

ANNUAL REPORT 2015



Focus Dynamics



The logo for Focus Dynamics features the word "Focus" in white text inside a teal circle, followed by the word "Dynamics" in white text. The background of the entire page is a photograph of a modern interior space with a staircase, decorative lights, and a reception desk.

Focus

Dynamics

FOCUS DYNAMICS GROUP BERHAD (582924-P)
(FORMERLY KNOWN AS FOCUS DYNAMICS TECHNOLOGIES BERHAD)
(INCORPORATED IN MALAYSIA UNDER THE COMPANIES ACT, 1965)

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Manan Bin Haji Md. Said
Executive Chairman

Ameezan Bin Jamal
Executive Director

Leung Kok Keong
Executive Director

Tan Aik Heang
Independent Non-Executive Director

Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad
Independent Non-Executive Director

Chang Vun Lung
Independent Non-Executive Director

COMPANY SECRETARY

Wong Keo Rou
(MAICSA 7021435)

REGISTERED OFFICE

No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel No.: 03-62011120
Fax No.: 03-62013121

SHARE REGISTRAR

Tricor Investor & Issuing House
Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3,
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel No.: 03 -27839299
Fax No.: 03 -27839222

AUDITORS

Mustapha, Khoo & Co. (AF0599)
Chartered Accountants
30-4 & 32-4, Jalan Kuchai Maju 10
Kuchai Entrepreneurs Park
Off Jalan Kuchai Lama
58200 Kuala Lumpur
Tel : 03-7981 3337
Fax : 03-7982 5708

SOLICITORS

Lim Chong Phang & Amy
Advocates & Solicitors

PRINCIPAL PLACE OF BUSINESS

Lot 12.1, 12th Floor
Menara Lien Hoe,
No. 8, Persiaran Tropicana,
Tropicana Golf & Country Resort,
47410 Petaling Jaya,
Selangor Darul Ehsan
Tel No.: 03-7803 7333
Fax No.: 03-7803 7338
Email : info@focusdynamics.net
Website : www.focusdynamics.net

STOCK EXCHANGE LISTING

**Bursa Malaysia Securities Berhad
(ACE Market)**
Sector : Technology
Stock Number : 0116
Stock Short Name : Focus

AUDIT COMMITTEE

Chang Vun Lung
– Chairman
Independent Non-Executive Director

Tan Aik Heang
– Member
Independent Non-Executive Director

**Abdul Menon Bin Arsad @
Abdul Manan Bin Arshad**
– Member
Independent Non-Executive Director

NOMINATION COMMITTEE

**Abdul Menon Bin Arsad @
Abdul Manan Bin Arshad**
– Chairman
Independent Non-Executive Director

Tan Aik Heang – Member
Independent Non-Executive Director

Chang Vun Lung – Member
Independent Non-Executive Director

REMUNERATION COMMITTEE

Tan Aik Heang
– Chairman
Independent Non-Executive Director

**Abdul Menon Bin Arsad @
Abdul Manan Bin Arshad**
– Member
Independent Non-Executive Director

Chang Vun Lung
– Member
Independent Non-Executive Director

CORPORATE DISCLOSURE COMMITTEE

DATUK MANAN BIN HAJI MD. SAID
– Member
Executive Chairman

AMEEZAN BIN JAMAL
– Member
Executive Director

CHIENG SIONG KUONG
– Member
Group Finance Manager

RISK MANAGEMENT COMMITTEE

Chieng Siong Kuong
– Chairman
Group Finance Manager

Ong Eng Eng
– Member
Finance and Administrative Manager

Fong Foo Peng
– Member
Engineering Manager

Tay Ben Seng, Benson
– Member
Director of Marquee International
Group

ESOS COMMITTEE

Ameezan Bin Jamal
– Chairman
Executive Director

Tan Aik Heang
– Member
Independent Non-Executive Director

**Abdul Menon Bin Arsad @
Abdul Manan Bin Arshad**
– Member
Independent Non-Executive Director



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT *the Thirteenth Annual General Meeting ("13th AGM") of FOCUS DYNAMICS GROUP BERHAD (formerly known as Focus Dynamics Technologies Berhad) will be held at Theatre Room, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan, on Wednesday, 25 May 2016 at 10.00 a.m. for the following purposes:-*

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note 1)
2. To approve the payment of Directors' Fee of RM159,000.00 for the financial year ended 31 December 2015. (Ordinary Resolution 1)
3. To approve the payment of Directors' Fee of RM2,000.00 per month for each Independent Non-Executive Director. (Ordinary Resolution 2)
4. To re-elect the following Directors retiring pursuant to Article 127 of the Company's Articles of Association:
(i) Datuk Manan Bin Haji Md. Said (Ordinary Resolution 3)
(ii) Mr Tan Aik Heang (Ordinary Resolution 4)
5. To re-elect the Mr Leung Kok Keong who retires pursuant to Article 132 of the Company's Articles of Association. (Ordinary Resolution 5)
6. To appoint Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. (Ordinary Resolution 6)

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed hereto and marked "Annexure A", has been received by the Company for the nomination of Messrs Siew Boon Yeong & Associates, who have given their consent to act, for appointment as Auditors and for the proposal of the following Ordinary Resolution:-

THAT Messrs Siew Boon Yeong & Associates be and are hereby appointed as Auditors of the Company for the financial year ending 31 December 2016 in place of the retiring Auditors, Messrs Mustapha, Khoo & Co., to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution:

7. Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965 (Ordinary Resolution 7)
"THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and approvals of the relevant government / regulatory authorities, the Directors be and are hereby authorized, pursuant to Section 132D of the Companies Act, 1965, to allot and issue new ordinary shares of RM0.05 each in the Company from time to time and upon such terms and conditions to such persons and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of new ordinary shares to be issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being and that the Directors are also empowered to do all such things and upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company to give effect to the issuance of new ordinary shares under this resolution including making such applications to Bursa Malaysia Securities Berhad for the listing of and quotation for the new ordinary shares to be issued pursuant to this resolution." (Please refer to Explanatory Note 2)

NOTICE OF ANNUAL GENERAL MEETING

(cont'd)

8. To transact any other ordinary business of which due notice has been given in accordance with the Companies Act, 1965.

By Order of the Board
FOCUS DYNAMICS GROUP BERHAD

WONG KEO ROU (MAICSA 7021435)

Company Secretary
Kuala Lumpur
29 April 2016

Explanatory Notes :-

1. Item 1 of the Agenda – Audited Financial Statements

This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965, in Malaysia, does not require a formal approval of the shareholders. Hence, this item of the Agenda will not put forward for voting.

2. Item 7 of the Agenda - Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965

Ordinary Resolution 7 is proposed for the purpose of granting a renewed General Mandate (“General Mandate”), which if passed, will empower the Directors of the Company, pursuant to Section 132D of the Companies Act, 1965 to issue and allot new ordinary shares of RM0.05 each in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the issued and paid-up capital of the Company for the time being as the Directors may consider such action to be in the interest of the Company. The General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company, or during the expiration of period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting of the Company held 27 May 2015 and which will lapse at the conclusion of this 13th AGM.

The General Mandate, if granted, will provide flexibility to the Company for any possible fund raising activities, including but not limited to, further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisitions.

NOTES :-

1. A member of the Company who is entitled to attend, speak and vote at this 13th AGM may appoint a proxy to attend, speak and vote on his behalf. A proxy may not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1) (b) of the Companies Act, 1965, shall not apply to the Company.
2. Where a member of the Company appoints up to three (3) proxies to attend at the same meeting, he shall specify in the instrument of proxy the proportions of his shareholdings to be represented by each proxy. He must also specify which proxy is entitled to vote on a show of hands and only one (1) of those proxies is entitled to vote on a show of hands.
3. Where a member of the Company is an authorized nominee as defined under the Securities Industry (Central Depository) Act, 1991 (“SICDA”), he may appoint up to three (3) proxies in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.

NOTICE OF ANNUAL GENERAL MEETING

(cont'd)

4. Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owner in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

5. The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorized in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.
6. The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited at the Registered Office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than 48 hours before this 13th AGM or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.
7. In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 May 2016 ("General Meeting Record of Depositors") shall be eligible to attend, speak and vote at this 13th AGM.
8. Any alteration in the form of proxy must be initialed.

STATEMENT ACCOMPANYING THE NOTICE OF THE 13TH ANNUAL GENERAL MEETING

(Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Director standing for re-election. Details of the retiring director namely, Datuk Manan Bin Haji Md. Said is on Pages 9 of the Annual Report of the Company for the financial year ended 31 December 2015.
2. Director standing for re-election. Details of the retiring director namely, Mr Tan Aik Heang is on Pages 11 of the Annual Report of the Company for the financial year ended 31 December 2015.
3. Director standing for re-election. Details of the retiring director namely, Mr Leong Kok Keong is on Pages 10 of the Annual Report of the Company for the financial year ended 31 December 2015.
4. Statement relating to general mandate for issue of securities in accordance with Rule 6.04(3) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

Please refer Explanatory Note 2 of the Notice of the 13th AGM as set out on Page 4.

NOTICE OF NOMINATION OF AUDITORS

Annexure A



Date: 07 APR 2016

The Board of Directors
FOCUS DYNAMICS GROUP BERHAD
(formerly known as Focus Dynamics Technologies Berhad)
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)

Dear Sirs

NOTICE OF NOMINATION OF AUDITORS

Pursuant to Section 172 (11) of the Companies Act, 1965, we, **AsiaBio Capital Sdn. Bhd.** being the registered shareholder of Focus Dynamics Group Berhad, hereby give notice of my intention to nominate Messrs Siew Boon Yeong & Associates (AF: 0660), for appointment as Auditors of Focus Dynamics Group Berhad in place of the retiring Auditors, Messrs Mustapha, Khoo & Co., and to propose that the following as an ordinary resolution to be tabled at the forthcoming Annual General Meeting of Focus Dynamics Group Berhad:-

“THAT Messrs Siew Boon Yeong & Associates (AF: 0660) be and are hereby appointed as Auditors of the Company for the financial year ending 31 December 2016 in place of the retiring Auditors, Messrs Mustapha, Khoo & Co., to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors”.

Yours faithfully,
For and on behalf of
AsiaBio Capital Sdn. Bhd.



TAN SIK EEK
Director

AsiaBio Capital Sdn. Bhd. (840116-P)

Registered Office
10th Floor, Menara Hap Sang,
No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia
T 603 6142 4688 F 603 6142 4588
www.asiabio.com.my

CORPORATE PROFILE

Focus Dynamics Group Berhad (formerly known as Focus Dynamics Technologies Berhad) ("FOCUS" or the "Company") was incorporated in Malaysia under the Companies Act, 1965 on 14 June, 2002. On 17 November 2015, the Company had changed and assumed its name Focus Dynamics Group Berhad.

FOCUS's shares were offered to the public on 10 February 2006 in conjunction with its listing on the MESDAQ Market of Bursa Malaysia Securities Berhad. FOCUS is currently listed on the ACE Market of Bursa Malaysia Securities Berhad.

FOCUS is principally an investment holding company whilst the principal activities of its subsidiaries are as follows : -

Company	Date and Country of Incorporation	Equity Interest (%)	Principal Activities
Focus Dynamics Centre Sdn. Bhd. (Company No. 478044-A)	2 March 1999 Malaysia	100	Marketing, distribution and sale of industrial machines and processes, providing a range of support services covering project management services, maintenance support, engineering, conceptualization, system audit, energy saving services and other support services in relation to the Company's business and products.
Focus Dynamics Drives Sdn. Bhd. (Company No. 555249-D)	3 August 2001 Malaysia	100	Manufacture, research and development of variable speed drives and, supply and trading of instruments for the control of industrial machines and processes.
DPC Industrial Systems Sdn. Bhd. (Company No. 324390-H)	23 November 1994 Malaysia	100	Trading of industrial equipment, designing, installation and implementation of automation system for the energy resource based industry and providing other related products and services.
Marquee International Holding Sdn. Bhd. (Company No. 1014987-A)	28 August 2012 Malaysia	100	Investment holding.
Marquee International Sdn. Bhd. (Company No. 589144-A)	12 August 2002 Malaysia	100	Operate and manage food and beverage outlets
Max Wisdom Sdn. Bhd. (Company No. 920417-A) (Ceased to be the subsidiary company w.e.f. 3 July 2015)	1 November 2010 Malaysia	100	Engage in the business of Chinese food chain restaurant.
Steamroom Restaurant Sdn Bhd (Company No.1135147-P) (Ceased to be the subsidiary company w.e.f. 18 April 2016)	13 March 2015 Malaysia	100	Food and Beverage
Modern Cuisine Sdn Bhd (Company No. 1145236-V)	21 May 2015 Malaysia	100	Carry out the business of beverage as well as investment holdings and general trading.
Focus Dynamic Limited (Company No.172718)	23 September 2015 Republic of Seychelles	100	Food and beverage business and investment holding
Focus Dynamic Group Limited (Company No. 2299174)	23 October 2015 Hong Kong	100	Food and beverage business and investment holding

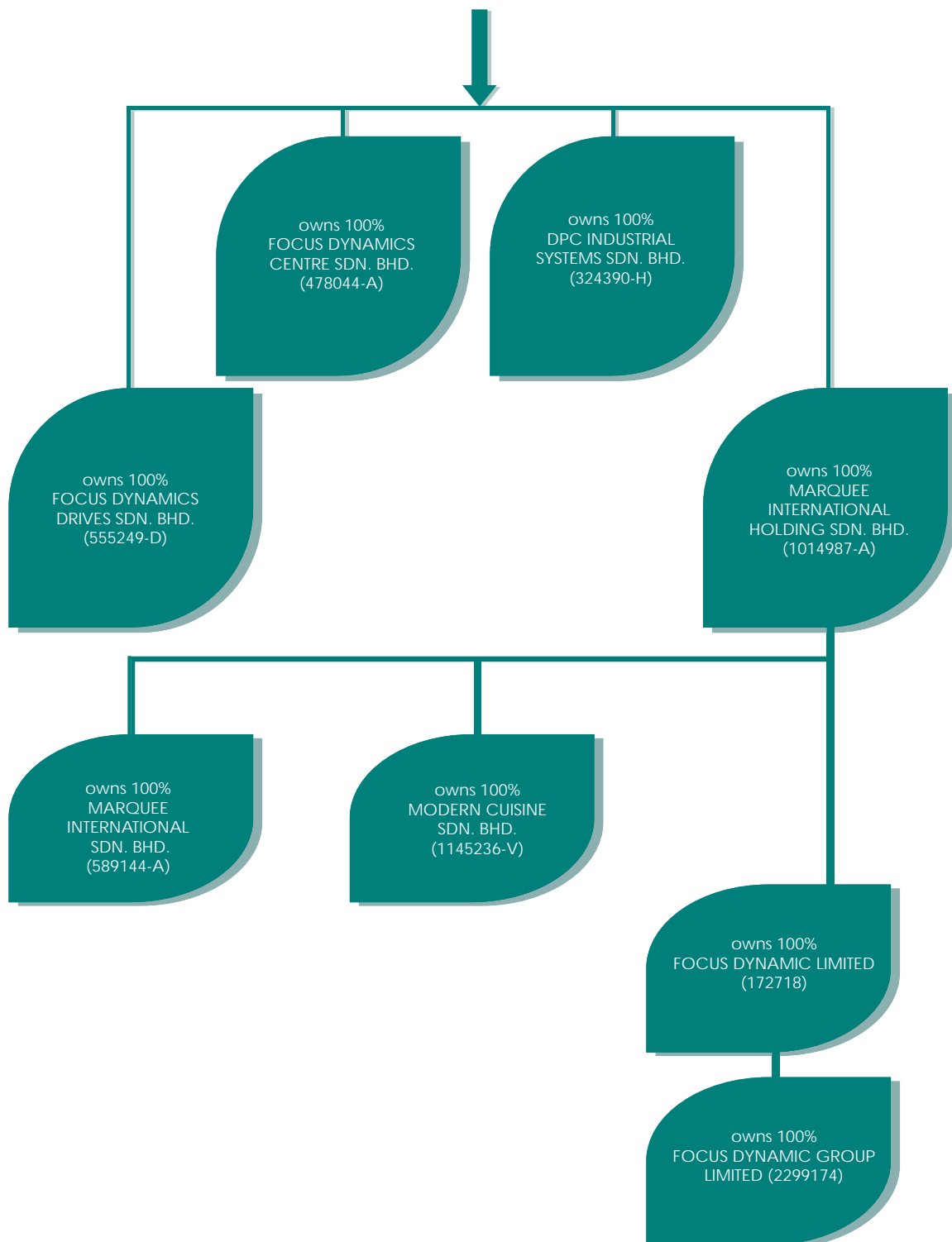
VISION & MISSION

The Group's Vision and Mission is to become a total, integrated energy efficiency solutions provider and manufacturer of a complete range of energy efficiency products that offer better cost control and energy savings for industrial machines, commercial buildings and lighting application.

The Group is also currently expanding it's F&B business to improve its earnings base and to reduce its reliance on its existing core business. The F&B division will strive to provide a wide variety of F&B services ranging from high-end lounge/wine bar to Western/Asian full fletch restaurant with the aim to achieve a significant market share in the local F&B industry and to establish a reputable branding in the industry to eventually create value for the shareholders.

CORPORATE STRUCTURE

FOCUS DYNAMICS GROUP BERHAD (582924-P) *(FORMERLY KNOWN AS FOCUS DYNAMICS TECHNOLOGIES BERHAD)*



PROFILE OF THE BOARD OF DIRECTORS

Name	:	Datuk Manan Bin Haji Md Said
Age	:	61 years
Nationality	:	Malaysian
Position in the Company	:	Executive Chairman
Qualification	:	He holds a Bachelor of Science in Mechanical Engineering from Universiti Teknologi Malaysia and a Diploma in Personnel Management from the Malaysian Institute of Personnel Management.
Work Experience	:	He was appointed to the Board as Independent Non-Executive Director and the Chairman of the Company on 27 January 2010. On 15 June 2010, he was redesignated as Executive Chairman of the Company. He started his career at Amalgamated Industrial Steel Berhad in 1983 overseeing all administration and management functions. In 1994, he joined Khuan Choo Group of Companies, a property development company based in Kuala Lumpur where he held several directorships positions within Khuan Choo Group of Companies while he was taking charge of the group's Corporate Affairs and Business Development. He presently sits on the board of directors of several private limited companies.
Other Directorship of Public Companies	:	He is also an Executive Chairman of Vsolar Group Berhad.
Details of Any Other Board Committees	:	He is the member of the Corporate Disclosure Committee.
Other Information	:	He has no family relationship with any directors or major shareholders of the Company and has no conflict of interest with the Company. Within the last 10 years, he has not been convicted for any offences other than traffic offences.

Name	:	Ameezan Bin Jamal
Age	:	48 years
Nationality	:	Malaysian
Position in the Company	:	Executive Director
Qualification	:	He holds a Bachelor of Science in Mechanical Engineering from University of Valparaiso, USA.
Work Experience	:	He was appointed to the Board on 31 December 2012 as the Executive Director. He has more than 15 years experiences in the ICT Industry and had held various senior management positions in leading global technology companies such as Microsoft and IBM. He also sits on the board of directors of several other private limited companies.
Other Directorship of Public Companies	:	He is also an Executive Director of Vsolar Group Berhad.
Details of Any Other Board Committees	:	He is the Chairman of the ESOS Committee and the member of the Corporate Disclosure Committee.
Other Information	:	He has no family relationship with any directors or major shareholders of the Company and has no conflict of interest with the Company. Within the last 10 years, he has not been convicted for any offences other than traffic offences.

PROFILE OF THE BOARD OF DIRECTORS (cont'd)

Name	:	Leung Kok Keong
Age	:	49 years
Nationality	:	Malaysian
Position in the Company	:	Executive Director
Qualification	:	He holds the following qualifications :- a) Bachelor Degree in Accounting, Curtin University of Technology, Australia (1989) b) Certified Practising Accountant & Chartered Accountant, CPA Australia c) Member of Malaysian Institute of Accountants (1993)
Work Experience	:	<p>He was appointed as the Executive Director of the Company on 1 October 2015. Trained as an investment banker, he has significant experience in corporate finance and business development as well as management. He was the Independent Non-Executive Director of:-</p> <p>(a) Damansara Reality Berhad (2011 to Jun 2014) (b) Iskandar Waterfront City Berhad (2010 to September 2013) (c) Ekovest Berhad (May 2013 to August 2014)</p> <p>He was the Group Chief Financial Officer, Iskandar Waterfront Holdings Sdn Bhd from September 2013 to February 2015 and he was the founding member and former Executive Director of Newfields Advisors Sdn Bhd, a boutique financial and corporate advisory firm from August 2001 until August 2006. He was the Chief Executive Officer, Platinum Energy Group from September 2006 until February 2008 His wide and vast experience spanned from his earlier years as an Investment & Corporate Planning Manager, Hong Leong Credit Berhad from 1994 to 2001 and was an Audit Senior, Coopers & Lybrand Kuala Lumpur since 1990 until 1994.</p>
Other Directorship of Public Companies	:	He is also an Executive Director of Asia Bioenergy Technologies Berhad and Vsolar Group Berhad. He is also the Independent Non-Executive Director of Kulim (Malaysia) Berhad.
Other Information	:	He has no family relationship with any directors or major shareholders of the Company and has no conflict of interest with the Company. Within the last 10 years, he has not been convicted for any offences other than traffic offences.

PROFILE OF THE BOARD OF DIRECTORS (cont'd)

Name	:	Tan Aik Heang
Age	:	49 years
Nationality	:	Malaysian
Position in the Company	:	Independent Non-Executive Director
Qualification	:	He is an Associate Member of the Chartered Institute of Management Accountant, United Kingdom.
Work Experience	:	He was appointed as the Independent Non-Executive Director of the Company on 29 September 2010. He started his career as an auditor with Hun & Co. in 1991. In May 1993 he joined Trans-Global Agencies Sdn. Bhd., a trading company, as an Account Executive. He left in May 1995 and joined SJ Asset Management Sdn. Bhd., a Fund Management company, as an Account Executive. On June 1997, he was promoted as an Assistant Finance and Administration Manager and in June 1999 as Finance and Administration Manager. Subsequently in June 2006, he was promoted as Senior Finance and Administration Manager. After 15 years with the Fund Management Industry, he left SJ Asset Management Sdn. Bhd. in June 2010. He is currently involved in manpower supply and management business.
Other Directorship of Public Companies	:	None
Details of Any Other Board Committees	:	He also sits in the following Board Committees of the Company :- a) Chairman of the Remuneration Committee; b) Member of the Audit Committee; c) Member of the Nomination Committee; and d) Member of the ESOS Committee
Other Information	:	He has no family relationship with any directors or major shareholders of the Company and has no conflict of interest with the Company. Within the last 10 years, he has not been convicted for any offences other than traffic offences.

Name	:	Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad
Age	:	69 years
Nationality	:	Malaysian
Position in the Company	:	Independent Non-Executive Director
Qualification	:	He holds the following qualifications :- a) Bachelor Degree in Social Science (Hon.) from Universiti Sains Malaysia; and b) Diploma in Management from Malaysian Institute Of Management.
Work Experience	:	He was appointed as the Independent Non-Executive Director of the Company on 27 December 2011. He has twenty (20) years experiences serving in the Malaysian Armed Forces and more than eight (8) years working experiences in numerous field, including facility administration and ancillaries, operation management, property and facility management and etc. He went into retirement in the year 2009 following by venturing into his own business.

PROFILE OF THE BOARD OF DIRECTORS (cont'd)

Other Directorship of Public Companies	:	He is also an Independent Non-Executive Director of Vsolar Group Berhad.
Details of Any Other Board Committees	:	He also sits in the following Board Committees of the Company :- a) Chairman of the Nomination Committee; b) Member of the Audit Committee; c) Member of the Remuneration Committee; and d) Member of the ESOS Committee
Other Information	:	He has no family relationship with any directors or major shareholders of the Company and has no conflict of interest with the Company. Within the last 10 years, he has not been convicted for any offences other than traffic offences.

Name	:	Chang Vun Lung
Age	:	40 years
Nationality	:	Malaysian
Position in the Company	:	Independent Non-Executive Director
Qualification	:	He received his early education at Tunku Abdul Rahman College. He becomes a member to the Association of Chartered Certified Accountants (ACCA, UK) since year 2004 and a member to the Malaysian Institute of Accountants (MIA) in year 2005. He has been admitted as fellowship member in ACCA in year 2009.
Work Experience	:	He was appointed as the Independent Non-Executive Director of the Company on 8 January 2013. He started his career by attaching himself to a chartered accountant firm, BDO Binder for approximately 4 years. He then spent another 4 years with Isyoda Corporation Bhd., a construction company listed in the Main Market of Bursa Malaysia Securities Berhad. During his tenure with the company, he was appointed as a group accountant where he took charge of accounting and finance functions. Presently, he runs his own professional firm which specialising in consultancy and corporate services.
Other Directorship of Public Companies	:	He is the Independent Non-Executive Director of AT Systematization Berhad.
Details of Any Other Board Committees	:	He also sits in the following Board Committees of the Company :- a) Chairman of the Audit Committee; b) Member of the Nomination Committee; and c) Member of the Remuneration Committee
Other Information	:	He has no family relationship with any directors or major shareholders of the Company and has no conflict of interest with the Company. Within the last 10 years, he has not been convicted for any offences other than traffic offences.



OTHER INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S ACE MARKET LISTING REQUIREMENTS

In compliance with the Bursa Malaysia Securities Berhad's Ace Market Listing Requirements the following additional information are provided:

Share Buy-Back

During the financial year under review, there were no share buy-backs by the Company.

Options, Warrants or Convertible Securities

- 1) There were no convertible securities issued during the financial year ended 31 December 2015.
- 2) The Company has on 13 January 2015 implemented the Employees' Share Option Scheme and the Company has on 11 February 2015, 15 June 2015 and 18 August 2015 offered a total of 209,999,000 share options at the option price of RM0.10 to the eligible employees and the directors of the Group in accordance with the By-Laws of the Employees' Share Option Scheme of the Company.

American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme

During the financial year under review, the Company did not sponsor, ADR or GDR Programme.

Sanctions and/or Penalties

There were no material sanctions/penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies.

Non-Audit Fees

The amount of non-audit fees paid to the external auditors, Messrs Mustapha Khoo & Co. by the Group and the Company for the financial year ended 31 December 2015 amounted to RM6,800.00. The non-audit fees paid to the external auditors were for group consolidation fee and the limited review for the quarterly report of the Company.

Variation in Results

There were no variation of 10% or more between the audited results and the unaudited results of the Group for the financial year ended 31 December 2015.

Profit Guarantee

There were no profit guarantees given to the Company and its subsidiaries during the financial year ended 31 December 2015.

Material Contracts

To the best of the Board's knowledge, there were no material contracts entered into by the Company and/or its subsidiaries with any of the major Shareholders nor Directors in office as at 31 December 2015.

Contract relating to loan

There were no contracts relating to loan by the Company and its subsidiaries in respect of the proceeding item.

OTHER INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S ACE MARKET LISTING REQUIREMENTS (cont'd)

Status of Utilisation of Proceeds as at 31 December 2015

PRIVATE PLACEMENT 1

On 26 March 2012, the proceeds raised from the private placement of 29,153,000 Focus shares at the placement price of RM0.15 per share amounting to RM4,372,950/-.

The status of the utilisation of the proceeds raised from the Private Placement of 29,153,000 Focus shares at the placement price of RM0.15 per share amounting to RM4,372,950/- as at 31 December 2015 is as follows :-

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance of proceeds RM'000	Time frame for the utilisation of proceeds
Working capital	4,273	3,792	481	31.12.2016
Defraying expenses	100	83	17	31.12.2016
	<u>4,373</u>	<u>3,875</u>	<u>498</u>	

Remark :-

(^) The Board has on 25 November 2015 approved the utilisation of the proceeds derived from private placement to be extended to 31 December 2016.

PRIVATE PLACEMENT 2

On 27 December 2013, the proceeds raised from the private placement of 32,068,300 Focus shares at the placement price of RM0.10 per share amounting to RM3,206,830/-.

The status of the utilisation of the proceeds raised from the Private Placement of 32,068,300 Focus shares at the placement price of RM0.10 per share amounting to RM3,206,830/- as at 31 December 2015 is as follows :-

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance of proceeds RM'000	Time frame for the utilisation of proceeds
Working capital	3,107	1,124	1,983	31.12.2016
Defraying expenses	100	88	12	31.12.2016
	<u>3,207</u>	<u>1,212</u>	<u>1995</u>	

Remark :-

(^) The Board has on 25 November 2015 approved the utilisation of the proceeds derived from private placement to be extended to 31 December 2016.

OTHER INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S ACE MARKET LISTING REQUIREMENTS (cont'd)

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 15 October 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 reed from the rights issue of 352,751,394 at price of RM0.10 per share amounting to RM35,275,139/- as at 31 December 2015 is as follows :-

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance of proceeds RM'000	Time frame for the utilisation of proceeds
Repayment of Bank Borrowings	3,100	2,291	809	31.12.2016
Capital expenditure and working capital for F&B business	25,918	8,921	16,997	31.12.2016
Future working capital/ Investment	5,757	5,381	376	31.12.2016
Defraying expenses	500	500	-	
	<u>35,275</u>	<u>17,093</u>	<u>18,182</u>	

Remarks:-

The Board has on 25 November 2015 approved the utilisation of the proceeds derived from Rights Issue with Warrants to be extended to 31 December 2016.

DISPOSAL OF PROPERTY

On 31 December 2014, the Company had completed the disposal of a Property bearing the postal address No. 2-16, Jalan Subang Utama 8, Taman Perindustrian Subang, Section 22, 40300 Shah Alam, Selangor Darul Ehsan owned by Focus Dynamics Drives Sdn Bhd, A wholly owned subsidiary of the Company to Pan Asia Publications Sdn Bhd for a cash consideration of RM7,200,000.

The status of the utilisation of the proceeds raised from the disposal of Property amounting to RM7,200,000/- as at 31 December 2015 is as follows :-

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance of proceeds RM'000	Time frame for the utilisation of proceeds
Repayment of Bank Borrowings	1,900	1,900	-	
Future working capital/Investment	5,000	1,452	3,548	31.12.2016
Defraying expenses	300	300	-	
	<u>7,200</u>	<u>3,652</u>	<u>3,548</u>	

The Board has on 25 November 2015 approved the utilisation of the proceeds derived from the disposal of property to be extended to 31 December 2016.



CORPORATE RESPONSIBILITY ACTIVITIES AND PRACTICES

The Group recognizes the importance of Corporate Responsibility. The Group does not have a formal corporate responsibility program but is bonded together by a strong belief that our corporate philosophy to be a caring company, have resulted in activities in the following areas :-

WORKPLACE

The Group continued to adopt environmental friendly measures by conserving the use of materials and energy consumption, all the tradition lights in the office have been replaced by LED Lights. We take all appropriate efforts to ensure the health, safety and welfare of our people in the workplace and others who may be affected by our operations. We offer all our employees the best possible conditions for work and career development. We recognise the value and importance of our employees and managing talent within our company is a priority. We also recognised the importance of self-responsibility and accountability. Accountability especially importance among all senior management staffs to establish a positive workplace culture and all employees are responsible to deal with their colleagues and superiors honestly and with integrity.

EMPLOYEE

The Group believes that its continued success will depend significantly on the abilities and continued efforts of our Directors and senior management and all our employees. With our Group's human resources strategies to retain competent personnel such as by encouraging participative management, providing competitive and performance based remuneration, adopting succession planning for key positions and providing employees with a variety of on-going training programs to upgrade their knowledge and capabilities. Appropriate training will be offered to all employees in order to assist and empower them within their daily work and on-the-job training will help employees succeed in their current job and position them for future responsibilities within our group.

The Group's management has expanded and strengthened over the years. In addition, every effort is made to recruit and retain skilled personnel to ensure the continued growth of our Group.

MARKETPLACE

The Group continuously promoting awareness and commitment to our customers towards energy efficiency that reduces wastage and contributes substantially towards helping our environment. We believe our sustainable products can help to curtail power consumption and minimize the taxing impact technology can have on the environment. We also believe that our suppliers should consider sustainability in their own businesses by incorporating the use of renewable energy, reducing waste and lowering power usage.

SOCIAL ACTIVITIES

The Group places a high priority on social and environmental responsibility and makes contributions to various organizations that seek to improve the quality of life in the communities. We continuously contribute towards charitable, non-profit organisations and make donation to Gereja Charis Puchong (House of Joy).

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I have the pleasure of presenting to you the Annual Report and Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2015.

FINANCIAL PERFORMANCE

The financial year ended ("FYE") 31 December 2015, the Group recorded a total revenue of RM8.05 million and loss before tax of RM13.41 million as compare to the total revenue of RM12.21 million and loss before tax of RM6.59 million for the FYE 31 December 2014. The decrease in revenue is mainly due to cessation of contribution of revenue from Max Wisdom Sdn Bhd ("MWSB") following the completion of disposal of MWSB on 3 July 2015.

The gross profit ("GP") margin for FYE 31 December 2015 decrease to 39.16% as compared to 52.06% for FYE 31 December 2014. The lower GP margin is due to lower margin from Engineering Services segment.

As a result of reduction in revenue and lower GP margin, the Group suffered a higher LBT of RM13.41 million for FYE 31 December 2015 against RM6.60 million for FYE 31 December 2014. In addition, the higher LBT is also caused by impairment loss on goodwill on consolidation, written off of property, plant and equipment from the Food & Beverage segment and equity share-based payment in respect of ESOS options granted to eligible employees as well as rising cost of operating expenses.

INDUSTRY TREND AND DEVELOPMENT

In view of the renewed awareness on cost efficiency in particular energy efficiency management and green technology initiatives, the energy efficiency management segment will play a critical role in competitiveness and economic growth with the increased government drive towards Green incentives and Green metrics under Key Performance Areas for the government. Thus, we expect the Group to benefit from this trend and contribute significantly to the financial position of the Group.

As regards to the food and beverages industry, Food Services is the largest sector and accounts for 80% of the food services industry, followed by Beverages Services with 10% and Food Catering Services of the remaining 10%. Although Fast Food Restaurants enjoyed the highest growth over the past few years, Restaurants sub-sector remained the largest sub-sector with 47% share of the market and will remain the dominant sub-sector at least for the next five years. The food service outlets under Marquee International Sdn Bhd and Modern Cuisine Sdn Bhd will cover the Restaurants, Event & Food Catering, and Pubs/Bars/Lounges/Karaoke sub-sectors which cumulatively accounts for 53% of the food service industry.

BUSINESS /OPERATION REVIEW

The Group's main business is a total energy efficiency system solution provider and our main focus is providing energy efficiency system and services to conserve energy to our customer. We are continuously promoting awareness, understanding and commitment of our customers, towards Energy Efficiency that reduces wastage and contributes substantially towards helping our environment.

On June 2015, The Group disposed off the entire shareholdings in Max Wisdom Sdn Bhd in order to reduce the losses suffered by The Group and focus The Group's resources in other profitable F&B business. This had resulted in The Group setting up a new subsidiary, Modern Cuisine Sdn Bhd to provide home cooked style Chinese food to the customers.

The Group is currently in the midst of opening of its first "LAVO Restaurant & Wine Bar" located in Menara Lien Hoe at Tropicana Golf & Country Resort, Petaling Jaya to further boarden the market share in the food and beverage industry. In additions, The Group has opened its lounge/bar located at the first floor of Menara Lien Hoe in December 2015 which provide luxury environment for lifestyle gathering, social and corporate functions/events.

CHAIRMAN'S STATEMENT (cont'd)

CORPORATE EXERCISE

On 17 November 2015, the Company had changed its name from Focus Dynamics Technologies Berhad to Focus Dynamics Group Berhad.

On 26 November 2015, the Company had via its legal counsel, filed a petition to the High Court of Malaya in relation to the reduction of the issued and paid-up share capital of the Company pursuant to Section 64(1) of the Act, involving the cancellation of RM0.05 of the par value of the ordinary shares of RM0.10 each in Focus ("Shares") ("Par Value Reduction").

On 3 February 2016, the High Court of Malaya had granted an order confirming the Par Value Reduction, which the office copy of the seal order has been lodged with CCM on 5 February 2016, upon which the Par Value Reduction shall take effect. The shareholders of the Company should note that the Par Value Reduction does not affect the number of or the rights attached to the existing Shares held by them. All Shares held in the securities account of the shareholders shall be unaffected, except for the reduction in its par value from RM0.10 to RM0.05 per Share. Consequential to the Par Value Reduction, the exercise price of the outstanding warrants 2011/2016 ("Warrants B") and warrants 2014/2019 (Warrants C") will be adjusted from RM0.10 to RM0.05 per Share payable with effect from 9.00 a.m., on 10 February 2016;

CORPORATE GOVERNANCE

The Corporate Governance Statement and Internal Control Statement presented in this Annual Report clearly affirms the Group's commitment in ensuring compliance with the Principles and Recommendations set out in the Malaysia Code on Corporate Governance (Revised Code of 2012)

FUTURE OUTLOOK

Our Group continues to expect energy efficiency systems and solutions to be one of the contributor to our revenue, alongside with our F&B business. In view of the renewed awareness on cost efficiency in particular energy efficiency management and green technology initiatives, our Group is continuously working towards enhancing our products and services to propel into the immediate and future needs of energy efficiency management. In other words, our Company is always exploring and investing into acquiring new energy efficiency products and solutions to meet the ever increasing demands of the customers.

Moving forward, our Company intends to utilise major portions of the proceeds from Rights Issue with Warrants for the expansion in the F&B business to open additional new outlets for both chinese styled Restaurant and LAVO Restaurant & Wine Bar of which our Group believes that the diversification and expansion into the food service industry will be beneficial to our Group's future prospects and will be adequate to improve our Group's financial condition.

APPRECIATION

On behalf of the Board, I wish to extend my heartfelt gratitude to our shareholders, business associates, contractors, consultants, suppliers, financial institutions and regulatory authorities for their continued support, guidance and assistance extended to the Group.

Finally, I wish to convey my gratitude to my fellow directors for their invaluable contributions towards the Group. On behalf of the Board, I wish to extend a warm welcome to our newly appointed member of the Board, Mr. Leung Kok Keong.

Datuk Manan Bin Haji Md. Said
Executive Chairman

FINANCIAL HIGHLIGHTS

FIVE YEARS GROUP FINANCIAL SUMMARY

YEAR ENDED 31 DECEMBER / 31 JULY	01/01/2015 To 31/12/2015	01/01/2014 To 31/12/2014	01/01/2013 to 31/12/2013	01/01/2012 to 31/12/2012	01/08/2010 to #31/12/2011
KEY COMPREHENSIVE INCOME STATEMENT DATA (RM'000)					
Revenue	8,045	12,211	8,747	6,796	10,648
Operating profit / (loss)	(13,267)	(6,185)	(4,599)	(4,415)	(7,475)
EBITDA	(11,797)	(4,487)	(3,170)	(3,441)	(6,889)
Profit / (loss) before taxation	(13,408)	(6,591)	(4,800)	(4,608)	(7,950)
Net profit attributable to equity holders	(13,608)	(6,482)	(4,874)	(4,633)	(7,952)
KEY FINANCIAL POSITION STATEMENT DATA (RM'000)					
Total assets	44,418	57,733	30,489	26,590	32,251
Total borrowings	1,476	2,733	4,952	636	5,663
Shareholders equity	38,977	49,345	21,167	22,120	22,464
SHARE INFORMATION					
Per share (sen)					
Basic earnings	(1.9)	(1.6)	(1.5)	(1.5)	(4.0)
Gross dividend	-	-	-	-	-
Net assets per share (RM)	0.06	0.07	0.06	0.07	0.08
Share price as at 31 December / 31 July (RM)*	0.09	0.075	0.09	0.09	0.09
FINANCIAL RATIOS (%)					
Gross profit margin	39.16	52.06	39.30	13.43	20.41
Net profit margin	(169.15)	(54.04)	(57.35)	(68.18)	(74.67)
Return on equity	(34.91)	(13.37)	(23.70)	(20.95)	(35.40)
Gearing ratio	3.79	5.54	23.40	2.87	25.21

Remarks :-

(#) the Company has changed its financial year end from 31 July to 31 December

(*) referring to the last market transaction date for the year

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group's main business is a total energy efficiency system solution provider and our main focus is providing energy efficiency system and services to conserve energy for the user. We provide consultation, engineering study, engineering design, installation, testing and commissioning of energy efficiency system. These include conducting energy audits, conducting feasibility studies, implementation of energy saving measures, estimating energy saving, managing the energy performance and applications of energy efficiency technology, in-house manufactures products, systems and equipment to provide a cost effective energy saving solution and act as a one stop centre for total energy saving and industrial control applications

On 3 March 2014, the Company announced that the Company proposed to diversify into the food and beverage business. The proposal is aimed directly at improving the Focus Group's future revenue by enhancing the Group's earnings and reduces its reliance on the existing core business. The proposed diversification into F&B business will result in a diversification of Focus's revenue stream and earning base and hence, to reduce reliance on its existing core business. Furthermore, the F&B business conducts most of its sales transaction in cash term, it provides a relatively low credit risk and a better cash flow position to the Company.

The Group had on May 2015 set up a new subsidiary company, Modern Cuisine Sdn Bhd to undertake a new F&B project which it has open 3 outlets during the year to provide home cooked styled Chinese food to the customers under the brand "The Prince". On the other hand, the Group had disposed off the entire shareholdings in Max Wisdow Sdn Bhd in order to reduce losses of the Group and concentrate the Group resources into other profitable F&B business.

The Group had also open it's lounge/bar located in first floor of Menara Lien Hoe in Tropicana Golf & Country Resort, Petaling Jaya to further increase its revenue in F&B Business under the brand name "Chaze".

The Group intends to further expand its F&B business to improve its earnings base and to reduce its reliance on its existing core business in manufacturing, trading of variable speed drives and instruments for the control of industrial machines, and automation systems implementation for energy resource based industries. The Board anticipates that the contribution of the F&B business will become one of the main contributors to the Group financial results.

Financial Review

Revenue consists of the sales of engineering services, manufacturing and F&B. Sales of F&B constitute about 53.11% of the total revenue. The Group recorded total revenue of RM8.05 million for the financial year 31 December 2015 and RM12.21 million for the financial year ended 31 December 2014.

The Group posted a higher loss before tax of RM13.41 million for financial year ended 31 December 2015 largely due to impairment loss on goodwill on consolidation, written off of property, plant and equipment from the Food & Beverage segment and equity share-based payment in respect of ESOS options granted to eligible employees as well as rising cost of operating expenses.

The total assets for the group amounted to RM44.42 million for the financial year ended 2015, a decrease of RM13.31 million from RM57.73 million as recorded in the previous financial year. This is due to decrease in deposit with licensed banks, trade and other receivables and cash in hand and at bank and increase in Inventories.

The total borrowings for the group amounted to RM1.48 million for the financial year ended 2015, a decrease of RM1.25 million. This is due to repayment of hire purchase instalment and disposal of subsidiary with the bank borrowings of RM1.50 million.

No dividend was recommended for the financial year ended 31 December 2015.

Operations Review

The Group's business is a total energy efficiency system solution provider and our main focus is providing energy efficiency system and services to conserve energy to our customer. We are continuously promoting awareness, understanding and commitment of our customers, towards Energy Efficiency that reduces wastage and contributes substantially towards helping our environment.

The management ensures that there is a continues effort to enhance or upgrade the existing products and services in a timely manner in response to the fast changing market demand and customer requirement.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

As part of the management's on-going efforts to expand its F&B business, the Company plans to open additional F&B outlets for its Chinese Styled Restaurant and "LAVO Restaurant & Wine Bar" brands. The Group had in 2015 set up a new subsidiary, Modern Cuisine Sdn Bhd to provide home cooked style Chinese food to the customers. There are currently 3 outlets located in Klang Valley and operated under the brand name "The Prince"

The Prince serves predominantly the middle income families, office workers, as well as general shoppers in the malls where the outlets are operating in. Given the type of cuisine served, The Prince caters mainly to Chinese customers.

The Prince is positioned as a wholesome restaurant serving home-style Chinese cuisine specifically comfort food. It is also positioned as an attractive and suitable venue to celebrate family events such as birthday parties, full moon celebrations, and other family gatherings.

As The Prince outlets are all located in shopping malls, they are able to tap onto the malls shoppers which includes residents and office workers in the surrounding areas of the malls.

The Group had also open its lounge/bar located in first floor of Menara Lien Hoe in Tropicana Golf & Country Resort, Petaling Jaya to further increase its revenue in F&B business under the brand name "Chaze".

In addition, the Group is currently in the midst of opening a new restaurant in Menara Lien Hoe under the brand name "LAVO". LAVO is a restaurant and wine bar offering pork-free western food targeted at both middle to high income residents and workers in the vicinity and will be positioned as a trendy and hip venue with excellent food for casual dining, business lunches, corporate and family celebrations.

Besides walk-in diners, events and catering is expected to provide a significant revenue stream. LAVO will be designed specifically to cater to medium to large scale events and will provide the ideal capacity, ambience and facilities that corporations and event management companies seek.

Prospect Review

Our Group continues to expect energy efficiency systems and solutions to be one of the contributor to our revenue, alongside with our F&B business. In view of the renewed awareness on cost efficiency in particular energy efficiency management and green technology initiatives, our Group is continuously working towards enhancing our products and services to propel into the immediate and future needs of energy efficiency management. In other words, our Company is always exploring and investing into acquiring new energy efficiency products and solutions to meet the ever increasing demands of the customers.

(a) Energy efficiency management segment

The energy efficiency management segment will play a critical role in competitiveness and economic growth with the increased government drive towards Green incentives and Green metrics under Key Performance Areas for the government. Our Group is optimistic that the growing demand will enhance our ability to weather the strong challenges ahead which we face, such as fast pace technological changes and advancement that might lead to quicker assets obsolescent as well as increasing competition.

As a mitigating factor to the challenges we face, our Board has following plans for the provision of energy efficiency systems and solution:

- (i) constantly refreshing our existing range of products offered in order to remain competitive in terms of pricing and technical specs in order to maintain our product competitiveness; and
- (ii) to widen the market coverage of our products by including Sabah and Sarawak as our new target market.

In view of the Government promotion and support in Green Technology, our Board is of the view that consumers are more likely to invest in these energy efficiency products in order to maximise the tax incentives granted by the authorities. As such, we expect to be able to benefit from the increased demand of the energy efficiency products by consumer.



MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

(b) Manufacturing segment

In respect of the manufacturing segment, due to a lower demand for manufacturing sector and greater competitive pressures in this segment, our Group is currently exploring options to mitigate its exposure to this segment, including an option to phase out this activity within next two (2) years.

(c) F&B segment

Our Group had on 12 October 2012 announced that the Focus Group is venturing into the F&B business. The Group had in 2015 set up a new subsidiary, Modern Cuisine Sdn Bhd to operate a Chinese restaurant under the brand name "The Prince" which currently owns three outlets in the area of Klang Valley. Apart from these, the Group had also open it's first lounge/bar in Menara Lien Hoe to capture the middle to high end spending customers around the residential area of Tropicana, Petaling Jaya. The Group will continue to expand it's F&B business by opening additional outlet which offer different type of F&B services to the customers.

The food service industry has been growing at 6% CAGR over the last five (5) years and is expected maintain a similar growth path over next five (5) years, riding on an expanding middle class and growing domestic consumption. Moving forward, our Company intends to utilise major portions of the proceeds from Rights Issue with Warrants which completed on 14 November 2014 for the expansion in the F&B business to open additional new outlets for both Chinese Restaurant and LAVO Restaurant & Wine Bar of which our Group believes that the Diversification and expansion into the food service industry will be beneficial to our Group's future prospects and will be adequate to improve our Group's financial condition.

CORPORATE GOVERNANCE STATEMENT

Corporate Governance Statement Pursuant to Rule 15.25(a) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

The Board of Directors ("Board") of Focus Dynamics Technologies Berhad ("FOCUS" or the "Company") recognizes the important of good corporate and continues to be committed to ensure that high standards of corporate governance is practiced throughout FOCUS and its subsidiaries ("Group") in directing and managing the Group's business and affairs as a fundamental part of discharging its responsibility and to enhance the business prosperity to support the continued growth of the Group as a long-term commitment to its shareholders and investors with the objective of safeguarding shareholders' investment and ultimately enhancing shareholders' value.

The following statement outlines the Group's application of the principles and the extent of its compliance with Recommendations of the Malaysian Code of Corporate Governance 2012 ("the Code") pursuant to Rule 15.25(a) of the Listing Requirements.

PRINCIPLE 1 – ESTABLISHMENT OF CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear functions of the Board and Management

The Board understands the importance of the roles and responsibilities between the Board and the Management.

The Board is responsible for the overall corporate governance of the Group and it retains full and effective control of the management in the Company, assuming its overall responsibilities for strategic planning and execution of the Company objectives and monitoring of the Management's performance in implementing them.

1.2 Board's role and responsibilities

The Board had in 2012 established several policies and procedures to ensure the accountability of the Board and the Management and also in discharging its fiduciary and leadership functions. Amongst other policies and procedures established by the Board include the Board Charter, Code of ethics, Corporate Disclosure policy, Preparation of Financial Statements, Whistle Blowing policy, Shareholders Communication policy, Risk Management Policy, Authority Matrix for Approval policy, Implementation of Authorisation and Alternate System policy and etc.

The Board together with the Executive Directors have set a performance target in the Group performance forecast and long term goals of the Group, to be achieved by the Executive Director and the management. The roles and responsibilities concerned shall be reviewed as and when needed by the Board to ensure that the allocation of responsibilities to adapt to the changing circumstances and the corporate objective of the Group are met.

The Board also provides effective oversight for the Management's performance, risk assessment and identification, control over business operations, implementation of appropriate internal control and shareholder communication policy for the Company. The Board delegates and confers some of the Board's authorities and discretion to the Executive Directors as well as properly constituted Committees comprising of Non-Executive Directors. It is the responsibility of the Board to conscientiously weigh the interests of shareholders and to consider the effects of decision making in the interests of all shareholders. The Board also has the duty to act in the best interest of the Company and the Group at all times. The Board's Charter which clearly defines the responsibilities of the Board, the Management oversight as well as setting strategic direction premised on sustainability and promoting ethical conduct in business dealings is available in the Company's website at www.focusdynamics.net. Specific responsibilities are delegated to Board Committees where appropriate. The Board Committees include the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Management Committee and the Corporate Disclosure Committee.

1.3 Code of Conduct

The Group's Code of Business Conduct and Ethics for directors, officers, managers and employees continue to govern the standards of ethics and good conduct expected of directors, officers, managers and employees. The details of the Code of Business Conduct and Ethics is available on the Company's website at (www.focusdynamics.net).

CORPORATE GOVERNANCE STATEMENT (cont'd)

In addition, the Company has formalised a framework on whistle-blowing. The Whistle Blower Policy specifically to:-

- i) Support the Company's values;
- ii) Ensure employees can raise concerns without fear of reprisals;
- iii) Provide a transparent and confidential process for dealing with concerns; and
- iv) To promote good corporate governance, accountability and values of integrity

This policy seeks to foster an environment of integrity and ethical behaviour; preventing and detecting defalcations, any illegal or improper action in the Group which may be exposed. With the strict enforcement of this policy, it will reduce the risk to the Group's reputation from fraudulent acts. The details of the Whistle Blower Policy is available on the Company's website at (www.focusdynamics.net).

1.4 Company's strategy promote sustainability

The Board agrees that sustainability is part of good business management and recognise the value this brings to the Group. The Board has formalised a plan to promote sustainability. It has formulated sustainability strategies are aligned to or incorporated into their corporate strategies, which assist in embedding their sustainability activities into the day-to-day business activities. The sustainability plan of the Company has four dimensions and they are Environment, Energy Efficient, Marketplace and Workplace. The Board believes the sustainability initiatives and measures adopted by the Company will improve coordination across the Group and support better utilisation of resources. The Group continues to embark on various steps to promote the sustainability culture within the Group. The results are constantly monitored and immediate appropriate actions are taken to remedy the situations. The group emphasized greatly on conserve and reduces wastage resources particularly on energy. We are promoting awareness, understanding and commitment towards Energy Efficiency that reduces wastage and contributes substantially towards sustainability in green environment. The Group has established a corporate calendar continues to embark on various steps to promote the sustainability culture within the Group.

1.5 Access to information and advice

The Board has access to reports, papers on specific issues, information on major financial and operational matters. The Management supplies accurate and complete information to our Board in a timely manner to enable our Board to discharge its duties effectively.

The Board can access to the services of the Company Secretary for information and advice.

The Board and Board Committees are also allowed under its terms of reference to seek independent professional advice at our Group's expense.

1.6 Qualified and competent company secretary

Every Board member and Board Committees had ready and unrestricted access to the advice and the services of the Company Secretary in ensuring the effective functioning of the Board. The Board is satisfied with the performance and support rendered by the Company Secretary in the discharge of its duties effectively. The Directors were also regularly updated and advised by the Company Secretary on new statutory and regulatory requirements issued by regulatory authorities, and the resultant implications to the Company and the Directors in relation to their duties and responsibilities. The Company Secretary is experienced, competent and knowledgeable on new statutes and directives issued by the regulatory authorities. The Company Secretary briefs the Board on proposed contents and timings of material announcements to be made to the Bursa Malaysia. The Company Secretary served notice to Directors on the closed period for trading the Company's shares, in accordance with the closed period stated in Chapter 14 on Dealings in Securities of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements.

The Board has established a clear guidelines as to the roles and responsibilities and the required personal characteristics of the Company Secretary. The roles and responsibilities of the Company Secretary include the following:-

1. Arrange meetings:-
 - a. Prepare calendar and agenda;
 - b. Ensure quality, quantity and timely dissemination of information;
 - c. Preserve confidentiality;
 - d. Involve all directors.

CORPORATE GOVERNANCE STATEMENT (cont'd)

2. Assist Chairman in the preparation for and conducting of meetings.
3. Attend Board, Committees and general meetings.
4. Take proper minutes.
5. Ensure compliance of listing and related statutory obligations and procedures are followed and minimize distractions.
6. Convey information between board directors, committee members and management.
7. Advise the Board and Management on governance issues.
8. Ensure proper upkeep of statutory registers and records.
9. Continuously update the Board on changes to listing rules, other related legislations and regulations.

The required personal characteristics of the Company Secretary are as follows:

1. Integrity;
2. Discretion;
3. Judgment;
4. Courage;
5. Ability to inspire confidence of Chair, directors and management; and
6. Continually expand his/her professional toolbox by developing his/her skills and abilities.

The Company Secretary supported the Board by ensuring adherence to board policies and procedures. The Company Secretary attended and ensured that all Board meetings were properly convened, and that an accurate and proper record of the proceedings and resolutions passed were taken and maintained in the statutory register kept at the registered office of the Company. The Company Secretary also worked closely with the Management to ensure that there were timely and appropriate information flows within and to the Board and Board Committees, and between the Non-Executive Directors and Management.

1.7 Board Charter

The respective duties, roles and responsibilities of the Board, the Directors and the Management have been clearly set out in the Company's Board Charter to ensure accountability for the parties, including the descriptions for their respective functions. The details of the Board Charter of the Company are as set out on the Company's website (www.focusdynamics.net). In summary, the Board assumed the following stewardship responsibility in furtherance of its duties:-

- a) Reviewing and adopting a strategic plan for the Company;
- b) Overseeing the conduct of the Company's businesses;
- c) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;
- d) Establishing a succession plan;
- e) Overseeing the development and implementation of a shareholder communication policy for the Company; and
- f) Reviewing the adequacy and the integrity of the management information and internal control system of the Company.

PRINCIPLE 2 – STRENGTHEN COMPOSITION

2.1 Nomination Committee

The Nomination Committee had been set up by the Board. The Nomination Committee is composed exclusively of Independent Non-Executive Directors and the members of the Nomination Committee are:-

- (i) Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad (Chairman / Independent Non-Executive Director)
- (ii) Tan Aik Heang (Member / Independent Non-Executive Director)
- (iii) Chang Yun Lung (Member / Independent Non-Executive Director)

The Nomination Committee will recommend the appointment of new Directors to the Board, review annually the required mix of skills, experiences and other qualities, including core competencies which Non-Executive Directors should bring to the Board; to identify areas for improvement, and review the succession plan for senior management in the Group. The Nomination Committee will ensure that the Board has an appropriate balance of expertise and ability. Other responsibilities of the Nomination Committee are clearly defined in the terms of reference of the Nomination Committee. The salient terms of the Nomination Committee are as follows:-

The Nomination Committee shall, in accordance with a procedure or process to be determined by the Board of Directors and at the expense of the Company:-

CORPORATE GOVERNANCE STATEMENT (cont'd)

- (a) shall establish the minimum requirements or criteria to be used in the recruitment process and annual assessment of directors and Chief Executive Officer.
- (b) shall annually review and to oversee the overall composition of the Board in terms of appropriate size, the required mix of skills, experience and other qualities, including core competencies which non-executive and executive directors and Chief Executive Officer should have; and also the adequacy of balance between Executive, Non-Executive and Independent Directors.
- (c) shall establish the mechanisms for the formal assessment on the effectiveness of the Board as a whole and for assessing the contribution of each individual Director.
- (d) shall assess on an annual basis, the effectiveness of the Committees of the Board.
- (e) shall evaluate the ability of the Independent Non-Executive Director to discharge such responsibilities/ functions as expected from them.
- (f) shall determine annually whether a Director is independent as may be defined in the Bursa Malaysia Securities Berhad ACE Market Listing Requirements.
- (g) should facilitate board induction and to ensure that all Directors or Chief Executive Officer receive appropriate continuous training programmes in order to broaden their perspectives and to keep abreast with developments in the market place and with changes in new statutory and regulatory requirements.
- (h) to recommend to the Board the removal of a Director or Chief Executive Officer or key senior management officers if he or she is ineffective, errant or negligent in discharging his/her responsibilities
- (i) shall be entitled to the services of a company secretary who must ensure that all appointments are properly made, that all necessary information is obtained from Directors or Chief Executive Officer, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Listing Requirements of the Bursa Malaysia Securities Berhad or other regulatory requirements.
- (j) To review a boardroom diversity policy.
- (k) To assess and recommend to the Board, the terms of reference of Board Committees and to review the adequacy of committee structure of Board Committees.
- (l) To oversee the appointment, management succession planning and performance evaluation of the senior management.
- (m) To act in line with the directions of the Board of Directors.

The Nomination Committee met two (2) times during the financial year. The commitment of members of the Nomination Committee in carrying out their duties and responsibilities is affirmed by their full attendance at the Nomination Committee held during the year ended 31 December 2015, as reflected below :-

Committee Members	Scheduled meetings	Attendance at the Nomination Committee Meetings
Abdul Menon Bin Arsad @		
Abdul Manan Bin Arshad	2	2
Tan Aik Heang	2	2
Chang Yun Lung	2	2

In accordance with the Company's Articles of Association, one-third (1/3) of the Directors and those appointed during the financial year shall retire from the office and shall be eligible for re-election. The Articles of Association of the Company also provided that all Directors are required to retire from office once every three (3) years but shall be eligible for re-election.

Pursuant to Section 129(2) of the Companies Act, 1965, Directors who are over the age of 70 years shall retire at every annual general meeting and may offer themselves for re-appointment to hold office until the next annual general meeting.

2.2 Recruitment process, annual assessment and gender diversity policy

During the year, the Nomination Committee met to:-

- (i) oversee and review the overall composition of the Board in terms of appropriate size, required mix of skills, experiences and core competencies, professionalism and adequacy of balance between Executive Directors and Independent Non-Executive Directors;
- (ii) annually assesses the effectiveness of the current Board as a whole, the effectiveness of the Committees of the Board, and the contributions of each individual director;
- (iii) discuss and review the succession planning for the top management of the Company;
- (iv) assess and recommend to revise the composition of the Board Committees of the Company;
- (v) annually assesses and recommend to the Board, the terms of reference of Board Committees and to review the adequacy of committee structure of the Board Committees of the Company;
- (vi) annually assesses and review the size of non-executive participation in the Board composition;

CORPORATE GOVERNANCE STATEMENT (cont'd)

- (vii) determine annually whether a Director is independent as may be defined in the Bursa Malaysia Securities Berhad ACE Market Listing Requirements;
- (viii) evaluate the criteria to be used for selection process on the board nomination;
- (ix)
- (x) recommend to the Board to begin the assessment of its current diversity levels for the Group and consider the measurable diversity objectives.
- (xi) Recommend to appoint Mr. Leung Kok Keong as the Executive Director of the Company.

The Nomination Committee upon annual assessment carried out for the financial year 2015, was satisfied that:-

- i) The three (3) Independent Directors ("ID") had passed their self-assessment and also the assessment conducted by the NC and that they have complied with the definition of IDs as defined in the Bursa Malaysia Securities Berhad Listing Requirements for ACE Market.
- ii) The three (3) Independent Non-Executive Directors are demonstrably independent, and their length of services on the Board are less than 9 years respectively. They neither engage in the daily management of the Company, nor have any financial or personal interest in any matter that raises or may raise a conflict with their duties as a director of the Company and they are also not involve in any other relationship with the Company. They can continue to preserve their independence positioning and to bring independent and objective judgment to the Board.
- iii) The Company's compliance status of the Malaysian Code on Corporate Governance 2012.
- iv) The Board does not set the limit for gender diversification of its board composition as the appointment of directors are based on merits without giving regard to the gender of the appointed directors. However, the Company would consider the candidates with the following criteria in priority:-
 - a) who has required mix skills, experience and other qualities and competencies;
 - b) to ensure that the highest standard of conduct and integrity are maintained;
 - c) fulfils the regulatory compliance and selection criteria;
 - d) who is able to provide effective contribution and support to the functions of the Board; and
 - e) who is more in tune with the business model of the Company.
- v) Datuk Manan Bin Haji Md. Said continues to hold the Chairmanship in the Company. He is the Non-Independent Executive Director cum Chairman as he has vast experience in corporate management, administration and business development, which was contributing positively to the Board.
- vi) The representation of the IDs in the Board composition of the Company has been decreased with the resignation of Encik Abd Hamid Bin Ibrahim as the Independent Non-Executive Director and appointment of Mr Leung Kok Keong as Executive Director of the Company. In relation of the appointment of Mr Leung, the NC noted that the Board must comprise a majority of IDs where the Chairman of the Board is not an independent director pursuant to Recommendation 3.4 of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012"). NC also noted that with the appointment of Mr Leung to the Board, the executive directors outnumber the IDs which deviates from the Recommendation 3.4 of MCCG 2012.
- vii) The size and composition of the Board remains optimum, conducive for effective deliberations during the Board meetings and well balanced and can cater effectively to the scope of the Group's operation.
- viii) Each of the Board of the subsidiary companies has required mix skills, experience and other qualities and competencies including core competencies which executive directors has brought to the individual board. There were significant advantages to be gained from the long-serving directors of subsidiary company who possessed tremendous insight knowledge of the Group's affairs.
- ix) All members of the Board are well qualified to hold their positions as Directors of the Company in view of their respective academic and professional qualifications, and depth of knowledge, skills and experience and their personal qualities.
- x) The three (3) IDs are professionals in their own rights with wide-ranging experience, skills and expertise in accounting, finance, facility administration and management, property management and oil and gas management. They remain free of conflict of interest situations and this facilitate them to carry out their roles and responsibilities effectively as Independent Directors and also through their varied experience and qualifications provide effective contribution and support for the functions of the Board.
- xi) Three (3) IDs have made declarations to the NC that they agreed to devote quality time to understand their responsibilities and objectives and receive company specific training.
- xii) The Board Committees such as the Audit Committee, the Remuneration Committee, the Risk Management Committee and the Corporate Disclosure Committee have been able to discharge duties entrusted to them and have done so effectively.

CORPORATE GOVERNANCE STATEMENT (cont'd)

- xiii) At presently constituted, the Board has the stability and commitment as well as capacity to discharge its responsibility effectively and all the members of the Board are suitably qualified to hold their positions as Directors of the Company in view of their respective academic and professional qualifications, experiences and qualities.
- xiv) Assessing and recommending to the training programmes for the Board.
- xv) Recommend to the Board to begin the assessment of its current diversity levels for the Group and consider linking achievement of the measurable objective to be established by the Board. Consideration all recommendation to the Board the establishment of the measurable diversity objectives and also that to link the achievement of these measurable objectives to key performance indicators of the Board.

The performance of those Directors who are subject to re-appointment and re-election of Directors at the annual general meeting of the Company have been assessed by the Nomination Committee, whereupon recommendations are submitted to the Board for a decision on the tabling of the proposed re-appointment or re-election of the Directors concerned for shareholders' approval at the next annual general meeting. Directors who were appointed during the financial year are subjected to a re-election following their appointment in accordance with the Company's Articles of Association by shareholders at the Annual General Meeting ("AGM").

Although presently there is no any gender diversity policy, our Board will strive to maintain female composition in line with the recommendation of the Code, in recognition of the contributions that female board members can bring to our Board and our Group. Currently, the Chairman is our only female Director. Nevertheless, our Group is an equal opportunity employer and all appointments and employments are based on merits and are not driven by any racial or gender bias.

2.3 Remuneration Committee

The Board had established the Remuneration Committee. The Remuneration Committee is composed of three (3) Independent Non-Executive Directors. The members of the Remuneration Committee consist of:-

- (i) Tan Aik Heang (Chairman / Independent Non-Executive Director)
- (ii) Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad (Member / Independent Non-Executive Director)
- (iii) Chang Vun Lung (Member / Independent Non-Executive Director)

The Remuneration Committee is authorised by the Board to establish a formal and transparent procedure for developing a policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Director. The Chairman of the Remuneration Committee may request for a meeting as and when deemed necessary. The remuneration of Directors shall be the ultimate responsibility of the full Board after considering the recommendations of the Remuneration Committee. The Remuneration Committee is generally responsible to:-

- (i) establish and recommend to the Board the policy framework in determining the terms of employment and elements of remuneration of Executive Directors and senior management and also to review changes to the policy from time to time, so as to ensure that the Company attracts and retains the Directors and senior management needed to run the Group successfully;
- (ii) ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration forming a significant proportion of the total remuneration package of Executive Directors;
- (iii) review and recommend on an annual basis the remuneration of Executive Directors and senior management in all forms; and
- (iv) consider other matters as referred to the Remuneration Committee by the Board.

The Remuneration Committee of the Company has set up a remuneration policy framework and making recommendations to the Board on the remuneration and other terms of employment for the Executive Directors and senior management. The clearly defined terms of reference of the Remuneration Committee has been prepared to include the above key duties and responsibilities. The salient terms of reference of the Remuneration Committee are as follows:-

- (i) To review and assess the remuneration packages of the executive directors, Chief Executive Officer or senior management in all forms, with or without other independent professional advice or other outside advice.
- (ii) To review annually and recommend to the Board the overall remuneration policy for the Directors, Chief Executive Officer and senior management to ensure that the rewards commensurate with their contributions to the Company's growth and profitability; and that the remuneration policy supports the Company's objectives and shareholder value and is consistent with the Company's culture and strategy.

CORPORATE GOVERNANCE STATEMENT (cont'd)

- (iii) To review annually the performance of the Chief Executive Officer, Executive Directors and senior management and recommend to the Board specific adjustments in remuneration and/or reward payments, if any, reflecting their contributions for the year; and which are competitive and consistent with the Company's objectives, culture and strategy.
- (iv) To ensure the levels of remuneration be sufficiently attractive and be able to retain directors and senior management needed to run the Company successfully.
- (v) To review the structure of the component parts of remuneration so as to link rewards to corporate and individual performance and also to assess the needs of the Company for talent at Board level at a particular time.
- (vi) To recommend to the Board of Directors the remuneration packages of the executive directors, Chief Executive Officer and senior management.
- (vii) To act in line with the directions of the Board of Directors; and
- (viii) To consider and examine such other matters as the Remuneration Committee considers appropriate.

The Remuneration Committee will meet at least once a year to carry out the annual review of the overall remuneration policy for Directors whereupon recommendations are submitted to the Board for approval. During the meeting, the results of the Directors' performance are evaluated and rated by the Nomination Committee which is then presented to the Remuneration Committee. The Remuneration Committee and the Board ensure that the Company's remuneration policy remaining supportive of the Company's corporate objectives and is aligned with the interest of shareholders. The Remuneration Committee and the Board strive to reward Directors based on accountability, fairness, and competitiveness, as prescribed in the Code and to ensure the remuneration packages of Directors are sufficiently attractive to draw in and to retain persons of high calibre. Thus, there is a formal and transparent procedure for rewarding and fixing any remuneration packages for Directors and senior management.

Directors' Remuneration

The salaries for executive directors are structured to link to their position, seniority, experience and the Company's overall profitability which would vary from year to year, the corporate and individual performance. The salary components are determined in accordance with the Company's established remuneration policy and comparable with the market trend or survey. The Remuneration packages are sufficiently attractive to attract and retain executive directors. For non-executive directors, the levels of remuneration are reflected by the experience and level of responsibilities. The Executive Directors will abstain from participating in the discussion of their own remunerations. The determination of remuneration of Non-Executive Directors are handled by the Board as a whole. The individuals concerned had abstained from discussion and decision of his/her remunerations. All directors have paid directors' fees. The Chairman of the Company receives additional fees after taking into account the nature of their responsibilities. The directors' fees are reviewed by the Board only when it deems necessary, subject however to the approval by the shareholders at the annual general meeting of the Company. The amount is related to their level of responsibilities. A fixed meeting attendance allowance is paid for attendances at the Board and Board Committees meetings.

The Remuneration Committee had via its Remuneration Committee Meeting reviewed the performance of an Executive Director and the Chairman of the Company and then a recommendation has been made to the Board on specific adjustments in remuneration that included the reward payments which commensurate with their contributions during the year, and which were competitive and are in tandem with the Group's corporate objective.

The aggregate Directors' remuneration paid or payable to all directors for the financial year ended 31 December 2015 are as follows:-

	Executive Directors (RM)	Non- Executive Directors (RM)	Total (RM)
Total Remuneration			
- Fees	72,000	87,000	159,000
Salary and Other Emoluments Allowance	36,500	39,050	75,550
	108,500	126,050	234,550

It is not the Board's policy to disclose the remuneration of each individual director due to the Company's concerns for sensitivity and confidentiality of such information. However, it has resolved to disclose their salaries in the manner shown above which has differentiated the numbers between executive and non-executive directors.

CORPORATE GOVERNANCE STATEMENT (cont'd)

Number of Directors whose remuneration falls within the following bands:-

	Executive Directors	Non-Executive Directors	Total
RM50,000 and below	2	4	6
RM50,001 to RM100,000	1	-	1
RM100,001 to RM150,000	-	-	-
RM150,001 to RM200,000	-	-	-
Total	3	4	7

2.4 ESOS Committee

The Board has on 12 December 2014 established an ESOS Committee. The ESOS Committee is composed of three (3) Directors of the Company. The members of the ESOS Committee consist of:-

- (i) Ameen Bin Jamal (Chairman/Executive Director)
- (ii) Tan Aik Heang (Member / Independent Non-Executive Director); and
- (iii) Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad (Member / Independent Non-Executive Director)

The ESOS Committee is responsible for the administration of the Employees' Share Option Scheme ("ESOS") of the Company in accordance with the approved ESOS By-Laws. The Company has on 13 January 2015 implemented the Employees' Share Option Scheme ("the Effective Date") and the Company has on 11 February 2015 offered a total of 209,999,000 share options at the option price of RM0.10 to the eligible employees and the directors of the Company in accordance with the By-Laws of the ESOS of the Company. The ESOS shall be valid for a duration of five (5) years from the Effective Date, and may if the Board deems fit, upon the recommendation of the ESOS Committee, be extended for a further five (5) years, subject to an aggregate of ten (10) years from the Effective Date of implementation of the ESOS. The selection of any eligible employees of the Group for participation in the ESOS of the Company shall be at the decision of the ESOS Committee.

The salient terms of reference of the ESOS Committee are as follows:-

- 1) The ESOS Committee is authorised by the Board to do all things necessary for and on its behalf to give full effect to the launch and implementation of the ESOS including but not limited to the allocation of share options to Eligible Person, the making of the Offer to Eligible Person and the determination of the terms of offer as contained therein.
- 2) The ESOS Committee shall have unlimited access to all human resource and payroll records of the Group.
- 3) The ESOS shall also have the authority to conduct enquiries and obtain independent legal or other professional advice if it considers necessary in the event of any dispute with any Eligible Person with regard to any decision made by the ESOS Committee pertaining to the ESOS.
- 4) The ESOS Committee may at any time and from time to time recommend to the Board any addition or amendment to or deletion of these By-Laws as it shall in its discretion think fit and the Board shall have the power by resolution to add to, amend or delete all or any of these By-Laws upon such recommendation PROVIDED THAT no additions or amendments to or deletions of these By-Laws shall be made which will:
 - i) prejudice any rights then accrued to any Grantee without the prior consent or sanction of that Grantee; or
 - ii) prejudice any rights of the shareholders of the Company without the prior written approval of the Company's shareholders in general meeting; or
 - iii) alter to the benefit of the Eligible Persons with respect to provisions of the By-Laws of the ESOS of the Company without the prior approval of the Company's shareholders in a general meeting; or
 - iv) increase the number of Shares available under the Scheme as provided under the provision of the By-Law of the ESOS of the Company
- 5) Subject to the verification by the Audit Committee of the Company the allocation of options pursuant to the Scheme, the ESOS Committee shall determine the basis of allocation of ESOS

CORPORATE GOVERNANCE STATEMENT (cont'd)

- Options to all Eligible Person provided that all restrictions with regard to allocation of ESOS Options to directors and Eligible Person of the Group as set out in the By-Laws are adhered to.
- 6) To make the Offer to Eligible Person upon such terms and conditions as it deems fit in accordance with the provisions of the By-Laws and with the power to vary, amend, waive or modify any of the terms and conditions of offer at any time and from time to time as it deems necessary and appropriate.
 - 7) To accept or reject any application for the exercise of ESOS Options as it deems fit in accordance with the provisions of the By-Laws.
 - 8) To carry out such other functions with regard to the ESOS as may be agreed upon from time to time with the Board.

The ESOS Committee has on 7 January 2015 met to discuss and consider:-

- a) The effective date of the implementation of the ESOS;
- b) The allocation of option policy
- c) The criteria on eligibility and basis of the allocation of options pursuant to the ESOS
- d) The allocation list and eligibility employees of the Group
- d) The date of the first grant of the share options to the eligible employees and directors of the Company

The commitment of members of the ESOS Committee in carrying out their duties and responsibilities is affirmed by their full attendance at the ESOS Committee held, as reflected below:-

Committee Members	Scheduled meetings	Attendance at the ESOS Committee Meetings
Ameezan Bin Jamala	3	3
Tan Aik Heang	3	3
Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	3	3

PRINCIPLE 3 – REINFORCE INDEPENDENCE

3.1 Annual assessment of Independent Directors

The Board through the Nomination Committee assesses the Independent Directors on an annual basis, taking into account the individual Director's ability to exercise independent judgement at all time, his/her contributions to the effective functionality of the Board from an external perspective and ability to help in developing proposals and synergies. The Board also received confirmation in writing from the Independent Directors of their independence.

3.2 Tenure of Independent Directors

The Board is mindful of the cumulative term of 9 years for its Independent Non-Executive Directors and upon the completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Independent Director being re-designated as Non-Independent Non-Executive Director or the Independent Director obtaining shareholders' approval in the event that he remains as an Independent Director.

3.3 Retention or re-appointment of Directors

As at the end of the financial year, none of the Independent Director has served more than a cumulative term of nine (9) years, for which the Independent Director would be re-designated as an Non-Independent Director after the said nine (9) years of service, or to be officially re-elected by shareholders in general meetings.

3.4 Chairman and Executive Directors

Datuk Manan Bin Haji Md. Said, the Non-Independent Executive Chairman of the Company leads the Board in the oversight of management and is primarily responsible for matters pertaining to the Board and the overall conduct and performance of the Company. Encik Ameezan Bin Jamal and

CORPORATE GOVERNANCE STATEMENT (cont'd)

Mr Leung Kok Keong are the Executive Directors to head the management whose key responsibilities are to oversee the running of the Group and the implementation of the Board's decisions, business strategies, and policies. The roles of the Chairman and Executive Director are separated and each of the roles consists of a clear and accepted division of responsibilities as set out in the Board Charter of the Company. There is also a clear demarcation of responsibilities between the roles of the Executive Directors to ensure a balance of authority and power.

3.5 Composition of the Board

The Board comprises as of this date six (6) Directors, three (3) of whom are Non-Executives. The three (3) Non-Executive Directors are independent. The Board composition of the Company is as follows:-

Name	Designation
Datuk Manan Bin Haji Md. Said	Non-Independent Executive Chairman
Ameezan Bin Jamal	Executive Director
Leung Kok Keong (Appointed wef 1/10/2015)	Executive Director
Tan Aik Heang	Independent Non-Executive Director
Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	Independent Non-Executive Director
Chang Yun Lung	Independent Non-Executive Director

The three (3) Independent Non-Executive Directors, by virtue of their roles and responsibilities, in effect represent minority shareholders' interests in the Company bring an external perspective, constructively challenge and help to develop proposals on strategy, scrutinise the performance of the Management in meetings approved goals, objectives, and monitor the risk profile of the Group business and the reporting of business performance. The tenure of the three Independent Non-Executive Directors do not exceed a cumulative term of nine years and they engage proactively with the Management and with both the external and internal auditors to address matters concerning the management and oversight of the Group's business and operations. The current size and composition of the Board is optimum and well balanced, and caters effectively to the scope of the Group's operations as well as to provide for a diversity of views, facilitate effective decision making, and appropriate balance of executive and independent directors. Their biographies as given in this Annual Report show the necessary depth to bring experience and judgment to bear on the collective decision making processes of the Board.

Three (3) Non-Executive Directors are professionals in their own right with wide-ranging experiences, skills and expertise in accounting, finance, facility administration and management, property management, financial management, corporate and business advisory. The three (3) Independent Non-Executive Directors fulfill the criteria of independence as defined in the Listing Requirements and each of them has provided an annual confirmation of his independence to the Nomination Committee and the Board. They do not engage in the daily management of the Company, nor involved in any other relationship with the Company, apart from being Directors. This ensures that the Independent Non-Executive Directors remain free of conflict of interest situations and facilitate them to carry out their roles and responsibilities as Independent Directors effectively. The Independent Non-Executive Directors through their diversified backgrounds and their independence are ably engaged in healthy discussions and debates with the Executive Directors at the Board meetings which are conducive for an effective Board. All Directors except for Datuk Manan Bin Haji Md. Said did not have any interest in the shares of the Company as at the date of this statement and the investment of the shareholders is fairly reflected in the Board's representation where the Board comprises of a majority of the Independent Non-Executive Directors. The mix would represent appropriately the respective size of investment by shareholders so that no one group would dominate the decision making process. The Independent Non-Executive Directors are actively involved in various Board Committees and contribute significantly to areas such as performance monitoring and enhancement of corporate governance by providing independent assessment and opinions on proposals put forward by the Executive Directors.

It has an appropriate mix of knowledge, aptitude and core competencies in the composition of the Board. It has appointed Encik Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad as the Senior Independent Non-Executive Director to facilitate communications of any stakeholders concerns where it would not be dealt with by the Chairman and the Executive Director of the Company.

CORPORATE GOVERNANCE STATEMENT (cont'd)

PRINCIPLE 4 – FOSTER COMMITMENT

4.1 Time commitment

The Board is satisfied with the level of time commitment given by each of the directors towards fulfilling their roles on the Board and Board Committees. The Board Charter has established a policy and procedures where a director should notify the Chairman officially before accepting any new directorship from any other company and the notification shall explain the expectation and an indication of time commitment that will be spent on the new appointment. The Directors are able to devote sufficient time commitment to their roles and responsibilities as Directors of the Company, as they hold either one or only a few directorships in public listed companies as described below :

- i) Four directors are holding only one directorship in public listed company.
- ii) One director is holding three directorships in public listed company.

The Board Charter of the Company has set out that the directorships held by any Board member at any one time shall not exceed five (5) in listed companies. Directors of the Company are expected to have the relevant expertise in order to contribute positively to the Group's performance and to give sufficient time and attention to carry out their responsibilities to the Group. The Board shall obtain this commitment from its new members at the time of appointment.

Board meetings for the ensuing financial year are scheduled in advance before the end of each financial year so as to enable the Directors to plan ahead and fit the year's Board meetings into their own schedule. The Board has four (4) scheduled meetings annually and with additional meetings held when necessary. The meetings of the Board and Board Committees are conducted by a structured formal agenda. The meetings' agendas include reviews on various aspects of the Group's operations, financial performances, business plans, any major development, the findings of the external auditors, any other corporate proposals and other significant matters together with comprehensive management reports and proposal papers are furnished to the Directors in advance prior to the Board meetings. This will allow time for the Directors to review the Board papers and to facilitate full discussion at the Board meeting. There is a process in place for Non-Executive Directors to seek clarifications or obtain details concerning the Board agenda papers from the Management and the Company Secretary or if they deem necessary to take independent professional advice at the Company's expenses. The Board members deliberate, and in the process, assess the viability of business propositions and corporate proposals and the principal risks that may have a significant impact on the Group's business or its financial position, and the mitigating factors. Special Board meetings are convened on an ad-hoc basis to deliberate on urgent matters that require the Board's immediate decision. The Board meetings are chaired by the Chairman, Datuk Manan Bin Haji Md. Said, who has the responsibility of ensuring that each of the agenda items is adequately reviewed and thoroughly deliberated within a reasonable timeframe.

In 2015, the Board held seven (7) meetings. The Directors' commitment in carrying out their duties and responsibilities is affirmed by their attendance at the Board meetings held during the financial year ended 31 December 2015 as reflected below :-

Board of Director	Total no. of meetings held during the director's tenure in office	No. of Meetings Attended
Datuk Manan Bin Haji Md. Said	7	7
Ameezan Bin Jamal	7	7
Tan Aik Heang	7	6
Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	7	7
Chang Yun Lung	7	6
Leung Kok Keong (Appointed on 1/10/2015)	1	1

All Directors have thus more than adequately complied with the minimum requirements on attendance at Board meetings as stipulated in the Bursa Malaysia Securities Berhad ACE Market Listing Requirements (minimum 50% attendance).

CORPORATE GOVERNANCE STATEMENT (cont'd)

All the Board members are provided with relevant information of the Company and the Group to enable them to carry out their duties effectively as Directors. A full set of Board meeting papers for each agenda including financial reports, detailed reports on business propositions and corporate proposals, risk management committee report or minutes and notices are prepared and would only be distributed to the Directors of the Company and also presented in a concise and comprehensive manner so that the Directors of the Company have a proper and relevant depiction of the issues at hand, in order that the Board deliberations and decision-making are performed systematically and in a well-informed manner. The Board also notes the decisions and salient issues deliberated by the Board Committees through minutes of these Committees. Board meetings are conducted in accordance to a structured agenda.

The Directors have a duty to declare immediately to the Board should they have any interest in transactions to be entered into directly or indirectly with the Company or the Group. The interested Directors would serve notice to the Board and thereupon abstain from deliberations and decisions of the Board on the transaction. In the event a corporate proposal is required to be approved by the shareholders of the Company, the interested Directors would also abstain from voting in respect of their shareholdings relating to corporate proposal, and would further undertake to ensure that persons connected to them similarly abstain from voting on the resolutions.

The Company Secretary shall be responsible in conjunction with the Chairman of the Company and the Chairman of the Board Committees for drawing up the agenda and other supporting explanatory documentation for circulation to the Board members and/or Board Committees members prior to each meeting. Minutes of each Board meeting are circulated to all Directors before the Board meeting for their perusal prior to confirmation of the minutes at the commencement of the Board meeting. The Directors may request for clarification or raise comments before the minutes are tabled for confirmation as a correct record of the proceedings of the Board. The Executive Director and/or other relevant Board members and/or senior management of the Group will provide a comprehensive explanation of pertinent issues and recommendations. The issues would then be deliberated and discussed thoroughly by the Board prior to decision-making. Proceedings of Board meetings are recorded and signed by the Chairman.

Senior management may be invited to attend any board meetings to provide views and explanations on certain agenda being tabled to the Board, and to furnish clarification on issues that may be raised by the Directors. The Directors whether as a full board or in their individual capacity have access to all information of the Company on a timely basis in an appropriate form and quality necessary to enable them to discharge their duties and responsibilities. The Directors have the right when necessary to take on independent professional advice at the Company's expenses while carrying out their duties.

There are procedures in place for all the Directors to access to the advices and services of the Company Secretary and to obtain independent professional advices, whenever necessary, in ensuring the effective functioning of the Board. The Directors are also regularly updated and advised by the Company Secretary on new statutory and regulatory requirements issued by regulatory authorities, and the resultant implications to the Company and the Directors in relation to their duties and responsibilities.

4.2 Continuing education programme for Directors

The Directors are encouraged to attend continuing education programmes and seminars to keep The Company has adopted an induction programme for newly appointed Directors. The induction programme aims at communicating to the newly appointed Directors, the Company's vision and mission, its philosophy and nature of business, current issues within the Company, the corporate strategy and the expectations of the Company concerning input from Directors. A briefing will be arranged to update the Board in relation to new developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and/or the Company. In addition to the Mandatory Accredited Programme (MAP) as required by the Bursa Securities, Board members should also attend training programmes prescribed by Bursa Securities or conducted by highly competent professionals and which are relevant to the Company's operations and business.

The Board acknowledged that the directors of the Company through varied experiences and qualifications provided the desired contribution and support to the functions of the Board for the year of 2015. Directors' Training is an on-going process as Directors recognize the need to continually develop and refresh their knowledge and skills, and to update themselves on market developments. The Board will through the Nomination Committee to assess the training needs of each Director on an on-going basis to assist them in discharging their responsibilities. The directors are encouraged to attend various internal and external professional programs relevant and useful in contributing to the effective discharging of their duties as directors. All directors are allowed to choose courses/seminars of relevance in discharging their duties. During the year, all the Directors of the Company had continued to attend seminars and briefings in order to stay abreast with the latest market developments and also to enhance their knowledge.

Seminars and briefings attended by the Directors of the Company during the financial year were as follows:-

Name of Directors	Course attended	Date of Seminar
Datuk Manan Bin Haji Md. Said	Brilliant Investment Strategies in Current Economic Climate	13 November 2015
Ameezan Bin Jamal	Brilliant Investment Strategies in Current Economic Climate	13 November 2015
Tan Aik Heang	Brilliant Investment Strategies in Current Economic Climate	13 November 2015
Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	Brilliant Investment Strategies in Current Economic Climate	13 November 2015
Chang Yun Lung	Investment Opportunities in 11 Malaysia Plan	22 July 2015
	Brilliant Investment Strategies in Current Economic Climate	13 November 2015
Leung Kok Keong	Brilliant Investment Strategies in Current Economic Climate	13 November 2015

PRINCIPLE 5 – UPHOLD INTEGRITY IN FINANCIAL REPORTING

The Board has the responsibility to present a balanced, clear and fair assessment of the Group's financial position and prospects in the Annual Reports and quarterly reports to Bursa Malaysia Securities Berhad. Timely releases of announcements on the quarterly financial statements reflect the Board's commitment to give timely and up-to-date disclosures of the Group's performance. All results released to the public are tabled and reviewed at the Audit Committee and Board Meetings to ensure that it presents a balanced and understandable assessment of the Group's performance and prospects.

The Board is responsible for ensuring that financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia. The Executive Directors, the Finance and the Management have given assurance to the Board that adequate processes and controls are in place for the preparation of the quarterly and annual financial statements to give a true and fair view of the state of affairs of the Group, and select appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates. The Board is required to prepare the financial statements on a going concern basis unless it is inappropriate to do so.

The Board is responsible for ensuring that the Group keeps proper accounting records which disclose with accuracy at any time the financial position of the Group which enables them to ensure that the financial statements comply with the Companies Act, 1965. The Board is also responsible for taking such steps as are reasonable to safeguard the assets of the Group for prevention and detection of fraud and other irregularities. The Board in compliance with Rule 15.26(a) of Bursa Malaysia Securities Berhad ACE Market Listing Requirements issues a Statement explaining its responsibility for preparing the annual audited financial statements.

PRINCIPLE 6 – RECOGNISE AND MANAGE RISKS

6.1 Framework to Manage Risks

The Risk Management Committee has been formed to ensure that the Group achieves its corporate objectives by applying effective risk management controls. The Risk Management Committee reviews and identifies key risks as well as oversees the overall management of all risks and to ensure that infrastructure, resources, processes and systems are in order.

The members of the Risk Management Committee as at the date of this Statement are as follows:-

- (i) Chieng Siong Kuong (Chairman / Group Finance Manager)
- (ii) Ong Eng Eng (Member / Finance and Administrative Manager)
- (iii) Fong Foo Peng (Member / Engineering Manager)
- (iv) Tay Ben Seng, Benson (Member / Director of Marquee International Group)

CORPORATE GOVERNANCE STATEMENT (cont'd)

The salient terms of reference of the Risk Management Committee are as follows:-

- i) To identify, evaluate, report of risks, implement appropriate risk management systems and monitor key business risks to safeguard shareholders' investments, the Company's assets and any matter within its terms of reference.
- ii) To have the resources which are required to perform its duties.
- iii) Shall report periodically, as deemed necessary, at least twice a year, to the Audit Committee.
- iv) To have direct communication channels with the external auditors and internal auditors of the Company.
- v) To convene meetings with the external auditors, the internal auditors or both, to discuss their findings and recommendations, whenever deemed necessary to discuss the problems and reservations arising from their reviews and any matter the external and internal auditors may wish to discuss.
- vi) The primary responsibilities:-
 - a) Formulating a risk management framework
 - b) Actively identifying risks
 - c) Evaluating, reporting of risks
 - d) Implementing appropriate risk management systems
 - e) Monitoring key business risks to safeguard shareholders' investments and the Company's assets.
- vii) Recommend to the Audit Committee and Board on the implementation of the appropriate risk management system and any matters in relation to risk profile of the Group.

The Risk Management Committee met two times during the financial year. The attendancy of members at the Risk Management Committee meetings held in 2015 is reflected as follows:-

Committee Members	Scheduled meetings	Attendance at the Risk Management Committee Meetings
Chieng Siong Kuong	3	3
Ong Eng Eng	3	3
Fong Foo Peng	3	3
Tay Ben Seng, Benson	3	3

The Risk Management Committee, through their Chairman, shall report periodically, as deemed necessary, at least twice a year, to the Audit Committee. In addition, the Risk Management Committee is responsible for providing the members of the Audit Committee and the Board with the summarized minutes from the Risk Management Committee meetings, separately identifying monitoring activities from approvals in an appropriate and timely manner. The Risk Management Committee meet at least twice a year to identify, evaluating, reporting of risks, implement of appropriate risk management system and monitor key business risks to safeguard shareholders' investments, the Company's assets and any matter within its terms of reference. The Risk Management Committee may convene meetings with the external auditors, the internal auditors or both, to discuss their findings and recommendations, whenever deemed necessary.

The Board acknowledges its overall responsibilities for maintaining a sound system of internal controls to safeguard shareholders' investment and the Group's assets. The Board has established internal audit function by outsourcing the internal audit function to the external independent professional firm. In this connection, the Audit Committee is assisted by an external independent professional firm who conduct regular reviews of the internal controls and report to the Audit Committee directly. The effectiveness of internal control system of the Company and the Group is reviewed by the Audit Committee from time to time and render a statement to the shareholders to this effect. The review covers the financial, operational and compliance controls. The Internal Auditors checks for compliance with regulatory requirements, policies and standards and the effectiveness of internal control structures across the Company and the Group. The size of operation of the Group involve the management of a variety of risks. The nature of these risks means that events may occur which would give rise to unanticipated or unavoidable losses. The Group's system of internal control are designed to provide reasonable and not absolute assurance against the risk of material errors, frauds or losses from occurring. The Risk Management Committee meets at least twice a year. Additional meetings shall be scheduled as considered necessary by the Risk Management Committee or the Chairman to ensure that accountability for managing the significant risks identified is clearly assigned and that identified risks affecting the Company and the Group are being satisfactorily addressed on an ongoing basis. The Board, assisted by the Audit Committee, reviews the risk management policies formulated by the Risk Management Committee of the Company and makes relevant recommendations to the Management. The Group continues to maintain and review its internal control policies and procedures to ensure, as far as possible, to protect the Group's assets. The

CORPORATE GOVERNANCE STATEMENT (cont'd)

external auditors are appointed by the Board to review the Group's Statement on Risk Management and Internal Control and to report thereon. The details of the internal control system and framework are set out in the Statement on Risk Management and Internal Control.

6.2 Internal Audit Function

The internal audit function of our Group is outsourced to a professional services firm to provide the Audit Committee and our Board with the assurance they require pertaining to the adequacy and effectiveness of internal control. Please refer to the Audit Committee Report in this Annual Report for details of the internal audit function.

The details of the internal control system are set out in the Risk Management and Internal Controls Statement in this Annual Report.

PRINCIPLE 7 – ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy

The Company has formed a Corporate Disclosure Committee to oversee the Company's corporate disclosure practices and ensure implementation and adherence to the Company's Corporate Disclosure Policy. The members of the Corporate Disclosure Committee consist of:-

- i) Chairman of the Company
- ii) Executive Director
- iii) Chief Executive Officer, if any
- iv) Finance Manager

The Corporate Disclosure Committee is governed by the guidelines stated in the Corporate Disclosure Policy ("the CDP") which has been approved by the Board. The salient terms of reference of the Corporate Disclosure Committee are as follows:-

- i) maintaining an awareness and understanding of governing disclosure rules and guidelines, including any new or pending developments
- ii) ascertaining whether corporate developments constitute material information and, if so, ensuring procedures outlined in the CDP are implemented to either ensure full and timely disclosure or keep the information confidential
- iii) developing and implementing procedures to regularly review, update and correct corporate disclosure information, including information on the Internet web site
- iv) bringing the CDP to the attention of the Company's directors, management and staff on a regular basis
- v) monitoring for compliance with the CDP and undertaking reviews of any violations, including assessment and implementation of appropriate consequences and remedial actions; and
- vi) reviewing the CDP at least once annually and updating as necessary and appropriate to ensure compliance with prevailing rules and guidelines

The Company is committed to provide accurate, timely, consistent and fair disclosure of corporate information to enable informed and orderly market decisions by investors. The CDP is complied with the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Bursa Securities' Corporate Disclosure Guide with regard to disclosure of information, especially material and price-sensitive information. Price-sensitive information is information which, if disclosed to the public would likely affect the price of the Company's shares. The Company has designated the authorised personnel in the CDP as spokespersons responsible for communicating Company information for matters relating to:-

- a) Bursa Securities Announcement
- b) Investor briefing
- c) Press releases and media conferences

The Company has a website (www.focusdynamics.net). The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated. The Company will publish and update corporate information, the Company's activities, all press releases, annual reports, financial reports, financial statements, board charter, code of ethic or policies of the Company and all relevant information at its corporate website to communicate with shareholders of the Company. The Company has in place a procedures and policies in the Shareholders' Communication Policy where the specific information will be made available on the Company's website as soon as practicable after their release or make available.

CORPORATE GOVERNANCE STATEMENT (cont'd)

Investor Relations section is available on the Company's website (www.focusdynamics.net). Information on the Company's website is updated on a regular basis.

Besides the above, the Board believes that the Company's Annual Report is a vital source of essential information for shareholders and investors and other stakeholders. The Annual Report of the Group is the channel of communication with shareholders and investors. The Company strives to provide a high level of reporting and transparency as an added value for users. The Company disseminates its Annual Report to its shareholders in hard copy.

7.2 Leverage on information technology

The Company maintains a website, www.focusdynamics.net and the stock exchange websites, www.bursamalaysia.com to communicate with shareholders and investors where they can access corporate information, company's announcements, corporate proposals, quarterly and annual reports, etc.

The Board acknowledges the need for an effective communication policy with shareholders and investors as the same intimate relationship that exists with Management is usually lacking with the exception of the shareholders who are represented on the Board.

The Company has in place a Shareholders Communication Policy to ensure that the Company's shareholders, both individual and institutional (collectively referred to as "Shareholders"), and, in appropriate circumstances, the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments and governance), in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and the investment community to engage actively with the Company. The Board hopes that this will help in promoting an effective communication and constructive engagement between the board members and the senior management with shareholders on the company's performance and other matters affecting the shareholders' interests.

PRINCIPLE 8 – STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 Shareholder Participation at General Meetings

The main forum for dialogue with shareholders of the Company is the Company's Annual General Meeting. All shareholders are encouraged to attend the Company's Annual General Meeting and participate in the proceedings. Adequate notice of the Annual General Meeting of not less than twenty-one (21) days is communicated to those concerned. Opportunities will be given to the shareholders to seek clarification on the business and performance of the Group.

The notice of the Annual General Meeting is sent along with a proxy form to all shareholders. An explanatory note or statement to facilitate full understanding and evaluation of issued involved will accompany items of special business included in the notice of the meeting. There are sufficient notes in the Notice of the Annual General Meeting to guide shareholders for completion of the proxy forms.

Apart from the Annual General Meetings, there is no formal program or schedule of meetings with investors, shareholders, stakeholders and the public generally. However, the Directors and/or Management have the option of calling for meetings with investors/analysts if it deems necessary. Thus far, the Directors are of the opinion that this arrangement has been satisfactory to all parties.

8.2 Encourage poll voting

The Chairman explains the voting procedures before the commencement of the Annual General Meeting. The shareholders present are given the opportunity to present their views or to seek more information. The resolutions passed at the meeting are released to Bursa Malaysia Securities Berhad in a timely manner. The Company has in place the policy in the Board Charter where:-

- i) the Board will ensure to put the resolutions on the related party transactions to vote in polls and make an announcement of the detailed results showing the number of votes cast for and against each resolution.
- ii) The Board would consider adopting electronic voting to facilitate greater shareholder participation whenever is deemed necessary and if the circumstances is permitted. The Company will inform shareholders the electronic voting arrangement via the notice of the general meetings if the Company intends to adopt electronic voting at any general meetings.

CORPORATE GOVERNANCE STATEMENT (cont'd)

8.3 Communication and Engagements with Shareholders

The Chairman and, where appropriate, the Executive Directors, senior management from the finance department and the External Auditors are present to respond to questions from shareholders during the meeting.

8.4 Workforce Diversity

The Board is committed in recognising and utilising the contribution of diverse skills and talent from its directors, officers and employees as a mean of enhancing the Group's performance. Diversity may result from wide range of factors which include age, gender, ethnicity or cultural background.

The Board is actively managing its workforce diversity to ensure equal employment opportunity regardless of genders. It foster the environment where the ability to contribute and access employment opportunities is based on performance, skills and merits. These will include equal opportunity in respect to employment and employment conditions such as hiring, training for professional development and promotion for career advancement.

COMPLIANCE STATEMENT

The Board has in 2015 to the best of its ability and knowledge complied with the Recommendations on MCCG 2012 except for the following:-

Recommendation 2.2

The Nomination Committee should develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors.

Deviation

The Board does not set the limit for gender diversification of its board composition as the appointment of directors are based on merits without giving regard to the gender of the appointed directors. However, the Company would consider the candidates with the following criteria in priority:-

- a) who have required mix skills, experience and other qualities and competencies;
- b) to ensure that the highest standard of conduct and integrity are maintained;
- c) fulfilling the regulatory compliance and selection criteria;
- d) who can provide effective contribution and support to the functions of the Board; and
- e) who are more in tune with the business model of the Company.

However, the Board directed the management to begin the assessment of its current diversity levels for the Group and shall review the diversity level.

Recommendation 3.5

The Board must comprise a majority of independent directors where the Chairman of the Board is not an independent director.

Deviation

The Board whose Chairman is a Non-Independent Executive Director notwithstanding, is of the opinion that the element of independence which currently exists is adequate to provide assurance that there is balance of power, authority and objectively on the Board.

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") of Focus Dynamics Group Berhad ("FOCUS" or the "Company") is pleased to present the Audit Committee Report for the financial year ended 31 December 2015..

The Audit Committee was established with the primary objective of assisting the Board in the areas of corporate governance, risk management, systems of internal control and management of the financial practices of FOCUS and its subsidiaries ("Group").

1.0 Composition of the Committee

The Audit Committee comprises of the following :-

Chairman

Chang Vun Lung *(Independent Non-Executive Director)*

Members

Tan Aik Heang *(Independent Non-Executive Director)*

Abdul Menon Bin Arsad @
Abdul Manan Bin Arshad *(Independent Non-Executive Director)*

Mr. Chang Vun Lung is a member of the Malaysian Institute of Accountants.

2.0 Terms of Reference

The terms of reference of the Audit Committee are as follows :-

2.1 MEMBERSHIP

- i) The Committee shall be appointed by the Board of Directors from amongst the Directors of the Company who fulfills the following requirements :-
 - (a) The committee shall consist of at least three (3) members.
 - (b) All the committee members must be non-executive directors, with a majority of them being independent directors
- ii) The Committee shall include at least one (1) person :-
 - (a) who is a member of the Malaysian Institute of Accountants; or
 - (b) who must have at least three (3) years' working experience and:-
 - (1) have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - (2) is a member of one (1) of the Associations specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
 - (3) fulfills such other requirements as prescribed or approved by the Exchange.
- iii) No Alternate Director shall be appointed as a member of the Committee.
- iv) The members of the Committee shall elect a Chairman from amongst their number and the Chairman of the Audit Committee shall be an independent director.
- v) If a member of the Committee resigns, dies or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within three (3) months, appoint such number of new members as may be required to make up the minimum of three (3) members.
- vi) The terms of office and performance of the Committee and each of its members shall be reviewed by the Board no less than once every three (3) years. However, the appointment terminates when a member ceases to be a Director.

AUDIT COMMITTEE REPORT (cont'd)

2.2 MEETING

- i) The quorum for a Committee Meeting shall be at least two (2) members, the majority present must be Independent Directors.
- ii) The Committee shall meet at least four (4) times a year and such additional meetings as the Chairman shall decide.
- iii) Notwithstanding the above, upon the request of any member of the Committee, non-member Directors, the Internal or External Auditors, the Chairman shall convene a meeting of the Committee to consider the matters brought to its attention.
- iv) The External Auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so.
- v) The non-member Directors and employees of the Company and of the Group shall normally attend the meetings to assist in its deliberations and resolutions of matters. However, the Committee shall meet with the External Auditors at least twice a year excluding the attendance of other directors and employees of the Company.
- vi) The Internal Auditor shall be in attendance at meetings to present and discuss the internal audit reports and other related matters as well as the recommendations relating thereto and to follow up on all relevant decisions made whenever deem necessary.
- vii) The Company Secretary shall act as Secretary of the Committee and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.
- viii) The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee.
- ix) In addition to the minutes of the Committee Meetings presented to all Board members, the Committee at each Board Meeting, will report a summary of significant matters and resolutions.

2.3 RIGHTS AND AUTHORITY

- i) The Committee is authorised to investigate any matter within its terms of reference.
- ii) The Committee is authorised to have the resources which are required to perform its duties.
- iii) The Committee is authorised to have full and unrestricted access to any information pertaining to the Company.
- iv) The Committee is authorised to have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity.
- v) The Committee is authorised to establish an in-house or outsourced the internal audit functions which is independent of the management and operational activities it audits and that, the internal audit function reports directly to the Audit Committee.
- vi) The Committee is authorised to engage, consult and obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.
- vii) The Committee is authorised to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of Company, whenever deemed necessary.

AUDIT COMMITTEE REPORT (cont'd)

2.4 FUNCTIONS AND DUTIES

- i) The functions and duties of the Committee shall include a review and report of the same to the Board of Directors of the company :-
 - (a) The adequacy of existing external audit arrangements, with particular emphasis on the scope and quality of the audit;
 - (b) The internal audit plan to ensure that principal risk areas were adequately identified and covered in the plan;
 - (c) The adequacy and effectiveness of internal control systems and to consider major findings of internal investigations and management's response;
 - (d) The adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - (e) The quarterly and annual financial statements prior to approval by the board, focusing particularly on :-
 - Any changes in the accounting policies and practices;
 - Significant adjustments arising from the audit;
 - The going concern assumption; and
 - Compliance with accounting standards and other legal requirements.
 - (f) Any management letter sent by the external auditors to the Company and the management's response to such letter;
 - (g) The procedures for identification of related party transactions of the Group;
 - (h) The assistance and co-operation given by the officers of the Group to the external and internal auditors; and
 - (i) All other matters delegated by the Board of Directors.
- ii) Recommend to the Board on the appointment of internal and external auditors, their terms of appointment and reference and any matters in relation to their resignation or dismissal.
- iii) Discuss the problems and reservations arising from the interim and final audits and any matter the external and internal auditors may wish to discuss.

3.0 Summary of Audit Committee Activities During the Year

The Audit Committee held a total of seven (7) meetings during the financial year ended 31 December 2015. The departmental heads and a representative of the external auditors had also attended the Audit Committee meetings. Other Board members may attend meetings upon invitation by the Audit Committee. The minutes of the Audit Committee meetings have been extended to all members of the Board and significant issues were discussed at the Board meetings.

The details of the Audit Committee's attendance at each meeting is as follows :-

Audit Committee Member	Designation	Number of Committee Meetings held during directors' tenure of office	Number of Committee Meetings attended
Chang Vun Lung	Independent Non-Executive Director	7	6
Tan Aik Heang	Independent Non-Executive Director	7	6
Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	Independent Non-Executive Director	7	7

AUDIT COMMITTEE REPORT (cont'd)

During the financial year, the activities undertaken by the Audit Committee included :-

- (a) Discussed and reviewed the quarterly unaudited financial statements of the Group prior making the recommendations to the Board of Directors for approval.
- (b) reviewed the related party transactions entered into by the Company and the Group;
- (c) discussed and reviewed the status of utilisation of proceeds from the Company's corporate exercise;
- (d) discussed and reviewed the annual audited financial statements of the Group and the Company for the financial year ended 31 December 2015 and making recommendations to the Board of Directors for approval;
- (e) discussed and reviewed the audit committee report for the financial year ended 31 December 2015;
- (f) discussed and reviewed the statement on Risk Management and internal control for the financial year ended 31 December 2015;
- (g) discussed and reviewed the statement on Corporate Governance of the Company for the financial year ended 31 December 2015.
- (h) discussed and reviewed the 2014 Annual Report for the financial year ended 31 December 2015;
- (i) discussed and reviewed the latest percentage ratio made pursuant to Rule 10.02(h) of Chapter 10 of the Listing Requirements of Bursa Malaysia Securities Berhad based on the latest audited financial statements of the Company;
- (j) meeting and discussion with the external Auditors of the Company without the presence of the Executive Directors and employees of the Company.
- (k) discussed and reviewed the prescribed criteria in relation to the financial condition and level of operations of the listed issuer set under Guidance Note 3.
- (l) discussed the amendments to Bursa Malaysia Securities Berhad ACE Market Listing Requirements and others relevant rules and regulations;
- (m) discussed and reviewed the level of public spread and annual returns of the Company pursuant to the Listing Requirements;
- (n) discussed and reviewed the results of the annual audit, the audit report and the management's response to the findings of the external auditors of the Company;
- (o) discussed the tentative timetable for the 2016 Audit Committee Meetings of the Company;
- (p) discussed and considered the financial results between the audited financial statements and the profit forecast or financial projection for the year ended 31 December 2015.
- (q) discussed and considered the profit forecast and financial projection for the year ended 31 December 2015 and year ending 31 December 2016;
- (r) discussed and reviewed the audit planning memorandum from the external auditors for the financial year ended 31 December 2015;
- (s) evaluated the performance of the external auditors and reviewed their staffing requirements, their skills, their core competencies and their independence and made recommendations to the Board of Directors on their appointment and audit fees;
- (t) discussed and reviewed the internal audit findings for the financial year ended 31 December 2014 and the follow-up internal audit report from the internal auditors;

AUDIT COMMITTEE REPORT (cont'd)

- (u) discussed and considered the progress of the renovation work of the restaurant and lounge of Marquee International Sdn Bhd
- (v) discussed and considered the annual return of the Company as at 31 December 2015
- (w) discussed and considered the Risk Management report from the Risk Management Committee
- (x) discussed and reviewed the policies and procedures of the Company including the Board Charter
- (y) discussed and considered the proposed acquisition of One (1) Unit of Serviced Apartment by Marquee International Sdn Bhd. The wholly-owned subsidiary of the FOCUS.
- (z) discussed and considered the proposed reduction of the issued and paid-up share capital of Focus Dynamics Group Berhad ("FOCUS" or the "Company") pursuant to Section 64(1) of the Companies Act, 1965 involving the cancellation of RM0.05 of the par value of the ordinary shares of RM0.10 each in FOCUS to RM0.05 each in FOCUS.
- (aa) discussed and considered the proposed amendments to the Memorandum and Articles of Association of the Company to facilitate the proposed Par Value Reduction.
- (bb) discussed and considered the proposed change of name from Focus Dynamics Technologies Berhad to Focus Dynamics Group Berhad.

4.0 Review of ESOS

The Company has on 12 December 2014 established an Employees Share Options Scheme ("ESOS") and the effective date for implementation of the ESOS was on 13 January 2015 and the Company has on 11 February 2015, 15 June 2015 and 18 August 2015 offered a total of 209,999,000 share options at the option price of RM0.10 to the eligible employees and the directors of the Company in accordance with the By-Laws of the Employees' Share Option Scheme of the Company. The Audit Committee has reviewed the first, second and third allocation of share options under the ESOS of the Company to ensure that the said allocation was in compliance with allocation criteria of the Company and in accordance with the By-Laws of the ESOS of the Company.

Below was the share options were offered to the Non-Executive Directors of the Company on 11 February 2015, 15 June 2015 and 18 August 2015 but none of the Non-Executive Directors of the Company accept the said offer :-

(a) Date of Offer	:	11 February 2015	15 June 2015	18 August 2015
(b) Number of shares offered	:	209,999,000	139,453,000	116,304,600
(c) Exercise price of shares offered	:	RM0.10	RM0.10	RM0.10
(d) Revised exercise price of shares offered	:	RM0.05	RM0.05	RM0.05
(e) Number of Shares offered to the Company's Non-Executive Directors under the ESOS	:			
(i) Tan Aik Heang	:	6,119,200	2,007,900	-
(ii) Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	:	6,119,200	2,007,900	-
(iii) Chang Vun Lung	:	5,594,200	1,835,600	-

AUDIT COMMITTEE REPORT (cont'd)

5.0 Internal Audit Function

The Audit Committee assists the Board by providing an objective review of the effectiveness and efficiency non-executive review of the effectiveness and efficiency of the internal controls, risk management and governance processes of the Company and its subsidiaries.

The internal audit function, which is outsourced to a professional service firm is considered an integral part of the assurance framework and its primary mission is to provide assurance on the adequacy and effectiveness of the risk, control and governance framework of the Company. In its current structure, the internal audit function of the Company is outsourced to an independent professional firm which reports directly to the Audit Committee. Based on an approved internal audit plan, the internal audit function performs periodic reviews of critical business processes to identify any significant risks, assess the effectiveness and adequacy of the system of risk management and internal control and where necessary, recommend possible improvements. Thus, the Audit Committee is supported by the Internal Auditor independently to carry out a review of the existing risk management framework and policy, systems, controls and procedures. Presently, the internal audit of the Company is able to provide directors and senior management with the pertinent information about weaknesses in the system of internal control, allowing management to take prompt, remedial action and also provides recommendations that would further enhance the existing risk management and internal control. During the year, the Internal Auditors conducted various internal audit engagements in accordance with the risk-based approved audit plans. The Internal Auditors reported internal control deficiencies to the appropriate level of management when identified. Significant matters were promptly reported directly to the Audit Committee and senior management.

The Company has in place a formal risk management framework and policy. During the year, the Risk Management Committee has carried out the on-going process and monitoring the effectiveness of application of policies, processes and activities related to risk management and governance process. The process is undertaken by the Risk Management Committee with the assistance of the Internal Auditors and a written report is submitted to the Audit Committee for discussion and consideration. The Audit Committee will report to the Board on significant risks identified by the Group together with the corrective and preventive actions. Further details of the activities of the internal audit are set out in the Statement on Risk Management and Internal Control.

Further details of the activities of the internal audit are set out in the Statement on Risk Management and Internal Control

The cost incurred by the Group for the internal audit function during the financial year amounted to RM19,000.00.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Para 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and in compliance with the Malaysian Code of Corporate Governance. The Board is pleased to issue the following Statement on Risk Management and Internal Control for the financial year ended 31 December 2015.

BOARD RESPONSIBILITY

The Board of Directors of the Company ("The Board") recognizes the importance of a sound system of risk management and internal control for good corporate governance and safeguard shareholders' investment and the group's assets. The Board is responsible for the adequacy and effectiveness of the Group's risk management and internal control system.

The Board ensures that the system manages the Group's key areas of risk within an acceptable risk profile to increase the likelihood that the Group's policies and business objectives will be achieved.

The system of risk management and internal controls can only provides a reasonable, but not absolute assurance against material misstatement of management and financial losses or fraud as it is established to manage rather than eliminate the risk of failure to achieve the group's business objectives.

The Board has established a framework to ensure that an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment or regulatory guidelines.

The Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

The Board has received assurance from the Executive Directors and senior management that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board believes firmly that risk management is essential for continued profitability and to safeguard shareholders' investment. The key process that have been established in reviewing the adequacy and effectiveness of the risk management and internal control system.

The Board has established a number of board committees such as the Audit, the Nomination, the Remuneration, the Risk Management and the Corporate Disclosure Committees to support the Board and to assist the Board to assess the performance and controls in all areas of operations to ensure that the risk management and control framework is embeded into the culture, processed and structures of the Company. On top of this, organisational structure with defined lines of responsibility, delegation of authority, segregation of duties and flow of information which are effectively communicated to all levels to ensure that the Group's operation are in accordance with the corporate objectives, strategies and the annual budget as well as the policies and the business directions that have been approved by the Board.

RISK MANAGEMENT

The Board has established a Risk Management Committee to formulate a framework to ensure that an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment or regulatory guidelines.

INTERNAL AUDIT FUNCTION

The Group's internal audit function was out-sourced to an independent professional firm during the financial year. Internal audit was carried out to review the adequacy and integrity of internal control systems of the Group based on the audit plan that has been approved by the Audit Committee. The main objective of these audits is to provide a reasonable assurance that they are operated satisfactorily and effectively. Upon completion of the audit assignments, the internal auditors presented their reports and discussed their findings and recommendations for improvement to the Audit Committee. The Internal Auditors of the Company checks for compliance with policies and procedures and highlight the significant findings in respect of any non-compliance. On top of this, the Internal Auditors carried out the audits in all subsidiaries companies, frequency of which is determined by the level of risk assessed, to provide an independent and objective report on operational and management activities of these subsidiaries companies.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

The Audit Committee of the Company review the internal control issues identified by the Internal Auditors, the external auditors and the Management, and evaluates the effectiveness and adequacy of their risk management and internal control system. They also review the internal audit functions with particular emphasis on the scope of frequency of audits and the adequacy of resources. The minutes of the Audit Committee meetings are tabled to the Board of Directors of the Company on the quarterly basis.

There are policy and authority limits imposed on executive directors and management within the Group in respect of the day-to-day operation and financing operations, investments, acquisitions and disposal of assets.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

In compliance with Rule 15.23 of ACE Market Listing Requirements the external auditors have reviewed this Statement for inclusion in the 2015 annual report. The auditors have reported that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process that the Board has adopted in the review of the adequacy and integrity of internal controls within the group. It is a reasonable assurance that the system of internal control appears to be working satisfactorily. There were no significant weaknesses noted in the internal control which resulted in material losses, contingencies or uncertainties during the financial year.

The Board has received assurance from the Executive Directors that in all material aspects, the Company's risk management and internal control is operating adequately and effectively based on the risk management and internal control system of the Company.

This Statement of Risk Management and Internal Control has been approved by the Board of Directors in its meeting on 7 April 2016



STATEMENT ON DIRECTORS' RESPONSIBILITY IN PREPARING THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Board is required under Rule 15.26 (a) of Chapter 15 of the Bursa Malaysia Securities Berhad Listing Requirements for ACE Market to issue a statement explaining its responsibility for preparing the annual audited financial statements.

The Companies Act, 1965 requires the Directors to ensure that the annual audited financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of Focus Dynamics Technologies Berhad ("FDTB" or "Company") and its subsidiaries ("Group") and the Company as at the end of the financial year and of the results and cash flows of the Group and Company for the financial year.

The Directors consider that in preparing the financial statements of the Company for the financial year ended 31 December 2015, the Group has :-

- (a) Selected appropriate accounting policies and consistently applied; and
- (b) Supported by reasonable and prudent judgments and estimates;

The Directors also consider that all applicable Financial Reporting Standards in Malaysia have been complied with, subject to any material departures disclosed and explained in the financial statements and confirm that the financial statements have been prepared on a going concern basis unless it is inappropriate to presume that the Group will continue its business.

The Directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Group thus enabling to ensure that the financial statements comply with the Companies Act, 1965. Further thereto, the Directors are also responsible for taking reasonable steps to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

The Directors confirm that they have complied with these requirements and have a reasonable expectation that the Group has adequate resources to continue its operation for the future and to continue to adopt a going concern basis in preparing the financial statements. The Directors also confirmed that this annual audited financial statements of the Company are properly drawn up to give a true and fair view of the state of affairs of the Group for the financial year ended 31 December 2015.

The Auditors' responsibilities are stated in their report to the shareholders.



FOCUS DYNAMIC GROUP BERHAD (582924-P)
(FORMERLY KNOWN AS FOCUS DYNAMICS TECHNOLOGIES BERHAD)
(Incorporated in Malaysia under the Companies Act, 1965)

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

As At 31 December 2015

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of its subsidiary companies are as stated in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

CHANGE OF NAME

The Company changed its name from FOCUS DYNAMICS TECHNOLOGIES BERHAD to FOCUS DYNAMICS GROUP BERHAD with effect from 17 November 2015.

FINANCIAL RESULTS

	Group RM	Company RM
Loss after taxation for the financial year	(13,608,272)	(4,030,767)
Attributable to:		
Owners of the Company	(13,608,272)	(4,030,767)
Non-controlling interests	-	-
	(13,608,272)	(4,030,767)

DIVIDENDS

No dividends have been paid since the end of the previous financial year and the directors do not recommend the payment of any final dividend for the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the current financial year.

WARRANTS

Details of the warrants are set out in Note 17 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the share options pursuant to the Employee Share Option Scheme below.

DIRECTORS' REPORT

As At 31 December 2015 (cont'd)

EMPLOYEE SHARE OPTION SCHEME

At an extraordinary general meeting held on 26 June 2014, the Company's shareholders approved the establishment of an ESOS to eligible directors and employees of the Group. The ESOS shall be valid for a duration of five (5) years from the effective date, 13 January 2015 and may if the Board deems fit, upon the recommendation of the ESOS Committee, be extended for a further five (5) years, subject to an aggregate of ten (10) years from the effective date of implementation of the ESOS.

The main features of the ESOS are disclosed in Note 17 to the financial statements.

The option prices and the details in the movement of the options granted are as follows:-

Date of Offer	Exercise Price	Number of Options Over Ordinary Shares of RM0.10 each			
		As at 01/01/15	Granted	Lapsed	As at 31/12/15
11 February 2015	RM0.10	-	70,546,000	-	70,546,000
15 June 2015	RM0.10	-	23,148,400	-	23,148,400
18 August 2015	RM0.10	-	11,305,300	-	11,305,300
		-	104,999,700	-	104,999,700

Name	Grant date	Expire date	Number of Share Options			As at 31/12/15
			Exercise price	Granted	Exercised	
Chieng Siong Kuong	17 March 2015	12 January 2020	RM0.10	14,319,200	-	14,319,200
Chieng Siong Kuong	23 June 2015	12 January 2020	RM0.10	4,698,600	-	4,698,600
Chieng Siong Kuong	29 September 2015	12 January 2020	RM0.10	1,639,300	-	1,639,300
Koo Kien Yoon	27 February 2015	12 January 2020	RM0.10	13,794,200	-	13,794,200
Koo Kien Yoon	19 June 2015	12 January 2020	RM0.10	4,526,300	-	4,526,300
Koo Kien Yoon	1 September 2015	12 January 2020	RM0.10	2,911,100	-	2,911,100
Tay Ben Seng, Benson	23 February 2015	12 January 2020	RM0.10	14,319,200	-	14,319,200
Tay Ben Seng, Benson	22 June 2015	12 January 2020	RM0.10	4,698,600	-	4,698,600
Tay Ben Seng, Benson	19 August 2015	12 January 2020	RM0.10	3,052,400	-	3,052,400

Details of options granted to directors are disclosed in the section on the directors' interest in this report.

DIRECTORS

The directors who served since the date of the last report and at the date of this report are:-

Datuk Manan Bin Haji Md. Said

Tan Aik Heang

Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad

Ameezan Bin Jamal

Chang Yun Lung

Abd. Hamid Bin Ibrahim

Leung Kok Keong

(Resigned on 13/08/15)

(Appointed on 01/10/15)

DIRECTORS' REPORT

As At 31 December 2015 (cont'd)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in the ordinary shares, warrants and options over shares of the Company are as follows:-

	<u>Number of ordinary shares of RM0.10 each</u>			
	As at 01/01/15	Bought	Sold	As at 31/12/15
<u>The Company</u> <u>Direct Interest</u>				
Datuk Manan Bin Haji Md. Said	2,000	-	-	2,000
		<u>Number of warrants</u>		
	As at 01/01/15	Bought	Sold	As at 31/12/15
<u>The Company</u> <u>Direct Interest</u>				
Datuk Manan Bin Haji Md. Said	667	-	-	667
		<u>Number of ordinary shares of RM0.10 each under employees' share option scheme</u>		
	As at 01/01/15	Granted	Exercised	As at 31/12/15
<u>The Company</u> <u>Direct Interest</u>				
Datuk Manan Bin Haji Md. Said	-	20,939,700	-	20,939,700
Ameezan Bin Jamal	-	20,101,100	-	20,101,100

The other directors holding office at the end of the financial year had no interest in the shares, warrants and options over shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company or its subsidiaries is a party, with the object or objects of enabling the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employee Share Option Scheme.

No director has, since the end of the previous financial year, receive or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and are satisfied that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and
- to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount that they might be expected so to realise.

DIRECTORS' REPORT

As At 31 December 2015 (cont'd)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS - CONT'D

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount of bad debts written off, or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company, inadequate to any substantial extent; or
- (b) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year except for as disclosed in the notes to the financial statements.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements of the Group and of the Company misleading.

In the opinion of the directors:-

- (i) the results of the Group and of the Company's operations during the financial year was not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 40 to the financial statements.

EVENTS AFTER THE REPORTING DATE

Details of events after the reporting date are disclosed in Note 41 to the financial statements.

AUDITORS

The auditors, Messrs Mustapha, Khoo & Co., have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution.

Datuk Manan Bin Haji Md. Said
Director

Ameezan Bin Jamal
Director

Dated: 7 April 2016



STATEMENT BY DIRECTORS

Pursuant to Section 169 (15) of the Companies Act, 1965

We, Datuk Manan Bin Haji Md. Said and Ameen Bin Jamal, being two of the directors of FOCUS DYNAMICS GROUP BERHAD (formerly known as FOCUS DYNAMICS TECHNOLOGIES BERHAD), do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 57 to 108 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 17 has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution.

.....
Datuk Manan Bin Haji Md. Said
Director

.....
Ameen Bin Jamal
Director

Dated: 7 April 2016

STATUTORY DECLARATION

Pursuant to Section 169 (16) of the Companies Act, 1965

I, Chieng Siong Kuong, being the officer primarily responsible for the financial management of FOCUS DYNAMICS GROUP BERHAD (formerly known as FOCUS DYNAMICS TECHNOLOGIES BERHAD), do solemnly and sincerely declare that the financial statements set out on pages 57 to 108 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared by the abovenamed
at Petaling Jaya,
Selangor
7 April 2016

)
)
)
)
Chieng Siong Kuong
Officer

Before me,

.....
B185 Ng Say Hung
Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT

To The Members Of Focus Dynamics Technologies Berhad

Report on the Financial Statements

We have audited the financial statements of FOCUS DYNAMICS GROUP BERHAD (formerly known as FOCUS DYNAMICS TECHNOLOGIES BERHAD), which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 57 to 108.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicate in Note 8 to the financial statements.
- c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The audit reports on the accounts of the subsidiaries were not subject to any qualification, other than as disclosed in Note 8 to the financial statements, and did not contain any adverse comment made under Section 174(3) of the Act.



INDEPENDENT AUDITORS' REPORT

To The Members Of Focus Dynamics Technologies Berhad (cont'd)

Other Reporting Responsibilities

The supplementary information set out in Note 17 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Mustapha, Khoo & Co
No: AF 0599
Chartered Accountants

Kuala Lumpur
Dated: 11 April 2016

On Boon Kai
No.636/04/17 (J)
Partner of the Firm

STATEMENT OF FINANCIAL POSITION

As At 31 December 2015

ASSETS	Note	Group	
		2015 RM	2014 RM
NON-CURRENT ASSETS			
Property, plant and equipment	5	10,694,342	8,783,814
Goodwill on consolidation	6	-	2,331,544
Products development expenditure	7	-	-
Investment in an associate	9	-	-
Other investment	10	714,471	-
		<u>11,408,813</u>	<u>11,115,358</u>
CURRENT ASSETS			
Inventories	11	1,040,608	793,559
Trade and other receivables	12	6,433,329	9,481,730
Tax recoverable		2,500	200,673
Deposits with licensed banks	14	24,989,430	35,067,176
Cash in hand and at banks	15	543,786	1,074,770
		<u>33,009,653</u>	<u>46,617,908</u>
TOTAL ASSETS		<u>44,418,466</u>	<u>57,733,266</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	70,550,279	70,550,279
Reserves	17	(31,573,399)	(21,204,997)
Equity attributable to owners of the parent		<u>38,976,880</u>	<u>49,345,282</u>
Non-controlling interests		-	-
TOTAL EQUITY		<u>38,976,880</u>	<u>49,345,282</u>
NON-CURRENT LIABILITIES			
Borrowings	18	163,303	460,944
Deferred tax liabilities	19	-	90,613
		<u>163,303</u>	<u>551,557</u>
CURRENT LIABILITIES			
Trade and other payables	20	3,503,584	5,513,518
Provision for warranty and maintenance costs	21	72	377
Amount due to an associate	22	-	5,055
Amount due to directors	23	229,278	12,900
Provision for taxation		232,937	32,233
Borrowings	18	1,312,412	2,272,344
		<u>5,278,283</u>	<u>7,836,427</u>
TOTAL LIABILITIES		<u>5,441,586</u>	<u>8,387,984</u>
TOTAL EQUITY AND LIABILITIES		<u>44,418,466</u>	<u>57,733,266</u>

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As At 31 December 2015 (cont'd)

ASSETS	Note	Company	
		2015 RM	2014 RM
NON-CURRENT ASSET			
Investment in subsidiaries	8	2,470,249	3,200,002
		<hr/>	<hr/>
		2,470,249	3,200,002
CURRENT ASSETS			
Trade and other receivables	12	68,105	37,375
Amount due from subsidiaries	13	41,067,761	31,644,257
Deposits with licensed banks	14	24,927,529	33,846,333
Cash in hand and at banks	15	116,979	606,269
		<hr/>	<hr/>
		66,180,374	66,134,234
TOTAL ASSETS		<hr/>	<hr/>
		68,650,623	69,334,236
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	70,550,279	70,550,279
Reserves	17	(3,233,367)	(2,442,470)
		<hr/>	<hr/>
Total equity		67,316,912	68,107,809
CURRENT LIABILITIES			
Trade and other payables	20	1,127,711	1,226,427
Provision for taxation		206,000	-
		<hr/>	<hr/>
		1,333,711	1,226,427
TOTAL LIABILITIES		<hr/>	<hr/>
		1,333,711	1,226,427
TOTAL EQUITY AND LIABILITIES		<hr/>	<hr/>
		68,650,623	69,334,236

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For The Year Ended 31 December 2015

	Note	Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
Revenue	24	8,045,098	12,210,718	-	-
Cost of sales	25	(4,894,259)	(5,853,484)	-	-
Gross profit		3,150,839	6,357,234	-	-
Other income	26	1,347,746	498,888	1,097,384	163,572
Total income		4,498,585	6,856,122	1,097,384	163,572
Administrative and operating expenses	27	(17,682,173)	(12,944,322)	(4,922,151)	(742,074)
Sales and marketing expenses		(83,214)	(97,184)	-	-
Loss from operations		(13,266,802)	(6,185,384)	(3,824,767)	(578,502)
Finance costs	28	(140,767)	(405,869)	-	-
Loss before taxation		(13,407,569)	(6,591,253)	(3,824,767)	(578,502)
Taxation	29	(200,703)	(6,815)	(206,000)	-
Net loss for the year after taxation		(13,608,272)	(6,598,068)	(4,030,767)	(578,502)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		(13,608,272)	(6,598,068)	(4,030,767)	(578,502)
Loss attributable to:					
Owners of the Company		(13,608,272)	(6,481,873)	(4,030,767)	(578,502)
Non-controlling interests		-	(116,195)	-	-
		(13,608,272)	(6,598,068)	(4,030,767)	(578,502)
Total comprehensive loss attributable to:					
Owners of the Company		(13,608,272)	(6,481,873)	(4,030,767)	(578,502)
Non-controlling interests		-	(116,195)	-	-
		(13,608,272)	(6,598,068)	(4,030,767)	(578,502)
Basic/Diluted loss per ordinary share (sen)	30	(1.9)	(1.6)		

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 December 2015

Group	Non-distributable			Distributable		Non controlling interests RM	Total equity RM
	Share capital RM	Share premium RM	ESOS reserve RM	Accumulated loss RM	Attributable to owners of the Company RM		
As at 1 January 2014	35,275,140	3,464,689	-	(18,374,721)	20,365,108	801,865	21,166,973
Issue of shares	35,275,139	-	-	-	35,275,139	-	35,275,139
Shares issue expenses	-	(498,262)	-	-	(498,262)	-	(498,262)
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	685,170	685,170	(685,670)	(500)
Total comprehensive loss for the year	-	-	-	(6,481,873)	(6,481,873)	(116,195)	(6,598,068)
As at 31 December 2014	70,550,279	2,966,427	-	(24,171,424)	49,345,282	-	49,345,282
Share-based payment under ESOS	-	-	3,239,870	-	3,239,870	-	3,239,870
Total comprehensive loss for the year	-	-	-	(13,608,272)	(13,608,272)	-	(13,608,272)
As at 31 December 2015	70,550,279	2,966,427	3,239,870	(37,779,696)	38,976,880	-	38,976,880

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 December 2015 (cont'd)

Company	Share capital RM	Share premium RM	Non-distributable ESOS reserve RM	Distributable Accumulated loss RM	Total RM
As at 1 January 2014	35,275,140	3,464,689	-	(4,830,395)	33,909,434
Issue of shares	35,275,139	-	-	-	35,275,139
Shares issue expenses	-	(498,262)	-	-	(498,262)
Total comprehensive loss for the year	-	-	-	(578,502)	(578,502)
As at 31 December 2014	70,550,279	2,966,427	-	(5,408,897)	68,107,809
Share-based payment under ESOS	-	-	3,239,870	-	3,239,870
Total comprehensive loss for the year	-	-	-	(4,030,767)	(4,030,767)
As at 31 December 2015	70,550,279	2,966,427	3,239,870	(9,439,664)	67,316,912

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For The Year Ended 31 December 2015

	Note	Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers		9,515,354	10,764,603	-	-
Cash paid to suppliers and employees		(13,456,969)	(15,233,917)	(10,405,465)	(4,707,660)
Cash used in operating activities		(3,941,615)	(4,469,314)	(10,405,465)	(4,707,660)
Interest paid		(119,083)	(368,177)	-	-
Interest received		1,117,458	219,143	1,097,369	163,572
Tax paid		(45,449)	(141,879)	-	-
Tax refunded		10,485	59,174	-	-
Net cash used in operating activities		(2,978,204)	(4,701,053)	(9,308,096)	(4,544,088)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of additional interests in a subsidiary		-	(500)	-	-
Additional investment in subsidiary		-	-	(99,998)	-
Purchase of property, plant and equipment (Note A)		(7,683,593)	(2,017,523)	-	-
Proceeds from disposal of an associate	2	-	-	-	-
Proceeds from disposal of a subsidiary		218,976	-	-	-
Fixed deposits pledged		(1,032,823)	(234,755)	(1,032,823)	(204,998)
Investment in other investment		(714,471)	-	-	-
Proceed from disposal of property, plant and equipment (Note B)		2,425,211	4,844,789	-	-
Net cash (used in) / from investing activities		(6,786,698)	2,592,011	(1,132,821)	(204,998)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payment of shares issue expenses		-	(498,262)	-	(498,262)
Proceed from issuance of shares		-	35,275,139	-	35,275,139
Payment of hire purchase interest		(21,684)	(37,692)	-	-
Repayment of term loans		(171,207)	(4,502,771)	-	-
Term loan drawdown		-	2,400,000	-	-
Repayment of hire purchase liabilities		(189,174)	(273,684)	-	-
Net cash (used in) / from financing activities		(382,065)	32,362,730	-	34,776,877
Net (decrease) / increase in cash and cash equivalents		(10,146,967)	30,253,688	(10,440,917)	30,027,791
Cash and cash equivalents at the beginning of the year		33,240,975	2,987,287	34,247,604	4,219,813
Cash and cash equivalents at the end of the year	31	23,094,008	33,240,975	23,806,687	34,247,604

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For The Year Ended 31 December 2015 (cont'd)

Notes to the Cash Flow Statement

A. Purchase of property, plant and equipment

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Unpaid balances as at 1 January	720,560	-	-	-
Aggregate cost of property, plant and equipment acquired	7,347,313	2,738,083	-	-
Amount paid during the financial year	(7,683,593)	(2,017,523)	-	-
Discount given by supplier	(384,280)	-	-	-
Unpaid balances as at 31 December	-	720,560	-	-

B. Proceed from disposal of property, plant and equipment

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Uncollect balances as at 1 January	2,425,211	-	-	-
Proceed from disposal of property, plant and equipment	-	7,270,000	-	-
Amount collected during the financial year	(2,425,211)	(4,844,789)	-	-
Uncollect balances as at 31 December	-	2,425,211	-	-

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company is investment holding.

The principal activities of its subsidiary companies are as stated in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

The address of the Company's registered office is located at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur.

The principal place of business of the Company is located at Lot 12.1, 12th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor.

2. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, except as otherwise disclosed in the summary of significant accounting policies.

(i) Adoption of Amendments to MFRSs

The Group and the Company had adopted the following amendments to MFRSs that are mandatory for the current financial year:-

Amendments to MFRSs

MFRS 119 Defined Benefit Plans: Employee Contributions
Annual Improvements to MFRSs 2010-2012 Cycle
Annual Improvements to MFRSs 2011-2013 Cycle

The adoption of the above amendments to MFRSs do not have any effect on the financial statements of the Group and of the Company.

(ii) New MFRSs and Amendments to MFRSs that are issued, but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new MFRSs and amendments to MFRSs that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and for the Company:-

<u>New MFRSs</u>		Effective for financial periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(a) Basis of preparation - Cont'd

- (ii) New MFRSs and Amendments to MFRSs that are issued, but not yet effective and have not been early adopted (Cont'd)

<u>Amendments to MFRSs</u>		Effective for financial periods beginning on or after
MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
MFRS 116 and MFRS 141	Agriculture: Bearer Plants	1 January 2016
MFRS 101	Disclosure Initiatives	1 January 2016
MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
Annual Improvements to MFRSs 2012 - 2014 Cycle		1 January 2016

The Group and the Company will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group and of the Company upon their initial application. A brief discussion on the above significant new MFRSs and amendments to MFRSs are summarised below.

MFRS 9: Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group and the Company is currently examining the financial impact of adopting MFRS 9.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all its subsidiary companies, after the elimination of all material intercompany transactions, balances and unrealised gains and losses. The financial statements of subsidiary companies are included in the consolidated financial statements from the date that control effectively commences until the date such control effectively ceases.

The financial statements of subsidiary companies are prepared for the same reporting period as the Company. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting. This method involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(b) Basis of consolidation - Cont'd

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income for the year segregated between non-controlling interests and the owners of the Company.

The Group treats all changes in its ownership interest in a subsidiary that do not result in loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(c) Property, plant and equipment

Property, plant and equipment are initially stated at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to profit or loss during the financial year in which they are incurred. Costs include expenditure that is directly attributable to the acquisition of the property, plant and equipment.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(d).

Depreciation of property, plant and equipment other than freehold land, capital work in progress and building work in progress which are not depreciated, is provided on the straight-line method calculated so as to write off the cost of each asset to its residual value over its estimated useful life.

The principal rates used are as follows:

Freehold building	2%
Plant and machinery	25%
Equipment and kitchen utensils	10%
Furniture and fittings	10% - 25%
Office equipment	10% - 25%
Motor vehicles	20%
Computers	10% - 33%
Furniture, fittings and equipment	10% - 33%
Signboard	10% - 15%
Electrical fittings	10%
Renovation	20%

The residual values, useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted if appropriate, at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(d) Impairment of assets

(i) Financial assets

All financial assets are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respects of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respects of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through the profit or loss.

If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the profit or loss.

(ii) Other assets

The carrying amount of other assets are reviewed at the end of each reporting year to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respects of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(d) Impairment of assets - Cont'd

(ii) Other assets - Cont'd

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior financial years are assessed at the end of each reporting year for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment loss are credited to profit or loss in the financial year in which the reversals are recognised.

(e) Intangible assets

(i) Goodwill on consolidation

Goodwill on consolidation represents the excess of the cost of acquisition of subsidiaries over the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities at the date of acquisition.

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent year.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Research and development expenditures

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as an expense when incurred.

Expenditure incurred on development activities, where research findings are applied to a plan or design for the production of new or substantially improved products or processes is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the asset under development so that it will be available for use or sale, its intention to complete and its ability to use or sell the developed asset, it can be demonstrated how the asset will generate future economic benefits, the availability of adequate technical, financial and other resources to complete the asset under development and the ability to measure reliably the expenditure attributable to the asset under development.

Other development expenditures which do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent financial year. Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(d).

Capitalised development expenditure is amortised and recognised as an expense from the point at which the asset is ready for use on a systematic basis so as to reflect the pattern in which the related economic benefits are recognised over a period not exceeding 10 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(f) Subsidiary companies

Subsidiaries are entities, included unincorporated entities, in which the Group has a long-term equity interest and which are controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Investment in subsidiary companies in the separate financial statements of the Company are stated at cost less any impairment losses, unless the investment is held for sale or distribution.

The policy for the recognition and measurement of impairment losses is in accordance with Note 3(d).

(g) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting less any impairment losses, unless it is classified as held for sale or distribution. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity accounted associate, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

In the Company's separate financial statements, investments in associates are stated at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(d).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(h) Inventories

Inventories comprise raw materials, work-in-progress, finished goods, food and beverages and are stated at the lower of cost and net realisable value with first-in, first-out being the main basis for cost. The cost of raw materials, food and beverages comprises the purchase price plus the cost of bringing the inventories to the present condition and location. The cost of finished goods and work-in-progress comprises raw materials, direct labour, sub-contractor fees, other direct costs and an appropriate proportion of overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

(i) Cash and cash equivalents

Cash and cash equivalents for the purposes of the cash flow statements comprise cash in hand and at banks, demand deposits, deposits with financial institutions, bank overdrafts, and short term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(j) Equity instruments

Ordinary shares are recorded at nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

Dividends to shareholders are recognised in equity in the financial year in which the dividends are approved by the shareholders.

(k) Assets acquired under hire purchase and finance lease arrangements

Assets acquired under hire purchase and finance lease arrangements which transfer substantially all the risks and rewards of ownership to the Group are included in property, plant and equipment and capital element of the hire purchase commitment is shown as hire purchase creditor.

Assets acquired under hire purchase and finance lease arrangements are depreciated over the useful lives of equivalent owned assets.

Finance charges are recognised as an expense in profit or loss over the period of the agreements to give a constant periodic rate of charge on the outstanding liability at the end of each financial year.

(l) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(m) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are completed, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

(n) Income tax

Income tax for the financial year comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income for the financial year, using the tax rates that have been enacted or substantially enacted at the end of the reporting year, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the end of the reporting year.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(n) Income tax – Cont'd

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Provisions for warranty and maintenance costs

The Group recognises the estimated liability to repair or replace products when the underlying products or services are sold. This provision is calculated based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(p) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of returns, rebates and discounts and after eliminating sales within the Group.

(i) Sale of goods

Revenue from trading, project and manufacturing activities are recognised in profit or loss when significant risks and rewards of ownership of goods have been transferred to the buyer.

(ii) Interest income

Interest income is recognised in profit or loss as it accrues, taking into account the effective yield on the assets unless collectability is in doubt in which case it is recognised on receipt basis.

(iii) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(q) Employee benefits

(i) Short Term Employee Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when employees render services that increase their entitlement to future compensated absences. Non-accumulating compensated absences, such as sick and medical leaves are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as the additional amount expected to be paid as a result of the unused entitlements that have accumulated at the reporting date.

(ii) Defined Contribution Plan

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in profit or loss as incurred.

(iii) Share-based Payment Transactions

Employees of the Group and of the Company received remuneration in the form of share options as consideration for services rendered.

The fair value of the options granted in exchange for the services of the employees are recognised as employee benefit expense with a corresponding increase to share option reserve within equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(q) Employee benefits - Cont'd

(iii) Share-based Payment Transactions - Cont'd

In the Company's separate financial statements, the grant of the share options to the subsidiaries' employees is not recognised as an expense. Instead, the fair value of the share options measured at the grant date is accounted for as an increase to the investment in subsidiary undertaking with a corresponding credit to the employee share option reserve.

Upon expiry of the share option, the employee's share option reserve is transferred to retained profits.

When the share options are exercised, the employee's share option is transferred to share capital or share premium if new ordinary shares are issued.

(r) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Group's functional currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are converted into Ringgit Malaysia of the respective operating entities at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of the reporting year are translated into Ringgit Malaysia of the respective operating entities at rates of exchange ruling at that date unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the year in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

The principal closing rates used in the translation of foreign currency amounts were as follows:

	2015	2014
	RM	RM
1 USD	4.29	3.50
1 EURO	4.69	4.25

(s) Contingent liabilities and contingent assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(t) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instrument categories and subsequent measurement

(i) Financial assets

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling it in the near future.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(c) Held to maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(t) Financial instruments - Cont'd

(ii) Financial instrument categories and subsequent measurement - Cont'd

(i) Financial assets - Cont'd

(d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

All financial assets are subject to review for impairment (see Note 3(d)(i)).

(ii) Financial liabilities

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

(b) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(t) Financial instruments – Cont'd

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income is recognised in profit or loss.

A financial liability or part of it is derecognised when, and only when the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(u) Operating segments

Operating segments are defined as components of the Group that:

- (a) engages in business activities from which it may earn revenues and incur expenses (including revenue and expenses relating to transactions with other components of the Group);
- (b) whose operating results are regularly reviewed by the Group's chief operating decision maker in making decisions about resources to be allocated to the segment and assessing its performance; and
- (c) to which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

- (a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments.
- (b) The absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount of:
 - (i) the combined reported profit of all operating segments that did not report a loss; and
 - (ii) the combined reported loss of all operating segments that reported a loss.
- (c) Its assets are 10% or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least 75% of the Group's revenue. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and judgments that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are outlined below:-

(i) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on the straight-line basis over the assets' useful lives. The management estimates the range of useful lives of these property, plant and equipment, except freehold building to be 3 to 10 years.

However, any changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised.

(ii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which the goodwill is allocated. Estimating value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Changes in assumptions could significantly affect the results of the Group's tests for impairment of goodwill.

(iii) Impairment of assets other than goodwill

The Group assesses impairment of an asset whenever the events or changes in circumstances indicated that the carrying amount of the asset may not be recoverable. Recoverable amount is measured at the higher of the fair value less cost to sell for the asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from the asset discounted at an appropriate discount rate.

In determining the recoverable amount of an asset, the management is required to make an estimate of the expected future cash flows based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of the receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences will impact the carrying value of receivables.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS - CONT'D

(v) Write-down of inventories

Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgment and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(vi) Income taxes

There are certain transactions and calculations for which the ultimate tax determination may be different from the initial estimate. Tax liabilities are recognised based on the Group's understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(vii) Deferred tax asset

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgment regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

(viii) Share-based payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity investments at the date at which they are granted. The estimating of the fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option volatility and dividend yield and making assumptions about them.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Freehold building RM	Plant and machinery RM	Equipment and kitchen utensils RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Balance carried forward RM
Net carrying amount as at 1 January 2014	2,288,354	5,341,300	-	1,065,745	1,609,405	52,462	1,526,559	11,883,825
Addition	-	-	-	20,548	32,160	22,320	-	75,028
Written off	-	-	-	-	-	-	-	-
Disposal	(4,241,000)	(2,928,599)	-	-	-	-	(24,657)	(7,194,256)
Revaluation	1,952,646	(2,336,958)	-	-	-	-	-	(384,312)
Depreciation charge	-	(75,743)	-	(126,761)	(297,649)	(11,161)	(530,112)	(1,041,426)
Net carrying amount as at 31 December 2014	-	-	-	959,532	1,343,916	63,621	971,790	3,338,859
Reclassification	-	-	-	-	(191,968)	(15,232)	-	(207,200)
Addition	-	-	-	736,896	-	1,550	23,865	762,311
Written off	-	-	-	(192,437)	(347,463)	(5,925)	(22,274)	(568,099)
Disposal of a subsidiary	-	-	-	(709,547)	(736,441)	(41,093)	(296,042)	(1,783,123)
Transfer	-	-	35,200	688,899	-	-	-	724,099
Discount	-	-	-	-	-	-	-	-
Depreciation charge	-	-	-	(88,005)	(68,044)	(2,921)	(436,784)	(595,754)
Net carrying amount as at 31 December 2015	-	-	35,200	1,395,338	-	-	240,555	1,671,093
Net carrying amount as at 31 December 2014								
Cost	-	-	-	1,271,822	2,177,161	145,214	2,657,940	6,252,137
Accumulated depreciation	-	-	-	(312,290)	(833,245)	(81,593)	(1,686,150)	(2,913,278)
Net carrying amount	-	-	-	959,532	1,343,916	63,621	971,790	3,338,859
Net carrying amount as at 31 December 2015								
Cost	-	-	35,200	1,425,795	-	-	1,874,715	3,335,710
Accumulated depreciation	-	-	-	(30,457)	-	-	(1,634,160)	(1,664,617)
Net carrying amount	-	-	35,200	1,395,338	-	-	240,555	1,671,093

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT – CONT'D

Group	Balance brought forward RM	Computers RM	Furniture, fittings and equipment RM	Signboard RM	Electrical fittings RM	Renovation RM	Capital work in progress RM	Building work in progress RM	Total RM
Net carrying amount as at 1 January 2014	11,883,825	920,273	-	46,402	194,812	1,019,563	1,141,866	-	15,206,741
Addition	75,028	9,980	-	-	22,268	105,069	2,525,738	-	2,738,083
Written off	-	-	-	-	-	-	-	-	-
Disposal	(7,194,256)	-	-	-	-	-	-	-	(7,194,256)
Revaluation	(384,312)	-	-	-	-	-	-	-	(384,312)
Depreciation charge	(1,041,426)	(295,842)	-	(13,411)	(26,357)	(205,406)	-	-	(1,582,442)
Net carrying amount as at 31 December 2014	3,338,859	634,411	-	32,991	190,723	919,226	3,667,604	-	8,783,814
Reclassification	(207,200)	(572,884)	780,084	-	-	-	(768,560)	768,560	-
Addition	762,311	7,199	1,843,518	15,500	-	304,897	3,710,638	703,250	7,347,313
Written off	(568,099)	(13,988)	-	(21,027)	(21,169)	(214,727)	-	-	(839,010)
Disposal of a subsidiary	(1,783,123)	(42,694)	-	(6,939)	(157,045)	(562,265)	-	-	(2,552,066)
Transfer	724,099	-	523,335	-	-	-	(1,247,434)	-	-
Discount	-	-	-	-	-	-	-	(576,200)	(576,200)
Depreciation charge	(595,754)	(12,044)	(692,706)	(6,313)	(12,509)	(150,183)	-	-	(1,469,509)
Net carrying amount as at 31 December 2015	1,671,093	-	2,454,231	14,212	-	296,948	5,362,248	895,610	10,694,342
Net carrying amount as at 31 December 2014									
Cost	6,252,137	1,453,050	-	72,603	263,568	1,500,292	3,667,604	-	13,209,254
Accumulated depreciation	(2,913,278)	(818,639)	-	(39,612)	(72,845)	(581,066)	-	-	(4,425,440)
Net carrying amount	3,338,859	634,411	-	32,991	190,723	919,226	3,667,604	-	8,783,814
Net carrying amount as at 31 December 2015									
Cost	3,335,710	-	4,366,021	21,050	-	690,765	5,362,248	895,610	14,671,404
Accumulated depreciation	(1,664,617)	-	(1,911,790)	(6,838)	-	(393,817)	-	-	(3,977,062)
Net carrying amount	1,671,093	-	2,454,231	14,212	-	296,948	5,362,248	895,610	10,694,342

The freehold land and building of the Group has been pledged to a licensed bank as security for loan facilities granted to the Group as stated in Note 18.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT – CONT'D

The net carrying amount of property, plant and equipment acquired under hire purchase arrangements are as follows:

	Group	
	2015 RM	2014 RM
Motor vehicles	240,555	971,790

6. GOODWILL ON CONSOLIDATION

	Group	
	2015 RM	2014 RM
Net carrying amount as at beginning of the year	2,331,544	2,331,544
Disposal of a subsidiary	(617,311)	-
	1,714,233	2,331,544
Impairment losses	(1,714,233)	-
As at end of the year	-	2,331,544
Net carrying amount as at end of the year		
Cost	2,209,793	2,827,104
Accumulated impairment losses	(2,209,793)	(495,560)
Net carrying amount	-	2,331,544

- a) Goodwill acquired in a business combination is allocated to the Cash Generating Unit ("CGU") that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:-

	Group	
	2015 RM	2014 RM
Energy efficiency	-	1,714,233
Food restaurant retail chain	-	617,311
	-	2,331,544

The Group tests goodwill for impairment annually or more frequently if there are indications that goodwill might be impaired. Goodwill had been fully impaired during the financial year as the recoverable amount of the CGU is expected to be minimal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

7. PRODUCTS DEVELOPMENT EXPENDITURE

	Group	
	2015 RM	2014 RM
Net carrying amount as at beginning of the year	-	-
Amortisation charge	-	-
Impairment losses	-	-
As at end of the year	-	-

	Group	
	2015 RM	2014 RM
Net carrying amount as at end of the year		
Cost	2,780,418	2,780,418
Accumulated amortisation	(1,966,789)	(1,966,789)
Accumulated impairment losses	(813,629)	(813,629)
Net carrying amount	-	-

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2015 RM	2014 RM
Unquoted investments, at cost	6,582,772	6,482,774
ESOS granted to employees of subsidiary companies	1,977,645	-
	8,560,417	6,482,774
Less: Accumulated impairment losses	(6,090,168)	(3,282,772)
Net carrying amount	2,470,249	3,200,002

Details of the subsidiary companies are as follows:-

<u>Name</u>	<u>Group's effective interest (%)</u>		<u>Principal activities</u>
	<u>2015</u>	<u>2014</u>	
Focus Dynamics Centre Sdn. Bhd.* + <i>(Incorporated in Malaysia)</i>	100	100	Marketing, distribution and sale of industrial machines and processes, providing a range of support services covering project management services, maintenance support, engineering conceptualisation, system audit, energy saving services and other support services in relation to the Company's business and products.
Focus Dynamics Drives Sdn. Bhd.* + <i>(Incorporated in Malaysia)</i>	100	100	Manufacture, research and development of variable speed drives and, supply and trading of instruments for the control of industrial machines and processes.
DPC Industrial Systems Sdn. Bhd.* <i>(Incorporated in Malaysia)</i>	100	100	Trading of industrial equipment, designing, installation and implementation of automation system for the energy resource based industry and providing other related products and services.
Marquee International Holding Sdn. Bhd. @ + <i>(Incorporated in Malaysia)</i>	100	100	Investment holding.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

8. INVESTMENT IN SUBSIDIARIES – CONT'D

Details of the subsidiary companies are as follows – Cont'd:-

<u>Name</u>	<u>Group's effective interest (%)</u>		<u>Principal activities</u>
	<u>2015</u>	<u>2014</u>	
<u>Subsidiaries of Marquee International Holding Sdn. Bhd.</u>			
Marquee International Sdn. Bhd. @ + <i>(Incorporated in Malaysia)</i>	100	100	Operate and manage food and beverage outlets.
Max Wisdom Sdn. Bhd. @ <i>(Incorporated in Malaysia)</i>	-	100	Engage in the business as a food restaurant retail chain.
Steamroom Restaurant Sdn. Bhd. @ + <i>(Incorporated in Malaysia)</i>	100	-	Engage in the business of restaurant, food and beverage as well as investment holdings and general trading.
Modern Cuisine Sdn. Bhd. @ + <i>(Incorporated in Malaysia)</i>	100	-	Engage in the business of restaurant, food and beverage as well as investment holdings and general trading.
Focus Dynamic Limited @ <i>(Incorporated in Republic of Seychelles)</i>	100	-	Engage in food and beverage business and investment holding.
<u>Subsidiary of Focus Dynamic Limited</u>			
Focus Dynamic Group Limited @ <i>(Incorporated in Hong Kong)</i>	100	-	Engage in food and beverage business and investment holding.

* Audited by Messrs. Mustapha, Khoo & Co.

@ Not audited by Messrs. Mustapha, Khoo & Co.

+ The auditors' report of the financial statements of the subsidiary contains an emphasis of matter on uncertainties over its ability to continue as a going concern.

The Company has on 1 July 2015 subscribed additional 99,998 ordinary shares of RM1.00 each at an issue price of RM1.00 per share in the share capital of Marquee International Holding Sdn. Bhd. ("MIHSB"). MIHSB still remain as a wholly-owned subsidiary of the Company, albeit with an enlarged issued and paid-up share capital.

9. INVESTMENT IN AN ASSOCIATE

	<u>Group</u>	
	<u>2015</u> <u>RM</u>	<u>2014</u> <u>RM</u>
Unquoted investment, at cost	-	200,000
Group's share of post-acquisition reserves	-	(200,000)
	<u>-</u>	<u>-</u>

Details of the associate company is as follow:-

<u>Name</u>	<u>Group's effective interest (%)</u>		<u>Principal activities</u>
	<u>2015</u>	<u>2014</u>	
<u>Associate of Focus Dynamics Drives Sdn. Bhd.</u>			
Tae Lim Construction Sdn. Bhd. * <i>(Incorporated in Malaysia)</i>	-	40	Electrical and mechanical engineering.

The associate is audited by Mustapha, Khoo & Co.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

9. INVESTMENT IN AN ASSOCIATE - CONT'D

* The investment in Tae Lim Construction Sdn. Bhd. was accounted for in the financial statements under the equity method. However, we are unable to ascertain the financial effect on the financial statements of the Group had equity method of accounting been applied as the management accounts and audited financial statements are not available.

The Group had on 13 January 2015, disposed off the entire 40% equity interest in Tae Lim Construction Sdn. Bhd. ("TLCSB") for a sales consideration of RM2. The disposal is deemed completed on 7 April 2015, and subsequent to the disposal, TLCSB will cease to be associated company of the Group.

10. OTHER INVESTMENT

	Group	
	2015 RM	2014 RM
Unquoted shares, at cost		
As at 1 January	-	-
Additions	714,471	-
	714,471	-
As at 31 December	714,471	-

Investment in unquoted shares of the Group designated as available-for-sale financial assets, are stated at cost as their fair values cannot be reliably measured using valuation techniques due to lack of marketability of the shares.

11. INVENTORIES

	Group	
	2015 RM	2014 RM
At cost:		
Raw materials	-	199,469
Work-in-progress	454,528	268,947
Finished goods	58,798	77,470
Food and beverages	527,282	247,673
	1,040,608	793,559

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade receivables	5,946,501	6,468,269	-	-
Less: Impairment losses	(1,214,111)	(1,216,531)	-	-
	4,732,390	5,251,738	-	-
Other receivables, deposits and prepayments	1,700,939	4,229,992	68,105	37,375
Trade and other receivables	6,433,329	9,481,730	68,105	37,375

The Group's normal trade credit terms ranges from 30 to 150 days (2014: 30 to 150 days). Other credit terms are assessed and approved on a case by case basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

13. AMOUNT DUE FROM SUBSIDIARIES

Amount due from subsidiaries are non-trade in nature which are unsecured, interest free and repayable on demand.

14. DEPOSITS WITH LICENSED BANKS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Short-term deposits with licensed bank	61,901	182,384	-	-
Fixed deposits with licensed banks	24,927,529	34,884,792	24,927,529	33,846,333
	<u>24,989,430</u>	<u>35,067,176</u>	<u>24,927,529</u>	<u>33,846,333</u>

The range of interest rates and maturities of deposits as at end of the year were as follows:-

	Range of interest rates		Range of maturities	
	2015 %	2014 %	2015 Days	2014 Days
Group				
Short-term deposits with licensed bank	3.65	3.24	N/A	N/A
Fixed deposits with licensed banks	3.10 - 3.80	2.95 - 3.90	30 - 90	30 - 365
Company				
Fixed deposits with licensed banks	3.10 - 3.80	3.15 - 3.90	30 - 90	30 - 90

The fixed deposit of the Company amounting to RM1,237,821 (2014: RM204,998) is pledged to a licensed commercial bank for banking facilities granted to a subsidiary.

The fixed deposits of the Group amounting to RM1,237,821 (2014: RM1,243,457) are pledged to a licensed commercial bank for banking facilities granted to the Group.

15. CASH IN HAND AND AT BANKS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash in hand	199,501	18,310	15	-
Cash at banks	344,285	1,056,460	116,964	606,269
	<u>543,786</u>	<u>1,074,770</u>	<u>116,979</u>	<u>606,269</u>

16. SHARE CAPITAL

	Number of shares		Amount	
	2015 Units	2014 Units	2015 RM	2014 RM
<u>Authorised ordinary shares of RM0.10 each</u>				
As at beginning and end of the year	2,500,000,000	1,000,000,000	250,000,000	100,000,000
Created during the year	-	1,500,000,000	-	150,000,000
	<u>2,500,000,000</u>	<u>2,500,000,000</u>	<u>250,000,000</u>	<u>250,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

16. SHARE CAPITAL - CONT'D

	Number of shares		Amount	
	2015 Units	2014 Units	2015 RM	2014 RM
<u>Issued and fully paid ordinary shares of RM0.10 each</u>				
As at beginning of the year	705,502,788	352,751,394	70,550,279	35,275,140
Issued during the year	-	352,751,394	-	35,275,139
As at end of the year	<u>705,502,788</u>	<u>705,502,788</u>	<u>70,550,279</u>	<u>70,550,279</u>

17. RESERVES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Non-distributable reserves:				
Share premium	2,966,427	2,966,427	2,966,427	2,966,427
ESOS reserve	3,239,870	-	3,239,870	-
	<u>6,206,297</u>	<u>2,966,427</u>	<u>6,206,297</u>	<u>2,966,427</u>
Distributable reserve:				
Accumulated loss	(37,779,696)	(24,171,424)	(9,439,664)	(5,408,897)
	<u>(31,573,399)</u>	<u>(21,204,997)</u>	<u>(3,233,367)</u>	<u>(2,442,470)</u>

(a) Supplementary information on realised and unrealised profits or losses

The following analysis of realised and unrealised accumulated loss of the Group and of the Company at 31 December 2015 and 31 December 2014 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The accumulated loss as at the end of the reporting year may be analysed as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Total accumulated loss of Focus Dynamics Group Berhad (formerly known as Focus Dynamics Technologies Berhad) and its subsidiaries:				
- Realised	(37,780,001)	(24,088,123)	(9,439,664)	(5,408,897)
- Unrealised	305	116,699	-	-
Total share of accumulated loss from associates:				
- Realised	-	(200,000)	-	-
- Unrealised	-	-	-	-
Total accumulated loss as per statement of financial position	<u>(37,779,696)</u>	<u>(24,171,424)</u>	<u>(9,439,664)</u>	<u>(5,408,897)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

17. RESERVES - CONT'D

(b) Warrants reserve

(i) WARRANTS 2011/2016

On 7 June 2011, the Warrants 2011/2016 were issued for free pursuant to the renounceable Rights Issue.

Warrants 2011/2016 are listed on Bursa Malaysia Securities Berhad. Each new warrant entitles its registered holder, at any time from the date of its issue up to and including 6 June 2016, to subscribe for one new ordinary share of RM0.10 each in the Company at an exercise price of RM0.10 per share which is subject to adjustments under the terms set out in the Deed Poll dated 15 April 2011 constituting the Warrants 2011/2016.

No value has been apportioned to the Warrants as the Company is having an accumulated loss in its statement of financial position.

<u>Issue Date</u>	<u>Expiry Date</u>	<u>Exercise Price per Warrant RM</u>	<u>Number of warrants 2011/2016</u>			
			<u>As at 01/01/15</u>	<u>Issued</u>	<u>Exercised</u>	<u>As at 31/12/15</u>
07/06/11	06/06/16	0.10	96,392,346	-	-	96,392,346

(ii) WARRANTS 2014/2019

On 7 November 2014, the Warrants 2014/2019 were issued for free pursuant to the renounceable Rights Issue.

Warrants 2014/2019 are listed on Bursa Malaysia Securities Berhad. Each new warrant entitles its registered holder, at any time from the date of its issue up to and including 6 November 2019, to subscribe for one new ordinary share of RM0.10 each in the Company at an exercise price of RM0.10 per share which is subject to adjustments in accordance with the Deed Poll.

No value has been apportioned to the Warrants as the Company is having an accumulated loss in its statement of financial position.

<u>Issue Date</u>	<u>Expiry Date</u>	<u>Exercise Price per Warrant RM</u>	<u>Number of warrants 2011/2016</u>			
			<u>As at 01/01/15</u>	<u>Issued</u>	<u>Exercised</u>	<u>As at 31/12/15</u>
07/11/14	06/11/19	0.10	235,167,596	-	-	235,167,596

(c) ESOS reserve

The ESOS reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

At an extraordinary general meeting held on 26 June 2014, the Company's shareholders approved the establishment of an ESOS to eligible directors and employees of the Group. The ESOS shall be valid for a duration of five (5) years from the effective date, 13 January 2015 and may if the Board deems fit, upon the recommendation of the ESOS Committee, be extended for a further five (5) years, subject to an aggregate of ten (10) years from the effective date of implementation of the ESOS.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

17. RESERVES - CONT'D

(c) ESOS reserve - Cont'd

The main features of the ESOS are as follows:-

- (a) Eligible persons are employee and/or director, who have been employed for a continuous period of at least one (1) year (which shall include any probation period) by the Company and/or a subsidiary within the Group and his employment as an Eligible Participant must have been confirmed on the Date of Offer, unless he was transferred to a subsidiary within the Group, in which case he must have been employed for a continuous period at least one (1) year in that subsidiary.
- (b) The maximum number of new shares of the Company, which may be available under the scheme, shall not exceed thirty per cent (30%) of the issued and paid-up share capital of the Company at any one time during the existence of the ESOS.
- (c) The option price shall be determined by the Option Committee based on the 5-day weighted average market price of shares of the Company immediately preceding the offer date of the option, with a discount of not more than 10%, or at the par value of shares of the Company, whichever is higher.
- (d) The option may be exercised by the grantee by notice in writing to the Company in the prescribed form during the option period.
- (e) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new shares.

The option prices and the details in the movement of the options granted are as follows:-

<u>Date of Offer</u>	<u>Exercise Price</u>	<u>Number of Options Over Ordinary Shares of RM0.10 each</u>			
		<u>As at</u> <u>01/01/15</u>	<u>Granted</u>	<u>Lapsed</u>	<u>As at</u> <u>31/12/15</u>
11 February 2015	RM0.10	-	70,546,000	-	70,546,000
15 June 2015	RM0.10	-	23,148,400	-	23,148,400
18 August 2015	RM0.10	-	11,305,300	-	11,305,300
		-	104,999,700	-	104,999,700

The fair values of the share options granted were estimated using Black-Scholes Option Pricing Model ("BSOPM"), taking into account the terms and conditions upon which the options were granted. The fair values of the share options measured at grant date and the assumptions used are as follows:-

	<u>1st offer</u> <u>Grant dates</u> <u>23/02/15 to</u> <u>17/03/15</u>	<u>2nd offer</u> <u>Grant dates</u> <u>19/06/15 to</u> <u>23/06/15</u>	<u>3rd offer</u> <u>Grant dates</u> <u>19/08/15 to</u> <u>29/09/15</u>
Fair value of share options at the grant date (RM)	0.029	0.034	0.036
Assumed share price range (RM)	0.075 - 0.105	0.065 - 0.100	0.055 - 0.100
Share price volatility (%)	20 - 50	30 - 80	40 - 85
Exercise price (RM)	0.10	0.10	0.10
Expected life (years)	4.83	4.56	4.29
Risk free interest rate (%)	3.68	3.61	3.95

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

18. BORROWINGS

	Group	
	2015 RM	2014 RM
Current		
Secured		
Term loans	-	335,679
Bank overdraft	1,201,387	1,657,514
Unsecured		
Hire purchase	111,025	279,151
	1,312,412	2,272,344
Non-current		
Secured		
Term loans	-	110,258
Unsecured		
Hire purchase	163,303	350,686
	163,303	460,944
TOTAL BORROWINGS	1,475,715	2,733,288

The term loan I and II bear effective interest at a rate of Nil% (2014: 5.65%) per annum and secured against:-

- (a) facilities agreement;
- (b) a registered open all monies first party charged on the freehold land and building (Note 5); and
- (c) a Corporate Guarantee from the Company.

The term loan III and the bank overdraft I bear effective interest at a rate of Nil% and Nil% (2014: 8.85% and 10.35%) per annum and secured by way of:-

- (a) Fixed deposits as described in Note 14 of the Notes to the Financial Statements;
- (b) Joint and several guarantee by Max Wisdom Sdn. Bhd.'s past directors; and
- (c) Fixed and floating charge over all present and future assets of Max Wisdom Sdn. Bhd.

The bank overdraft II bears an interest rates of 4.85% (2014: 4.85%) per annum, is repayable on demand and secured by the followings:-

- (a) The Letter of Offer; and
- (b) Existing Memorandum of Deposit and Letter of Authorisation by the Company in favour of the Lender in respect of fixed deposit(s) ("FD(s)") of not less than RM204,698 together with all interest accruing from time to time in respect of the FD(s); and
- (c) Execution of Memorandum of Deposit (creating a charge) and Letter of Authorisation by the Company in favour of the Lender in respect of fixed deposit(s) ("FD(s)") of not less than RM1,000,000 together with all interest accruing from time to time in respect of the FD(s).

Hire purchase creditors are payable as follows:

	Group	
	2015 RM	2014 RM
<u>Hire purchase liabilities</u>		
Minimum hire purchase payments:-		
Not later than 1 year	121,416	304,056
Later than 1 year and not later than 5 years	177,873	376,007
	299,289	680,063
Future finance charges on hire purchase	(24,961)	(50,226)
	274,328	629,837

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

18. BORROWINGS - Cont'd

Hire purchase creditors are payable as follows: - Cont'd

	Group	
	2015 RM	2014 RM
Present value of hire purchase liabilities:-		
Not later than 1 year	111,025	279,151
Later than 1 year and not later than 5 years	163,303	350,686
	274,328	629,837

Hire purchase liabilities of the Group are subject to interest rates ranging from 2.60% to 3.01% (2014: 2.34% to 4.75%) per annum.

19. DEFERRED TAX LIABILITIES

	Group	
	2015 RM	2014 RM
As at beginning of the year	90,613	207,692
Disposal of a subsidiary	(90,613)	-
Recognised in the profit or loss (Note 29)	-	(117,079)
	-	90,613

The components of deferred tax liabilities are as follows:-

	2015 RM	2014 RM
Tax effect of the excess of property, plant and equipment's net carrying amount over its tax written down value	-	180,334
Tax effect of unutilised capital allowances	-	(72,900)
Tax effect of unutilised tax losses	-	(16,821)
	-	90,613

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade payables	775,856	1,674,392	-	-
Other payables and accruals	2,727,728	3,839,126	1,127,711	1,226,427
	3,503,584	5,513,518	1,127,711	1,226,427

The normal credit period granted to the Group ranges from 30 to 90 days (2014: 30 to 90 days).

Included in current financial year's other payables and accruals is an amount of RM845,964 (2014: RM845,964) owing to the previous directors of the Company. This amount is unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

21. PROVISION FOR WARRANTY AND MAINTENANCE COSTS

	Group	
	2015	2014
	RM	RM
As at beginning of the year	377	381
Recognised in profit or loss	(305)	1,424
Utilised during the year	-	(1,428)
	<hr/>	<hr/>
As at end of the year	72	377
	<hr/>	<hr/>

The Group gives warranties on certain products and undertakes to replace defective items. A provision has been recognised at the year end for expected warranty claims based on past experience of the level of returns.

22. AMOUNT DUE TO AN ASSOCIATE

Amount due to an associate is unsecured, interest free and repayable on demand.

23. AMOUNT DUE TO DIRECTORS

Amount due to directors are unsecured, interest free and repayable on demand.

24. REVENUE

	Group	
	2015	2014
	RM	RM
Food and beverages	4,273,107	6,939,741
Manufacturing	3,600	18,865
Project	3,556,056	5,180,266
Trading	212,335	71,846
	<hr/>	<hr/>
	8,045,098	12,210,718
	<hr/>	<hr/>

25. COST OF SALES

	Group	
	2015	2014
	RM	RM
Included in the above are the following expenses:-		
Hire of machinery and equipment	1,440	-
Rental of motor vehicles	27,681	28,259
Provision for warranty and maintenance costs	(305)	1,424
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

26. OTHER INCOME

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Fixed deposits interest	1,097,150	163,539	1,097,150	163,539
Gain on disposal of investment in an associate	2	-	-	-
Gain on disposal of a subsidiary	147,998	-	-	-
Gain on disposal of property, plant and equipment	-	75,744	-	-
Gain on foreign exchange - realised	546	-	-	-
Gain on foreign exchange - unrealised	-	1,414	-	-
Interest income	20,308	55,604	219	33
Others	79,322	94,587	15	-
Rental of equipment	-	108,000	-	-
Reversal of impairment loss on trade receivables	2,420	-	-	-
	1,347,746	498,888	1,097,384	163,572

27. ADMINISTRATIVE AND OPERATING EXPENSES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Included in the above are the following expenses:-				
Auditors' remuneration				
- Current year	52,900	51,800	5,800	5,800
- Under provision in prior year	-	330	-	-
Bad debt written off	6,351	-	-	-
Depreciation of property, plant and equipment	1,469,509	1,582,442	-	-
Deposit written off	1,470	3,000	-	-
Directors' remuneration				
- Allowance	67,550	98,500	75,550	90,500
- EPF	25,200	24,624	-	-
- Fee	483,000	480,000	159,000	132,000
- Salary and other emoluments	202,000	251,355	-	-
- Socso	1,240	1,240	-	-
Impairment of investment in subsidiaries	-	-	2,807,396	-
Impairment loss on trade receivables	-	891,777	-	-
Impairment loss on goodwill	1,714,233	-	-	-
Incorporation fees	9,262	-	-	-
Inventories written off	217,688	-	-	-
Loss on foreign exchange - realised	88	-	-	-
Loss on foreign exchange - unrealised	-	370	-	-
Property, plant and equipment written off	839,010	-	-	-
Rental of motor vehicles	2,676	-	-	-
Rental of premises	2,741,392	2,050,381	-	-
Rental of signboard	3,000	12,000	-	-
Revaluation deficit	-	384,312	-	-
Share-based payment under ESOS	3,239,870	-	1,262,225	-
	1,347,746	498,888	1,097,384	163,572

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

28. FINANCE COSTS

	Group	
	2015 RM	2014 RM
Bank overdraft interest	102,275	122,717
Hire purchase interest	21,684	37,692
Other finance cost	443	-
Term loans interest	16,365	245,460
	<u>140,767</u>	<u>405,869</u>

29. TAXATION

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Provision for the financial year	206,000	31,942	206,000	-
(Over) / Under provision of tax in prior years	(5,297)	91,952	-	-
Deferred taxation (Note 19)				
- Origination and reversal of temporary differences	-	(92,388)	-	-
- Over provision in prior years	-	(24,691)	-	-
	<u>200,703</u>	<u>6,815</u>	<u>206,000</u>	<u>-</u>

A reconciliation of income tax expenses applicable to loss before taxation at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Loss before taxation	(13,407,569)	(6,591,253)	(3,824,767)	(578,502)
Tax at Malaysian statutory income tax rate of 25%	(3,351,892)	(1,647,813)	(956,192)	(144,626)
Income not subject to tax	(2,475)	(6,454)	-	-
Expenses not deductible for tax purposes	2,608,875	1,256,954	1,163,192	144,626
Deferred tax assets not recognised during the year	951,492	378,341	-	-
Utilisation of deferred tax assets not recognised	-	(41,474)	-	-
(Over) / Under provision of tax in prior years	(5,297)	91,952	-	-
Over provision of deferred tax in prior years	-	(24,691)	-	-
Tax expense for the financial year	<u>200,703</u>	<u>6,815</u>	<u>206,000</u>	<u>-</u>

The Group has unabsorbed capital allowances and unutilised tax losses available for set-off against future taxable profits.

	Group	
	2015 RM	2014 RM
Unabsorbed capital allowances	2,347,683	694,800
Unabsorbed tax losses	17,908,815	14,009,200
	<u>20,256,498</u>	<u>14,704,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

30. LOSS PER ORDINARY SHARE

Group

a) Basic

Basic loss per ordinary share is calculated by dividing the net loss for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2015 RM	2014 RM
Loss attributable to ordinary equity holders of the Company	(13,608,272)	(6,481,873)
Weighted average number of ordinary shares in issue	705,502,788	405,905,714
Basic loss per share (sen)	(1.9)	(1.6)

b) Diluted

The fully diluted earnings per ordinary share for the Group for the current financial year is not presented as the warrants and the employees' share options would be anti-dilutive as the exercise price is higher than the fair value of the Company's shares.

31. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise the following amounts:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash in hand and at banks (Note 15)	543,786	1,074,770	116,979	606,269
Deposits with licensed banks (Note 14)	24,989,430	35,067,176	24,927,529	33,846,333
Bank overdraft (Note 18)	(1,201,387)	(1,657,514)	-	-
	24,331,829	34,484,432	25,044,508	34,452,602
Less: Deposits pledged	(1,237,821)	(1,243,457)	(1,237,821)	(204,998)
	23,094,008	33,240,975	23,806,687	34,247,604

32. STAFF COSTS (EXCLUDING DIRECTORS' REMUNERATION)

	Group	
	2015 RM	2014 RM
<u>Cost of sales</u>		
Production wages	242,595	161,934
Other staff costs	39,244	38,100
	281,839	200,034
<u>Administrative and operating expenses</u>		
Salaries and wages	3,300,597	3,673,572
Social security contribution	32,933	37,120
Pension cost - Employees Provident Fund	302,971	304,999
Other staff costs	273,898	252,204
	3,910,399	4,267,895
Total staff costs	4,192,238	4,467,929

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

33. DIRECTORS' REMUNERATION

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Executive:				
Directors' fee	396,000	402,000	72,000	54,000
Salaries and other emoluments	228,440	277,219	-	-
Directors' allowance	28,500	65,000	36,500	57,000
Share-based payment under ESOS	3,239,870	-	1,262,225	-
	<u>3,892,810</u>	<u>744,219</u>	<u>1,370,725</u>	<u>111,000</u>
Non-executive:				
Directors' fee	87,000	78,000	87,000	78,000
Directors' allowance	39,050	33,500	39,050	33,500
	<u>126,050</u>	<u>111,500</u>	<u>126,050</u>	<u>111,500</u>

34. AUDITORS' REMUNERATION

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Mustapha, Khoo & Co.				
Statutory audit	35,300	35,300	5,800	5,800

35. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Significant Related Party Transactions

There were no significant related party transactions during the financial year that require disclosure to the financial statements.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the financial year were as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Short term employee benefits	3,993,660	831,095	1,496,775	222,500
Post employment benefit: Define contribution plan	25,200	24,624	-	-
	<u>4,018,860</u>	<u>855,719</u>	<u>1,496,775</u>	<u>222,500</u>
Included in the total key management personnel are:				
Directors' remuneration	4,018,860	855,719	1,496,775	222,500

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

36. CONTINGENT LIABILITIES

Legal suit

Focus Dynamics Centre Sdn. Bhd. ("FDC"), a subsidiary of the Company presented a winding up petition against Black Tiger Aquaculture Sdn. Bhd. ("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-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 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 its creditors, including FDC, if any. As to date, there is no instruction and information for such distribution of assets from the Official Receiver.

37. LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating lease are as follows:

	Group	
	2015	2014
	RM	RM
Less than one year	1,841,054	1,841,054
Between one and five years	1,609,548	3,450,602
	<hr/>	<hr/>
	3,450,602	5,291,656
	<hr/>	<hr/>

The Group leases 3 units (2014: 3 units) of office and 4 units (2014: 4 units) of retail lots under operating leases. The leases typically run for an initial three years, with an option to renew the leases after that date at such terms and conditions as may be agreed between the lessee and the lessor. None of the leases include contingent rentals.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

38. SEGMENT INFORMATION

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risk and returns are affected predominantly by differences in the products and services produced.

Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(b) Business Segments

The Group is organised into three major business segments:

Engineering services : Implementation and installation of industrial machines and processes, energy efficiency system, research and development of variable speed drives, installation of automation system, providing a range of support services covering project management services, maintenance support, engineering conceptualisation, system audit, energy saving services and other support services in relation to the Group's business and products.

Manufacturing : Manufacture of variable speed drives and instruments for the control of industrial machines and processes.

Food and beverage : Operate and manage food and beverage outlets.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

38. SEGMENT INFORMATION – CONT'D

(b) Business Segments - Cont'd

31 December 2015	Manufacturing RM	Engineering services RM	Food and beverage RM	Others RM	Amalgamation RM	Eliminations RM	Consolidated RM
<u>REVENUE AND EXPENSES</u>							
<u>Revenue</u>							
Segment revenue	3,600	3,768,391	4,273,107	-	8,045,098	-	8,045,098
External sales							8,045,098
Total revenue	3,600	3,768,391	4,273,107	-	8,045,098	-	8,045,098
<u>Results</u>							
Segment results	(78,018)	(4,321,872)	(6,263,497)	(1,037,182)	(11,700,569)	-	(11,700,569)
Unallocated results							-
Loss from operations							(11,700,569)
Gain on disposal of subsidiary company							147,998
Gain on disposal of associated company							2
Impairment loss on goodwill							(1,714,233)
Finance costs							(140,767)
Loss before taxation							(13,407,569)
Taxation							(200,703)
Net loss for the year							(13,608,272)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

38. SEGMENT INFORMATION – CONT'D

(b) Business Segments - Cont'd

31 December 2015	Manufacturing RM	Engineering services RM	Food and beverage RM	Others RM	Amalgamation RM	Eliminations RM	Consolidated RM
ASSETS AND LIABILITIES							
Segment assets	-	6,470,207	11,629,967	68,105	18,168,279	-	18,168,279
Goodwill on consolidation	-	-	-	-	-	-	-
Other investment	-	-	-	-	714,471	-	714,471
Cash in hand and at banks	-	-	-	-	543,786	-	543,786
Deposits with licensed banks	-	-	-	-	24,989,430	-	24,989,430
Tax recoverable	-	-	-	-	2,500	-	2,500
Consolidated total assets	6,500	745,118	1,849,605	1,131,711	3,732,934	-	3,732,934
Segment liabilities	-	-	-	-	-	-	-
Provision for taxation	-	-	-	-	232,937	-	232,937
Deferred tax liabilities	-	-	-	-	-	-	-
Unallocated liabilities:	-	-	-	-	-	-	-
Borrowings	-	-	-	-	1,475,715	-	1,475,715
Consolidated total liabilities	-	-	-	-	5,441,586	-	5,441,586
Capital expenditure	-	18,859	7,328,454	-	7,347,313	-	7,347,313
Depreciation of property, plant and equipment	-	795,078	674,431	-	1,469,509	-	1,469,509
Non-cash expenses other than depreciation	-	225,509	839,010	-	1,064,519	-	1,064,519

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

38. SEGMENT INFORMATION – CONT'D

(b) Business Segments - Cont'd

31 December 2014	Manufacturing RM	Engineering services RM	Food and beverage RM	Others RM	Amalgamation RM	Eliminations RM	Consolidated RM
<u>REVENUE AND EXPENSES</u>							
<u>Revenue</u>							
Segment revenue	18,865	5,252,112	6,939,741	-	12,210,718	-	12,210,718
External sales	-	-	-	-	-	-	-
Total revenue	18,865	5,252,112	6,939,741	-	12,210,718	-	12,210,718
<u>Results</u>							
Segment results	(2,078,203)	(1,572,602)	(1,951,383)	(583,196)	(6,185,384)	-	(6,185,384)
Unallocated results	-	-	-	-	-	-	-
Loss from operations	-	-	-	-	-	-	(6,185,384)
Finance costs	-	-	-	-	-	-	(405,869)
Loss before taxation	-	-	-	-	-	-	(6,591,253)
Taxation	-	-	-	-	-	-	(6,815)
Net loss for the year	-	-	-	-	-	-	(6,598,068)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

38. SEGMENT INFORMATION – CONT'D

(b) Business Segments - Cont'd

31 December 2014	Manufacturing RM	Engineering services RM	Food and beverage RM	Others RM	Amalgamation RM	Eliminations RM	Consolidated RM
ASSETS AND LIABILITIES							
Segment assets	-	10,806,081	8,215,447	37,575	19,059,103	-	19,059,103
Goodwill on consolidation	-	-	-	-	2,331,544	-	2,331,544
Cash in hand and at banks	-	-	-	-	1,074,770	-	1,074,770
Deposits with licensed banks	-	-	-	-	35,067,176	-	35,067,176
Tax recoverable	-	-	-	-	200,673	-	200,673
Consolidated total assets	-	-	-	-	-	-	57,733,266
Segment liabilities	6,518	2,544,351	1,751,822	1,229,159	5,531,850	-	5,531,850
Provision for taxation	-	-	-	-	32,233	-	32,233
Deferred tax liabilities	-	-	-	-	90,613	-	90,613
Unallocated liabilities: Borrowings	-	-	-	-	2,733,288	-	2,733,288
Consolidated total liabilities	-	-	-	-	-	-	8,387,984
Capital expenditure	-	774,190	1,963,893	-	2,738,083	-	2,738,083
Depreciation of property, plant and equipment	-	908,516	673,926	-	1,582,442	-	1,582,442
Non-cash expenses other than depreciation	-	1,279,459	-	-	1,279,459	-	1,279,459

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

39. CAPITAL COMMITMENTS

	Group	
	2015	2014
	RM	RM
Approved and contracted	5,708,124	3,460,582

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) M&A Securities Sdn. Bhd. ("M&A") had on the Company's behalf, announced that the effective date of implementation of the employees' share option scheme ("ESOS") is on 13 January 2015. The Company had subsequently offered the ESOS as per the following tranche:
- (i) On 11 February 2015, the Company offered 1st tranche of 209,999,000 ESOS options at the exercise price of RM0.10 to eligible employees of the Group in accordance with the By-Laws of the ESOS. On 17 March 2015, a total of 70,546,000 ESOS option were accepted by 5 Directors of Focus and its subsidiaries.
 - (ii) On 15 June 2015, the Company offered 2nd tranche of 139,453,000 ESOS options at the exercise price of RM0.10 to eligible employees of the Group in accordance with the By-Laws of the ESOS. On 23 June 2015, a total of 23,148,400 ESOS option were accepted by 5 Directors of Focus and its subsidiaries.
 - (iii) On 18 August 2015, the Company offered 3rd tranche of 116,304,600 ESOS options at the exercise price of RM0.10 to eligible employees of the Group and 11,305,300 ESOS option were accepted by eligible employees for the period from 19 August 2015 to 29 September 2015.
- (b) On 13 January 2015, the Board of Directors of the Company wishes to announced that Focus Dynamics Drives Sdn. Bhd. ("FDD"), a wholly-owned subsidiary of the Company had on the same date, entered into a sale and purchase agreement with Kim Ryong Cheor for the disposal of the entire equity interest in Tae Lim Construction Sdn. Bhd. ("TLCSB"), equivalent to 200,000 ordinary shares of RM1 each, representing 40% in the share capital of TLCSB for a sales consideration of RM2. Upon completion of the disposal, TLCSB will cease to be associated company of FDD. The disposal is deemed completed on 7 April 2015.
- (c) On 17 March 2015, the Company announced that Marquee International Holding Sdn. Bhd. ("MIHSB"), a wholly-owned subsidiary of the Company had on 13 March 2015 incorporated a new subsidiary company namely Steamroom Restaurant Sdn. Bhd. ("SRSB") in Malaysia under the Companies Act, 1965. SRSB has an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each, of which RM2.00 comprising 2 ordinary shares of RM1.00 each have been issued and fully paid-up. The principal activities of SRSB are to carry out the business of restaurant, food and beverage as well as investment holdings and general trading.
- (d) On 21 May 2015, the Company announced that Marquee International Holding Sdn. Bhd. ("MIHSB"), a wholly-owned subsidiary of the Company had on the same date incorporated a new subsidiary company namely Modern Cuisine Sdn. Bhd. ("MCSB") in Malaysia under the Companies Act, 1965. MCSB has an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each, of which RM2.00 comprising 2 ordinary shares of RM1.00 each have been issued and fully paid-up. The principal activities of MCSB are to carry out the business of restaurant, food and beverage as well as investment holdings and general trading.
- MIHSB has subsequently on 3 July 2015 subscribed additional 99,998 ordinary shares of RM1.00 each at an issue price of RM1.00 per share in the share capital of MCSB, thereby increasing MIHSB's investment in MCSB from RM2 to RM100,000. MCSB still remain as a wholly-owned subsidiary of MIHSB, albeit with an enlarge issued and paid-up share capital.
- (e) On 5 June 2015, the Board of Directors of the Company wishes to announced that Marquee International Holding Sdn. Bhd. ("MIHSB"), a wholly-owned subsidiary of the Company had on the same date, entered into a sale and purchase agreement with Zahari Bin Zakaria and Hasanuddin Bin Zakaria for the disposal of the entire equity interest in Max Wisdom Sdn. Bhd. ("MWSB"), equivalent to 1,000,000 ordinary shares of RM1 each, representing 100% in the share capital of MWSB for a sales consideration of RM50,000. Upon completion of the disposal, MWSB will cease to be subsidiary company of MIHSB. The disposal is completed on 3 July 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR – CONT'D

- (f) On 25 August 2015, the Board of Directors of the Company wishes to announced that Marquee International Sdn. Bhd. ("MISB"), a wholly-owned sub-subsiary of the Company had on the same date, entered into a Sale and Purchase Agreement with the Tropicana Residences Sdn. Bhd. for the acquisition of one unit of serviced apartment of the development project known as "Tropicana The Residences KLCC" erected on all the piece of freehold land held under Geran No. 51952 Lot No. 194 Seksyen 58, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur for a purchase price of RM2,813,000.
- (g) On 1 October 2015, the Company announced that Marquee International Holding Sdn. Bhd. ("MIHSB"), a wholly-owned subsidiary of the Company had on 23 September 2015 incorporated a new subsidiary company namely Focus Dynamic Limited ("FDL") under the Republic of Seychelles International Business Companies Act, 1994. The authorised share capital of FDL is USD50,000 with 50,000 shares at a par value of USD1.00 each and the issued and paid-up capital is USD1.00 with 1 share at a par value of USD1.00 each. The principal activities of FDL are food and beverage business and investment holding.
- (h) On 27 October 2015, the Company announced that its wholly-owned sub-subsiary, Focus Dynamic Limited ("FDL"), has incorporated a new wholly-owned subsidiary, Focus Dynamic Group Limited ("FDGL"). FDGL was incorporated on 23 October 2015 in Hong Kong under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) with the share capital of HK\$1.00 comprising 1 ordinary share of HK\$1.00 each fully paid. The principal activities of FDGL are food and beverage business and investment holding.

41. EVENTS AFTER THE REPORTING DATE

- (a) On 10 September 2015, TA Securities Holdings Berhad ("TA Securities") had on the Company's behalf, announced that the Company proposed to undertake the following:
 - (i) Proposed reduction of the issued and paid-up share capital of the Company pursuant to Section 64(1) of the Companies Act, 1965 involving the cancellation of RM0.05 of the par value of the ordinary shares of RM0.10 each in the Company ("Proposed Par Value Reduction") to RM0.05 each; and
 - (ii) Proposed amendments to the Memorandum and Articles of Association of the Company to reflect the change in the par value of each share as a result of the Proposed Par Value Reduction.

The Board of Directors of the Company has subsequently announced that shareholders' approval for the above mentioned corporate exercises was obtained at the Extraordinary General Meeting held on 12 November 2015.

TA Securities had subsequently announced that an office copy of the sealed order of the High Court of Malaya confirming the Par Value Reduction has been lodged with the Companies Commission of Malaysia on 5 February 2016, upon which the Par Value Reduction shall take effect.

The shareholders of the Company should note that the par value reduction does not affect the number of or the rights attached to the existing Shares held by them. All Shares held in the securities account of the shareholders shall be unaffected, except for the reduction in its par value from RM0.10 to RM0.05 per Share.

- (b) Consequential to the Par Value Reduction, the exercise price of the outstanding Warrants B (2011/2016) and Warrants C (2014/2019) have been adjusted from RM0.10 per warrant to RM0.05 per warrant. The exercise price adjustment took effect on 10 February 2016, being the next market day following the lodgment of the sealed order granted by the High Court of Malaya confirming the Par Value Reduction with the Companies Commission of Malaysia.
- (c) On 16 February 2016, the Company announced that the exercise price of options offered has been revised from RM0.10 to RM0.05 pursuant to the Company's ESOS By-Law 17 and par value reduction.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

42. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:-

(i) Foreign currency risk

The Group is exposed to foreign currency risk as a result of its normal trading activities, where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The Group's policy is to minimise the exposure to transaction risk by matching foreign currency income against foreign currency costs.

The net unhedged financial assets and financial liabilities of the Group that are denominated in foreign currencies are as follows:

	2015 RM	2014 RM
Group		
<u>Cash at banks</u>		
US Dollar	2,470	2,012
	<hr/>	<hr/>
<u>Trade payables</u>		
EURO	-	11,155
	<hr/>	<hr/>

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss after tax to a 3% change in the exchange rates of USD and EURO against the Ringgit Malaysia ('RM'), with all other variables held constant.

	2015 RM Loss after tax	2014 RM Loss after tax
US Dollar	74	60
EURO	-	335
	<hr/>	<hr/>

If the relevant foreign currency weakens by 3% against the functional currencies as mentioned, impact on the profit for the financial year would be vice versa.

(ii) Credit risk

Credit risk is the potential risk of financial loss from the failure of a customer or counterparty to settle their financial and contractual obligations to the Group, as and when they fall due.

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures on an ongoing basis. This is done through reference to published credit ratings by prime financial institutions. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

42. FINANCIAL INSTRUMENTS - CONT'D

(a) Financial risk management objectives and policies - Cont'd

(ii) Credit risk - Cont'd

Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Credit risk concentration profile

As at 31 December 2015, approximately:-

- 93% (2014: 93%) of the Group's trade receivables were owing by 5 (2014: 4) major customers.

Ageing analysis

The ageing analysis of the Group's trade receivables as at end of the year is as follows:-

	Group	
	2015 RM	2014 RM
Neither past due nor impaired	909,602	798,521
Past due but not impaired:-		
- 1 to 30 days	309,852	326,700
- 31 to 60 days	153,100	668,530
- 61 to 90 days	-	230,611
- More than 90 days	3,359,836	3,227,376
Past due and impaired	1,214,111	1,216,531
	5,946,501	6,468,269

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

Trade receivables that are past due but not impaired mainly arose from active corporate clients with healthy business relationship, in which the management is of the view that the amounts are recoverable based on past payments history.

The trade receivables of the Group that are past due but not impaired are unsecured in nature.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

42. FINANCIAL INSTRUMENTS – CONT'D

(a) Financial risk management objectives and policies – Cont'd

(ii) Credit risk – Cont'd

Trade receivables that are past due and impaired

The Group's trade receivables that are past due and impaired as at end of the year and the movement of the allowance accounts used to record the impairment are as follows:-

	Individually impaired	
	2015	2014
	RM	RM
Trade receivables, gross	5,946,501	5,468,269
Less: Impairment losses	(1,214,111)	(2,216,531)
	4,732,390	3,251,738

The reconciliation of movements in the impairment loss are as follows:-

	2015	2014
	RM	RM
As at beginning of the year	1,216,531	7,038,905
Addition of impairment losses	-	891,777
Written off	-	(3,714,151)
Reversal	(2,420)	-
	1,214,111	3,216,531

At the end of the reporting year, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

(iii) Liquidity and cash flow risks

The Group seeks to achieve a balance between certainty of funding and a flexible, cost-effective borrowing structure. This is to ensure that at the minimum, all projected net borrowing needs are covered by committed facilities. Also, the objective for debt maturity is to ensure that the amount of debt maturing in any one year is not beyond the Group's means to repay and refinance.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting year based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting year):-

	Weighted average effective rate	demand or within 1 year	1 - 5 years	Over 5 years	Total
Group	%	RM	RM	RM	RM
31 December 2015					
Trade payables	-	775,856	-	-	775,856
Other payables and accruals	-	2,727,728	-	-	2,727,728
Amount due to directors	-	229,278	-	-	229,278
Bank overdraft	4.85%	1,201,387	-	-	1,201,387
Hire purchase payables	2.60%-3.01%	111,025	163,303	-	274,328
		5,045,274	163,303	-	5,208,577

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

42. FINANCIAL INSTRUMENTS – CONT'D

(a) Financial risk management objectives and policies – Cont'd

(iii) Liquidity and cash flow risks – Cont'd

Group	Weighted average effective rate %	On demand or within 1 year RM	1 - 5 years RM	Over 5 years RM	Total RM
31 December 2014					
Trade payables	-	1,674,392	-	-	1,674,392
Other payables and accruals	-	3,839,126	-	-	3,839,126
Amount due to associates	-	5,055	-	-	5,055
Amount due to directors	-	12,900	-	-	12,900
Bank overdraft	4.85%-10.35%	1,657,514	-	-	1,657,514
Hire purchase payables	2.34%-4.75%	279,151	350,686	-	629,837
Term loans	8.85%	335,679	110,258	-	445,937
		7,803,817	460,944	-	8,264,761

Company	Weighted average effective rate %	demand or within 1 year RM	1 - 5 years RM	Over 5 years RM	Total RM
31 December 2015					
Other payables and accruals	-	1,127,711	-	-	1,127,711
		1,127,711	-	-	1,127,711
31 December 2014					
Other payables and accruals	-	1,226,427	-	-	1,226,427
		1,226,427	-	-	1,226,427

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 42 (a) (iii) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

42. FINANCIAL INSTRUMENTS – CONT'D

(a) Financial risk management objectives and policies – Cont'd

(iv) Interest rate risk – Cont'd

Exposure to interest rate risk

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
<u>Fixed rate</u>				
Deposits with licensed banks	24,989,430	35,067,176	24,927,529	33,846,333
Hire purchase payables	274,328	629,837	-	-
	25,263,758	35,697,013	24,927,529	33,846,333
<u>Floating rate</u>				
Bank overdraft	1,201,387	1,657,514	-	-
Term loans	-	445,937	-	-
	1,201,387	2,103,451	-	-

Sensitivity analysis for interest rate risk

The interest rate risk sensitivity analysis on the fixed rate instrument is not disclosed as this financial instrument is measured at amortised cost.

At the reporting date, if interest rate had been 100 basis points higher or lower for floating rate instruments, with all the variables held constant, the Group's and the Company's loss after tax for the financial year would have been approximately RM9,010 and RMNil higher or lower respectively. The assumed movement in the percentage for interest rate sensitivity analysis is based on the currently observable market environment.

(v) Market risk

The Group does not have any quoted investments and hence is not exposed to market risk.

(b) Fair values of financial instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values.

The following summarises the methods used to determine the fair values of the financial instruments:-

- (i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.
- (ii) The fair value of borrowings is determined by discounting the relevant cash flows using current interest rates for similar instruments. There is no material difference between the fair values and the carrying values of these liabilities as at the end of the reporting year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

42. FINANCIAL INSTRUMENTS – CONT'D

(c) Financial instruments by categories

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Financial assets				
<u>Loans and receivables</u>				
Trade and other receivables	6,433,329	9,481,730	68,105	37,375
Amount due from subsidiaries	-	-	41,067,761	31,644,257
Cash and cash equivalents	25,533,216	36,141,946	25,044,508	34,452,602
	<u>31,966,545</u>	<u>45,623,676</u>	<u>66,180,374</u>	<u>66,134,234</u>
	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Financial liabilities				
Other financial liabilities				
Trade and other payables	3,503,584	5,513,518	1,127,711	1,226,427
Amount due to an associate	-	5,055	-	-
Amount due to directors	229,278	12,900	-	-
Bank overdraft	1,201,387	1,657,514	-	-
Hire purchase payables	274,328	629,837	-	-
Term loans	-	445,937	-	-
	<u>5,208,577</u>	<u>8,264,761</u>	<u>1,127,711</u>	<u>1,226,427</u>

(d) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders or issue new shares, where necessary. The Group's approach in managing capital is based on defined guidelines that are approved by the Board.

No changes were made in the objectives, policies or processes during the financial year.

The Group is not subject to any externally imposed capital requirements.

The Group monitors capital by reference to its indebtedness position, which is derived from the total financial debts divided by the total equity plus total financial debts. The Group's strategy is to maintain the balance between debt and equity and to ensure sufficient operating cash flows to repay its liabilities as and when they fall due.

ANALYSIS OF SHAREHOLDINGS

AS AT 4 APRIL 2016

SHARE CAPITAL

Authorised Share Capital	:	RM250,000,000 divided into 5,000,000,000 ordinary shares of RM0.05 each
Issued and Fully Paid-Up Capital	:	RM35,773,389.40 divided into 715,467,788 ordinary shares of RM0.05 each
Class of shares	:	Ordinary shares of RM0.05 each
Voting Rights	:	One vote per holder on a show of hands One vote per share on a poll

SHAREHOLDING DISTRIBUTION SCHEDULE

No. of Shareholders	Size of Shareholdings	No. of Shares Held	% of Shares
124	Less than 100	5,561	*
127	100 to 1,000	57,492	0.01
492	1,001 to 10,000	3,269,629	0.46
1,064	10,001 to 100,000	49,466,756	6.91
414	100,001 to less than 5% of issued shares	450,337,250	62.94
3	5% and above of the issued shares	212,331,100	29.68
2,224	TOTAL	715,467,788	100

* Less than 0.01%

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

Name Shareholders	No. of Shares Held	Percentage %
1. Asiabio Capital Sdn Bhd	123,600,000	17.28
2. UOBM Nominees (Asing) Sdn Bhd - Exempt An for Sanston Financial Group Limited	46,520,700	6.50
3. Cartaban Nominees (Asing) Sdn Bhd - Exempt An for KGI Asia Ltd	42,210,400	5.90
4. DB (Malaysia) Nominee (Asing) Sdn Bhd - Exempt An for Nomura PB Nominees Ltd	35,200,000	4.92
5. RHB Nominees (Asing) Sdn Bhd - RHB Securities Singapore Pte.Ltd. for Asia Insight Holdings Limited (1Z/164248)	35,189,500	4.92
6. UOB Kay Hian Nominees (Asing) Sdn Bhd - Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	19,528,000	2.73
7. RHB Nominees (Asing) Sdn Bhd - RHB Securities Singapore Pte.Ltd. for Nobel Elite Limited (164287)	15,550,100	2.17
8. RHB Nominees (Asing) Sdn Bhd - RHB Securities Singapore Pte.Ltd. for Vintage Global Investments Ltd (164390)	14,493,300	2.02
9. Malacca Equity Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tai Yok Yen	14,269,100	1.99
10. Norudin Bin Abd. Majid	10,000,000	1.40

ANALYSIS OF SHAREHOLDINGS

AS AT 4 APRIL 2016 (cont'd)

Name Shareholders	No. of Shares Held	Percentage %
11. JF Apex Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ho Jien Shiung (Margin)	9,959,100	1.39
12. JF Apex Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Kua Khai Shyuan (Margin)	9,959,100	1.39
13. JF Apex Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Kim Yin (Margin)	9,959,100	1.39
14. JF Apex Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Cheng Kim Liang (Margin)	9,959,100	1.39
15. M & A Nominee (Asing) Sdn Bhd - Exempt An for Sanston Financial Group Limited (Account Client)	9,196,100	1.28
16. HSBC Nominees (Asing) Sdn Bhd - Exempt An for BSI SA (BSI BK SG-NR)	8,500,000	1.19
17. Malacca Equity Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Piong Yon Wee	8,288,000	1.16
18. Quek Yong Wah	7,276,500	1.02
19. Malacca Equity Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Pang Kia Fatt	7,000,000	0.98
20. Malacca Equity Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lai Yee Ling	7,000,000	0.98
21. Affin Hwang Nominees (Asing) Sdn Bhd - Exempt An for Sanston Financial Group Limited (Account Client)	5,584,700	0.78
22. Zainal Ariffin Bin Osman	5,458,000	0.76
23. Tye Yong Pou	5,435,700	0.76
24. Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Zulkifli Bin Osman (8123988)	5,000,000	0.70
25. Zulkifli Bin Osman	5,000,000	0.70
26. Bijak Tulus Sdn Bhd	4,000,000	0.56
27. Lai Yee Voon	4,000,000	0.56
28. Glorified Power Sdn Bhd	3,900,000	0.55
29. Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Heng Yong Kang @ Wang Yong Kang (08HE101Q1-008)	3,552,200	0.50
30. Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Cheng Mun Leong (CHE0525C)	3,000,000	0.42
TOTAL	488,588,700	68.29

ANALYSIS OF SHAREHOLDINGS

AS AT 4 APRIL 2016 (cont'd)

SUBSTANTIAL SHAREHOLDERS

	NAME OF SHAREHOLDERS	DIRECT	NO. OF SHARES HELD		%
			%	INDIRECT	
1.	Asiabio Capital Sdn Bhd	123,600,000	17.28	-	-
2.	Asia Bioenergy Technologies Berhad	-	-	123,600,000*	17.28

Note :

(*) Deemed interest through the shares held by Asiabio Capital Sdn Bhd, the wholly-owned subsidiary of Asia Bioenergy Technologies Berhad.

DIRECTORS' SHAREHOLDINGS

	Name Of Directors	No of Option Granted Over Shares of RM0.10 Each	No of Unexercised Options held	No of Options Exercised as at 4 April 2016	Direct interest		Indirect Interest	
					No. of Shares	%	No. of Shares	%
1.	Datuk Manan Bin Haji Md. Said	20,939,700	20,939,700	0	2,000	*	-	-
2.	Ameezan Bin Jamal	20,101,100	20,101,100	0	-	-	-	-
3.	Leung Kok Keong	-	-	-	-	-	-	-
4.	Tan Aik Heang	-	-	-	-	-	-	-
5.	Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	-	-	-	-	-	-	-
6.	Chang Yun Lung	-	-	-	-	-	-	-

* Less than 0.01%

ANALYSIS OF WARRANT B HOLDINGS

AS AT 4 APRIL 2016

No. of Warrants	:	86,427,346
Exercise Price of Warrants	:	RM0.05
Exercise Period of Warrants	:	7 June 2011 to 6 June 2016
Exercise Rights	:	Each Warrant B entitles the holder to subscribe for one new ordinary share of RM0.05 each in the Company
Voting Rights in the Meeting of Warrant Holders	:	One vote per Warrant B holder on a show of hands One vote per Warrant B on a poll
Number of Warrant Holders	:	531

WARRANT DISTRIBUTION SCHEDULE

No. of Warranholders	Size of Warrant holdings	No. of Warrants Held	% of Warrant
151	Less than 100	6,789	0.01
22	100 to 1,000	11,422	0.01
82	1,001 to 10,000	472,902	0.55
181	10,001 to 100,000	9,370,333	10.84
91	100,001 to less than 5% of issued shares	41,306,600	47.79
4	5% and above of the issued shares	35,259,300	40.80
531	TOTAL	86,427,346	100

LIST OF 30 LARGEST WARRANT B ACCOUNT HOLDERS (WITHOUT AGGREGATING WARRANT FROM DIFFERENT WARRANT ACCOUNTS BELONGING TO THE SAME REGISTERED WARRANT HOLDER)

Name Of Warranholders	No. of Warrant Held	Percentage %
1. Cartaban Nominees (Asing) Sdn Bhd <i>- Exempt An for KGI Asia Ltd</i>	14,403,500	16.67
2. RHB Nominees (Asing) Sdn Bhd <i>- RHB Securities Singapore Pte.Ltd. for Asia Insight Holdings Limited (1Z/164248)</i>	8,760,100	10.14
3. Malacca Equity Nominees (Tempatan) Sdn Bhd <i>- Pledged Securities Account for Piong Yon Wee</i>	6,650,000	7.69
4. JF Apex Nominees (Asing) Sdn Bhd <i>- Exempt An for Sanston Financial Group Limited (Account Client)</i>	5,445,700	6.30
5. Citigroup Nominees (Tempatan) Sdn Bhd <i>- Pledged Securities Account for Lai Sai Cheong (473982)</i>	3,101,600	3.59
6. Yong Ming Mi	2,013,700	2.33
7. Chong Khee	1,750,067	2.02
8. RHB Nominees (Asing) Sdn Bhd <i>- RHB Securities Singapore Pte.Ltd. for Vintage Global Investments Ltd (164390)</i>	1,666,200	1.93
9. Tye Yong Pou	1,500,000	1.73

ANALYSIS OF WARRANT B HOLDINGS

AS AT 4 APRIL 2016

Name Of Warrantholders	No. of Warrant Held	Percentage %
10. Sim Mui Khee	1,200,000	1.39
11. RHB Nominees (Asing) Sdn Bhd - RHB Securities Singapore Pte.Ltd. For Nobel Elite Limited (164287)	1,170,100	1.35
12. Tan Sing Hah	1,000,000	1.16
13. Teng Pok Sang @ Teng Fook Sang	1,000,000	1.16
14. Wong Siong Yew	1,000,000	1.16
15. Choo Ah Ying	900,000	1.04
16. Sim Chai Heong	839,000	0.97
17. HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Yen Lang	750,000	0.87
18. Ang Beng Keong	700,000	0.81
19. Audry Yong Ooi Lin	700,000	0.81
20. Azhar Bin Sharon	700,000	0.81
21. Mohamad Fuad Bin Abdul Rahman	650,000	0.75
22. Tan Hwee Chih	645,000	0.75
23. Yusof Bin Abdul Rahman	643,000	0.74
24. Ee Ching Teck	600,000	0.69
25. Pua Swee Ean	510,500	0.59
26. Beh Loy Onn	500,000	0.58
27. Chen Mayee	500,000	0.58
28. Ew Kai Ling	500,000	0.58
29. Lim Geok Eng Mary	500,000	0.58
30. Yong Fatt Chin	500,000	0.58
TOTAL	60,798,467	70.35

DIRECTORS' WARRANT B HOLDINGS

NAME OF DIRECTORS	DIRECT	NO. OF WARRANTS HELD		%
		%	INDIRECT	
1. Datuk Manan Bin Haji Md. Said	667	*	-	-
2. Ameen Bin Jamal	-	-	-	-
3. Leung Kok Keong	-	-	-	-
4. Tan Aik Heang	-	-	-	-
5. Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	-	-	-	-
6. Chang Yun Lung	-	-	-	-

* Less than 0.01%

ANALYSIS OF WARRANT C HOLDINGS

AS AT 4 APRIL 2016

No. of Warrants	:	235,167,596
Exercise Price of Warrants	:	RM0.05
Exercise Period of Warrants	:	7 November 2014 to 6 November 2019
Exercise Rights	:	Each Warrant C entitles the holder to subscribe for one new ordinary share of RM0.05 each in the Company
Voting Rights in the Meeting of Warrant Holders	:	One vote per Warrant C holder on a show of hands One vote per Warrant C on a poll
Number of Warrant Holders	:	338

WARRANT DISTRIBUTION SCHEDULE

No. of Warrantholders	Size of Warrant holdings	No. of Warrants Held	% of Warrant
65	Less than 100	2,817	*
8	100 to 1,000	3,461	*
50	1,001 to 10,000	273,715	0.12
144	10,001 to 100,000	6,603,389	2.81
69	100,001 to less than 5% of issued shares	66,458,681	28.26
2	5% and above of the issued shares	161,825,533	68.81
338	TOTAL	235,167,596	100.00

* Less than 0.01%

LIST OF 30 LARGEST WARRANT C ACCOUNT HOLDERS (WITHOUT AGGREGATING WARRANT FROM DIFFERENT WARRANT ACCOUNTS BELONGING TO THE SAME REGISTERED WARRANT HOLDER)

Name Of Warrantholders	No. of Warrant Held	Percentage %
1. Cartaban Nominees (Asing) Sdn Bhd <i>- Exempt An for KGI Asia Ltd</i>	81,304,400	34.57
2. Asiabio Capital Sdn Bhd	80,521,133	34.24
3. Affin Hwang Nominees (Asing) Sdn Bhd <i>- Exempt An for Sanston Financial Group Limited (Account Client)</i>	9,234,266	3.93
4. HSBC Nominees (Asing) Sdn Bhd <i>- Exempt An for BSI SA (BSI BK SG-NR)</i>	8,000,000	3.40
5. UOB Kay Hian Nominees (Asing) Sdn Bhd <i>- Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)</i>	7,810,800	3.32
6. Malacca Equity Nominees (Tempatan) Sdn Bhd <i>- Pledged Securities Account for Tai Yok Yen</i>	5,056,233	2.15
7. Malacca Equity Nominees (Tempatan) Sdn Bhd <i>- Pledged Securities Account for Pang Kia Fatt</i>	4,000,000	1.70
8. Norudin Bin Abd. Majid	3,333,333	1.42
9. Kenanga Nominees (Tempatan) Sdn Bhd <i>- Pledged Securities Account for Tan Bee Yook (008)</i>	2,205,700	0.94
10. Glorified Power Sdn Bhd	2,000,000	0.85
11. RHB Nominees (Asing) Sdn Bhd <i>- RHB Securities Singapore Pte.Ltd. for Asia Insight Holdings Limited (1Z/164248)</i>	1,873,500	0.80

ANALYSIS OF WARRANT C HOLDINGS

AS AT 4 APRIL 2016 (cont'd)

Name Of Warrantholders	No. of Warrant Held	Percentage %
12. M & A Nominee (Asing) Sdn Bhd - Exempt An for Sanston Financial Group Limited (Account Client)	1,500,600	0.64
13. Tye Yong Pou	1,499,950	0.64
14. Maybank Nominees (Tempatan) Sdn Bhd - Tan Kok Suan @ Tan Phaik Suan	1,000,900	0.43
15. SJ SEC Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Michael Lee Fook Soon (SMT)	1,000,000	0.43
16. Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Gaik Eng (LIM4779C)	966,703	0.41
17. RHB Nominees (Asing) Sdn Bhd - RHB Securities Singapore Pte.Ltd. for Vintage Global Investments Ltd (164390)	960,200	0.41
18. Maybank Securities Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Pek Kiam Kek (Margin)	800,000	0.34
19. Liaw Fai Onn	700,000	0.30
20. Affin Hwang Nominees (Asing) Sdn Bhd - UOB Kay Hian Pte Ltd for Leong Su Fern Joyce	666,666	0.28
21. Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Gan Boon Guat (028)	643,600	0.27
22. Lai Weng Chee @ Lai Kok Chye	594,900	0.25
23. Lee Hui Ping	534,666	0.23
24. Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Keng Boon (TAN1212C)	500,000	0.21
25. Chan Chin Hong	500,000	0.21
26. Ong Eng Eng	494,200	0.21
27. Tee Geok Lan	480,000	0.20
28. Tey Choong Siong	475,300	0.20
29. Tan Chuan Yoke	400,000	0.17
30. Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Foo Howe Kean	378,800	0.16
TOTAL	219,435,850	93.31

DIRECTORS' WARRANT C HOLDINGS

NAME OF DIRECTORS	DIRECT	NO. OF WARRANTS HELD		%
		%	INDIRECT	
1. Datuk Manan Bin Haji Md. Said	-	-	-	-
2. Ameen Bin Jamal	-	-	-	-
3. Leung Kok Keong	-	-	-	-
4. Tan Aik Heang	-	-	-	-
5. Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	-	-	-	-
6. Chang Yun Lung	-	-	-	-

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PROXY FORM

Number of Shares Held _____	CDS Account No. _____
-----------------------------	-----------------------

"A" I/We _____ (Full Name in Capital Letters) NRIC No. _____
 of _____ (Full Address)
 being a *Member / Members of **FOCUS DYNAMICS GROUP BERHAD**, do hereby appoint _____
 _____ (Full Name in Capital Letters) NRIC No. _____
 of _____ (Full Address)
 or failing him, _____ (Full Name in Capital Letters) NRIC No. _____
 of _____ (Full Address)
 or failing whom, the CHAIRMAN of the Meeting as *my/our first proxy to vote for *me/us on my/our behalf at the Thirteenth Annual General Meeting (*13th AGM*) to be held at Theatrette Room, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 25 May 2016 at 10.00 a.m. or at any adjournment thereof.

"B" Where it is desired to appoint a second proxy, this section must also be completed, otherwise it should be deleted.

I/We _____ (Full Name in Capital Letters) NRIC No. _____
 of _____ (Full Address)
 being a *Member / Members of **FOCUS DYNAMICS GROUP BERHAD**, do hereby appoint _____
 _____ (Full Name in Capital Letters) NRIC No. _____
 of _____ (Full Address)
 or failing him, _____ (Full Name in Capital Letters) NRIC No. _____
 of _____ (Full Address)
 or failing whom, the CHAIRMAN of the Meeting as *my/our first proxy to vote for *me/us on my/our behalf at the 13th AGM to be held at Theatrette Room, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 25 May 2016 at 10.00 a.m. or at any adjournment thereof.

"C" Where it is desired to appoint a third proxy, this section must also be completed, otherwise it should be deleted.

I/We _____ (Full Name in Capital Letters) NRIC No. _____
 of _____ (Full Address)
 being a *Member / Members of **FOCUS DYNAMICS GROUP BERHAD**, do hereby appoint _____
 _____ (Full Name in Capital Letters) NRIC No. _____
 of _____ (Full Address)
 or failing him, _____ (Full Name in Capital Letters) NRIC No. _____
 of _____ (Full Address)
 or failing whom, the CHAIRMAN of the Meeting as *my/our first proxy to vote for *me/us on my/our behalf at the 13th AGM to be held at Theatrette Room, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 25 May 2016 at 10.00 a.m. or at any adjournment thereof.

The proportions of my/our holding to be represented by my/our proxies are as follows :-

First Proxy "A"	%
Second Proxy "B"	%
Third Proxy "C"	%
	100 %

In case of a vote taken by a show of hands, *First Proxy "A"/* Second Proxy "B"/* Third Proxy "C" shall vote on my/our behalf.
 My/our proxy/proxies shall vote as follows :-
 Please indicate with an "X" in the space provided below how you wish your votes to be casted. If no specific direction as to voting is given, the proxy/proxies will vote or abstain for voting at his discretion.

No	Agenda							
1	To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon.							
		Resolution	First Proxy "A"		Second Proxy "B"		Third Proxy "C"	
			For	Against	For	Against	For	Against
2	To approve the payment of Directors' Fee of RM159,000.00 for the financial year ended 31 December 2015.	1						
3	To approve the payment of Directors' Fee of RM2,000.00 per month for each Independent Non-Executive Director.	2						
4	Re-election of Datuk Manan Bin Haji Md. Said	3						
5	Re-election of Mr Tan Aik Heang	4						
6	Re-election of Mr Leong Kok Keong	5						
7	Appointment of Auditors	6						
8	Authority to Issue Share Pursuant to Section 132D of the Companies Act, 1965.	7						

* Strike out whichever not applicable.

As witness *my/our hand this _____ day of _____

Signature of Member/Common Seal

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STAMP

THE COMPANY SECRETARY
FOCUS DYNAMICS GROUP BERHAD (582924-P)
(Formerly known as Focus Dynamics Technologies Berhad)
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan

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NOTES :-

1. A member of the Company who is entitled to attend, speak and vote at this 13th AGM may appoint a proxy to attend, speak and vote on his behalf. A proxy may not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member of the Company appoints up to three (3) proxies to attend at the same meeting, he shall specify in the instrument of proxy the proportions of his shareholdings to be represented by each proxy. He must also specify which proxy is entitled to vote on a show of hands and only one (1) of those proxies is entitled to vote on a show of hands.
3. Where a member of the Company is an authorized nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("SICDA"), he may appoint up to three (3) proxies in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.
4. Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owner in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
5. The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorized in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.
6. The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited at the Registered Office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan, Malaysia, not less than 48 hours before this 13th AGM or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.
7. In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 May 2016 ("General Meeting Record of Depositors") shall be eligible to attend, speak and vote at this 13th AGM.
8. Any alteration in the form of proxy must be initialed.



FOCUS DYNAMICS GROUP BERHAD (582924-P)
(Formerly known as Focus Dynamics Technologies Berhad)

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