$14.78 million (approximately RM7.9million) (“**Proposed Subscription**”). The Subscription Shares represent approximately 16.67% of the enlarged issued share capital of Top Standard, after completion of the Proposed Subscription.

Top Standard is a listed Hong Kong company on the Growth Enterprise Market (“**GEM**”) Stock Exchange of Hong Kong. Top Standard is an investment holding company mainly engaged in the operation of restaurants in Hong Kong and Taiwan. Top Standard operates restaurants, including Sichuanese and Cantonese restaurants under the brand of San Xi Lou, vegetarian restaurants under the brand of Pure Veggie House, Sichuanese restaurants under the brand of Man Jiang Hong, and Japanese restaurants under the brand of Ronin.

All conditions precedent stipulated in the Subscription Agreement dated 13 October 2020 have been fully satisfied on 19 October 2020 and the Proposed Subscription has been completed on 10 November 2020.

#### A12. CONTINGENT ASSETS AND LIABILITIES

There were no contingent liabilities or contingent assets, since the last financial year ended 31 December 2019

#### A13. CAPITAL COMMITMENTS

Capital expenditure contracted and not provided for in the interim financial statements as at 30 September 2020 are as follows:-

	<b>As at 30.09.2020</b>
	<b>RM</b>
Construction of building	<u>82,875,000</u>

*[The rest of this page has been intentionally left blank]*

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

**Interim Financial Report for three months period ended 30 September 2020**

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

**B1. REVIEW OF PERFORMANCE**

**CURRENT QUARTER COMPARED TO THE CORRESPONDING QUARTER OF LAST YEAR (Q3 20 vs Q3 19)**

	Individual Quarter Unaudited		Changes		Cumulative Quarter Unaudited		Changes	
	Current Quarter 30.09.2020	Preceding Quarter 30.09.2019			Current year to-date 30.09.2020	Preceding year to-date 30.09.2019		
	RM'000	RM'000			RM'000	RM'000		
Revenue	22,158	9,874	12,284	124.41	42,880	29,129	13,751	47.21
Operating profit	6,238	382	5,856	1,532.98	11,725	3,394	8,331	245.46
Profit before interest & tax	6,252	394	5,858	1,486.80	11,763	3,434	8,329	242.55
Profit before tax	5,945	496	5,449	1,098.59	10,967	3,152	7,815	247.94
Profit/(Loss) after tax	4,106	(119)	4,225	(3,550.42)	7,174	1,256	5,918	471.18
Profit/(Loss) attributable to ordinary equity holders of the Company	4,188	(70)	4,258	(6,082.86)	7,264	1,225	6,039	492.98

For the three months period ended 30 September 2020, the Group’s revenue increased significantly from RM9.87 million in corresponding quarter of last year to RM22.16 million in the current quarter, representing an increase of RM12.28 million or 124.41%. This was mainly due to higher contribution from the F&B segment on the retail sales during this quarter.

The Group’s gross profit (“GP”) margin decreased to 45.67% for 9-month ended 30 September 2020 as compared to a GP Margin of 50.51% during the previous corresponding period.

In line of the increase in revenue, the Group registered higher profit after tax (“PAT”) of RM4.11 million as compared to loss of RM0.12 million in the previous corresponding quarter.

*[The rest of this page has been intentionally left blank]*

**B2. COMPARISON OF CURRENT QUARTER RESULTS WITH THE PRECEDING QUARTER  
Q3 20 vs Q2 20**

	Current Quarter 30.09.2020 RM'000	Immediate Preceding Quarter 30.06.2020 RM'000	Changes	
			RM'000	%
Revenue	22,158	11,443	10,715	93.64
Operating profit	6,238	4,179	2,059	49.27
Profit before interest & tax	6,252	4,191	2,061	49.18
Profit before tax	5,945	3,792	2,153	56.78
Profit after tax	4,106	2,320	1,786	76.98
Profit attributable to ordinary equity holders of the Company	4,188	2,329	1,859	79.82

For the current quarter, the Group registered an increase in revenue to RM22.15 million from RM11.44 million in the preceding quarter, representing an increase of 93.64% or RM10.72 million.

The increase in revenue was mainly due to higher contribution from the F&B segment on the online and retail sales during the quarter. The GP margin decreased to 45.67% to stimulate retail sales during the quarter as compared to 63.70% from the preceding quarter.

The Group registered a PAT of RM4.11 million as compared to RM2.32 million in the preceding quarter due to higher volume of retail sales for the F&B segment.

**B3. COMMENTARY ON PROSPECTS**

The Group continues to concentrate its management resources towards its F&B segment, which we believe will provide positive growth. On this note, management will:-

- (i) continue to develop a mixed commercial development "The Arch" which will feature retail/ F&B lots, event hall, a Chinese restaurant, a seafood restaurant, a karaoke centre and car parks in a 3-storey building with mezzanine level on the 1<sup>st</sup> floor and 2<sup>nd</sup> floor as well as 2 lower ground level to be developed on the Project Land next to TREC KL and the Tun Razak Exchange; and
- (ii) focus on its existing Wine Retail, E-Commerce platforms, F&B outlets, namely "Chaze", "LAVO", and "Bounce" to further expand its F&B business including amongst others, opening of additional outlets or launching new F&B brands.

The Board believes that the abovementioned initiatives will 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**

	30.09.2020 RM	30.09.2019 RM
<b>Loss for the period is arrived at after charging</b>		
Amortisation and depreciation	3,858,099	3,811,2020
Depreciation of Right of Use Asset ("RUA")	916,169	-
Interest of RUA	362,147	-
Interest expense	14,280	50,018
<b>And after crediting</b>		
Other income	385,879	2,336,039
Interest income	38,513	40,268
Bad debts recovered	-	-
Reversal of impairment loss on trade receivables	984,218	630,027
Impairment of trade debts	10,280	-

**B6. INCOME TAX EXPENSE**

	9 months ended	
	30.09.2020 RM	30.09.2019 RM
Deferred tax	-	-
Current tax	3,792,542	1,895,480
Tax Expenses	3,792,542	1,895,480

**B7. STATUS OF CORPORATE PROPOSALS****1. The Proposed Share Split, Proposed Rights Issue of ICPS with Warrants and Proposed amendments shall collectively be referred to as the "Proposals".**

On 18 August 2020, Mercury Securities Sdn Bhd ("**Mercury Securities**"), on behalf of the Company announced to undertake the following:-

- (i) proposed share split involving the subdivision of every 1 existing ordinary share in Focus ("**Focus Share**" or "**Share**") into 3 Shares ("**Split Shares**") ("**Proposed Share Split**");
- (ii) proposed renounceable rights issue of up to 2,044,266,157 new irredeemable convertible preference shares in the Company ("**ICPS**") together with up to 3,066,399,235 free detachable warrants in the Company ("**Warrants D**") on the basis of 2 ICPS together with 3 free Warrants D for every 6 Split Shares held by the entitled shareholders of the Company ("**Shareholders**") ("**Entitled Shareholders**") on an entitlement date to be determined ("**Entitlement Date**") ("**Proposed Rights Issue of ICPS with Warrants**"); and
- (iii) proposed amendments to the constitution of the Company ("**Constitution**") to facilitate the issuance of the ICPS pursuant to the Proposed Rights Issue of ICPS with Warrants ("**Constitution**") ("**Proposed Amendments**").



On 10 September 2020, Mercury Securities, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 10 September 2020, approved the following:-

- (i) Proposed Share Split;
- (ii) admission to the Official List and listing and quotation of up to 2,044,266,157 ICPS to be issued pursuant to the Proposed Rights Issue of ICPS with Warrants;
- (iii) admission to the Official List and listing and quotation of up to 3,066,399,235 Warrants D to be issued pursuant to the Proposed Rights Issue of ICPS with Warrants;
- (iv) listing and quotation of up to 2,044,266,157 new Focus Shares to be issued arising from the conversion of the ICPS; and
- (v) listing and quotation of up to 3,066,399,235 new Focus Shares to be issued arising from the exercise of the Warrants D.

The approval by Bursa Securities for the above is subject to 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 of ICPS with Warrants;
- (ii) Focus and Mercury Securities to inform Bursa Securities upon the completion of the Proposed Rights Issue of ICPS with Warrants;
- (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 of ICPS with Warrants is completed; and
- (iv) Focus to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of the ICPS and exercise of Warrants D as at the end of each quarter together with a detailed computation of listing fees payable.

On 9 October 2020, Focus obtained its shareholders' approval for the Proposals at the Extraordinary General Meeting ("**EGM**") held on 9 October 2020.

On 19 October 2020, Mercury Securities, on behalf of the Board, announced that the Company has resolved to fix the issue price of the ICPS at RM0.055 per ICPS ("**Issue Price**") and the exercise price of the Warrants D at RM0.80 per Warrant D ("**Exercise Price**").

On 26 October 2020, Mercury Securities announced that based on the books closure date of 26 October 2020 fixed by the Board, a total of 6,132,798,471 Split Shares will be listed and quoted on the ACE Market of Bursa Securities with effect from 9.00 a.m. on Tuesday, 27 October 2020, being the next market day following the said books closure date.

*[The rest of this page has been intentionally left blank]*

## **2. Execution of Heads of Agreements (“HOA”) with several parties**

### **2.1 HOA with Oversea Enterprise Berhad (“Oversea”)**

On 6 October 2020, Focus executed a HOA with Overseas to pool their respective resources, expertise and reputation in the F&B industry to revamp, expand and enhance the Oversea brand to global metropolises in a collaborative venture. At the same time, the parties will also collaborate to establish new product offerings in local and expanded markets in line with developing technology, tastes and traction of the F&B industry. The parties will also look to leverage on each other’s existing business platforms by cross selling product and enhancing internal processes with economies of scale, achieved by this collaboration.

#### **Information of Oversea**

Oversea [Registration No. 199401031473 (317155-U)] is a company incorporated in Malaysia with its registered office at 3rd Floor, No. 17, Jalan Ipoh Kecil, 50350 Kuala Lumpur, Wilayah Persekutuan (KL).

Oversea restaurants have been an institution in Malaysian lives for over 50 years. They have a strong and loyal customer base spanning 3 generations. Now they are going to work together with Focus to bring this experience to the world, enhancing it with an international flavour and incorporating the latest technological and digital F&B trends.

### **2.2 HOA with Perusahaan Saudee Sdn Bhd (“PSSB”)**

On 30 October 2020, Focus, via its wholly-owned subsidiary, FDCSB, had on 30 October 2020 executed a HOA with PSSB to jointly roll out Malaysia’s first robotics operated burger kiosks and food trucks. Combining each other’s skillsets and resources, the parties will collaborate to set up an executive working group to develop the platforms and procedures required for the launch of the kiosks and food trucks.

#### **Information on PSSB**

PSSB (Registration No. 199701004662 (419958-U)) a company incorporated in Malaysia under the Companies Act, 1965 and having its registered address at 35, 1st Floor, Jalan Kelisa Emas 1, Taman Kelisa Emas, 13700 Seberang Jaya, Pulau Pinang.

PSSB main business activities are manufacturing and dealing of processed poultry, beef products, frozen foods and bakery product. PSSB is a 100% owned subsidiary of Saudee Group Berhad (“**Saudee**”), a listed manufacturing company on the Main Market of the Bursa Malaysia Securities Berhad, which focus is to produce innovative products and be one of the largest OEM producers.

Saudee is amongst the largest and most progressive processed frozen food manufacturers in Malaysia, with a total workforce of 238 personnel. Saudee specializes in manufacturing of frozen processed food products such as burger patties, nuggets, sausages, meat balls and many others. Saudee’s flagship brand Saudi Gold and Farm’s Gold are represented at all major retail outlets throughout Malaysia and has been recognized as one of the most innovative products in the market.

### **2.3 HOA with Brahim’s Sats Food Services Sdn Bhd (“BSFS”)**

On 11 November 2020, Focus, via its wholly-owned subsidiary, FDCSB executed a HOA with BSFS to collaborate and to leverage off each other’s businesses to develop, enhance and execute an integrated digital network to provide an end to end fulfillment and delivery strategy for both Focus’ outlets, online businesses, Cloud kitchen and Ghost kitchen programs, as well provide Brahim’s central kitchen with an opportunity to leverage of this platform to digitize their own businesses, modernize their central kitchen and to compensate for downtime and lack of utilization in the current economic climate.

## **Information of BSFS**

BSFS [Registration No. 199401031599 (317281-X)], a company incorporated in Malaysia under the Companies Act, 1965 and having its registered address at 2nd Floor, Catering Building, MAS Complex, South Support Zone, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan.

BSFS is a subsidiary company to Brahim's Holdings Berhad ("**Brahim's**") an investment holding company listed on the Main Market of Bursa Securities to a group of food & beverages ("**F&B**") related subsidiaries. BSFS is the principal in-flight catering service provider at KLIA, KLIA2 and Penang International Airport. BSFS serve up to 35 international airlines. BSFS is the largest halal flight kitchen in the world and the largest in Malaysia, operating 24 hours daily with capacity of about 50,000 meals production daily.

### **B8. GROUP BORROWINGS**

The details of the Group's borrowings as at 30 September 2020 are as follows:

	<b>As at 30.09.2020 RM</b>	<b>As at 30.09.2019 RM</b>
<b>Current</b>		
Bank overdraft – secured	1,194,790	1,204,582

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

### **B9 LEASE LIABILITIES**

	<b>As at 30.09.2020 RM</b>	<b>As at 31.12.2019 RM</b>
As 1 January	4,726,342	4,587,222
Additions during the period	368,677	1,086,175
Adjustment during the year	(350,884)	-
Interest expense recognised in profit or loss	571,049	845,778
Early termination	(18,305)	-
Repayment of principal	(463,667)	(945,055)
Repayment of interest expense	(571,049)	(845,778)
Balance	<b>4,262,163</b>	<b>4,726,342</b>
Analysed by:-		
Non-current liabilities	3,770,880	3,698,968
Current liabilities	491,283	1,027,374
Balance	<b>4,262,163</b>	<b>4,726,324</b>

### **B10. MATERIAL LITIGATION**

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.

### **B11. PROPOSED DIVIDEND**

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

**B12. 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.

	9 months ended		Current year to date	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM	RM	RM	RM
Profit/ (loss) attributable to equity holders of the Company (RM)	4,188,032	(69,791)	7,264,445	1,225,214
Weighted average number of shares in issue	2,044,266,157	2,043,117,703	2,044,266,157	2,042,461,553
Basic Earnings/ (loss) per share (sen)	0.20	(0.003)	0.36	0.06

**B13. AUTHORITY FOR ISSUE**

The interim financial report was 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