

F O C U S D Y N A M I C S

ANNUAL REPORT 2022



FOCUS DYNAMICS GROUP BERHAD

[Registration No. 200201015261 (582924-P)]



FOCUS DYNAMICS

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Tay Ben Seng, Benson

Executive Director

Tan Aik Heang

Independent Non-Executive Director

**Abdul Menon Bin Arsad @
Abdul Manan Bin Arshad**

Independent Non-Executive Director

Leow Wey Seng

Independent Non-Executive Director

Tang Yee Ling

(Appointed on 1 December 2021)

Independent Non-Executive Director

COMPANY SECRETARY

*Wong Yuet Chyn (MAICSA 7047163)
(SSM PC No. 202008002451)*

REGISTERED OFFICE

A3-3-8, Solaris Dutamas
 No. 1, Jalan Dutamas 1
 50480 Kuala Lumpur
 W. P. Kuala Lumpur
 Malaysia
 Tel No. : 03-6413 3271
 Fax No. : 03-6413 3270

SHARE REGISTRAR

WORKSHIRE SHARE REGISTRATION SDN BHD
 A3-3-8, Solaris Dutamas
 No. 1, Jalan Dutamas 1
 50480 Kuala Lumpur
 W. P. Kuala Lumpur
 Malaysia
 Tel No. : 03-6413 3271
 Fax No. : 03-6413 3270

AUDITORS

Nexia SSSY PLT (201906000679 (LLP0019490-LCA)
 & AF002009)

UOA Business Park, Tower 3, 5th Floor
 K03-05-08, 1 Jalan Pengaturcara U1/51A, Section U1
 40150 Shah Alam, Selangor Darul Ehsan, Malaysia
 Tel No. : 03-5039 1811
 Fax No. : 03-5039 1822

SOLICITORS

Chong + Kheng Hoe
 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, Malaysia
 Tel No. : 03-7803 7333
 Fax No. : 03-7803 7338
 Email : info@focusdynamics.com.my
 Website : www.focusdynamics.com.my

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad (ACE Market)
 Sector : Consumer Products & Services
 Stock Number : 0116
 Stock Short Name : Focus

AUDIT COMMITTEE

Leow Wey Seng – Chairman

Tan Aik Heang – Member

**Abdul Menon Bin Arsad @
Abdul Manan Bin Arshad** – Member



Corporate Information (cont'd)



NOMINATION COMMITTEE

Abdul Menon Bin Arsad @
Abdul Manan Bin Arshad – Chairman

Tan Aik Heang – Member

Tang Yee Ling – Member

REMUNERATION COMMITTEE

Tan Aik Heang – Chairman

Abdul Menon Bin Arsad @
Abdul Manan Bin Arshad – Member

Tang Yee Ling – Member

RISK MANAGEMENT COMMITTEE

Abdul Menon Bin Arsad @
Abdul Manan Bin Arshad – Chairman

Tay Ben Seng, Benson – Member

Tang Yee Ling – Member

ESOS COMMITTEE

Tan Aik Heang – Member

Abdul Menon Bin Arsad @
Abdul Manan Bin Arshad – Member



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth (19th) Annual General Meeting (AGM) of **FOCUS DYNAMICS GROUP BERHAD** (the Company) will be conducted on a virtual basis through live streaming and online remote participation and voting from a Broadcast Venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Tuesday, 29 November 2022 at 2.30 p.m.** or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolutions with or without any modifications:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial period ended 30 June 2022 (FPE 2022) and together with the Reports of the Directors and Auditors thereon. **(See Explanatory Note 10)**
2. To approve the payment of Directors' fees of RM264,000 for the financial year ending 30 June 2023 payable in arrears after each month of completed service of the Directors during the financial year. **(Ordinary Resolution 1)**
3. To approve the payment of Director' fees of RM264,000 for the financial year ending 30 June 2024 payable in arrears after each month of completed services of the Directors during the financial year. **(Ordinary Resolution 2)**
4. To approve the payment of Directors' benefits amounting to RM19,700 for the period commencing after the date of this AGM to the date of the next AGM. **(Ordinary Resolution 3)
(See Explanatory Note 11)**
5. To re-elect Mr. Tay Ben Seng, Benson, a Director who is retiring under Clause 135 of the Company's Constitution. **(Ordinary Resolution 4)
(See Explanatory Note 12)**
6. To re-elect Ms. Tang Yee Ling, a Director who is retiring under Clause 137 of the Company's Constitution. **(Ordinary Resolution 5)
(See Explanatory Note 12)**
7. To re-appoint Messrs Nexia SSSY PLT as Auditors of the Company for the financial year ending 30 June 2023 and to authorise the Board of Directors to fix their remuneration. **(Ordinary Resolution 6)**

AS SPECIAL BUSINESS

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

8. **Proposed Retention of Independent Directors**

"THAT the following Directors, who have served as Independent Non-Executive Directors for a cumulative term of more than nine (9) years, be retained and remained as Independent Non-Executive Directors of the Company:

- (i) Mr. Tan Aik Heang
- (ii) Encik Abdul Menon bin Arsad @ Abdul Manan bin Arshad

**(Ordinary Resolution 7)
(Ordinary Resolution 8)
(See Explanatory Note 13)**

Notice of Annual General Meeting (cont'd)

9. **Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 (CA 2016) (Proposed General Mandate)** **(Ordinary Resolution 9)
(See Explanatory Note 14)**

“**THAT** subject always to Sections 75 and 76 of the CA 2016, the Constitution, the ACE Market Listing Requirements (AMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) and the approval of any governmental and/or regulatory authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company at the time of issuance and such authority under this resolution shall continue in force until the conclusion of the 20th AGM or when it is required by law to be held, whichever is earlier, **AND THAT** the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

THAT the existing shareholders of the Company hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the CA 2016 read together with Clause 66 of the Constitution of the Company arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the CA 2016.

AND THAT the Directors of the Company be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

10. To transact any other business of the Company for which due notice shall have been received in accordance with the CA 2016.

By Order of the Board

FOCUS DYNAMICS GROUP BERHAD

WONG YUET CHYN (MAICSA 7047163)

(SSM PC No. 202008002451)

Company Secretary

Kuala Lumpur

Date: 31 October 2022

Notes:

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.

Notice of Annual General Meeting (cont'd)

4. Where a member is an Authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account) there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, W. P. Kuala Lumpur or fax to 03-6413 3270 or email to infosr@wscs.com.my not later than Sunday, 27 November 2022 at 2.30 p.m., and in default the instrument of proxy shall not be treated as valid.
6. An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 21 November 2022, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
8. Pursuant to Rule 8.31A(1) of the AMLR of Bursa Securities, all resolutions set out in this Notice will be put to vote by way of poll.
9. The members are encouraged to refer the Administrative Guide on registration and voting process for the meeting.

Explanatory Notes on Ordinary Business:

10. Audited Financial Statements for FPE 2022

The audited financial statements are laid in accordance with Section 340(1)(a) of the CA 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

11. Proposed Directors' Benefits

The proposed Ordinary Resolution 3, if passed, will authorise and approve of the payment of Directors' benefits comprised of allowances (meeting allowance payable to each Non-Executive Director, where applicable, for their attendance of Board and Committee Meetings) pursuant to the requirements of Section 230 of the CA 2016 for the period commencing after the date of this AGM to the date of the next AGM.

12. Re-election of Directors

Mr. Tay Ben Seng, Benson and Ms. Tang Yee Ling ("Ms. Tang") eligible, have offered themselves for re-election at this AGM pursuant to the Constitution of the Company.

The Board (with exception of the retiring Directors who abstained) recommended the retiring directors be re-elected as the Directors of the Company as they have character, experience, integrity, competence and time to effectively discharge their role as a Director of the Company.

The Board was further satisfied that Ms. Tang has complied with the criteria of independence based on the Listing Requirements and remain independent in exercising her judgement and carry out her roles as Independent Non-Executive Director.

Notice of Annual General Meeting (cont'd)

Explanatory Notes on Special Business:

13. Proposed Retention of Independent Directors

The proposed Ordinary Resolutions 7 and 8, if passed, will allow Mr. Tan Aik Heang ("Mr. Tan") and Encik Abdul Menon bin Arsad @ Abdul Manan bin Arshad ("En. Abdul Menon") to be retained and continue acting as Independent Directors to fulfill the requirements of Rule 15.02 of AMLR and in line with the recommendation 5.3 of the Malaysian Code of Corporate Governance. The full details of the Board's justification and recommendations for the retention of Mr. Tan and En. Abdul Menon as Independent Directors are set out in the Board's Corporate Governance Overview Statement in the 2022 Annual Report. The proposed retention of Mr. Tan and En. Abdul Menon as Independent Non-Executive Directors of the Company will be voted through a two-tier voting process.

14. Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the CA 2016

The proposed Ordinary Resolution 9 is proposed for the purpose of renewing the general mandate for issuance of shares by the Company under Sections 75 and 76 of the CA 2016. The proposed Ordinary Resolution 9, if passed, will give the Directors of the Company authority to allot and issue shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company.

The Proposed General Mandate will provide flexibility to the Company to raise additional funds expeditiously and efficiently during this challenging time, to meet its funding requirements including but not limited to funding future investment project(s), working capital and/or acquisitions.

By approving the allotment and issue of the Company's shares pursuant to the Proposed General Mandate which will rank the equally with the existing issued shares in the Company, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85 of the CA 2016 and Clause 66 of the Constitution of the Company to be first offered the Company's Shares which will result in a dilution to their shareholdings percentage in the Company.

As at the date of this notice, no shares had been allotted and issued since the general mandate granted to the Directors at the last AGM held on 1 July 2021 and this authority will lapse as the conclusion of the 19th AGM of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Group, is of the opinion that the Proposed General Mandate is in the best interests of the Company and its shareholders.

CORPORATE PROFILE

Focus Dynamics Group Berhad (**FOCUS** or the **Company**) was incorporated in Malaysia under the Companies Act, 1965 on 14 June, 2002. On 17 November 2015, the Company 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 follow:-

Company	Date and Country of Incorporation	Equity Interest (%)	Principal Activities
Focus Dynamics Centre Sdn. Bhd. [Registration No. 199901003144 (478044-A)]	2 March 1999 Malaysia	100	Investment holding.
Lavo Gallery Sdn. Bhd. (<i>fka Focus Dynamics Drives Sdn. Bhd.</i>) [Registration No. 200101019492 (555249-D)]	3 August 2001 Malaysia	100	Operating and managing Food and Beverage (F&B) outlets.
DPC Industrial Systems Sdn. Bhd. [Registration No. 199401038705 (324390-H)]	23 November 1994 Malaysia	100	Engage in the businesses of trading of industrial equipment, designing, installation and implementation of automation system for the energy resource-based industry and providing other related products and services.
Focus International Holding Sdn. Bhd. [Registration No. 201201030500 (1014987-A)]	28 August 2012 Malaysia	100	Investment holding.
Marquee International Sdn. Bhd. [Registration No. 200201021481 (589144-A)]	12 August 2002 Malaysia	100	Engage in the businesses of operating and managing F&B outlets and importer, distributor and wholesaler of wines, champagnes and spirits.
Modern Cuisine Sdn. Bhd. [Registration No. 201501019900 (1145236-V)]	21 May 2015 Malaysia	100	Engage in the business of restaurant, F&B as well as investment holding and general trading.
Focus Dynamic Limited (Company No. 172718)	23 September 2015 Republic of Seychelles	100	Investment holding.
Focus Dynamic Group Limited (Company No. 2299174)	23 October 2015 Hong Kong	100	Trading of wine.
Spark Lifestyle Sdn. Bhd. (<i>fka Marquee Resources Sdn. Bhd.</i>) [Registration No. 201601014210 (1185141-D)]	25 April 2016 Malaysia	100	Engage in the businesses of other management consultancy services, general trading and activities of interior decorators.
Focus Deli Sdn. Bhd. (<i>fka Finch Entertainment Sdn. Bhd.</i>) [Registration No. 201601033474 (1204415-V)]	7 October 2016 Malaysia	100	Engage in the businesses of restaurant, F&B business, entertainment, trading and investment.

Corporate Profile (cont'd)

Company	Date and Country of Incorporation	Equity Interest (%)	Principal Activities
Wine Commerce Sdn. Bhd. [Registration No. 201701028080 (1242246-P)]	9 August 2017 Malaysia	100	Engage in the business of online wine retailing and distribution.
Bounce Entertainment Sdn. Bhd. [Registration No. 201801003936 (1265950-M)]	26 January 2018 Malaysia	100	Other food service activities, investment advisory services, creative, arts and entertainment activities.
Bubbles Entertainment Sdn. Bhd. [Registration No. 201901024623 (1333952-D)]	12 July 2019 Malaysia	100	Engage in the businesses of operating restaurants, F&B as well as investment holdings and general trading.
Centurion International Sdn. Bhd. [Registration No. 201901025934 (1335263-V)]	23 July 2019 Malaysia	100	Engage in the business of operating and managing F&B outlets.
Focus Medicare Sdn. Bhd. [Registration No. 202101001609 (1401907-U)]	13 January 2021 Malaysia	100	Trading, supplying, wholesaling, manufacturing of medical & healthcare equipment, products and services.
Focus Concepts Sdn. Bhd. [Registration No. 202101001597 (1401895-P)]	13 January 2021 Malaysia	100	Engage in the business of operating and managing F&B outlets. To buy, sell, manufacture, assemble and deal in and with goods, wares and merchandise of every kind and description, to carry on a general manufacturing, trading and commercial business and to enter into contracts, agreements and arrangements of any and all kinds with any person, corporation, partnership, firm or association.
Focus Capital Sdn. Bhd. [Registration No. 202101002525 (1402823-M)]	21 January 2021 Malaysia	100	Money lending services.
Focus Volume Sdn. Bhd. [Registration No. 202101004352 (1404651-A)]	4 February 2021 Malaysia	100	Engage in the business of operating and managing F&B outlets. To buy, sell, manufacture, assemble and deal in and with goods, wares and merchandise of every kind and description, to carry on a general manufacturing, trading and commercial business and to enter into contracts, agreements and arrangements of any and all kinds with any person, corporation, partnership, firm or association.
Bounce Entertainment Limited (2725189)	23 July 2018 Hong Kong	100	Engage in F&B business, entertainment, general trading and investment holding.

Corporate Profile (cont'd)

Company	Date and Country of Incorporation	Equity Interest (%)	Principal Activities
Focus Jumbo Sdn. Bhd. [Registration No. 202101041240 (1441540-A)]	6 December 2021 Malaysia	100	Operating and managing F&B outlets. To buy, sell, manufacture, assemble and deal in and with goods, wares and merchandise of every kind and description, to carry on a general manufacturing, trading and commercial business and to enter into contracts, agreements and arrangements of any and all kinds with any person, corporation, partnership, firm or association. Importer, distributor and wholesaler of wine, champagnes and spirits.
Focus Sky Sdn. Bhd. [Registration No. 202201001582 (1447279W)]	12 January 2022 Malaysia	100	Operating and managing F&B outlets. To buy, sell, manufacture, assemble and deal in and with goods, wares and merchandise of every kind and description, to carry on a general manufacturing, trading and commercial business and to enter into contracts, agreements and arrangements of any and all kinds with any person, corporation, partnership, firm or association. Importer, distributor and wholesaler of wine, champagnes and spirits.
Focus Supernova Sdn. Bhd. [Registration No. 202101020924 (1421224A)]	9 June 2021 Malaysia	100	Operating and managing F&B outlets. Importer, distributor and wholesaler of wine, champagnes and spirits.
Focus Carelife Sdn. Bhd. [Registration No. 202101019340 (1419640-M)]	25 May 2021 Malaysia	60	Trading, supplying, wholesaling, manufacturing of medical and healthcare equipment, products and services. To carry on the business of wholesale, retail, importers and exporters of and dealers in all kind of drugs, chemicals, alkalis, manure antibodies and pharmaceutical medicinal.
Goldhill Eagle Sdn. Bhd. [Registration No. 201701043579 (1257752-M)]	28 November 2017 Malaysia	55	Operating and managing F&B outlets.
Famous Ambience Sdn. Bhd. [Registration No. 201301001386 (1031223-D)]	11 January 2013 Malaysia	51	Letting of property business.
W Club Sdn. Bhd. [Registration No. 201601036026 (1206967-W)]	27 October 2016 Malaysia	45	Engage in the businesses as an entertainment centre in a F&B outlet.

VISION & MISSION

To be the leading avant-garde in the Food & Beverage, Lifestyle and Entertainment scene by revolutionizing and pioneering new innovative concepts with cutting edge technologies and electrifying experiences.

PROFILE OF DIRECTORS

TAY BEN SENG, BENSON

Aged 38 / Male / Malaysian
Executive Director

Qualification:

Mr. Tay Ben Seng, Benson ("Mr. Benson") holds a bachelor of Commerce Degree with a double major in Marketing and Management in Curtin University Technology, Perth.

Working Experience:

Mr. Benson was appointed as an Executive Director of Focus Dynamics Group Berhad (FOCUS or the Company) on 8 February 2017. He is fueled with passionate towards conceiving and innovating lifestyle concepts in the Food and Beverage (F&B) arena, Mr. Benson has had vast experiences in numerous fields ranging from event management to F&B operators and conceptualizing new start-ups.

Mr. Benson spearheaded the expansion of the Company and has been instrumental in conceiving and driving the success of the distinctive lifestyle F&B brands of the group. Mr. Benson is also extensively involved in developing the business further in the e-commerce, robotics, healthcare and technology space.

Other Directorships of Public Companies:

- (i) Saudee Group Berhad
- (ii) Oversea Enterprise Berhad
- (iii) Green Ocean Corporation Berhad

Details of Any Other Board Committee:

Member of Risk Management Committee

No. of Board Meetings attended in the financial period:

9/9

Profile of Directors (cont'd)

LEOW WEY SENG

Aged 40 / Male / Malaysian
Independent Non-Executive Director

Qualification:

Mr. Leow Wey Seng ("Mr. Leow") holds the following qualifications:-

- (i) Bachelor of Business (Specialised in Accounting) from Monash University Australia;
- (ii) Member of CPA Australia;
- (iii) Member of Malaysia Institute of Accountants (MIA); and
- (iv) Member of ASEAN CPA.

Working Experience:

Mr. Leow was appointed as an Independent Non-Executive Director of the Company on 30 March 2021. Mr. Leow had more than 5 years of assurance and advisory experience and more than 2 years of experience focusing in the financial advisory with Deloitte, a Big Four accounting firm. Mr. Leow had managed and led various assurance and auditing assignments involving public listed and MNC clients. Mr. Leow's experiences in financial advisory also include managing and leading various due diligence, business valuation, reporting accountants and strategy development work.

Currently, Mr. Leow is a director of an advisory firm providing corporate governance and deal advisory related services. Mr. Leow is also managing a rubber conveyor belt trading business, which is family owned, serving multiple local and international clients in quarry, cement, port and various manufacturing plants.

Other Directorships of Public Companies:

- (i) Vizione Holdings Berhad
- (ii) Jadi Imaging Holdings Berhad
- (iii) Parlo Berhad

Details of Any Other Board Committee:

Chairman of Audit Committee

No. of Board Meetings attended in the financial period:

7/8

Profile of Directors

(cont'd)

TAN AIK HEANG

Aged 55 / Male / Malaysian
Independent Non-Executive Director

Qualification:

Mr. Tan Aik Heang ("Mr. Tan") is an Associate Member of the Chartered Institute of Management Accountant, United Kingdom.

Working Experience:

Mr. Tan was appointed as an Independent Non-Executive Director of the Company on 29 September 2010. Mr. Tan 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. Mr. Tan left in May 1995 and joined SJ Asset Management Sdn Bhd, a fund management company as an Account Executive. On June 1997, Mr. Tan was promoted to Assistant Finance and Administration Manager and in June 1999 as Finance and Administration Manager. Subsequently in June 2006, Mr. Tan 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. Mr. Tan is currently involved in the business of manpower supply and management.

Other Directorships of Public Companies:

None

Details of Any Other Board Committee:

- (i) Member of the Nomination Committee;
- (ii) Chairman of the Remuneration Committee;
- (iii) Member of the Audit Committee; and
- (iv) Member of the ESOS Committee

No. of Board Meetings attended in the financial period:

9/9

Profile of Directors (cont'd)

ABDUL MENON BIN ARSAD @ ABDUL MANAN BIN ARSHAD

Aged 75 / Male / Malaysian
Independent Non-Executive Director

Qualification:

Encik Abdul Menon Bin Arsad @ Abdul Monan bin Arshad ("En. Abdul Menon") holds the following qualifications:-

- (i) Bachelor Degree in Social Science (Hon.) from Universiti Sains Malaysia; and
- (ii) Diploma in Management from Malaysian Institute of Management.

Working Experience:

En. Abdul Menon was appointed as an Independent Non-Executive Director of the Company on 27 December 2011. En. Abdul Menon has twenty (20) years of experience serving in the Malaysian Armed Forces and more than nine (9) years working experience in numerous fields, including facility administration and ancillaries, operation management, property and facility management. En. Abdul Menon retired in 2009 and ventured into his own business.

Other Directorships of Public Companies:

Vsolar Group Berhad

Details of Any Other Board Committee:

- (i) Chairman of the Nomination Committee;
- (ii) Member of the Remuneration Committee;
- (iii) Member of the Audit Committee;
- (iv) Chairman of the Risk Management Committee; and
- (v) Member of the ESOS Committee.

No. of Board Meetings attended in the financial period:

9/9

Profile of Directors (cont'd)

TANG YEE LING

Aged 27 / Female / Malaysian
Independent Non-Executive Director

Qualification:

Ms. Tang Yee Ling ("Ms. Tang") holds the following qualifications:-

- (i) Bachelor of Science (Hons) Accounting and Finance, Sunway University; and
- (ii) Foundation in Arts (FIA), Sunway College.

Working Experience:

Ms. Tang was appointed as an Independent Non-Executive Director of the Company on 1 December 2021. Ms. Tang started her career as a Vacation Trainee at Pricewaterhousecoopers (PwC) from January 2017 to March 2017. Ms. Tang then joined Fave Asia Technologies as Business Development Executive in October 2017 and held the position of Business Development Senior Manager before she resigned in December 2019. In January 2020, Ms. Tang joined Strands, a fintech company as Business Development Manager for Asia Pacific (APAC) which she still holds to-date.

Other Directorships of Public Companies:

Oversea Enterprise Berhad

Details of Any Other Board Committee:

- (i) Member of the Nomination Committee;
- (ii) Member of the Remuneration Committee; and
- (iii) Member of the Risk Committee

No. of Board Meetings attended in the financial period:

4/4

Other Information

1. Family Relationship

None of the Directors have no family relationship with any Director and/or major shareholder of FOCUS.

2. Conflict of Interest

None of the Directors has any conflict of interest with FOCUS.

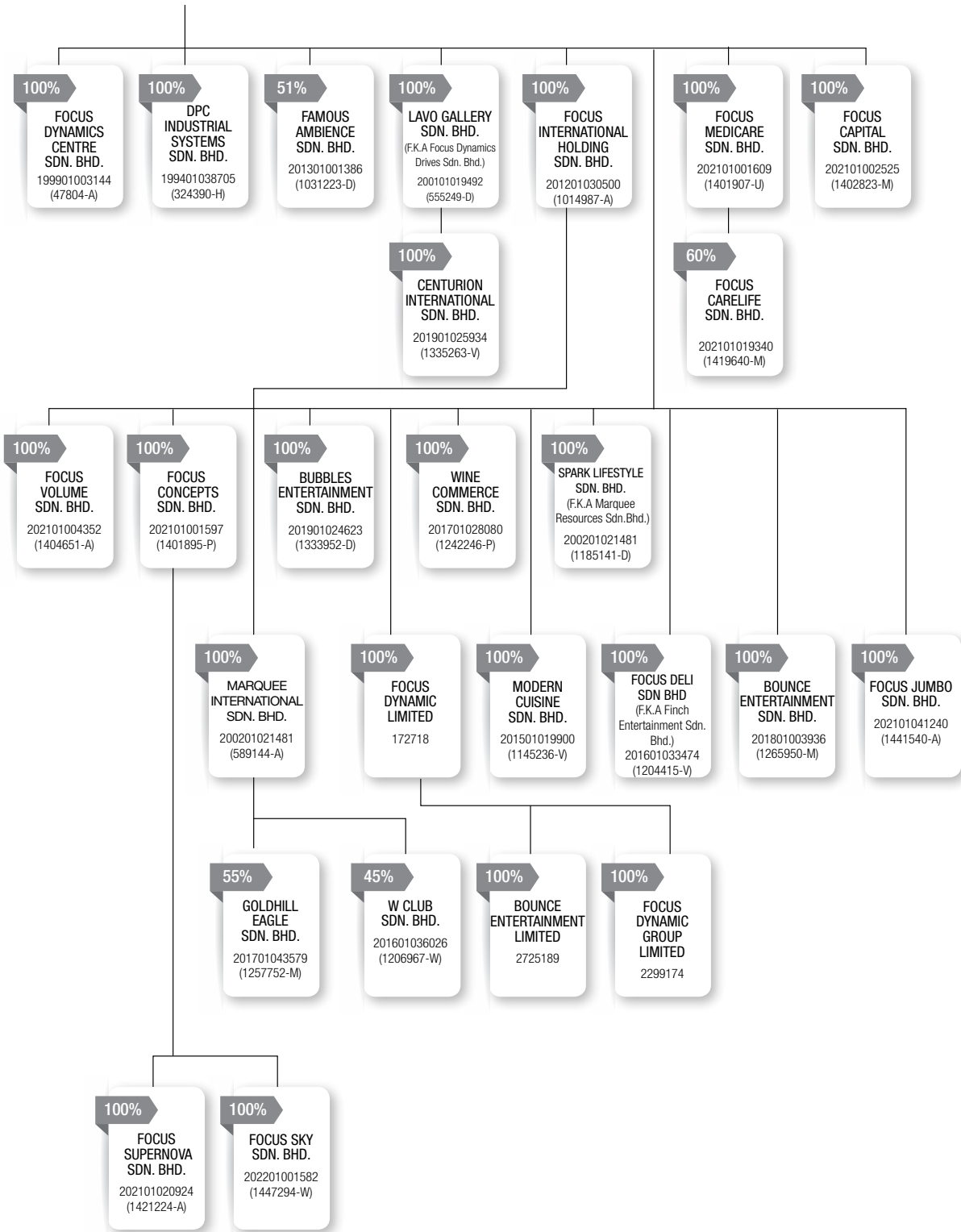
3. Conviction of Offences

None of the Directors has been convicted for any offences within past 5 years other than traffic offences, if any.

CORPORATE STRUCTURE

FOCUS DYNAMICS GROUP BERHAD

200201015261 (582924-P)



OTHER INFORMATION REQUIRED BY THE BURSA MALAYSIA 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:

Statutory/Non-Statutory audit fees

The amount of statutory audit and non-statutory audit fees incurred by the Group and Company for the financial period ended 30 June 2022 was as follows:-

	Group RM	Company RM
Statutory audit fees	456,351.00	88,750.00
Non-statutory audit fees	32,000.00	32,000.00

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 30 June 2022.

Status of Utilisation of Proceeds as at 30 June 2022

Rights Issue

The status of the utilisation of the proceeds raised from the rights issue of 2,044,266,042 Irredeemable Convertible Preference Shares ("ICPS") at an issue price of RM0.055 per share together with 3,066,399,051 Warrants D amounting to RM112,434,632 as at 30 June 2022 is as follows:-

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance proceeds RM'000	Time frame for the utilisation of proceeds
Construction works for The Arch Renovations, fixtures and fittings for The Arch	65,280	25,089	40,191	Within 24 months Within 3 months from completion of the Arch
Working capital for The Arch	14,280	–	14,280	Upon completion of the Arch
Working capital for the Group	6,120	–	6,120	Within 24 months
Acquisition and/or investment in other complementary F&B businesses	6,000	6,000	–	Within 24 months
Defraying expenses	20,125	20,125	–	Immediate
	630	630	–	
	112,435	51,844	60,591	

FINANCIAL HIGHLIGHTS

FIVE YEARS GROUP FINANCIAL SUMMARY

PERIOD/YEAR ENDED 30 JUNE/31 DECEMBER	GROUP				
	01/01/2021 TO 30/06/2022	01/01/2020 TO 31/12/2020	01/01/2019 TO 31/12/2019	01/01/2018 TO 31/12/2018	01/01/2017 TO 31/12/2017
KEY COMPREHENSIVE INCOME STATEMENT DATA (RM'000)					
Revenue	60,237	66,259	39,077	24,210	24,024
Operating (loss)/profit	(69,721)	22,745	1,647	(2,128)	5,322
EBITDA	(60,869)	29,209	8,273	1,424	6,750
(Loss)/profit before taxation	(71,829)	21,984	741	(2,193)	5,258
Net (loss)/profit attributable to equity holders	(74,423)	16,611	(1,809)	(3,122)	3,180
KEY FINANCIAL POSITION STATEMENT DATA (RM'000)					
Total assets	233,895	222,517	69,697	58,455	43,091
Total borrowings	21,585	6,651	5,931	1,287	1,321
Shareholders equity	164,600	178,428	40,804	42,265	30,741
SHARE INFORMATION Per share (sen)					
Basic (losses)/earnings	(1.17)	0.27	(0.09)	(0.16)	0.22
Gross dividend	–	–	–	–	–
Net assets per share (RM)	0.03	0.03	0.02	0.02	0.04
Share price as at 30 June/ 31 December (RM)	0.025	0.65	0.51	0.15	0.43
FINANCIAL RATIOS (%)					
Gross profit margin	50.51	50.61	52.19	50.63	49.34
Net (loss)/profit margin	(122.82)	24.42	(4.84)	(12.47)	19.24
Return on equity	(44.95)	9.07	(4.63)	(7.14)	15.04
Gearing ratio	13.11	3.73	14.53	3.04	4.30

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (“MD&A”) covers an 18-month financial period from 1 January 2021 to 30 June 2022 (“18-Months FPE2022”), following a change in Focus Dynamics Group Berhad’s (“Focus Dynamics”) financial year end from 31 December to 30 June.

Despite the challenges faced during unprecedented times of the COVID-19 pandemic, the Group has been able to transform and continue to strive for success. Changing times call for innovation and resilience. With this in mind, the Group has been tapping and advancing into food & beverages (“F&B”) related technology and e-Commerce.

We are 100% committed to making all the necessary efforts to future-proof the Group and achieve long-term success.

GROUP BUSINESS OVERVIEW

The Malaysia F&B Industry is a fast-growing market and has always been one of the main contributors to the national account. With Malaysia being Asia’s cultural melting pot, Malaysians always look for gastronomical adventures. In recent years, Malaysians have increased their spending on food as their living standards and purchasing power have increased. During the 18 months financial period under review, the Group sustained its business performance across its operations in the F&B industry, despite the challenging environment posed by the Covid-19 pandemic and tough competition in the industry. Our F&B business is contributed primarily by the revenue from LAVO, i.e. the Group’s restaurant and wine bar.

The Group’s widely recognizable brands under its umbrella, namely LAVO, CHAZE, BOUNCE, DIAO YU TAI, FINCH, THE LEMON TREE and LAVO GALLERY, continue to reinforce its position as trendy and hip venues with excellent food for dining, entertainment and celebrations. We remain at the forefront of the industry with exciting and upcoming brands under our portfolio, among others, a new restaurant and bar located in Westin Kuala Lumpur – FINCH was launched in the year 2021. With its strategic location in the city center, the Group can capture a broader consumer market and is set to become the talk of the town.

Impact of COVID-19

During the COVID-19 pandemic period, the Group was able to continue to provide our products and services to customers, despite the Movement Control Order (“MCO”) and Conditional Movement Control Order (“CMCO”) restrictions on mobility, economic activities, and public gatherings implemented by Malaysia’s government, as our principal businesses fall under the category of Essential Services. With customers’ safety being our priority, we ensure adherence to stringent Standard Operating Procedures (“SOPs”) such as contact tracing and temperature checking at our premises during this pandemic period.

The COVID-19 pandemic is driving changes in consumer behaviors and habits that could have long-lasting effects. In efforts to adapt to the new future, We have expanded our offerings and services into broader markets. Spearheading the Group’s expansion into wine & alcohol delivery platforms, strengthening partnerships with delivery partners, emphasizing digital marketing and diversifying into festive hampers are among the key strategies implemented by the Management. These strategies are in line with the paradigm shifts in consumer demands.

Management Discussion And Analysis (cont'd)

GROUP BUSINESS OVERVIEW (CONT'D)

Strengthen Resilience

Embracing the new reality, the Management has accelerated the Group's digital transformation and focused on e-commerce and online delivery. E-commerce alcohol, lifestyle, gifting and wine platform that offers various wine labels, spirits, and wine accessories known as LavoWine.com was established during the pandemic period. This e-commerce platform has contributed recurring revenue to the Group. The closure of physical stores and social distancing measures during the pandemic led consumers to ramp up online shopping. We believe that the revenue from this e-commerce platform will continue to grow, given the rising internet and smartphone penetration, growing middle-class population and tech-savvy millennials.

As part of the Group's initiative to expand its food and beverage portfolio and brands beyond the dine-in business, the Group has via its wholly-owned subsidiary, Focus Dynamics Centre Sdn Bhd, invested in another listed company in Malaysia, namely Saudee Group Berhad ("Saudee") which is amongst the largest and most progressive processed frozen food manufacturers in Malaysia that specializes in manufacturing of frozen processed food products such as burger patties, nuggets, sausages, meatballs and many others. Saudee flagship brand Saudi Gold and Farm's Gold are represented at all major retail outlets throughout Malaysia and has been recognized as one of the most innovative products in the market.

FINANCIAL REVIEW

Financial Performance

Financial Results	1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000
Revenue	60,237	66,259
Gross profit ("GP")	30,425	33,532
(Loss)/profit before taxation	(71,829)	21,984
(Loss)/profit for the period/year	(73,983)	16,181
GP margin (%)	50.51	50.61

The Group has been organized into five primary business segments based on its products and services, namely Investment Holding, Property Investment and Management, Engineering Services, F&B and Others.

The revenue contribution from each segment for 18-Months FPE2022 and FYE 2020 is analysed below:

Revenue by segment	1.1.2021 to 30.6.2022 RM'000	% of contribution	1.1.2020 to 31.12.2020 RM'000	% of contribution
Investment holding	–	–	–	–
Property investment and management	–	–	–	–
F&B	60,012	99.63%	66,079	99.73%
Engineering services	–	–	180	0.27%
Others	225	0.37%	–	–
Total	60,237	100.00%	66,259	100.00%

Management Discussion And Analysis (cont'd)

FINANCIAL REVIEW (CONT'D)

Financial Performance (Cont'd)

As illustrated above, the Group's principal business segment continues to be F&B, accounting for 99.63% (FYE2020 – 99.73%) of the Group's total revenue for the 18-Months FPE2022. Engineering Services and Others only had marginal contributions to the group's overall performance. Accordingly, the GP and GP margin of the Group were also mainly contributed by the F&B segment.

The Group's GP margin for the 18-Months FPE2022 stood at 50.51% which is relatively consistent as compared with FYE2020 of 50.61%.

For the 18-Months FPE2022, the Group reported a loss before taxation of RM71.83 million compared to a profit before taxation of RM21.98 million in FYE2020. The losses incurred was mainly contributed by the fair value loss on marketable securities of RM22.05 million, impairment loss on investment in associates of RM40.71 million, deemed loss on disposal of investment in an associate of RM17.87 million and a share of loss from the investment in associates of RM13.71 million which had adversely impacted the overall performance of the Group.

Financial Position

Financial Balances	As at 30.6.2022 RM'000	As at 31.12.2020 RM'000	Variance RM'000	Variance %
Investment in associates	18,692	–	18,692	100.00
Cash and bank balances	60,545	132,239	(71,694)	(54.22)
Share capital	218,640	99,563	119,077	119.60
Irredeemable convertible preference shares ("ICPS")	49,685	108,857	(59,172)	(54.36)

During the 18-Months FPE2022, the Group made several investments in quoted shares, namely LKL International Berhad ("LKLI"), Green Ocean Corporation Berhad ("Green Ocean") and Saudee Group Berhad ("Saudee") for a total cost of RM81.71 million. Pursuant to the Group's significant influence in these companies, the Group recognised those investments as investment in associates. In applying the equity method of accounting, the balance of the investment in associates was reduced by the share of post-acquisition losses amounting to RM13.71 million during the financial period.

Subsequently, be classified as can the balance of the investment in associates was further reduced as the Group incurred a deemed loss on disposal of LKLI of RM17.87 million following the resignation of Lim Ming Chang as the Executive Director of the Company, also the resignation of Tay Ben Seng, Benson as the Executive Director of LKLI on 30 May 2022, LKLI has ceased to be classified as an associate of the Group. The Group lost its significant influence in LKLI and thus, the investment in LKLI was reclassified to investment in quoted shares.

Further, the Group incurred an impairment loss that reduced the balance of investment in associates by RM40.71 million, which was driven by the reduction in the market value of investments in Saudee and Green Ocean.

The Group's liquid financial assets comprise fixed deposits with licensed banks, short-term investments as well as cash and bank balances. The Group's cash and bank balances had reduced by RM71.69 million or 54.22% to RM60.55 million due to cash outflows for investment in associates, investment in quoted shares, payment for construction costs, income tax expenses, other operating expenses, and outstanding payables as well as the purchase of property, plant and equipment.

As of 30 June 2022, a total of 1,075,846,200 ICPS has been converted into 216,502,980 new ordinary shares of Focus Dynamics at the conversion price of RM0.55 per share, increased its issued and paid-up share capital from RM99.56 million to RM218.64 million.

Management Discussion And Analysis (cont'd)

FINANCIAL REVIEW (CONT'D)

Cash Flows Management

The Group recorded net cash used in operating activities of RM15.69 million (FYE2020: net cash generated from operating activities of RM36.63 million) in the 18-Months FPE2022, due to the increase in receivables of RM23.36 million that was mainly attributable to the increase in deposits paid of RM19.13 million.

The Group also recorded net cash used in investing activities for the 18-Months FPE2022 of RM112.14 million (FYE2020: RM24.33 million), following the net investment in associates of RM81.71 million, purchase of property, plant and equipment of RM15.66 million and addition to prepaid expenses of RM15.54 million.

Notwithstanding the above, the Group recorded net cash generated from financing activities of RM53.53 million (FYE2020: RM120.36 million) that mainly derived from the proceeds from issuance of share capital amounting to RM59.91 million.

Dividend

No dividend was recommended for the 18-Months FPE2022.

ANTICIPATED RISK AND MITIGATING FACTOR

The Group's business activities may be exposed to risks that could impact the Group's business and operating performance. Risk management and internal control framework have been established to recognize the importance of having a structured and organized approach to identify and mitigate risks that may have a material impact on our operations and performance, financial condition and liquidity.

The Group is exposed to several risks, in particular, the following:

Competitive risk

The Group faces competitive threats due to the nature of the F&B industry. The industry is fast-paced and dynamic where competition is constantly alleviated with new entrants. The Group continues to strive, with high awareness placed on consumer behavior and trends to stay ahead of competitors.

Investment risk

Following the Group's increasing investments in quoted shares, the Group is exposed to uncertainties and fluctuations in the local and global economies which are beyond the Group's control that directly affect the capital market. To reduce the Group's exposure to investment risk, we endeavour to mitigate the risk via proper portfolio management and investment planning.

Notwithstanding the above, the Group will continue to be diligent, prudent and innovative to thrive during challenging times. The Management will focus on creating new revenue streams for the Group and long-term value for stakeholders.

Management Discussion And Analysis (cont'd)

FUTURE PROSPECTS

Others

The Group has a mixed commercial development project (i.e. “The Arch”) which is to be developed by its subsidiary, Famous Ambience Sdn Bhd (“FASB”), a block of three-storey commercial building that contains:

Underground floor (LG1 & LG2) – carpark;
Ground floor – commercial trading area;
First floor – commercial trading area; and
Second floor – multi-purpose hall,

that is situated Lot 550 (PT431) & Lot 551 (PT432), Jalan Tun Razak, Seksyen 90, Bandar Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur. The Arch is close to the Tun Razak Exchange, Kuala Lumpur’s new Central Business District (“CBD”) and Malaysia’s International Financial District.

Focus Dynamics Centre Sdn. Bhd., a wholly-owned subsidiary of the Company, had on 9 November 2021, entered into a Collaboration and Tenancy Agreement (“the Agreement”) with Cergaz Autohaus Sdn. Bhd. (“CASB”), a wholly-owned subsidiary of Per maju Industries Berhad to jointly develop, promote and offer luxury and premium EVs motor vehicles at The Arch, Kuala Lumpur.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (Board) of Focus Dynamics Group Berhad (the Company) presents this Statement to provide shareholders and investors with an overview of the corporate governance (CG) practices of the Group under the leadership of the Board during the financial period ended 30 June 2022 (FPE 2022). This overview takes guidance from the key CG principles set out in the Malaysian Code on Corporate Governance (Code).

This Statement is prepared in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (AMLR) and is to be read in conjunction with the CG Report (CG Report) which is available on the Group's website at www.focusdynamics.com.my.

The CG Report provides the explanations on how the Group applied each Practice set out in the Code during FPE 2022.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board acknowledges and fully supports the importance of corporate governance in directing and managing the businesses and affairs of the Group, and to safeguard and enhance shareholders' value and performance of the Group on a sustainable and long term basis.

The Board determines the Group's strategic objectives and ensures that required resources are in place for the Group to meet its objectives and to guide the Group on its short and long term goals, providing advice, stewardship and directions on the management and business development of the Group. The Board also set the Group's values and standards and ensure that its obligations to the shareholders and other stakeholders are understood and fulfilled.

In furtherance of the above and to ensure orderly and effective discharge of its functions and responsibilities, the Board has established the following Board committees:

- Audit Committee (AC)
- Nomination Committee (NC)
- Remuneration Committee (RC)
- Risk Management Committee (RMC)
- Employees' Share Options Scheme Committee

In order to foster a strong governance culture in the Group and to ensure a balance of power and authority, the roles of the Chairman and Executive Director (ED) are strictly separated. This is also to maintain effective supervision and accountability of the Board and Executive Management. The Chairman is responsible for Board effectiveness and to ensure that the conduct and working of the Board is in an orderly and effective manner while the ED takes on the primary responsibility of managing the Group's businesses and resources as well as overseeing and managing the day-to-day operations of the Group.

However, the position of Chairman of the Board has been vacated since 31 August 2017 which is a departure from the Practice 1.2 of the Code. Nonetheless, the Group are looking for a suitable candidate to fill the vacancy.

The Group adopted a Code of Business Conduct and Ethics to govern the standards of ethics and conduct expected of Directors and employees. This code manages:

- Honest, Good Faith and Ethical Conduct
- Corporate Opportunities
- Avoidance of Conflicts of Interest
- Confidentiality

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (Cont'd)

To maintain the highest standards of ethical conduct, the Group also has a formal Whistle-Blowing Policy and Anti-Bribery and Anti-Corruption Policy. As prescribed in Whistle-Blowing Policy, the Board gave its assurance that employees' and third parties' identities will be kept confidential and whistle-blowers would not be at risk to any form of victimisation or retaliation from their superiors or any member of Executive Management provided that the reporting is in good faith. All concerns raised will be investigated and whistle-blowers can report directly through the whistleblowing hotline or the supporting reporting channels manned by Polaris, an external vendor with expertise in fraud and whistleblowing management.

The Code of Business Conduct and Ethics and Whistle-Blowing Policy can be viewed on the Group's website.

The Board members have full and unrestricted access to the Company Secretary who is a member of the Malaysian Institute of Chartered Secretaries and Administrators. In addition to her corporate secretarial administrative responsibilities, she also advises the Board on its roles and responsibilities, corporate disclosures and compliance, corporate governance developments and practices.

The Board is aware that continuous training for the Directors is vital for them in discharging their duties effectively. All Directors are encouraged to attend appropriate external training programmes to supplement their knowledge in the latest developments and issues relevant to the Group, especially in the areas of corporate governance and regulatory requirements.

The external training programmes, seminars and/or conferences attended by the Directors in office at the end of FPE 2022 were as follows:

	Training Programmes/Seminars/Conferences
Tay Ben Seng, Benson	SC's Audit Oversight Board Conversation with Audit Committees Covid Creates Unique Governance Issues
Tan Aik Heang	Covid Creates Unique Governance Issues
Abdul Menon bin Arsad @ Abdul Manan bin Arshad	Covid Creates Unique Governance Issues
Leow Wey Seng	SC's Audit Oversight Board Conversation with Audit Committees
Tang Yee Ling (Appointed on 1 December 2021)	SC's Audit Oversight Board Conversation with Audit Committees

The Board (via the NC and with assistance of the Company Secretary) shall continue to evaluate and determine the training needs of the Directors to build their knowledge so that they can be up-to-date with the development of the Group's business and industry that may affect their roles and responsibilities.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Tenure of Independent Director

As at the reporting date, Mr. Tan Aik Heang (“Mr. Tan”) and Encik Abdul Menon bin Arsad @ Abdul Manan bin Arshad (“En. Abdul Menon”) have served more than nine (9) years as Independent Directors. The Board through its NC had conducted an assessment of the independence of all its Independent Directors and was satisfied that the Independent Directors have fulfilled the criteria under the definition of Independent Directors as stated in the AMLR and are able to provide objective and independent judgment in deliberation of the Board’s agenda. Based on the Board’s assessment, the Board is recommending to put forward a resolution at the forthcoming Annual General Meeting (AGM) to retain Mr. Tan and En. Abdul Menon as Independent Directors notwithstanding that his tenure as Independent Director has exceeded the nine (9) years limit as recommended under the Code.

The Board’s and NC’s justification to retain Mr. Tan and En. Abdul Menon (both hereinafter referred to as the “INEDs”) are premised on the following:-

- The INEDs continue to fulfil the criteria and definition of an Independent Director as set out under Rule 1.01 of AMLR;
- During their tenure in office, INEDs have not developed, established or maintained any significant personal or social relationship whether direct or indirect with the Executive Director(s), major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent and expected of them to carry out their respective duties;
- During their tenure in office, INEDs have never transacted or entered into any transactions with, nor provided any services to the Company and its subsidiaries, the Executive Director(s), major shareholders or management of the Company (including their family members) within the scope and meaning as set forth under Paragraph 5 of Guidance Note 9 of the AMLR;
- During their tenure in office, INEDs have not been offered or granted any options by the Company. Other than directors’ fees paid which had been the norm and been duly disclosed in the annual reports, no other incentives or benefits of whatsoever nature had been paid to them by the Company;
- During their tenure in office, INEDs have demonstrated consistently his integrity, commitment and contributed effectively to the Board’s decision-making process; and
- During their tenure in office, INEDs have gained significant and detailed understanding and insights into the business operations, and industry sectors in which the Group operates in. This includes an understanding of the peculiarities, strengths and weaknesses of the industry sectors thereby enabling them to offer a different perspective during the decision-making process which a fresh appointee or a director holding office for a short length of time would not be able to offer.

Board Composition

The Group is led by an experienced and diversified Board which comprises professionals from various fields to bring together a balance of skills, mix of experience and expertise in area relevant to enhance the growth of Group’s business. The Directors collectively bring with them wide and varied technical, financial and legal experience to enable the Board to lead and control the Group effectively.

The Board (via the NC) assess the effectiveness of the Board as a whole, all committees of the Board and the contribution of each individual Director annually. This assessment is done on a peer and self- evaluation basis. Based on the evaluation carried out for FPE 2022, the NC has informed the Board that it was satisfied with the contribution and performance of each individual Director.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition (Cont'd)

Although there is no gender diversity policy in place currently, the Board opined that given the current state of the Group's business and lifecycle, it is more important to have the right mix of skills on the Board rather than to attain the 30% threshold as proposed in Practice 4.5 of the Code. Nevertheless, the Board is on the outlook for potential women Directors and shall appoint additional women Directors as and when suitable candidates are identified. No timeframe has been set for the search concerned.

Despite the above, the Board affirms its commitment to provide fair and equal opportunities and nurturing diversity at all levels within the Group. To this end, all persons, regardless of age, gender, ethnicity, cultural background or other personal factors, with appropriate experience and qualifications will be considered equally during recruitment, promotion, remuneration and training. The Board is also committed to workplace diversity ensuring that the Group value and respect the differences and that the workplace is fair, accessible, flexible and inclusive and free from discrimination.

Remuneration

The Board (via the RC) will ensure that the Group's levels of remuneration commensurate with the skills and responsibilities expected of Senior Management as well as the Directors and that it must be sufficient to attract and retain talent needed for the successful performance of the Group. The Board, as a whole, determines the remuneration of the Directors and each individual Director is required to abstain from discussing his/her own remuneration. The RC is guided by market norms and industry practices when making recommendations for the compensation and benefits of Directors and Senior Management.

The RC's recommended remuneration for Directors and Senior Management is subject to Board's approval as it is the ultimate responsibility of the Board to approve the remuneration of the Directors and Senior Management.

In relation to the fees and allowances for Directors, it will be presented at the AGM for shareholders' approval. The details of the Group's remuneration policies and practices are included in the Board Charter which is available on the Group's website.

The aggregate remuneration paid or payable to the Directors by the Group during FPE 2022 is as follows: -

Group	Remuneration (RM'000)	Fee (RM'000)	Allowances (RM'000)	Total (RM'000)
Tay Ben Seng, Benson	167	720	3	890
Tan Aik Heang	–	43	9	52
Abdul Menon bin Arsad @ Abdul Manan bin Arshad	–	43	9	52
Leow Wey Seng (Appointed on 30 March 2021)	–	71	7	78
Tang Yee Ling (Appointed on 1 December 2021)	–	21	–	21
Koo Kien Yoon (Resigned on 25 June 2021)	–	29	–	29
Lim Ming Chang (Appointed on 30 April 2021)	160	–	3	163
Tan Tiam Pueh (Appointed on 25 June 2021)	102	–	–	102
Chong Loong Men (Appointed on 25 May 2021)	17	–	–	17
William Shak Soo Wei (Appointed on 25 May 2021; Resigned on 5 October 2021)	19	7	–	26
Total	465	934	31	1,430

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration (Cont'd)

The aggregate remuneration paid or payable to the Directors by the Company during FPE 2022 is as follows:-

Company	Remuneration (RM'000)	Fee (RM'000)	Allowances (RM'000)	Total (RM'000)
Tay Ben Seng, Benson	167	–	3	170
Tan Aik Heang	–	43	9	52
Abdul Menon bin Arsad @ Abdul Manan bin Arshad	–	43	9	52
Leow Wey Seng (Appointed on 30 March 2021)	–	71	7	78
Tang Yee Ling (Appointed on 1 December 2021)	–	21	–	21
Lim Ming Chang (Appointed on 30 April 2021; Resigned on 24 May 2022)	144	–	3	147
Total	311	178	31	520

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

As at 30 June 2022, the AC currently comprises of three members, all of whom are Independent Directors. The AC Chairman is Mr. Leow Wey Seng. None of the current members of the AC is a former key audit partner who was involved in auditing the Group, the Group had incorporated the policy as stipulated in Practice 8.2 into the Terms of Reference of the AC.

The AC has policies and procedures to review, assess and monitor the performances, suitability and independence of the external auditors.

Prior to the commencement of the annual audit, the AC will seek confirmation from the external auditors as to their independence. This independence confirmation would be re-affirmed by the external auditors to the AC upon their completion of the annual audit. These confirmations were made pursuant to the independence guidelines of the Malaysian Institute of Accountants.

Further details on the work performed by AC in furtherance of its oversight role are set out in the AC Report on pages 30 to 33 of this Annual Report.

Risk Management and Internal Control Framework

The Board fulfils its responsibilities in the risk governance and oversight functions through the RMC via a risk management framework which adopts a structured and integrated approach in managing key business risks. This framework together with the system of internal control are designed to manage the Group's risks within its risk appetite rather than to eliminate, the risk of failure to achieve the Group's business and corporate objectives.

As for the adequacy and effectiveness of the system of internal control, it is reviewed by the AC with assistance from the internal auditors. The internal audit function is outsourced to an independent professional consulting firm to provide an independent and objective assurance on the effectiveness of governance, risk management processes and internal control system of the Group. The internal auditors' independence is maintained by reporting functionally to the Board through the AC and administratively to Executive Management. Internal audit reports which are issued have to be tabled to the AC for review and Executive Management is required to be present at AC meetings and to respond and provide feedback on the audit findings and recommended improvements. In addition, Executive Management is also required to present to the AC on the status updates on significant matters and changes in key processes that could impact the Group's operations.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Risk Management and Internal Control Framework (Cont'd)

Based on the above, the Board is of the view that the risk management process and system of internal control were in place during FPE 2022 for identifying, evaluating, and managing significant risks faced or potentially to be encountered by the Group.

Further details of the risk management and internal control framework are set out in the Statement on Risk Management and Internal Control on pages 34 to 36 of this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Board acknowledges the importance of establishing a direct line of communication with shareholders and investors through timely dissemination of information on the Group's performance and operations via distribution of annual reports and relevant circulars, and release of quarterly financial results, press releases and announcements.

The Company has in place policies and procedures on the roles and responsibilities of Directors, management and staff together with the levels of authority with regard to corporate disclosures requirements. The Company recognises the need to adopt a high standard for the disclosures of relevant and material information on the development of the Group. In addition, the Company also emphasises on the need of timely disclosures of information to shareholders as it acknowledges the importance of keeping shareholders and investment communities informed of Company's business and corporate developments to enable them to make informed judgement in valuing the Company's shares. Such information is disseminated via the Company's Annual Reports, quarterly financial results and the various announcements made from time to time to Bursa Securities which are accessible via Bursa Securities' website at www.bursamalaysia.com. The Group also maintains the following website that allows all shareholders and investors to access information about the Group: www.focusdynamics.com.my.

The Company has provided procedure on communication channel at its website whereby enquiries and feedback may be posed to the Company's management through the following channels: -

Email : info@focusdynamics.com.my
Contact : +603-7803 7333

Conduct of General Meetings

The Board also acknowledges AGM and other General Meetings as important avenues in engaging with shareholders.

The AGM of the Company represents the principal forum for dialogue with shareholders where they may seek clarification on the Company's business. Shareholders are encouraged to participate in the questions and answers session and the Board will respond to any questions raised during the meeting to the best of its ability and knowledge.

In order to encourage shareholders' participation at the AGM, the Company sends out the Notice of AGM earlier or at least 28 days to allow sufficient time for shareholders to make arrangements to attend either in person, by corporate representative, proxy or attorney.

During the previous 18th AGM held on 1 July 2021, all resolutions set out in the Notice of AGM were put to vote by poll, and to expedite verification and counting of votes, a scrutineer was appointed to validate the votes casted at the AGM. The Directors, management and External Auditors were also in attendance to respond to the shareholders' queries.

This Corporate Governance Overview Statement was approved by the Board on 13 October 2022.

AUDIT COMMITTEE REPORT

MEMBERS OF AUDIT COMMITTEE

The Audit Committee (AC) of Focus Dynamics Group Berhad (FOCUS and the Company) is comprised wholly of Non-Executive Directors as follows:

Leow Wey Seng

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*

Mr. Leow Wey Seng meets the requirement of Rule 15.09 (1)(c)(i) of ACE Market Listing Requirements (AMLR) in that he is a member of the Malaysian Institute of Accountants.

SECRETARY

The secretary to the AC is the Company Secretary of the Company.

TERMS OF REFERENCE

The AC has discharged its function and carried out its duties as set out in the Terms of Reference (TOR).

The detailed TOR of the AC outlining the composition, duties and functions, authority and procedures of the AC are published and available on the Company's website at www.focusdynamics.com.my.

MEETINGS AND MINUTES

Attendance at Meetings

The record of attendance of the members of the AC for meetings held during the financial period ended 30 June 2022 (FPE 2022) are as follows:

AC Member	Number of Committee Meetings held during directors' tenure of office	Number of Committee Meetings attended
Leow Wey Seng	6	5
Tan Aik Heang	7	7
Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	7	7

The quorum of the meeting is two (2).

Audit Committee Report (cont'd)

MEETINGS AND MINUTES (CONT'D)

Meetings

The AC will meet at least four (4) times a year although additional meetings may be called at any time at the discretion of the AC. The record of attendance of the members of the AC is shown above.

The meetings are pre-scheduled and are timed just before the Company's Board of Directors' (Board) meetings. The Agenda carries matters that need to be deliberated, reviewed, or decided on and reported to the Board. Notices and AC papers are circulated to all members prior to the meeting with sufficient time allocated for them to prepare themselves for deliberation on the matters being raised.

If the need arises, the Chairman has the discretion to call for the attendance of Management, internal auditors, and external auditors during such meetings.

During its scheduled quarterly meetings, the AC shall review the risk management and internal control processes, the Interim and Year-end Financial Report, the Internal and External Audit Plans and Reports, Related Party Transactions (RPT)/Recurrent Related Party Transactions (RRPT), and all other areas within the scope of responsibilities of the AC under its TOR.

Minutes

The Company Secretary shall be the Secretary of the AC which shall provide the necessary administrative and secretarial services for the effective functioning of the AC. The minutes of the meetings are circulated to the AC and to all members of the Board.

SUMMARY OF ACTIVITIES

In respect of the FPE 2022, the AC in discharging its duties and functions carried out activities which are summarised broadly as follows:

a) Internal Audit

The AC is aware of the fact that an independent and adequately resourced internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the systems of internal control.

The Company engaged Messrs. Credenz Advisory Sdn. Bhd. (Credenz Advisory) as outsourced Internal Auditors to carry out the internal audit function of the Group for the FPE 2022.

The internal auditor reports directly to the AC on a yearly basis by presenting its Internal Audit Report during the AC meeting, whereby relevant issues identified in the Internal Audit Report will be discussed with the AC in the meeting. Remedial work, if necessary, will be performed and follow-up will be carried out by internal auditor for the purpose of reporting at the subsequent AC meeting.

On 24 February 2022, Credenz Advisory tabled a report for AC's review covering the segment of Payment Management of FOCUS for the period from January 2021 to October 2021.

The report focused on payment Policy and Procedures. The report outlined the audit objective, scope of work, conduct of internal audit, list of findings together with the Internal Auditors' recommendations and the Management's response.

On 30 May 2022, the AC had adopted the internal audit plan that proposed by Credenz Advisory which covers the control review process and compliance with Policies and Procedures of purchasing department for the financial year ending 30 June 2023.

For year 2022 the cost incurred for internal audit function was RM28,500.00.

Audit Committee Report (cont'd)

SUMMARY OF ACTIVITIES (CONT'D)

b) Financial Reporting

In overseeing and discharging its responsibilities in respect of financial reporting, the AC:

- i. Reviewed the financial positions and performances, quarterly interim financial reports, and announcements for the respective financial quarters prior to submission to the Board for consideration and approval. The 1st, 2nd, 3rd, 4th, 5th and 6th Quarter Interim Financial Reports were tabled at the AC meetings held on 28 May 2021, 26 August 2021, 29 November 2021 and 24 February 2022, 30 May 2022 and 29 August 2022;
- ii. Ensured the quarterly reports and Audited Financial Statements (AFS) were prepared in compliance with the Malaysian Financial Reporting Standard (MFRS), International Financial Reporting Standards, and the Requirements of the Companies Act 2016 Malaysia while the quarterly reports took into consideration Rule 9.22 including Appendix 9B of the AMLR;
- iii. Reviewed the various Board's Policies and Procedures, Board Charter, procedures for RRPT;
- iv. Reviewed the External Auditors' Audit Plan for the FPE 2022 which covered the engagement and reporting requirements, audit approach, areas of audit emphasis, significant events during the financial year, communication with the management, engagement team, the reporting and deliverables as well as the proposed audit fees;
- v. Reviewed the External Auditors' audit findings and recommendations and the AFS for the FPE 2022 on 13 October 2022;
- vi. Reviewed RPT/RRPT entered into by the Company and its subsidiaries during its AC meetings on 28 May 2021, 26 August 2021, 29 November 2021, 24 February 2022, 30 May 2022 and 29 August 2022;
- vii. Considered the performance of External Auditors, reviewed the independence of External Auditors and recommended to the Board for their re-appointment;
- viii. To ensure the integrity of the financial information, received assurance from the Executive Directors and Executive Director in charge of Finance, that:-
 - Appropriate accounting policies had been adopted and applied consistently;
 - The going concern basis applied in the Annual Consolidated Financial Statements was appropriate;
 - Prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRSs;
 - Adequate controls and processes were in place for effective and efficient financial reporting and relevant disclosures under MFRSs and AMLR; and
 - The consolidated AFS and the Quarterly Condensed Consolidated Financial Statements did not contain material misstatements and gave a true and fair view of the financial position.
- ix. Reviewed the AC Report, Corporate Governance (CG) Overview Statement, CG Report and Statement on Risk Management and Internal Control for publication in the 2022 Annual Report; and

Audit Committee Report (cont'd)

SUMMARY OF ACTIVITIES (CONT'D)

b) Financial Reporting (Cont'd)

- x. Reviewed the Statement of Risk Management and Internal Control together with the Internal Auditors and External Auditors and received assurance from the Executive Director and Executive Director in charge of Finance that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects before recommending the Statement to the Board.

c) External Audit

Nexia SSY PLT (Nexia) is the External Auditors for the Group and all its subsidiaries in Malaysia. Nexia led by their engagement partner presented their external Audit Plan for the FPE 2022 on 24 February 2022 and had declared and confirmed that they were independent and would be independent through their audit engagement.

There were no areas of major concern raised by Nexia that warranted escalation to the Board. The External Auditors were also informed by the AC that should there be any significant incidents or matters detected in the course of their audits or reviews which warrant their knowledge or intervention, it shall be reported to the AC accordingly.

The AC carried out an assessment of the performance and suitability of Nexia based on the quality of services and relationship with Management, AC, Internal Auditors and Board. The AC has been generally satisfied with the independence, performance and suitability of Nexia based on the assessment and are recommending to the Board and shareholders for approval for the re-appointment of Nexia as External Auditors for the financial year ending 30 June 2023.

CG PRACTICES

Apart from discharging its duties with respect to the internal audit, financial reporting and external audit, the AC also reviewed the disclosures made in respect of the financial results and Annual Report of the Company in line with the principles and spirit set out in the Malaysian Code on CG, other applicable laws, rules, directives and guidelines.

The AC discussed and reviewed the AC Report, CG Overview Statement and CG Report for the FPE 2022.

This statement was approved by the Board on 13 October 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and guided by the “Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers” (Para. 32) and with the “Malaysian Code of Corporate Governance 2021” (Practice 10.1 and 10.2), the Board of Directors of the Company (“The Board”) is pleased to present this Statement on Risk Management and Internal Control for the financial period ended 30 June 2022 of the Group.

BOARD RESPONSIBILITY

The Board acknowledges its responsibility in maintaining a sound system of internal controls that covers financial, operational and risk management within the Group to meet its business objectives. The Board reviews the adequacy and effectiveness of the Group’s risk management and internal control system to safeguard shareholders’ investment and the Group’s assets.

The Board has established 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 is informed of major issues on internal controls, regulatory compliance and risk taking.

Such systems by their nature, can only provide 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 received assurance from the Executive Directors and the 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.

The Board is of view that the Risk management and Internal Control system is in place for the year under review and is sound and adequate to safeguard shareholders’ investment and the Group’s assets.

The Group’s risk management and internal control systems do not apply to its’ joint venture company. The Group’s interest in joint venture company is served through Board representation and periodic review of the joint venture’s company management accounts by the Board and Management.

RISK MANAGEMENT FRAMEWORK

The Board continues to rely on risk management to form the basis of internal plan and for continued profitability and to safeguard shareholders’ investment. The key processes that have been established in reviewing the adequacy and effectiveness of the risk management and internal control systems include the following:-

- The Board has established a number of board committees such as the Nomination, the Remuneration and the Risk Management 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 embedded into the structures of the Group.
- The Board has established a Risk Management Committee to formulate a framework to ensure that there is 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.

Statement On Risk Management And Internal Control (cont'd)

RISK MANAGEMENT FRAMEWORK (CONT'D)

- The Group out-sourced the internal audit function to an independent professional consultancy firm during the financial year to review the internal controls of the Group and report directly to the Audit Committee. The total fee paid to the firm amounted to RM28,500.00. The main objective of the audit is to provide a reasonable assurance that the internal controls are operating satisfactorily and effectively. Upon completion of the audit assignment, the internal auditors presented their report and discussed their findings and recommendations for improvement to the Audit Committee. The Internal Auditors of the Group check for compliance with policies and procedures and highlight the significant findings in respect of any non-compliance.
- The Audit Committee of the Group reviews the internal control issues identified by the Internal Auditors, the external auditors and the Management, and evaluates the effectiveness and adequacy of the risk management and internal control systems. It also reviews the internal audit function 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.

KEY PROCESSES OF INTERNAL CONTROL

Salient features of the key processes of the system of internal control of the Group are as follows:-

- The Group has an organisational structure with defined lines of responsibility, delegation of authority, segregation of duties and flow of information are effectively communicated to all levels to ensure that the Group's operations are in accordance with the corporate objectives, strategies and the annual budget as well as the policies and the business directions.
- There is active involvement by the Executive Directors in the day-to-day business operations of the Group including periodical visit to the outlets and monthly dialogue with senior management. Scheduled operational and management meetings are held monthly to identify, discuss and resolve business and operational issues as well as significant risks faced. Significant matters identified during these meetings are highlighted to the Board on a timely basis.
- There are policy and authority limits imposed on Executive Directors and Management within the Group in respect of the day-to-day operations.
- The Group 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 policies including enhancing the risk management and internal control system as and when there are changes to the business environment or regulatory guidelines.
- During the current financial period, internal audit was carried out on the Payment process. Based on the findings of the internal audit carried out and after the Audit Committee had reviewed the recommendations made by the Internal Auditor on the weaknesses that were identified, Management has put in place additional controls based on Internal Auditor's recommendation.

Statement On Risk Management And Internal Control (cont'd)

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Rule 15.23 of ACE Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Recommended Audit and Assurance Practice Guide 3 issued by the Malaysian Institute of Accountants and has reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the process adopted by the Board in the review of the adequacy and effectiveness of the risk management and internal controls within the Group.

This Statement of Risk Management and Internal Control has been approved by the Board of Directors in its meeting on 13 October 2022.

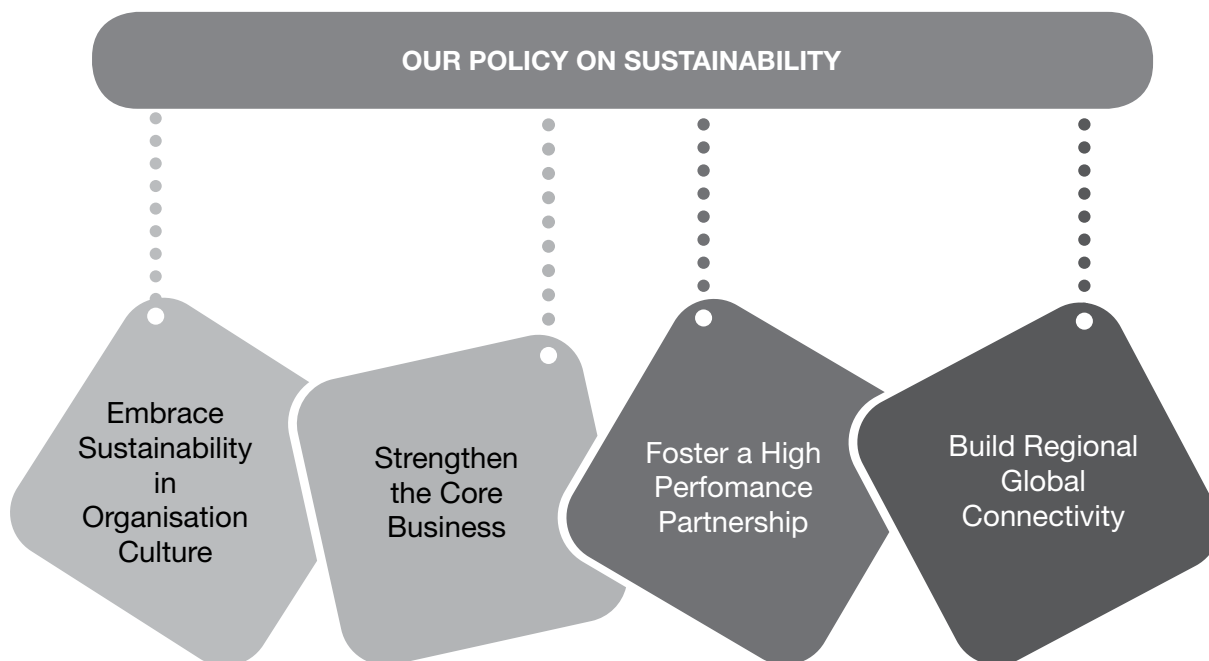
SUSTAINABILITY STATEMENT

OUR APPROACH

Sustainability has always been among the pillars of culture for Focus Dynamics Group Berhad (“Focus Dynamics”) and its subsidiary companies (“the Group”) as we strive to achieve continuing growth and profitability in a safe, caring and sustainable environment. We recognize that sustainability practices are one of the essential criteria in investors’ investment decisions.

In line with Bursa Malaysia Securities Berhad’s Sustainability Reporting Guide (2nd Edition), the Group’s sustainability practices are to ensure that economic, environmental and social (“EES”) risks and opportunities are tied in with our governance framework and social responsibilities. This enables our corporate success and behaviour to be judged and measured by the public.

As a responsible corporate citizen, our mission is to ensure high standards of governance across our business to promote responsible business practices, manage environmental impacts, and meet the social needs of the community in which we operate, which is in line with our corporate culture.



Several internal and external factors influence the Group’s continued success in maintaining a sustainable business and generating long-term shareholder value. Each material factor presents unique risks and opportunities to our organization and is a key consideration in our approach to strategy formulation and execution as it substantially influences the assessments and decisions of our stakeholders. We regularly review these factors to assess their impacts on our business model over the near, medium and long term.

Sustainability Statement (cont'd)



OUR SCOPE OF REPORTING

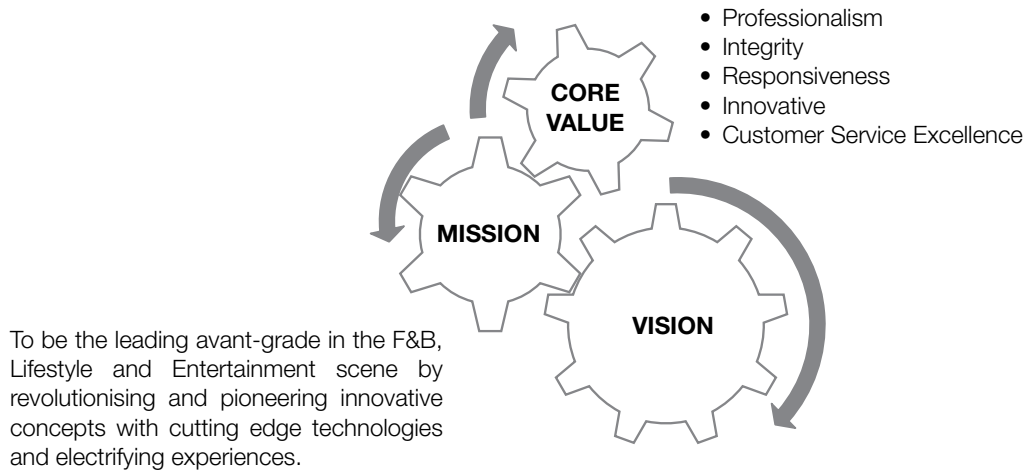
This Sustainability Statement ("Statement") covers Focus Dynamics and its subsidiaries. Information disclosed in this Statement encompasses our core activities related to Food & Beverage ("F&B"). This report covers data that had been compiled internally over a period of 18 months from 1 January 2021 to 30 June 2022 ("18-month FPE 2022").

Sustainability Statement (cont'd)

SUSTAINABILITY GOVERNANCE

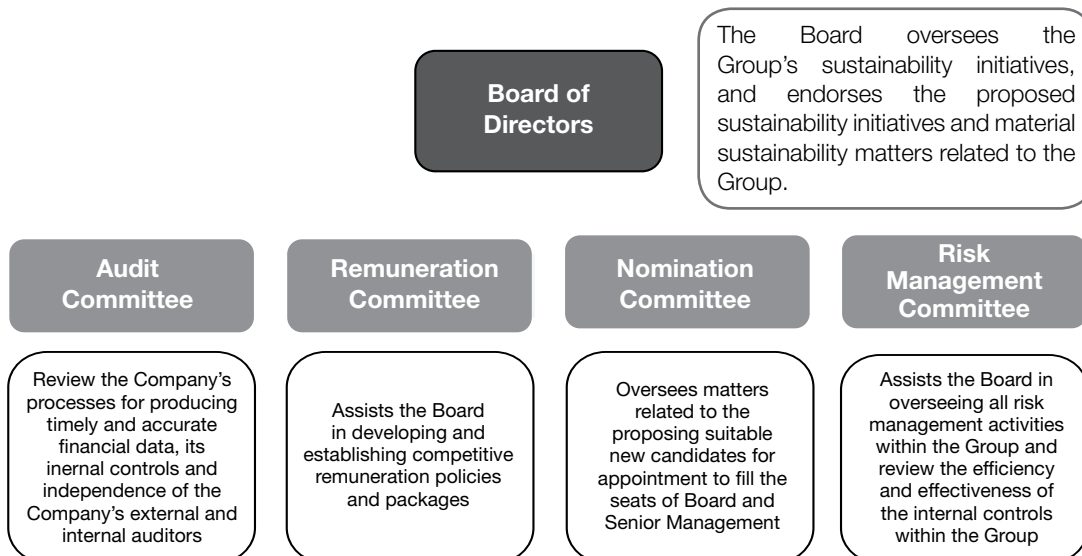
Corporate Governance

Our vision and mission are the cornerstones of our commitment to the sustainability of the Group. Our core values are the guiding principles that we uphold in day-to-day operations and conduct ourselves to support our vision and shape our culture.



Sustainability is embedded in our organizational approach and is led from the top. The Board of Directors (“Board”) plays a vital guidance and oversight role in advancing sustainability across the organization with assistance from the Senior Management to oversee the implementation of the organization’s sustainability approach and ensures that key targets are being met.

The Board also acknowledges that risk management and internal control are integral to our corporate governance and it is responsible for establishing a sound risk management framework and internal control system as well as ensuring their adequacy and effectiveness. The review of the adequacy and effectiveness of the risk management framework and the system of internal control is delegated by the Board to the Risk Management Committee. Besides, the Group’s performance is also tracked with the assistance of the Audit Committee, Nomination Committee and Remuneration Committee.



Sustainability Statement (cont'd)

SUSTAINABILITY GOVERNANCE (CONT'D)

Corporate Governance (Cont'd)

The responsibility of the Board to promote and embed sustainability in the Group includes overseeing the following:

- Stakeholders' engagement
- Materiality assessment and identification of sustainability risks and opportunities relevant to us
- Management of material sustainability risks and opportunities

Ethical Business Practices and Anti-Corruption & Anti-Bribery Policy

The Board recognizes the importance of ethical business conduct across the operations to maintain our stakeholders' trust. Code of Business Conduct and Ethics is established to achieve a standard of ethical behaviour based on trustworthiness and values that can be accepted and uphold a spirit of responsibility. Our Whistle-Blowing Policy, uploaded on our website, provides all stakeholders a direct channel for reporting instances of misconduct that contradict our Code of Business Conduct and Ethics and/or other non-compliance offenses. The policy ensures confidentiality for those filing the reports who can voice their concerns without fear of reprisal.

In line with Section 17(A) of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Group has also developed Anti-Corruption measures that will also enable the incorporation of the responsibilities for sustainability into the day-to-day operations of the Group. We are committed to a zero-tolerance approach in our efforts to prevent corruption and bribery practices. We conduct our business ethically, as well as in conformity with all applicable laws.

Good governance is the bedrock of our business, led by ethical business practices and integrity. We have embedded the highest standards of governance in our business not only by complying with the law but through processes and directives that continue to reinforce the principles.

STAKEHOLDER ENGAGEMENT

We continued to engage our stakeholders actively throughout the fiscal year as part of our sustainability assessment process. Engagement with stakeholders allows us to gain a more complete understanding of our materiality issues and matters whilst, we are also able to capture the key aspects and impacts of our sustainability journey.

The table below lists our key stakeholder groups and their respective areas of interest as well as the methods by which we engage them.

STAKEHOLDERS	ENGAGEMENT METHODS	ENGAGEMENT AREAS
Shareholders	<ul style="list-style-type: none"> • Annual & Extraordinary General Meetings • Bursa announcements • Quarterly report • Annual report • Timely update on the corporate website 	<ul style="list-style-type: none"> • Financial and operational performance • Dividend policy • Return on investments
Government	<ul style="list-style-type: none"> • Compliances with laws and regulations 	<ul style="list-style-type: none"> • Operation regulations • Bursa listing requirements • Companies Act • Labour law • Taxations
Board of Directors	<ul style="list-style-type: none"> • Board meetings 	<ul style="list-style-type: none"> • Corporate strategy • Corporate governance

Sustainability Statement (cont'd)

STAKEHOLDER ENGAGEMENT (CONT'D)

STAKEHOLDERS	ENGAGEMENT METHODS	ENGAGEMENT AREAS
Employees	<ul style="list-style-type: none"> • Trainings • Performance appraisal • Employee engagement activities 	<ul style="list-style-type: none"> • Remuneration policy • Career development • Performance review • Fair employment practices
Financial Institutions	<ul style="list-style-type: none"> • Bursa announcements • Quarterly report • Annual report • Timely update on the corporate website 	<ul style="list-style-type: none"> • Financial and operational performance • Funding requirement
Customers	<ul style="list-style-type: none"> • Marketing activities 	<ul style="list-style-type: none"> • Customer satisfactions • Quality assurance
Suppliers	<ul style="list-style-type: none"> • Regular meetings • Quality review 	<ul style="list-style-type: none"> • Products' quality • Legal compliances
Communities	<ul style="list-style-type: none"> • Community events 	<ul style="list-style-type: none"> • Social contribution • Job opportunities • Donation and financial aid
Analyst/Media	<ul style="list-style-type: none"> • Annual & Extraordinary General Meetings 	<ul style="list-style-type: none"> • Financial and operational performance • General announcements

MATERIAL SUSTAINABILITY MATTERS

In the 18-month FPE 2022, we conducted a material assessment to identify and prioritize material sustainability matters ("material matters"). The assessment involved determining the EES topics that were important to our business and stakeholders, and their significance relative to each other. The selected 9 material matters were prioritized based on the likelihood and potential impact on business continuity as well as stakeholders' expectations, and presented in the form of a materiality matrix. This year, we reviewed the matrix and affirmed its relevance and therefore retained the 8 material matters, being Shareholders, Customers & Services, Suppliers, Energy & Water Saving Initiatives, Waste Management, Training & Talent Management, Safe Workplace and Labour Practices.



Sustainability Statement (cont'd)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

No.	Material matters	No.	Material matters
1	Shareholders	5	Waste Management
2	Customers & Services	6	Training & Talent Management
3	Suppliers	7	Safe Workplace
4	Energy & Water Saving Initiatives	8	Labour Practices

Economic

Shareholders

Our shareholders are the ultimate owners of the Company and as such, they are entitled to timely and quality information on the Group's financial performance and position. Apart from the Annual General Meeting where shareholders are encouraged to ask questions to the Board and Executive Management on business operations, and the financial performance and position of the Group, the Group's corporate website at www.focusdynamics.com.my also provides a link on investor relations where quarterly and annual financial statements, announcements, financial information, annual reports, circulars/statements to shareholders and other pertinent information are uploaded on a timely basis when available.

Although engagement is largely governed by the Malaysian Code of Corporate Governance and the Listing Requirements by Bursa Malaysia, the Group enjoys indirect economic impacts of goodwill, trust and loyalty and a mutually beneficial investment relationship.

Customers & Services

The Group is committed to seeing that not only our shareholders' interests are taken care of but also those of our customers and suppliers. In this regard, the Group values its customers as they are a major reason for its profitability. The Group placed great importance on providing quality food and beverages. In this respect, all operational staff involved have attended the relevant food handling courses conducted by Kementerian Kesihatan Malaysia's approved trainers and also received Typhoid Vi Polysaccharide Vaccine.

During the Coronavirus Disease 2019 ("COVID-19") pandemic, the Company strives to comply with and follow the standard operating procedures ("SOPs") established by the government to prevent the spreading of COVID-19 in Malaysia. For instance, certain SOPs undertaken by the company include but are not limited to encouraging customers to maintain social distancing, wearing masks properly and measuring body temperature before dining in.

Apart from that, our emphasis on customers satisfaction has accorded us with our industry reputation as a trusted and reliable F&B retailer with our commitment of:

Creating a cosy environment for our valued customers

Foods and beverages produced are handled and processes in a hygienic and safe environment

Foods and beverages produced are safe to be consumed and not poisonous, intoxicating or hazardous to health

Sustainability Statement (cont'd)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

Economic (Cont'd)

Customers & Services (Cont'd)

The Group will continue to innovate in creating unique F&B brands that coincide with market trends and preferences of the customers, and management will strive to become the trendsetter in this business and become a major contender in the F&B industry. To achieve sustainability in the run, the Group opined that diversification shall be ventured into to enhance its financial performance and in turn its' shareholders' value.

The Group's latest breakthrough is the state-of-the-art robotic bartender, Mixobot. Currently, Mixobot is the centrepiece of Lavo, showcasing the seamless blend between human ingenuity, creativity and cutting edge precision in every drink. Mixobot can be programmed by professional world-class mixologists and be capable to deliver perfect cocktails every single time in mere minutes, while also reducing waste resulting from human error or unproportionate ingredient quantity/mix.

Suppliers

To our suppliers, we are committed to enhancing our processes and engaging with our suppliers to identify and manage risks, underpinned by values of integrity and transparency. We look to create value, by looking for opportunities to collaborate and share best practices with our suppliers. In respect of this, foods and beverages, liquor and wine involved in the procurement process are being closely monitored. Hence, our suppliers are filtered through careful selection ensuring only the ones with specific criteria met are engaged.

Environment

Although we generally do not generate any major environmental concerns, the Group is conscious of complying with all applicable environmental laws, guidelines and regulations and committed to minimise the environmental impact of our business. We constantly focus on developing a positive and proactive environmental culture to be embraced in all aspects of our business, with the goal of zero pollution incidents. We acknowledge the importance of compliance as it not only upholds the Group's reputation but most importantly contributes to sustainable development and the well-being of communities.

Energy & Water Saving Initiatives

Climate change is the single largest threat to our planet and we endeavour to minimize our carbon emissions by conserving energy. Energy management results in efficient operations reduce electricity and improve overall profitability. Action has been taken to reduce the overall energy consumed by lighting. Where lighting in and around our office facilities and corridors needs to be replaced, we have converted them to LED. The process is on-going and in stages. Furthermore, the management will be initiating the provision of reminders to switch off lighting, air-conditioner and computer when not in use.

Water is a limited resource, and as the world continues to advance and the global population continues to grow, an increasing strain is being placed on the supply of clean water. Water conservation is therefore an area that our Group is working hard on, both improving the efficiency with which we use our water, as well as working to educate our employees and the public about the need to conserve it.

Waste Management

We recognize the importance of environmental protection for the long-term sustainability of our businesses. Hence, various initiatives have been taken to promote recycling habits and responsible waste management among our staff. In this context, we have placed recycling bins in our office premises for domestic waste generated (paper, plastic, aluminium cans, metal, etc.).

Sustainability Statement (cont'd)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

Environment (Cont'd)

Waste Management (Cont'd)

Paper recycling initiatives are already in progress by encouraging the employees to prioritize electronic means to share and store documents, and to reduce printing or photocopying, otherwise, to use double-sided printing. Additionally, the Group distributes memos via emails, instead of paper. Other materials such as furnishing and fixture are recycled or reused where possible.

All the measures taken have successfully inculcated our employee environmental awareness and reduce our environmental footprint.

Social

Training & Talent Management

In Focus Dynamics, employees are our greatest assets. We will continue to focus on human capital development to nurture our employees to their full potential. Training programs for skill development and improvement are conducted for our employees so that they can execute their roles and responsibilities efficiently and for their personal career development. Therefore, the Company takes the initiative to provide training to our employees. The training programs include but are not limited to in-house accounting, bookkeeping and tax training sessions.

We are made up of people with vast experience and industry backgrounds. Building capability is key, hence we proactively provide opportunities for the growth and development of talent in the organization through targeted development plans and succession planning. To ensure our long-term sustainability, we continuously invest time and effort in recruiting (internal and external), upskilling, engaging and rewarding talents of the organization accordingly.

For critical and leadership roles, succession planning is vital to our long-term performance as part of our Group's sustainability move. Our Nomination Committee will review the Group's human resources plan including the succession management framework and activities, human resources initiatives such as jobs and salary review and the annual manpower budget. The succession planning across the Group is implemented in stages and training programs are designed specifically for management staff.

Maintaining a healthy work-life balance is important for employee well-being and it can contribute to greater productivity and performance. In this context, motivation and recreation are also an essential to the Group's responsibility to our employees. The Group organized various festival celebrations such as birthday celebrations and Chinese New Year celebration (adhered to the strict Standard Operating Procedures imposed by the government) to motivate harmonious workplace culture and mingle amongst our employees.

Safe Workplace

The Group recognises that the safety and well-being of its employees are the foundation of its success. Hence, we strive to provide a safe and healthy environment for our employees and to ensure safe practices in all aspects of our business operations.

As COVID-19 has affected all areas of business worldwide since 2020, it has become a social responsibility for us to act accordingly. It is the Group's immediate priority to protect the health and safety of our employees. Amidst the outbreak of the COVID-19 pandemic, we have implemented various initiatives to safeguard the safety of our employees. We have implemented several policies, such as the 'Work from Home' policy, replaced physical meetings with virtual meetings, the In-House Lunch program and the requirement for employees to do COVID-19 swab tests to ensure the safety of employees. Besides, our essential workers deserve the most accolades, we ensure protective masks are put on and body temperatures checked before entering business premises. We also practice social distancing with at least one metre.

Sustainability Statement (cont'd)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

Social (Cont'd)

Labour Practices

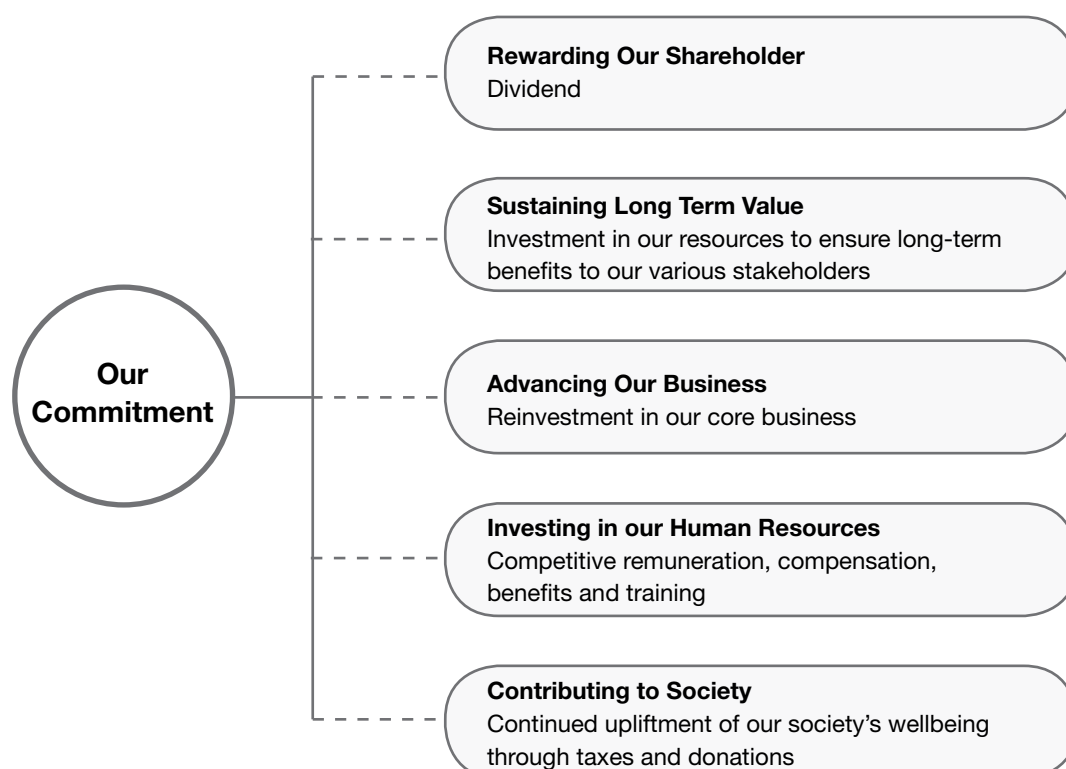
We are committed to providing and respecting fundamental human rights and safeguarding against violations of human rights. The freedoms enshrined in this include freedom from forced and child labour, adherence to minimum wages and fair compensation and provision of reasonable working hours as stipulated by Labour Law.

We guarantee an anti-discriminatory and anti-harassment workplace, that is safe and healthy and above all, ethical in conduct. Employees are not restricted from unionizing and are afforded the freedom of association per local laws and practices. Our hiring policy emphasize on diversity in terms of races, gender and religion. We provide equal opportunity to all of our applicants or existing employees for their career advancement.

Despite this challenging business environment, the Group maintained all employment benefits and implemented performance-based incentives quarterly for our employees.

OUR COMMITMENT

As a responsible corporate citizen, the Group shall endeavour to undertake sustainable and responsible practices to add value to sustainable business growth, environmental stewardship and social responsibility.



STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

This statement is prepared as required by the Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are required by the Companies Act 2016 (the Act) to prepare financial statements for each financial year so as to give a true and fair view of the financial position of the Group and of the Company and the results and cash flows of the Group and of the Company as at end of the financial period.

During the preparation of the financial statements for the financial period ended 30 June 2022, the Directors have ensured that:

- the Group and the Company have adopted appropriate accounting policies and are consistently applied;
- judgements and estimates that are prudent and reasonable have been used;
- all applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia have been complied with;
- the accounting and other records required by the Act are properly kept and disclosed with reasonable accuracy at any time, the financial position of the Group and of the Company which enable them to ensure the financial statements comply with the Act; and
- the financial statements have been prepared on the going concern basis.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities and material misstatements, as described more fully in the corporate governance section of this report. Such system, by their nature, can only provide reasonable and not absolute assurance against material misstatement, loss and fraud.



FOCUS DYNAMICS

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 June 2022.

CHANGE OF FINANCIAL YEAR END

During the current financial period, the Company changed its financial year end from 31 December to 30 June. The Company hereby presents their eighteen (18) month financial statements from 1 January 2021 to 30 June 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as disclosed in Note 8 to the financial statements.

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Loss for the period	(73,983)	(68,977)
<hr/>		
Loss attributable to:		
Owners of the Company	(74,423)	(68,977)
Non-controlling interests	440	-
	<hr/>	<hr/>
	(73,983)	(68,977)
	<hr/>	

DIVIDENDS

No dividends were paid, declared or proposed since the end of the previous financial year.

The Directors do not recommend the payment of any dividend for the financial period ended 30 June 2022.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial period, the Company increased its issued and paid-up share capital from RM99,562,907 to RM218,639,545 by way of an issuance of 216,502,980 new ordinary shares from the conversion of 1,075,846,200 irredeemable convertible preference shares ("ICPS") at the conversion price of RM0.55 per share, as disclosed in Note 24 to the financial statements which amounted to RM119,076,639.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

There were no issue of debentures by the Company during the financial period.

Directors' Report (cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial period, no options were granted by the Company to any person to take up any unissued shares in the Company.

ICPS WITH FREE DETACHABLE WARRANTS D

On 3 December 2020, the Company listed and quoted 2,044,266,042 ICPS at an issue price of RM0.055 per ICPS together with 3,066,399,051 free detachable warrants ("Warrants D") pursuant to the renounceable rights issue on the basis of two (2) ICPS together with three (3) free Warrants D for every six (6) existing ordinary shares held by the entitled shareholders of the Company after share split of every one (1) existing ordinary share into three (3) shares ("Split Shares") held by the entitled shareholders of the Company.

The ICPS are constituted by the Constitution of the Company.

Salient features of the ICPS are as follows:-

- (a) Each ICPS carries the entitlement to convert into new ordinary shares of the Company at the conversion price of RM0.55 per share based on the conversion ratio of ten (10) ICPS for every 1 new ordinary share during the 10-year period expiring on 26 November 2030 ("Conversion Period"), subject to the adjustments determined by the Board of Directors;
- (b) The ICPS is not redeemable for cash; and
- (c) The ICPS are unsecured and shall, upon allotment and issue, rank pari passu amongst themselves and shall rank in priority to any other class of shares in the capital of the Company, except that they will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared by the Company in respect of the ordinary shares and they carry no right to vote at any general meeting of the Company.

During the financial period, 1,075,846,200 (31.12.2020: 65,056,550) ICPS were converted into 216,502,980 (31.12.2020: 22,904,285) new ordinary shares of the Company. As at 30 June 2022, the total number of ICPS that remained unexercised are 903,363,292 (31.12.2020: 1,979,209,492).

The Warrants D are constituted by the Deed Poll dated 19 October 2020 ("Deed Poll D") and immediately be detached from the ICPS upon allotment and issuance.

Salient features of the Warrants D are as follows:-

- (a) Each Warrants D shall entitle its registered holders to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.80 per Warrant D during the 5-year period expiring on 26 November 2025 ("Exercise Period"), subject to the adjustments as set out in the Deed Poll D;
- (b) At the expiry of the Exercise Period, any Warrants D which have not been exercised shall automatically lapse and cease to be valid for any purposes; and
- (c) Warrant holders must exercise the Warrants D in accordance with the procedures set out in the Deed Poll D and shares allotted and issued upon such exercise shall rank pari passu in all respects with the then existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

During the financial period, none (31.12.2020: none) of the Warrants D is exercised into new ordinary shares of the Company. As at 30 June 2022, the total number of warrants that remained unexercised are 3,066,399,051 (31.12.2020: 3,066,399,051).

Directors' Report (cont'd)

DIRECTORS

The Directors in office during the financial period and during the period from the end of the financial period to the date of this report are:

Tay Ben Seng, Benson	
Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	
Tan Aik Heang	
Leow Wey Seng	(Appointed on 30.3.2021)
Tang Yee Ling	(Appointed on 1.12.2021)
Lim Ming Chang	(Appointed on 30.4.2021; Resigned on 24.5.2022)

The names of the directors of the Company's subsidiaries in office during the financial period and during the period from the end of the financial period to the date of this report are:

Tay Ben Seng, Benson	
Chin Yuok Sheong	
Ong Kah Hoe	
Muhammad Bin Md Rashid	
Tengku Anun Zaharah Bt Tg Abdul Hamid	
Wan Hazreek Putra Hussain Yusuf	
Chong Loong Men	(Appointed on 25.5.2021)
Tan Tiam Pueh	(Appointed on 15.11.2021)
Koo Kien Yoon	(Resigned on 25.6.2021)
Lim Ming Chang	(Appointed on 25.5.2021)
William Shak Soo Wei	(Appointed on 25.5.2021; Resigned on 5.10.2021)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, particulars of interests in the shares, irredeemable convertible preference shares and/or warrants of the Company and its related corporations during the financial period of those Directors who held office at the end of the financial period were as follows:

	Number of ordinary shares in the Company			
	At 1.1.2021	Additions	Disposals	At 30.6.2022
Direct interest:				
Tay Ben Seng, Benson	129,100,140	–	–	129,100,140

	Number of irredeemable convertible preference shares			
	At 1.1.2021	Additions	Disposals	At 30.6.2022
Direct interest:				
Tay Ben Seng, Benson	45,602,680	–	(45,602,680)	–

	Number of Warrants D			
	At 1.1.2021	Additions	Disposals	At 30.6.2022
Direct interest:				
Tay Ben Seng, Benson	68,404,020	–	(68,403,970)	50

Directors' Report (cont'd)

DIRECTORS' INTERESTS (CONT'D)

By virtue of his interest in the shares of the Company, Tay Ben Seng, Benson is deemed to have interests in the shares of all the subsidiaries as at the financial period to the extent the Company has an interest.

None of the other Directors in office at the end of the financial period held any interest in the shares of the Company or its related corporations during the financial period.

DIRECTORS' BENEFITS

In respect of the Directors or past Directors of the Company, no fees and other benefits distinguished separately, have been paid to or receivable by them as remuneration for their services to the Company and its related corporations, other than Directors' remuneration, as disclosed in Note 37 to the financial statements.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit 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, except as disclosed in the financial statements.

Neither during nor at the end of the financial period was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE COSTS FOR DIRECTORS, OFFICERS AND AUDITORS

(a) Directors and Officers

The Directors and Officers of the Group and the Company are covered by Directors' and Officers' Liability Insurance ("DOL Insurance") basis for the purpose of Section 289 of the Companies Act 2016. During the financial period, the total amount of indemnity coverage and insurance premium paid for the Directors and the officers of the Group and of the Company are RM5,000,000 and 43,500 respectively.

(b) Auditors

Any indemnity given to or insurance effected for the auditors of the Company is to be made to the extent as permitted under Section 289 of the Companies Act 2016. To the extent permitted by law, the Company has agreed to indemnify its auditors, Nexia SSY PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Nexia SSY PLT during the financial period and up to the date of this report.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

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

Directors' Report (cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

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

- (a) which would render the amounts written off for bad debts or the amount of the 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 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 method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group's and of the Company's operations during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) no contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due, except as disclosed in the financial statements.

In the interval between the end of the financial period and the date of this report:

- (a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the Directors, would affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made; and
- (b) no charge has arisen on the assets of the Group and of the Company which secures the liability of any other person nor has any contingent liability arisen in the Group and in the Company.

SIGNIFICANT AND SUBSEQUENT EVENTS

The details of significant and subsequent events are disclosed in Note 47 to the financial statements.

AUDITORS

The auditors, Nexia SSY PLT, have indicated their willingness to continue in office.

The auditors' remuneration is disclosed in Note 35 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 18 October 2022.

Tay Ben Seng, Benson
Director

Tan Aik Heang
Director

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	Group		Company	
		30.6.2022 RM'000	31.12.2020 RM'000	30.6.2022 RM'000	31.12.2020 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	6	20,857	12,081	696	1,353
Right-of-use assets	7	18,444	4,443	-	-
Investment in subsidiaries	8	-	-	51	51
Investment in associates	9	18,692	-	-	-
Investment in joint venture	10	-	-	-	-
Investment in quoted and unquoted shares	11	16,678	22,689	-	-
Prepaid expenses	12	34,779	19,236	-	-
Goodwill	13	88	88	-	-
Products development expenditure	14	-	-	-	-
		109,538	58,537	747	1,404
Current assets					
Inventories	15	14,633	11,744	-	-
Trade receivables	16	9,450	4,367	-	-
Other receivables, deposits and prepayments	17	25,553	7,410	21	44
Amount due from subsidiaries	18	-	-	117,300	46,475
Amount due from related parties	19	847	183	-	-
Amount due from joint venture	20	-	17	-	-
Short-term investments	21	2,076	4,722	-	2,700
Current tax assets		8,313	418	441	74
Fixed deposits with licensed banks	22	2,940	2,880	1,450	1,422
Cash and bank balances	23	60,545	132,239	40,030	118,987
		124,357	163,980	159,242	169,702
TOTAL ASSETS		233,895	222,517	159,989	171,106

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

Statements Of Financial Position
(cont'd)

	Note	30.6.2022 RM'000	Group 31.12.2020 RM'000	30.6.2022 RM'000	Company 31.12.2020 RM'000
EQUITY AND LIABILITIES					
Equity					
Share capital	24	218,640	99,563	218,640	99,563
Irredeemable convertible preference shares	25	49,685	108,857	49,685	108,857
Reserves	26	(105,145)	(30,932)	(112,363)	(43,386)
Equity attributable to owners of the Company					
Non-controlling interests	8(a)	163,180	177,488	155,962	165,034
		1,420	940	-	-
TOTAL EQUITY		164,600	178,428	155,962	165,034
Non-current liabilities					
Lease liabilities	27	10,543	4,494	-	-
Deferred tax liabilities	28	198	29	-	-
		10,741	4,523	-	-
Current liabilities					
Trade payables	29	5,293	15,000	-	-
Other payables and accruals	30	23,696	7,663	914	1,159
Provision for restoration costs	31	579	413	-	-
Amount due to subsidiaries	18	-	-	3,113	4,913
Amount due to related parties	19	17,510	11,896	-	-
Amount due to joint venture	20	9	-	-	-
Bank overdrafts	32	1,207	1,225	-	-
Lease liabilities	27	9,835	932	-	-
Current tax liabilities		425	2,437	-	-
		58,554	39,566	4,027	6,072
TOTAL LIABILITIES		69,295	44,089	4,027	6,072
TOTAL EQUITY AND LIABILITIES		233,895	222,517	159,989	171,106

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	Note	Group		Company	
		Financial period from 1.1.2021 to 30.6.2022 RM'000	Restated Financial year from 1.1.2020 to 31.12.2020 RM'000	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
Revenue	33	60,237	66,259	-	-
Cost of sales		(29,812)	(32,727)	-	-
Gross profit		30,425	33,532	-	-
Other income		13,299	6,122	2,885	104
Bargain purchase of associates	9	20,166	-	-	-
Other operating expenses		(38,946)	(17,972)	(2,345)	(2,012)
Net (impairment losses)/ reversal of impairment losses on financial assets	34	(323)	1,561	(69,239)	539
Impairment on investment in associates	9	(40,710)	-	-	-
Deemed loss on disposal of investment in an associate	9	(17,873)	-	-	-
Share of losses on investment in associates	9(f)	(13,708)	-	-	-
Share of losses on investment in joint venture	10	-	(498)	-	-
Fair value loss on investment in quoted shares	11	(22,051)	-	-	-
(Loss)/profit from operations		(69,721)	22,745	(68,699)	(1,369)
Finance costs		(2,108)	(761)	-	-
(Loss)/profit before taxation	35	(71,829)	21,984	(68,699)	(1,369)
Taxation	38	(2,154)	(5,803)	(278)	-
(Loss)/profit for the period/year		(73,983)	16,181	(68,977)	(1,369)
Other Comprehensive (Expenses)/Income					
Items that will be reclassified subsequently to Profit or Loss					
Foreign currency translation differences		210	(11)	-	-
Total comprehensive (expenses)/income for the period/year		(73,773)	16,170	(68,977)	(1,369)

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

Statements Of Profit Or Loss
 And Other Comprehensive Income
 (cont'd)

		Group		Company
	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
Note				
(Loss)/profit for the period/ year attributable to:				
Owners of the Company	(74,423)	16,611	(68,977)	(1,369)
Non-controlling interests	440	(430)	-	-
	(73,983)	16,181	(68,977)	(1,369)
Total comprehensive (expenses)/income attributable to:				
Owners of the Company	(74,213)	16,600	(68,977)	(1,369)
Non-controlling interests	440	(430)	-	-
	(73,733)	16,170	(68,977)	(1,369)
(Losses)/Earnings per share (sen)				
- Basic	39	(1.17)	0.27	
- Diluted	39	(1.03)	0.20	

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	Share capital RM'000	ICPS RM'000	Warrant reserve RM'000	Foreign exchange translation RM'000	Accumulated losses RM'000	Attributable to owners of the Company RM'000	Non- controlling interests RM'000	Total equity RM'000
Group								
At 1 January 2021	99,563	108,857	389,126	(25)	(420,033)	177,488	940	178,428
(Loss)/profit for the period	-	-	-	-	(74,423)	(74,423)	440	(73,983)
Other comprehensive expenses for the period	-	-	-	210	-	210	-	210
Total comprehensive (expenses)/ income for the period	-	-	-	210	(74,423)	(74,213)	440	(73,773)
Contributions by and distributions to owners of the Company:								
- Issue of shares	119,077	(59,172)	-	-	-	59,905	-	59,905
- Incorporation of subsidiaries during the period	-	-	-	-	-	-	40	40
Total transactions with owners	119,077	(59,172)	-	-	-	59,905	40	59,945
At 30 June 2022	218,640	49,685	389,126	185	(494,456)	163,180	1,420	164,600

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

Statements Of Changes In Equity
(cont'd)

	< -----	Non-distributable ----->					>	
	Share capital RM'000	ICPS RM'000	Warrant reserve RM'000	Foreign exchange translation RM'000	Accumulated losses RM'000	Attributable to owners of the Company RM'000	Non- controlling interests RM'000	Total equity RM'000
Group								
At 1 January 2020	86,966	-	-	(14)	(47,521)	39,431	1,373	40,804
Profit/(loss) for the year	-	-	-	-	16,611	16,611	(430)	16,181
Reclassifications	-	-	-	-	3	3	(3)	-
Other comprehensive expenses for the year	-	-	-	(11)	-	(11)	-	(11)
26(b)								
Total comprehensive (expenses)/ income for the year	-	-	-	(11)	16,614	16,603	(433)	16,170
Contributions by and distributions to owners of the Company:								
- Issue of shares	12,597	(3,578)	-	-	-	9,019	-	9,019
- Issue of ICPS	-	112,435	-	-	-	112,435	-	112,435
- Issue of Warrants D	-	-	389,126	-	(389,126)	-	-	-
24, 25 26								
Total transactions with owners	12,597	108,857	389,126	-	(389,126)	121,454	-	121,454
At 31 December 2020	99,563	108,857	389,126	(25)	(420,033)	177,488	940	178,428

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

Statements Of Changes In Equity (cont'd)

	Note	< ----- Non-distributable ----- >			Accumulated losses RM'000	Total equity RM'000
		Share capital RM'000	ICPS RM'000	Warrant reserve RM'000		
Company						
At 1 January 2021		99,563	108,857	389,126	(432,512)	165,034
Loss for the period		-	-	-	(68,977)	(68,977)
Contributions by and distributions to owners of the Company:						
- Issue of shares	24,25	119,077	(59,172)	-	-	59,905
		119,077	(59,172)	-	-	59,905
<hr/>						
At 30 June 2022		218,640	49,685	389,126	(501,489)	155,962
<hr/>						
At 1 January 2020		86,966	-	-	(42,017)	44,949
Loss for the year		-	-	-	(1,369)	(1,369)
Contributions by and distributions to owners of the Company:						
- Issue of shares	24,25	12,597	(3,578)	-	-	9,019
- Issue of ICPS	25	-	112,435	-	-	112,435
- Issue of Warrants D	26	-	-	389,126	(389,126)	-
		12,597	108,857	389,126	(389,126)	121,454
<hr/>						
At 31 December 2020		99,563	108,857	389,126	(432,512)	165,034

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	Note	Group		Company	
		Financial period from 1.1.2021 to 30.6.2022 RM'000	Restated Financial year from 1.1.2020 to 31.12.2020 RM'000	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
Cash flows from operating activities					
(Loss)/profit before taxation		(71,829)	21,984	(68,699)	(1,369)
Adjustments for:					
Bad debts written-off		-	18	-	-
Bargain purchase of associates	9	(20,166)	-	-	-
Deemed loss on disposal of investment in an associate		17,873	-	-	-
Deposits written-off		-	14	-	-
Depreciation of property, plant and equipment	6	6,570	4,825	464	387
Depreciation of right-of-use assets	7	5,417	1,352	-	-
Dividend income		(41)	(4)	-	-
Fair value gain on short-term investment	21	(12)	(*)	-	-
Fair value loss/(gain) on investment in quoted shares	11	22,051	(5,338)	-	-
Gain on disposal of property, plant and equipment		(193)	-	-	-
Gain on disposal of right-of-use assets		(40)	-	-	-
Gain on disposal of investment in quoted shares		(2,496)	-	-	-
Gain on disposal of investment in quoted warrants		(2,530)	-	-	-
Gain on lease liabilities written-off due to early termination		-	(3)	-	-
Impairment losses on:					
- trade receivables		109	162	-	-
- other receivables		110	4	-	-
- amount due from subsidiaries		-	-	69,434	-
- amount due from related parties		186	-	-	-
Impairment on investment in joint venture	10	-	*	-	-
Impairment on investment in associates	9	40,710	-	-	-
Impairment on investment in unquoted shares	11	380	-	-	-
Interest expenses on lease liabilities		2,039	705	-	-
Interest expense		69	56	-	-
Interest income		(2,695)	(142)	(2,590)	(104)
Balance carried forward		(4,488)	23,633	(1,391)	(1,086)

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

Statements Of Cash Flows (cont'd)

	Note	Group		Company	
		Financial period from 1.1.2021 to 30.6.2022 RM'000	Restated Financial year from 1.1.2020 to 31.12.2020 RM'000	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
Cash flows from operating activities (Cont'd)					
Balance brought forward		(4,488)	23,633	(1,391)	(1,086)
Property, plant and equipment written-off		82	648	-	-
Reversal of impairment losses on:					
- trade receivables		(82)	(1,432)	-	-
- other receivables		-	(295)	-	-
- amount due from subsidiaries		-	-	(195)	(539)
Share of loss on investment in associates	9	13,708	-	-	-
Share of loss on investment in joint venture	10	-	498	-	-
Unrealised foreign exchange (gain)/loss		(643)	*	(295)	-
<hr/>					
Operating profit/(loss) before working capital changes		8,577	23,052	(1,881)	(1,625)
(Increase)/decrease in inventories		(2,889)	4,201	-	-
(Increase)/decrease in receivables		(23,363)	1,039	23	156
Increase/(decrease) in payables		6,519	9,867	(52)	38
Increase in amount due from subsidiaries		-	-	(139,769)	(3,180)
Decrease in amount due from joint venture		17	65	-	-
Increase in amount due from related parties		(850)	(200)	-	-
(Decrease)/increase in amount due to subsidiaries		-	-	(1,800)	4,613
Increase in amount due to related parties		5,614	2,536	-	-
Increase in amount due to joint venture		9	-	-	-
<hr/>					
Cash (used in)/generated from operations		(6,366)	40,560	(143,479)	2
Interest paid		(69)	(56)	-	-
Interest received - other than fixed deposits		2,635	97	2,562	78
Income tax paid		(11,892)	(3,993)	(645)	(8)
Income tax refunded		-	17	-	-
<hr/>					
Net cash (used in)/generated from operating activities		(15,692)	36,625	(141,562)	72

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

Statements Of Cash Flows
 (cont'd)

	Note	Group		Company	
		Financial period from 1.1.2021 to 30.6.2022 RM'000	Restated Financial year from 1.1.2020 to 31.12.2020 RM'000	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
Cash flows used in investing activities					
Additions of right-of-use assets	40(a)	(25)	–	–	–
Additions to prepaid expenses		(15,543)	(4,421)	–	–
Dividend income		41	4	–	–
Incorporation of subsidiaries	8	–	–	(*)	–
Incorporation of subsidiaries with non-controlling interest	8	40	–	–	–
Increase in pledged fixed deposits with licensed banks		(28)	(26)	(28)	(26)
Interest received - fixed deposits		60	44	28	26
Investment in associates		(81,707)	–	–	–
Investment in quoted shares		(9,481)	(17,351)	–	–
Proceeds from disposal of investment in quoted warrants		2,530	–	–	–
Proceeds from disposal of investment in quoted shares		7,302	–	–	–
Proceeds from disposal of property, plant and equipment		236	–	–	–
Proceeds from disposal of right-of-use assets		100	–	–	–
Purchase of property, plant and equipment		(15,664)	(2,576)	–	–
Net cash used in investing activities		(112,139)	(24,326)	(*)	–

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

Statements Of Cash Flows (cont'd)

	Note	Group		Company	
		Financial period from 1.1.2021 to 30.6.2022 RM'000	Restated Financial year from 1.1.2020 to 31.12.2020 RM'000	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
Cash flows from financing activities					
Repayment of lease liabilities	40(b)	(4,335)	(390)	-	-
Interest paid on lease liabilities	40(b)	(2,039)	(705)	-	-
Proceeds from issuance of irredeemable convertible preference shares ("ICPS")	25	-	112,435	-	112,435
Proceeds from issuance of share capital	24,25	59,905	9,019	59,905	9,019
Net cash generated from financing activities		53,531	120,359	59,905	121,454
Net (decrease)/increase in cash and cash equivalents		(74,300)	132,658	(81,657)	121,526
Cash and cash equivalents at beginning of the period/year		137,194	4,547	121,687	161
Effects of foreign exchange translation		(2)	(11)	-	-
Fair value gain on short term investments		12	*	-	-
		137,204	4,536	121,687	161
Cash and cash equivalents at end of the period/year		62,904	137,194	40,030	121,687
Cash and cash equivalents comprise:					
Short-term investments	21	2,076	4,722	-	2,700
Fixed deposits with licensed banks	22	2,940	2,880	1,450	1,422
Cash and bank balances	23	60,545	132,239	40,030	118,987
		65,561	139,841	41,480	123,109
Less:					
Bank overdrafts	32	(1,207)	(1,225)	-	-
Fixed deposits pledged to a licensed bank	22	(1,450)	(1,422)	(1,450)	(1,422)
		(2,657)	(2,647)	(1,450)	(1,422)
		62,904	137,194	40,030	121,687

* Denotes amount below RM1,000

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

1. CORPORATE INFORMATION

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

The registered office of the Company is located at A1-2-2, Solaris Dutamas, No. 1, Jalan Dutamas 1, 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.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as disclosed in Note 8. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 18 October 2022.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies (Note 3).

The preparation of financial statements in conformity with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

The financial statements are presented in Ringgit Malaysia (RM), which is the Group's functional currency. All financial information have been rounded to the nearest thousand (RM'000), unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial year, except as disclosed in Note 4.

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Company. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Company also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

Subsidiaries are consolidated from the date on which control is transferred to the Company up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Company.

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Company at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in ownership interests in subsidiaries without change of control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in the equity of the Company.

Loss of Control

Upon the loss of control of a subsidiary, the Company recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- i. the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- ii. the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

Loss of Control (Cont'd)

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9: Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(b) Goodwill or reserve arising from consolidation

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

In respect of equity-accounted joint-venture, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted joint-venture.

(c) Property, plant and equipment, and depreciation

All items of property, plant and equipment are initially recorded at cost. Costs includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use, and the estimated costs of dismantling and removing the items and restoring that site on which they are located.

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. Repairs and maintenance are charged to profit or loss as incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

No depreciation is provided for capital work-in-progress until the assets are ready for their intended use.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment, and depreciation (Cont'd)

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Building	2%
Plant and machinery	25%
Equipment and kitchen utensils	4% - 25%
Furniture, fittings, and equipment	10% - 33%
Motor vehicles	20%
Signboard	15% - 20%
Electrical fittings	10%
Renovation	10% - 25%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation methods are reviewed at each financial year end, and adjusted prospectively, if appropriate 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 or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss in the year the property, plant and equipment is derecognised.

(d) Investment in subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's separate financial statements, investment in subsidiaries which are eliminated on consolidation are stated at cost less impairment losses, unless the investment is held for sale.

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

(e) Investment in associates

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

Investment in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, 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.

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 zero, 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 associate.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Investment in associates (Cont'd)

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investment in associates are measured in the Group's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of the investment includes transaction costs.

(f) Investment in joint ventures

Joint ventures are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns, and has rights only to the net assets of the arrangements.

Investment in joint ventures are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

The investment in a joint venture is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to 30 June 2022. The Group's share of the post acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that joint control commences up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's investment in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gain on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investment in joint ventures (Cont'd)

The Group discontinues the use of the equity method from the date when the investment ceases to be joint venture or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9: Financial Instruments. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss when appropriate. All dilution gains or losses arising in investments in joint ventures are recognised in profit or loss.

(g) Other investments

Investments were measured at fair value through profit or loss if the investments are quoted, or where the fair value can otherwise be measured reliably. Other non-quoted equity investments are measured at cost less impairment.

On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is charged or credited to the profit or loss.

(h) Inventories

Inventories are stated at the lower of cost (determined on the first-in, first-out basis) and net realisable value. Cost of finished goods and work-in-progress include cost of raw material, direct labour, other direct costs and appropriate production overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, fixed deposits, demand deposits, bank overdrafts and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Provision for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each financial year end and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Provision for liabilities (Cont'd)

Dismantling, Removal and Restoration Costs

A provision is recognised when the Group has an obligation to dismantle and remove structures on identified sites and restore these sites to an acceptable condition under certain lease contracts. The provision is measured at the present value of the compounded future expenditure at current prices and is recognised as part of the cost of the relevant asset. The capitalised cost is depreciated over the expected life of the asset.

(k) Interest bearing loans and borrowings

Borrowings are recognised initially at fair value net of transaction cost incurred. Subsequently, borrowings are stated at amortised cost using the effective interest method. Any difference between the amount recorded as borrowings and the associated redemption value is recognised in the profit or loss over the period of the borrowings. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan and are capitalised and amortised over the period of the facility to which it relates. All other borrowing costs are charged to profit or loss. Borrowings are derecognised from the statements of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the borrowings that have been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred and liabilities assumed, is recognised in profit or loss. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(l) Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest methods and by reducing the carrying amount to reflect the lease payments made.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Leases (Cont'd)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137: Provisions, Contingent Liabilities and Contingent Assets. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies MFRS 136: Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

(m) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Ordinary shares are equity instruments.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the financial year end.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax is provided for, using the liability method on temporary differences at the financial year end between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, affects neither accounting profit or loss nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each financial year end and reduced to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Unrecognised deferred tax assets are reassessed at each financial year end and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the financial year end.

Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(o) Employee benefits

i Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the 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 services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Employee benefits (Cont'd)

ii Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or construction obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

As required by law, the Group makes contributions to the statutory provident fund, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in profit or loss in the period as incurred.

iii Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits as a liability and an expense when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the financial year end are discounted to present value.

(p) Revenue recognition

The Group recognises revenue from contracts with customers for the sale of goods and provision of services based on the five-step model as set out below:

- i Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- ii Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- iii Determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- iv Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- v Recognise revenue when (or as) the Group satisfies a performance obligation.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Revenue recognition (Cont'd)

The Group satisfies a performance obligation and recognise revenue over time if the Group's performance:

- i Does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to-date; or
- ii Creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- iii Provides benefits that the customer simultaneously receives and consumes as the Group performs.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

i Revenue

a. Sale of products

Revenue from sale of products is recognised when the Group has transferred control of the goods to the customer, being at the point the customer purchases the goods at the retail outlets. Payment for the transaction is due immediately at the point the customer purchases the goods and takes delivery in outlet.

b. Sale of engineering goods

Revenue from sale of engineering goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

ii Other income

a. Interest income

Interest income is recognised on an accrual basis (taking into account the effective yield on the asset) unless its collectability is in doubt.

b. Financing and operational support income

Financing and operational support income from business collaboration is accounted in accordance with the Settlement Agreements.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Revenue recognition (Cont'd)

ii Other income (Cont'd)

c. Dividend income

Dividend income represents dividend received from short term investments, and is recognised when the right to receive payment is established.

d. Rental income

Rental income is recognised on an accrual basis unless its collectability is in doubt.

e. Management fee

Management fee is recognised as and when the services are performed.

(q) Foreign currencies transactions

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 and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's reporting currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the date of the transactions. At each financial year end, monetary items denominated in foreign currencies are translated at the rates prevailing at financial year end. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operation, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Group's financial statements or the individual financial statements of the foreign operation, as appropriate.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Foreign currencies transactions (Cont'd)

ii Foreign currency transactions and balances (Cont'd)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

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

	30.6.2022	31.12.2020
	RM	RM
1 Hong Kong Dollar (HKD)	0.56	0.52
1 Euro Dollar (EUR)	4.60	Not applicable
1 United States Dollar (USD)	4.41	Not applicable

iii Foreign operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in a joint arrangement that includes a foreign operation while retaining joint control, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when the settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Impairment of non-financial assets

The Group assesses at each financial year end whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

For goodwill, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. CGUs). In assessing value-in-use, the estimated future cash flows expected to be generated by the asset 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 specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each financial year end as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss for an asset, other than goodwill, is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised, in which case, the carrying amount of the asset is increased to its revised recoverable amount. The increase cannot exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(s) Financial instruments

Financial instruments carried on the statements of financial position include cash and bank balances, deposits with financial institutions, investments, receivables, payables and borrowings. The recognition methods adopted are disclosed in the respective accounting policy statements.

Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends and gains and losses relating to financial instruments classified as assets or liabilities, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Financial instruments (Cont'd)

Financial assets (Cont'd)

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

i Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

ii Financial assets measured subsequently at fair value

Financial assets that are debt instruments are measured at fair value through other comprehensive income ("FVTOCI") if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which 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.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income and are not subsequently transferred to profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e. the date that the asset is delivered to or by the Group.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Financial instruments (Cont'd)

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

i Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes 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.

ii Other financial liabilities

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished.

When an existing financial liability is replaced by another instrument from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

(t) Impairment of financial assets

At the end of each financial year, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring as at the financial year end with the risk of default since initial recognition.

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group uses external credit rating and other supportive information to assess deterioration in credit quality of a financial asset. The Group assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

The Group considers past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Impairment of financial assets (Cont'd)

The amount of impairment loss is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cashflows that are due to the Group and all the cash flows that the Group expects to receive.

The Group measures the allowance for impairment loss on trade and other receivables based on the two-step approach as follows:

i 12-months expected credit loss

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Group measures the allowance for impairment loss for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

ii Lifetime expected credit loss

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime expected credit loss for that financial asset is recognised as the allowance for impairment loss by the Group. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Group reverts the allowance for impairment loss measurement from lifetime expected credit loss to 12-months expected credit loss.

For trade and other receivables which are financial assets, the Group applies the simplified approach in accordance with MFRS 9: Financial Instruments and measure the allowance for impairment loss based on lifetime expected credit loss from initial recognition.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

(u) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest when pricing the asset or liability.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial year end.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Contingencies

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed only 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 extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

The Group does not recognise a contingent liability but discloses its existence in the financial statements.

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.

(w) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment manager reports directly to the management of the Company who regularly review the segments results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 43, including the factors used to identify the reportable segments and measurement basis of segment information.

(x) Related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individual or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

(y) Earnings per share

i Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Notes To The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(y) Earnings per share (Cont'd)

ii Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(z) Irredeemable Convertible Preference Shares

The irredeemable convertible preference shares are regarded as an equity component.

The proceeds from the issuance of the irredeemable convertible preference shares based on the conversion feature and that amount is allocated as the equity component. Any directly attributable transaction costs are allocated to the equity components in proportion to their initial carrying amounts.

The equity component is not remeasured subsequent to the initial recognition.

(aa) Warrants

The Group issued Warrants 2020/2025 at no cost and these are recognised in the financial statements represented by fair value allocated from accumulated losses or reserves based on valuation performed by independent professional valuers. Each warrant is convertible into one new ordinary share at the adjusted exercise price of RM0.80 per share during the exercise period and will only be recognised as equity instruments upon conversion.

4. ADOPTION OF NEW AND REVISED MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") AND INTERPRETATIONS ("MFRSs")

MFRSs that have been issued and effective

The following new and revised MFRSs issued by MASB, have been adopted, and the adoptions do not have any or significant impact to the financial statements:

Title		Effective Date
Amendments to MFRS 4:	Insurance Contracts	1 January 2021
Amendments to MFRS 7:	Financial Instruments: Disclosures	1 January 2021
Amendments to MFRS 9:	Financial Instruments	1 January 2021
Amendments to MFRS 16:	Leases	1 January 2021
Amendments to MFRS 139:	Financial Instruments: Recognition and Measurement	1 January 2021

Notes To The Financial Statements (cont'd)

4. ADOPTION OF NEW AND REVISED MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) AND INTERPRETATIONS (“MFRSs”) (CONT'D)

MFRSs that have been issued but only effective for financial period beginning on 1 January 2022 and onwards

The following new and revised MFRSs issued by MASB, have not been adopted, and the adoptions are not expected to have any or significant impact to the financial statements:

Title	Effective Date
Amendments to MFRS 16: Leases	1 April 2021
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022
Amendments to MFRS 3: Business Combinations	1 January 2022
Amendments to MFRS 9: Financial Instruments	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment	1 January 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
Amendments to MFRS 141: Agriculture	1 January 2022
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements	1 January 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 112: Incomes taxes	1 January 2023
Amendments to MFRS 10: Consolidated Financial Statements	Deferred
Amendments to MFRS 128: Investments in Associates and Joint Ventures	Deferred

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

Key sources of estimation uncertainty

The preparation of financial statements in accordance with MFRSs requires the use of certain accounting estimates and exercise of judgement. Estimates and judgements are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial year end that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

(a) Depreciation of property, plant and equipment

The Group depreciates property, plant and equipment over their estimated useful lives after taking into account their estimated residual values, using the straight-line method. The estimated useful lives applied by the Group as disclosed in Note 3(c) reflect the Directors' estimates of the periods that the Group expects to derive future economic benefits from the use of the Group's property, plant and equipment. Technological advancements could impact the useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Impairment of property, plant and equipment

The Group carries out the impairment test based on a variety of estimation including the value-in-use of the cash-generating unit (CGU) to which the property, plant and equipment are allocated. Estimating the value-in-use requires the Group 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.

Notes To The Financial Statements (cont'd)

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (CONT'D)

Key sources of estimation uncertainty (Cont'd)

(c) Impairment of investment in associates

Investments in associates corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. In determining the recoverable value, an estimate of expected future cash flows from each investment or CGU and an appropriate discount rate is required to be made. An impairment exists when the carrying amount of an investment or CGU exceed its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use.

Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the investment or CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Actual results may ultimately differ from the estimates and key assumptions utilised in the calculations. Accordingly, there may be material adjustments to the carrying amounts.

(d) Lease terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(e) Write-down of inventories to the lower of cost and net realisable value

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs to completion and costs to be incurred on marketing, selling and distribution. Estimates of net realisable value are based on the most reliable evidence available at the time of the estimates are made, of the amount the inventories are expected to realise. Due to the nature of the inventories, significant judgement is required in estimating the net realisable value of premium products that are targeted towards the niche market segment and the moving life style trends.

(f) Loss allowances for financial assets

The Group recognises impairment losses for receivables under the expected credit loss model. Individually significant trade receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Group's ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Group's financial position and result.

(g) Income taxes

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Notes To The Financial Statements (cont'd)

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (CONT'D)

Key sources of estimation uncertainty (Cont'd)

(h) Deferred tax assets

Deferred tax assets are recognised for all unabsorbed tax losses and unutilised capital allowances to the extent that it is probable that future taxable profit will be available against which the losses and allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(i) Fair value estimates of certain financial instruments

The Group carries certain financial assets and liabilities at fair value, which required extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value will differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit or loss/equity.

(j) Coronavirus Disease 2019 (COVID-19)

The current outbreak of COVID-19 has resulted in the occurrence of a multitude of associated events such as temporarily closing of businesses, travel restrictions and quarantine measures across the globe. These measures and policies affect supply chains and the production of goods and services and lower economic activity which is likely to result in reduced demand for the Group's goods and services. The Group exercises judgement, in light of all facts and circumstances, to assess what event in this series of events provides additional evidence about the condition that existed at the reporting date and therefore affects the recognition and measurement of the Group's assets and liabilities at 30 June 2022.

Notes To The Financial Statements
(cont'd)

6. PROPERTY, PLANT AND EQUIPMENT

Group	Building RM'000	Plant and machinery RM'000	Equipment and kitchen utensils RM'000	Furniture, fittings, and equipment RM'000	Motor vehicles RM'000	Balance carried forward RM'000
Cost						
At 1 January 2021	2,596	35	3,010	11,609	934	18,184
Additions	-	-	1,087	2,832	-	3,919
Adjustments	-	-	-	(193)	-	(193)
Reclassifications	-	-	1,051	1,575	-	2,626
Disposals	-	-	(94)	(5)	(124)	(223)
Write-offs	-	-	-	(231)	(224)	(455)
At 30 June 2022	2,596	35	5,054	15,587	586	23,858
Accumulated depreciation						
At 1 January 2021	(91)	(35)	(1,898)	(8,169)	(832)	(11,025)
Charge for the financial period	(78)	-	(969)	(2,491)	(42)	(3,580)
Disposals	-	-	93	5	82	180
Write-offs	-	-	-	150	224	374
At 30 June 2022	(169)	(35)	(2,774)	(10,505)	(568)	(14,051)
Carrying amount						
At 30 June 2022	2,427	*	2,280	5,082	18	9,807

Notes To The Financial Statements
(cont'd)

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Balance brought forward RM'000	Signboard RM'000	Electrical fittings RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
Cost						
At 1 January 2021	18,184	49	27	13,023	2,163	33,446
Additions	3,919	-	-	6,825	4,920	15,664
Adjustments	(193)	-	-	-	-	(193)
Reclassifications	2,626	-	-	2,845	(5,471)	-
Disposals	(223)	-	-	-	-	(223)
Write-offs	(455)	(6)	-	(2)	(1)	(464)
At 30 June 2022	23,858	43	27	22,691	1,611	48,230
Accumulated depreciation						
At 1 January 2021	(11,025)	(22)	(15)	(10,303)	-	(21,365)
Charge for the financial period	(3,580)	(13)	(4)	(2,973)	-	(6,570)
Disposals	180	-	-	-	-	180
Write-offs	374	6	-	2	-	382
At 30 June 2022	(14,051)	(29)	(19)	(13,274)	-	(27,373)
Carrying amount						
At 30 June 2022	9,807	14	8	9,417	1,611	20,857

Notes To The Financial Statements
(cont'd)

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Building RM'000	Plant and machinery RM'000	Equipment and kitchen utensils RM'000	Furniture, fittings, and equipment RM'000	Motor vehicles RM'000	Balance carried forward RM'000
Cost						
At 1 January 2020	2,596	35	2,904	11,562	456	17,553
Additions	-	-	106	242	-	348
Adjustments	-	-	-	-	-	-
Transfers (Note 7)	-	-	-	-	478	478
Reclassifications	-	-	-	589	-	589
Write-offs	-	-	-	(784)	-	(784)
At 31 December 2020	2,596	35	3,010	11,609	934	18,184
Accumulated depreciation						
At 1 January 2020	(39)	(35)	(1,356)	(6,510)	(308)	(8,248)
Charge for the financial year	(52)	-	(542)	(1,841)	(46)	(2,481)
Transfers (Note 7)	-	-	-	-	(478)	(478)
Write-offs	-	-	-	182	-	182
At 31 December 2020	(91)	(35)	(1,898)	(8,169)	(832)	(11,025)
Carrying amount						
At 31 December 2020	2,505	*	1,112	3,440	102	7,159

Notes To The Financial Statements
(cont'd)

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Balance brought forward RM'000	Signboard RM'000	Electrical fittings RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
Cost						
At 1 January 2020	17,553	49	27	13,470	598	31,697
Additions	348	-	-	64	2,187	2,599
Adjustments	-	-	-	-	(23)	(23)
Transfers (Note 7)	478	-	-	-	-	478
Reclassifications	589	-	-	-	(589)	-
Write-offs	(784)	-	-	(511)	(10)	(1,305)
At 31 December 2020	18,184	49	27	13,023	2,163	33,446
Accumulated depreciation						
At 1 January 2020	(8,248)	(13)	(13)	(8,445)	-	(16,719)
Charge for the financial year	(2,481)	(9)	(2)	(2,333)	-	(4,825)
Transfers (Note 7)	(478)	-	-	-	-	(478)
Write-offs	182	-	-	475	-	657
At 31 December 2020	(11,025)	(22)	(15)	(10,303)	-	(21,365)
Carrying amount						
At 31 December 2020	7,159	27	12	2,720	2,163	12,081

* Denotes amount below RM1,000

Notes To The Financial Statements
 (cont'd)

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Office equipment RM'000	Total RM'000
Cost		
At 1 January 2021	1,934	1,934
Adjustments	(193)	(193)
At 30 June 2022	1,741	1,741
Accumulated depreciation		
At 1 January 2021	(581)	(581)
Charge for the financial period	(464)	(464)
At 30 June 2022	(1,045)	(1,045)
Carrying amount		
At 30 June 2022	696	696
Cost		
At 1 January 2020/31 December 2020	1,934	1,934
Accumulated depreciation		
At 1 January 2020	(194)	(194)
Charge for the financial year	(387)	(387)
At 31 December 2020	(581)	(581)
Carrying amount		
At 31 December 2020	1,353	1,353

An aggregate amount of RM1,104,375 (31.12.2020: RM206,150) included in the capital work-in-progress of the Group has been accounted for in capital commitments, as disclosed in Note 41.

Notes To The Financial Statements
(cont'd)

7. RIGHT-OF-USE ASSETS

Group	Outlets RM'000	Hostels RM'000	Storerooms RM'000	Office RM'000	Motor vehicles RM'000	Total RM'000
Cost						
At 1 January 2021	5,907	225	11	663	123	6,929
Adjustments due to lease modifications	(686)	20	-	(32)	-	(698)
Additions	19,840	229	12	-	95	20,176
Disposals	-	-	-	-	(123)	(123)
Write-offs	-	(170)	(11)	-	-	(181)
At 30 June 2022	25,061	304	12	631	95	26,103
Accumulated depreciation						
At 1 January 2021	(1,962)	(177)	(11)	(289)	(47)	(2,486)
Charged for the financial period	(5,088)	(109)	(12)	(190)	(18)	(5,417)
Disposals	-	-	-	-	63	63
Write-offs	-	170	11	-	-	181
At 30 June 2022	(7,050)	(116)	(12)	(479)	(2)	(7,659)
Carrying amount						
At 30 June 2022	18,011	188	-	152	93	18,444

Notes To The Financial Statements
(cont'd)

7. RIGHT-OF-USE ASSETS (CONT'D)

Group	Outlets RM'000	Hostels RM'000	Storerooms RM'000	Office RM'000	Motor vehicles RM'000	Total RM'000
Cost						
At 1 January 2020	4,882	277	21	712	601	6,493
Adjustments due to lease modifications	(272)	(3)	—	(49)	—	(324)
Additions	2,234	—	11	—	—	2,245
Subsequent effects of adoption of MFRS 16	(937)	—	—	—	—	(937)
Transfers (Note 6)	—	—	—	—	(478)	(478)
Write-offs	—	(49)	(21)	—	—	(70)
At 31 December 2020	5,907	225	11	663	123	6,929
Accumulated depreciation						
At 1 January 2020	(1,057)	(130)	(9)	(150)	(501)	(1,847)
Charged for the financial year	(1,092)	(78)	(19)	(139)	(24)	(1,352)
Subsequent effects of adoption of MFRS 16	187	—	—	—	—	187
Transfers (Note 6)	—	—	—	—	478	478
Write-offs	—	31	17	—	—	48
At 31 December 2020	(1,962)	(177)	(11)	(289)	(47)	(2,486)
Carrying amount						
At 31 December 2020	3,945	48	—	374	76	4,443

The Group leases various outlets, hostels, storerooms, motor vehicles and an office where leasing activities are summarised below:

- (i) Outlets: The Group leased a number of outlets which run between 2 and 9 (31.12.2020: 5 and 6) years, with no options to renew the lease after that date. The Group is not allowed to sublease the outlets.
- (ii) Hostels: The Group leased a number of hostels which run between 1 and 3 (31.12.2020: 1 and 3) years, with no options to renew the lease after that date. The Group is not allowed to sublease the hostels.
- (iii) Storerooms: The Group leased 2 units of storeroom which run for 1 (31.12.2020: 1 to 2) years, with no options to renew the lease after that date. The Group is not allowed to sublease the storerooms.
- (iv) Office: The Group leased an office for 2 to 5 (31.12.2020: 5) years with no options to renew the lease after that date. The Group is not allowed to sublease the office.
- (v) Motor vehicles: The Group leased 1 (31.12.2020: 1) unit of motor vehicles under hire purchase arrangements. The leases are secured by the leased assets, as disclosed in Note 27.

Notes To The Financial Statements (cont'd)

8. INVESTMENT IN SUBSIDIARIES

	Company	
	30.6.2022 RM'000	31.12.2020 RM'000
Unquoted shares, at cost		
At beginning of the period/year	9,349	9,349
Additions	*	–
At end of the period/year	9,349	9,349
Less: Accumulated impairment loss		
At beginning/end of the period/year	(9,298)	(9,298)
	(9,298)	(9,298)
Carrying amount	51	51

* Denotes amount below RM1,000

The details of subsidiaries are as follows:

Name of company	Principal place of business/country of incorporation	Equity interest held		Principal activities
		30.6.2022	31.12.2020	
Focus Dynamics Centre Sdn. Bhd. (^)	Malaysia	100%	100%	Investment holding.
Lavo Gallery Sdn. Bhd. (formerly known as Focus Dynamics Drives Sdn. Bhd.) ("LGSB")(^)	Malaysia	100%	100%	Operating and managing food and beverage outlets.
DPC Industrial Systems Sdn. Bhd. (^)	Malaysia	100%	100%	Engage in the businesses of trading of industrial equipment, designing, installation and implementation of automation systems for the energy resource based industry and providing other related products and services.
Focus International Holding Sdn. Bhd. ("FIHSB")(^)	Malaysia	100%	100%	Investment holding.
Famous Ambience Sdn. Bhd. (^)	Malaysia	51%	51%	Letting of property.
Focus Capital Sdn. Bhd. ("Capital")(^)	Malaysia	100%	–	Money lending services.

Notes To The Financial Statements (cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of subsidiaries are as follows: (Cont'd)

Name of company	Principal place of business/country of incorporation	Equity interest held		Principal activities
		30.6. 2022	31.12. 2020	
Focus Medicare Sdn. Bhd. ("FMSB")(^)	Malaysia	100%	–	Trading, supplying, wholesaling, manufacturing of medical and healthcare equipment, products and services.
<u>Subsidiaries of FIHSB</u>				
Marquee International Sdn. Bhd. ("MISB")(^)	Malaysia	100%	100%	(i) Operating and managing food and beverage outlets; and (ii) Importer, distributor and wholesaler of wines, champagnes and spirits.
Modern Cuisine Sdn. Bhd. (^)	Malaysia	100%	100%	Engage in the businesses of restaurant, food and beverage as well as investment holding and general trading.
Spark Lifestyle Sdn. Bhd. (formerly known as Marquee Resources Sdn. Bhd.) (^)	Malaysia	100%	100%	(i) Other management consultancy activities; (ii) General trading; and (iii) Activities of interior decorators.
Wine Commerce Sdn. Bhd.(^)	Malaysia	100%	100%	Engage in the business of online wine retailing and distribution.
Bounce Entertainment Sdn. Bhd. (^)	Malaysia	100%	100%	Other food service activities, investment advisory services, creative, arts and entertainment activities.
Focus Dynamic Limited ("FDL")(#)	Republic of Seychelles	100%	100%	Investment holding.

Notes To The Financial Statements (cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of subsidiaries are as follows: (Cont'd)

Name of company	Principal place of business/country of incorporation	Equity interest held		Principal activities
		30.6. 2022	31.12. 2020	
<u>Subsidiaries of FIHSB (Cont'd)</u>				
Focus Jumbo Sdn. Bhd. ("FJSB")(^)	Malaysia	100%	–	(i) Operating and managing food and beverage outlets; (ii) To buy, sell, manufacture, assemble and deal in and with goods, wares and merchandise of every kind and description, to carry on a general manufacturing, trading and commercial business and to enter into contracts, agreements and arrangements of any and all kinds with any person, corporation, partnership, firm or association; and (iii) Importer, distributor and wholesaler of wine, champagnes and spirits.
Focus Deli Sdn. Bhd. ("FDSB") (formerly known as Finch Entertainment Sdn. Bhd.)(^)	Malaysia	100%	100%	Engage in the businesses of restaurant, food and beverage, entertainment, trading and investment.
Bubbles Entertainment Sdn. Bhd. ("Bubbles")(^)	Malaysia	100%	100%	Engage in the businesses of operating restaurants, food and beverage as well as investment holding and general trading.
Focus Concepts Sdn. Bhd. ("FCSB")(^)	Malaysia	100%	–	(i) Operating and managing food and beverage outlets; and (ii) To buy, sell, manufacture, assemble and deal in and with goods, wares and merchandise of every kind and description, to carry on a general manufacturing, trading and commercial business and to enter into contracts, agreements and arrangements of any and all kinds with any person, corporation, partnership, firm or association.

Notes To The Financial Statements
(cont'd)**8. INVESTMENT IN SUBSIDIARIES (CONT'D)**

The details of subsidiaries are as follows: (Cont'd)

Name of company	Principal place of business/country of incorporation	Equity interest held		Principal activities
		30.6. 2022	31.12. 2020	
<u>Subsidiaries of FIHSB (Cont'd)</u>				
Focus Volume Sdn. Bhd. ("FVSB")(^)	Malaysia	100%	–	(i) Operating and managing food and beverage outlets; and (ii) To buy, sell, manufacture, assemble and deal in and with goods, wares and merchandise of every kind and description, to carry on a general manufacturing, trading and commercial business and to enter into contracts, agreements and arrangements of any and all kinds with any person, corporation, partnership, firm or association.
<u>Subsidiaries of FDL</u>				
Focus Dynamic Group Limited (#)	Hong Kong	100%	100%	Trading of wine.
Bounce Entertainment Limited (#)	Hong Kong	100%	100%	Engage in food and beverage business, entertainment, general trading and investment holding.
<u>Subsidiary of LGSB</u>				
Centurion International Sdn. Bhd. ("CISB")(^)	Malaysia	100%	100%	Engage in the businesses of operating and managing food and beverage outlets.
<u>Subsidiary of MISB</u>				
Goldhill Eagle Sdn. Bhd. ("GESB")(^)	Malaysia	55%	55%	Operating and managing food and beverage outlets.
<u>Subsidiaries of FCSB</u>				
Focus Supernova Sdn. Bhd. ("Supernova")(^)	Malaysia	100%	–	(i) Operating and managing food and beverage outlets; and (ii) Importer, distributor and wholesaler of wine, champagnes and spirits.

Notes To The Financial Statements (cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of subsidiaries are as follows: (Cont'd)

Name of company	Principal place of business/country of incorporation	Equity interest held		Principal activities
		30.6. 2022	31.12. 2020	
<u>Subsidiaries of FCSB (Cont'd)</u>				
Focus Sky Sdn. Bhd. ("Sky")(^)	Malaysia	100%	–	(i) Operating and managing food and beverage outlets; (ii) To buy, sell, manufacture, assemble and deal in and with goods, wares and merchandise of every kind and description, to carry on a general manufacturing, trading and commercial business and to enter into contracts, agreements and arrangements of any and all kinds with any person, corporation, partnership, firm or association; and (iii) Importer, distributor and wholesaler of wine, champagnes and spirits.
<u>Subsidiary of FMSE</u>				
Focus Carelife Sdn. Bhd. ("Carelife")(^)	Malaysia	60%	–	(i) Trading, supplying, wholesaling, manufacturing of medical and healthcare equipment, products and services; and (ii) To carry on the businesses of wholesale, retail importers and exporters of and dealers in all kind of drugs, chemicals, alkalis, manure antibodies and pharmaceutical medicinal.

^ Audited by Nexia SSY PLT, a member of Nexia International.

Audited by other firms of chartered accountants.

Notes To The Financial Statements (cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

During the financial period, the Group has completed the following acquisitions:

- (i) The Company incorporated a wholly-owned subsidiary, Capital, with a subscription price of RM1.
- (ii) The Company incorporated a wholly-owned subsidiary, FMSB, with a subscription price of RM1.
- (iii) The Company through its indirect subsidiary, FIHSB, incorporated a wholly-owned subsidiary, FJSB, with a subscription price of RM1.
- (iv) The Company through its subsidiary, FIHSB, incorporated a wholly-owned subsidiary, FCSB, with a subscription price of RM1.
- (v) The Company through its subsidiary, FIHSB, incorporated a wholly-owned subsidiary, FVSB, with a subscription price of RM1.
- (vi) The Company through its indirect subsidiary, FCSB, incorporated a wholly-owned subsidiary, Supernova, with a subscription price of RM1.
- (vii) The Company through its indirect subsidiary, FCSB, incorporated a wholly-owned subsidiary, Sky, with a subscription price of RM1.
- (viii) The Company through its subsidiary, FMSB, incorporated a subsidiary, Carelife, together with a wholly-owned subsidiary of LKL International Berhad, with a subscription price of RM60,000, equivalent to a 60% equity interest in Carelife.

There was no acquisition of new subsidiaries in the previous financial year.

(a) Material partly-owned subsidiaries

Set out below is the Group's subsidiaries which have a material non-controlling interests:

Name of subsidiary	Proportion of ownership interests and voting rights		Loss allocated to non- controlling interests		Equity/(loss) of non- controlling interests	
	30.6.2022	31.12.2020	30.6.2022	31.12.2020	30.6.2022	31.12.2020
	%	%	RM'000	RM'000	RM'000	RM'000
Famous Ambience Sdn. Bhd.	49	49	(176)	(54)	838	1,014
Goldhill Eagle Sdn. Bhd.	45	45	733	(376)	659	(74)
Focus Carelife Sdn. Bhd.	40	-	(117)	-	(77)	-
			440	(430)	1,420	940

Summarised financial information for each subsidiary that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

Notes To The Financial Statements
(cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Material partly-owned subsidiaries (Cont'd)

i Summarised statements of financial position

	Famous Ambience Sdn. Bhd.	
	30.6.2022	31.12.2020
	RM'000	RM'000
Non-current assets	34,789	19,252
Current assets	23,970	4,616
Current liabilities	(57,049)	(21,798)
Net assets	1,710	2,070
Loss attributable to owners of the Company	872	1,056
Non-controlling interest	838	1,014
	1,710	2,070
	Goldhill Eagle Sdn. Bhd.	
	30.6.2022	31.12.2020
	RM'000	RM'000
Non-current assets	5,203	3,687
Current assets	5,691	425
Non-current liabilities	(1,728)	(2,029)
Current liabilities	(7,702)	(2,247)
Net assets/(liabilities)	1,464	(164)
Equity/(loss) attributable to owners of the Company	805	(90)
Non-controlling interest	659	(74)
	1,464	(164)
	Focus Carelife Sdn. Bhd.	
	30.6.2022	31.12.2020
	RM'000	RM'000
Non-current assets	74	–
Current assets	868	–
Current liabilities	(1,134)	–
Net liabilities	(192)	–
Loss attributable to owners of the Company	(115)	–
Non-controlling interest	(77)	–
	(192)	–

Notes To The Financial Statements
(cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Material partly-owned subsidiaries (Cont'd)

ii Summarised statements of profit or loss and other comprehensive income

	Famous Ambience Sdn. Bhd.	
	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
Revenue	-	-
Loss before taxation	(359)	(110)
Taxation	-	*
Loss for the period/year, representing total comprehensive loss for the period/year	(359)	(110)
Loss attributable to owners of the Company	(183)	(56)
Non-controlling interest	(176)	(54)
	(359)	(110)

	Goldhill Eagle Sdn. Bhd.	
	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
Revenue	14,045	-
Profit/(loss) before taxation	2,401	(835)
Taxation	(773)	-
Profit/(loss) for the period/year, representing total comprehensive loss for the period/year	1,628	(835)
Equity/(loss) attributable to owners of the Company	895	(459)
Non-controlling interest	733	(376)
	1,628	(835)

Notes To The Financial Statements
(cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Material partly-owned subsidiaries (Cont'd)

ii Summarised statements of profit or loss and other comprehensive income (Cont'd)

	Focus Carelife Sdn. Bhd.	
	Financial	Financial
	period from	year from
	1.1.2021 to	1.1.2020 to
	30.6.2022	31.12.2020
	RM'000	RM'000
Revenue	225	–
Loss before taxation	(292)	–
Taxation	–	–
Loss for the period/year, representing total comprehensive loss for the period/year	(292)	–
Loss attributable to owners of the Company	(175)	–
Non-controlling interest	(117)	–
	(292)	–

* Denotes amount below RM1,000

iii Summarised statements of cash flows

	Famous Ambience Sdn. Bhd.	
	Financial	Financial
	period from	year from
	1.1.2021 to	1.1.2020 to
	30.6.2022	31.12.2020
	RM'000	RM'000
Net cash generated from operating activities	17,834	4,419
Net cash used in investing activities	(15,542)	(4,421)
Net increase/(decrease) in cash and cash equivalents	2,292	(2)

Notes To The Financial Statements
(cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Material partly-owned subsidiaries (Cont'd)

iii Summarised statements of cash flows (Cont'd)

	Goldhill Eagle Sdn. Bhd.	
	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
Net cash generated from operating activities	6,990	2,000
Net cash used in investing activities	(2,268)	(1,740)
Net cash used in financing activities	(864)	(340)
Net increase/(decrease) in cash and cash equivalents	3,858	(80)

	Focus Carelife Sdn. Bhd.	
	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
Net cash generated from operating activities	636	-
Net cash used in investing activities	(85)	-
Net increase in cash and cash equivalents	551	-

9. INVESTMENT IN ASSOCIATES

	30.6.2022 RM'000	Group 31.12.2020 RM'000
At beginning of the period/year	-	-
Additions	81,707	-
Bargain purchase	20,166	-
	101,873	-
Share of post-acquisition losses	(13,708)	-
Reclassified to investment in quoted shares (Note 11)	*(10,890)	-
Deemed loss on disposal of associate	(17,873)	-
Less: Allowance for impairment loss	(40,710)	-
At end of the period/year	18,692	-
Investment measured at fair value:		
Shares quoted in Malaysia	18,692	-

Notes To The Financial Statements (cont'd)

9. INVESTMENT IN ASSOCIATES (CONT'D)

The details of the associates are as follows:

Name of company	Principal place of business/country of incorporation	Equity interest held		Principal activities
		30.6. 2022	31.12. 2020	
LKL International Berhad ("LKLI") (#)([^])(a)	Malaysia	*-	-	Investment holding.
Saudee Group Berhad ("Saudee") (#)(b)(d)	Malaysia	20.77%	-	Investment holding.
Green Ocean Corporation Berhad ("Green Ocean") (#)(c)	Malaysia	29.74%	-	Investment holding.

* The investment in LKLI is considered a deemed disposal on 31 May 2022, since the total equity interest as at 31 May 2022 reduced to less than 20% to 17.24% resulting in the Group no longer has significant influence, hence it was reclassified to Other Investments, as disclosed in Note 11.

Audited by other firms of chartered accountants.

[^] The period recognised is from 1 April 2021 to 31 May 2022.

The associate which has a different financial year end from the Group is as below:

Name of company	Financial year end
Saudee	31 July

In applying the equity method of accounting, the latest financial statements of the associates' respective financial year ended have been used and appropriate adjustments have been made for the effects of significant transactions between the associates' respective financial period/year end up to 30 June 2022.

(a) On 19 March 2021, the Company has entered into a Sale and Purchase Agreement with Lim Kon Lian and Mok Mei Lan for the acquisition of 150,000,000 ordinary shares of LKL International Berhad ("LKLI"), a company incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad, representing approximately 29.92% of the total issued and paid-up ordinary shares of LKLI. At the price of RM0.2500 each, the total cash consideration amounted to RM37,500,000 with a transaction cost of RM390,150 and the investment was made vide its wholly-owned subsidiary, Focus Dynamics Centre Sdn. Bhd. ("FDC"). Following the acquisition, LKLI became an associate to the Group. However, there was a subsequent dilution of FDC's shareholdings in LKLI to 19.40% in September 2021 due to a corporate exercise undertaken by LKLI. Nonetheless FDC is able to exercise significant influence by way of common directors on the Board at the Company and LKLI levels and LKLI continued to be regarded as an associated company.

In addition to the above, there were further acquisition of shares from the open market on the following dates:

- 21 December 2021: 10,667,800 ordinary shares for a cash consideration of RM640,068;
- 22 December 2021: 1,000,000 ordinary shares for a cash consideration of RM60,000; and
- 22 March 2022: 5,869,000 ordinary shares for a cash consideration of RM410,830.

FDC's aggregate investment amounted to 167,536,800 ordinary shares at an investment cost of RM39,001,048, representing 17.24% of equity interest.

Notes To The Financial Statements (cont'd)

9. INVESTMENT IN ASSOCIATES (CONT'D)

(a) (Cont'd)

On 24 May 2022, following the resignation of Lim Ming Chang as the Executive Director of the Company, also the resignation of Tay Ben Seng, Benson as the Executive Director of LKLI on 30 May 2022, LKLI ceased to be classified as an associate of the Group, and the entire investment was reclassified to investment in quoted shares at fair value and the deemed loss on disposal of the associate amounted to RM17,872,784 (31.12.2020: RMNil) was recognised in profit and loss.

(b) On 17 June 2021, FDC subscribed to 138,050,000 new ordinary shares in Saudee Group Berhad ("Saudee"), a company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad, representing 19.37% of the total issued and paid-up share capital of Saudee at RM0.1500 per share for a total cash consideration of RM20,707,500. Following the acquisition, and with the Group's obtaining a representation in the Board of Directors of Saudee, Saudee became an associate to the Group. From 13 December 2021 to 23 December 2021, FDC has further acquired 68,000,000 ordinary shares of Saudee from open market for a total cash consideration of RM4,030,000, to arrive at an aggregate investment of 206,050,000 ordinary shares at an investment cost of RM24,737,500 representing 20.77% equity interest.

(c) On 26 August 2021, FDC subscribed to 351,932,000 new ordinary shares in Green Ocean Corporation Berhad ("Green Ocean"), a company incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad, representing 16.67% of the total issued and paid-up share capital of Green Ocean via private placement at RM0.0231 per share for a total cash consideration of RM8,129,629 with a transaction cost of RM162,593.

In addition to the above, there were further acquisition of shares from the open market on the following dates:

- 25 November 2021: 63,000,000 ordinary shares for a cash consideration of RM2,520,000; and
- 1 December 2021: 79,000,000 ordinary shares for a cash consideration of RM2,765,000.

Following the acquisitions, FDC's aggregate investment amounted to 493,932,000 ordinary shares at an investment cost of RM13,577,222 representing 23.39% of equity interest, Green Ocean became an associate to the Group. From 2 December 2021 to 14 December 2021, FDC acquired 134,068,000 ordinary shares of Green Ocean from open market for a total cash consideration of RM4,391,310, to arrive at an aggregate investment of 628,000,000 ordinary share at an investment cost of RM17,968,532 representing 29.74% equity interest.

(d) Pursuant to the subscription of new ordinary shares in Saudee (refer to Note 9(b)), FDC has received 69,025,000 units of free detachable Warrants B. From 26 July 2021 to 3 August 2021, FDC has disposed off all 69,025,000 units of Warrants B for a total consideration of RM2,530,938.

(e) Impairment of investment in associates:

The Group assessed whether there are any indications of impairment during the period under review. The Management has considered the decline in market values of quoted shares in the associates as well as results reported by the associates as impairment indications.

(i) Saudee Group Berhad

As at 30 June 2022, the fair value of the Group's investment in quoted shares of Saudee Group Berhad are based on Level 1 of the fair value hierarchy. The market value of these Group's interest, representing its fair value as at 30 June 2022, was RM9,272,250 (31.12.2020: RMNil).

In the current financial period, the fair value was below its carrying value, hence an impairment loss of RM18,775,007 was recognised.

Notes To The Financial Statements (cont'd)

9. INVESTMENT IN ASSOCIATES (CONT'D)

(e) Impairment of investment in associates: (Cont'd)

(ii) Green Ocean Corporation Berhad

As at 30 June 2022, the fair value of the Group's investment in quoted shares of Green Ocean Corporation Berhad are based on Level 1 of the fair value hierarchy. The market value of these Group's interest, representing its fair value as at 30 June 2022, was RM9,420,000 (31.12.2020: RMNil).

In the current financial period, the fair value was below its carrying value, hence an impairment loss of RM21,935,446 was recognised.

(f) The above associates are accounted for using the equity method in the consolidated financial statements.

The summarised unaudited financial information of the associates are as follows:

	LKLI [^] RM'000	Saudee RM'000	Green Ocean RM'000	Total RM'000
30.6.2022				
Non-current assets	-	55,711	20,229	75,940
Current assets	-	98,833	98,721	197,554
Non-current liabilities	-	(2,476)	(317)	(2,793)
Current liabilities	-	(12,863)	(983)	(13,846)
Net assets	-	139,205	117,650	256,855
<u>Financial period ended</u>				
<u>30 June 2022</u>				
Revenue	101,222	97,361	6,747	205,330
Loss for the period, representing total comprehensive loss for the period	(50,863)	(4,368)	(8,756)	(63,987)
Group's share of loss for the period	(10,238)	(866)	(2,604)	(13,708)
<u>Reconciliation of Net Assets to Carrying Amount</u>				
Group's share of net assets	-	23,871	15,365	39,236
Impairment loss on investment in associates	-	(18,775)	(21,935)	(40,710)
Bargain purchase	-	4,175	15,991	20,166
Carrying amount of the Group's interests in these associates	-	9,271	9,421	18,692

[^] The Group's share of loss for the period has been recognised from 1 April 2021 up to 31 May 2022.

Notes To The Financial Statements (cont'd)

10. INVESTMENT IN JOINT VENTURE

	30.6.2022 RM'000	Group 31.12.2020 RM'000
Unquoted shares, at cost		
At beginning of the period/year	*	*
Less: Accumulated impairment losses	(*)	(*)
At end of the period/year	-	-

The details of the joint venture are as follows:

Name of company	Principal place of business/country of incorporation	Equity interest held		Principal activities
		30.6.2022	31.12.2020	
W Club Sdn. Bhd. ("W Club")(#)	Malaysia	45%	45%	Engaged in the businesses as an entertainment centre in a food and beverage outlet.

Audited by other firm of chartered accountants

* Denotes amount below RM1,000

During the current financial period, W Club changed its financial year end from 31 October to 31 December. In applying the equity method of accounting, the financial statements of the joint venture for the financial year ended 31 December 2021 have been used and appropriate adjustments have been made for the effects of significant transactions between 1 January 2022 and 30 June 2022.

The summarised financial information of the joint venture is as follows:

	30.6.2022 RM'000	31.12.2020 RM'000
Non-current assets	775	1,656
Current assets	1,194	1,840
Non-current liabilities	(80)	(79)
Current liabilities	(3,376)	(3,442)
Net liabilities	(1,487)	(25)
<hr/>		
18-month/12-month period ended 30 June/31 December		
Revenue	111	1,554
Loss for the period/year, representing total comprehensive loss for the period/year	(1,414)	(1,134)
Group's share of loss for the period/year	N/A	(498)

N/A – Not applicable.

Notes To The Financial Statements (cont'd)

10. INVESTMENT IN JOINT VENTURE (CONT'D)

The Group did not recognise its share of losses of W Club amounting to RM636,247 (31.12.2020: RM12,326) because the Group's cumulative share of losses has exceeded its interest in that joint venture and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised to date is RM648,573 (31.12.2020: RM12,326).

11. INVESTMENT IN QUOTED AND UNQUOTED SHARES

	30.6.2022 RM'000	Group 31.12.2020 RM'000
Quoted shares, at cost		
At beginning of the period/year	22,689	–
Additions	9,481	17,351
Fair value adjustments	(22,051)	5,338
Reclassified from investment in associates (Note 9)	10,890	–
Reclassified to investment in unquoted shares	(380)	–
Disposals	(4,806)	–
Currency translation differences	855	–
At end of the period/year	16,678	22,689
Unquoted shares, at cost		
At beginning of the period/year	–	–
Reclassified to investment in unquoted shares	380	–
Less: Accumulated impairment losses	(380)	–
At end of the period/year	–	–
Investment measured at fair value:		
Shares quoted in Malaysia	11,500	12,540
Shares quoted in Hong Kong	5,178	10,149
	16,678	22,689

The fair value of quoted equity investments are measured based on the period/year-end quoted prices in active markets.

The currency exposure profile of investment in quoted and unquoted shares of the Group is as follows:

	30.6.2022 RM'000	Group 31.12.2020 RM'000
RM	11,500	12,540
HKD	5,178	10,149
	16,678	22,689

Notes To The Financial Statements (cont'd)

11. INVESTMENT IN QUOTED AND UNQUOTED SHARES (CONT'D)

On 3 June 2022, one of the Group's investments in quoted shares, Brahim's Holding Berhad ("Brahim") has been removed from the Official List of Bursa Securities, as disclosed in Note 47(r). Therefore, the investment was reclassified from quoted to unquoted investment. The Management has considered the value-in-use and the decline in market values of quoted shares in Brahim as well as results reported by Brahim as impairment indications and has proceeded to recognise an impairment on the entire carrying amount.

12. PREPAID EXPENSES

	30.6.2022	Group
	RM'000	31.12.2020
		RM'000
At beginning of the period/year	19,236	14,815
Additions	15,543	4,421
At end of the period/year	34,779	19,236

On 1 February 2013, the Group's subsidiary, Famous Ambience Sdn. Bhd. entered an agreement with Royal Selangor Golf Club ("RSGC") via a tenancy agreement with City Growth Sdn. Bhd. ("CGSB") to construct a building, namely "The Arch" to house retail, food and beverage outlets, restaurants and car parks.

The terms of the arrangements allow the Group to operate The Arch up to June 2038 and is renewable for additional three years each term, until June 2047. The prepaid expenses will be amortised upon completion of the construction.

An aggregate amount of RM7,260,799 (31.12.2020: RM10,044,401) included in the prepaid expenses has been accounted for in capital commitments, as disclosed in Note 41.

13. GOODWILL

	30.6.2022	Group
	RM'000	31.12.2020
		RM'000
At cost	2,298	2,298
Less: Accumulated impairment losses	(2,210)	(2,210)
	88	88

Goodwill acquired from business combination or acquisition of business is allocated to the CGUs that are expected to benefit from the acquisition respectively. The carrying amount of goodwill had been allocated as follows:

	30.6.2022	Group
	RM'000	31.12.2020
		RM'000
Property investment and management	88	88

Notes To The Financial Statements (cont'd)

14. PRODUCTS DEVELOPMENT EXPENDITURE

	30.6.2022	Group 31.12.2020
	RM'000	RM'000
At cost	2,780	2,780
Less: Accumulated amortisation	(1,967)	(1,967)
Less: Accumulated impairment losses	(813)	(813)
	-	-

15. INVENTORIES

	30.6.2022	Group 31.12.2020
	RM'000	RM'000
Food and beverage	9,814	7,870
Goods-in-transit	4,816	3,874
Health products	3	-
	14,633	11,744
Recognised in profit or loss:-		
Inventories recognised as cost of sales	29,812	32,603

16. TRADE RECEIVABLES

	30.6.2022	Group 31.12.2020
	RM'000	RM'000
Trade receivables	1,758	3,779
Trade deposits	7,989	858
Less: Accumulated impairment losses	(297)	(270)
	9,450	4,367

The Group's normal trade credit terms range from 30 to 90 (31.12.2020: 30 to 90) days. Other credit terms are assessed and approved on case-by-case basis.

Notes To The Financial Statements
(cont'd)**16. TRADE RECEIVABLES (CONT'D)**

The currency exposure profile of trade receivables of the Group is as follows:

	30.6.2022	Group
	RM'000	31.12.2020
		RM'000
RM	2,056	3,509
EUR	5,998	–
HKD	1,379	858
USD	17	–
	9,450	4,367

17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	30.6.2022	31.12.2020	30.6.2022	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Other receivables	607	811	–	–
Less: Accumulated impairment losses	(364)	(254)	–	–
	243	557	–	–
Deposits	22,865	3,739	1	1
Prepayments	2,445	3,114	20	43
	25,553	7,410	21	44

The currency exposure profile of other receivables, deposits and prepayments of the Group and of the Company is as follows:

	Group		Company	
	30.6.2022	31.12.2020	30.6.2022	31.12.2020
	RM'000	RM'000	RM'000	RM'000
RM	25,553	7,407	21	44
HKD	–	3	–	–
	25,553	7,410	21	44

An aggregate amount of RM599,054 (31.12.2020: RMNil) included in the deposits for acquisition of property, plant and equipment has been accounted for in capital commitments, as disclosed in Note 41.

Notes To The Financial Statements
(cont'd)

18. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	Company	
	30.6.2022 RM'000	31.12.2020 RM'000
Amount due from subsidiaries		
Non-trade balances	221,377	81,313
Less: Accumulated impairment losses	(104,077)	(34,838)
	117,300	46,475
Amount due to subsidiaries		
Non-trade balances	3,113	4,913

The amount due from subsidiaries before allowance for impairment losses are as follows:

	Company	
	30.6.2022 RM'000	31.12.2020 RM'000
Bounce Entertainment Sdn. Bhd.	850	–
Bubbles Entertainment Sdn. Bhd.	8	–
Centurion International Sdn. Bhd.	8	–
DPC Industrial Systems Sdn. Bhd.	249	249
Famous Ambience Sdn. Bhd.	40,672	4,464
Focus Capital Sdn. Bhd.	5	–
Focus Concepts Sdn. Bhd.	6	–
Focus Deli Sdn. Bhd. (formerly known as Finch Entertainment Sdn. Bhd.)	265	459
Focus Dynamic Group Limited	10,655	10,360
Focus Dynamics Centre Sdn. Bhd.	95,297	12,820
Focus Dynamic Limited	13	13
Focus International Holding Sdn. Bhd.	5,393	5,393
Focus Jumbo Sdn. Bhd.	513	–
Focus Medicare Sdn. Bhd.	3,750	–
Focus Sky Sdn. Bhd.	460	–
Focus Supernova Sdn. Bhd.	835	–
Focus Volume Sdn. Bhd.	5	–
Lavo Gallery Sdn. Bhd. (formerly known as Focus Dynamics Drives Sdn. Bhd.)	22,156	21,157
Marquee International Sdn. Bhd.	30,670	20,951
Modern Cuisine Sdn. Bhd.	9,347	5,447
Spark Lifestyle Sdn. Bhd. (formerly known as Marquee Resources Sdn. Bhd.)	220	–
	221,377	81,313

Notes To The Financial Statements (cont'd)

18. AMOUNT DUE FROM/(TO) SUBSIDIARIES (CONT'D)

The amount due to subsidiaries are as follows:

	30.6.2022	Company 31.12.2020
	RM'000	RM'000
Bounce Entertainment Sdn. Bhd.	–	300
Marquee International Sdn. Bhd.	2,175	2,175
Wine Commerce Sdn. Bhd.	938	2,438
	3,113	4,913

The non-trade amounts due from/(to) subsidiaries are unsecured, interest free and are repayable on demand.

The currency exposure profile of amount due from subsidiaries of the Company is as follows:

	30.6.2022	Company 31.12.2020
	RM'000	RM'000
RM	112,109	36,115
HKD	5,191	10,360
	117,300	46,475

19. AMOUNT DUE FROM/(TO) RELATED PARTIES

	30.6.2022	Group Restated 31.12.2020
	RM'000	RM'000
Amount due from related parties		
Trade balances	814	–
Non-trade balances	1,157	1,121
Less: Accumulated impairment losses	(1,124)	(938)
	847	183
Amount due to related parties		
Trade balances	161	–
Non-trade balances	17,349	11,896
	17,510	11,896

Notes To The Financial Statements (cont'd)

19. AMOUNT DUE FROM/(TO) RELATED PARTIES (CONT'D)

The amount due from related parties before allowance for impairment losses is as follows:

	30.6.2022 RM'000	Group Restated 31.12.2020 RM'000
Trade balances		
Ace Edible Oil Industries Sdn. Bhd.	179	-
Gem Live Sdn. Bhd.	509	-
Oversea Production Sdn. Bhd. (formerly known as Haewaytian Cake House Sdn. Bhd.)	124	-
Restoran Oversea (Bandar Baru Sri Petaling) Sdn. Bhd.	2	-
Restoran Oversea (Imbi) Sdn. Bhd.	*	-
	814	-
Non-trade balances		
Oversea Enterprise Berhad	36	-
Unilink Outdoor Sdn. Bhd.	1,121	1,121
	1,157	1,121

The amount due to related parties is as follows:

	30.6.2022 RM'000	Group 31.12.2020 RM'000
Trade balances		
Gem Live Sdn. Bhd.	43	-
Haewaytian Food Industries Sdn. Bhd.	1	-
Oversea Production Sdn. Bhd. (formerly known as Haewaytian Cake House Sdn. Bhd.)	18	-
Spark Club Sdn. Bhd. (formerly known as Zouk Club (KL) Sdn. Bhd.)	99	-
	161	-

* Denotes amount below RM1,000

Notes To The Financial Statements
 (cont'd)

19. AMOUNT DUE FROM/(TO) RELATED PARTIES (CONT'D)

	30.6.2022 RM'000	Group 31.12.2020 RM'000
Non-trade balances		
Carelife Centre Sdn. Bhd.	400	–
Citrasli Emas Sdn. Bhd.	1,050	200
Dynavance Construction Sdn. Bhd.	947	947
Gem Live Sdn. Bhd.	111	–
OCR Land Holdings Sdn. Bhd.	10,349	10,349
Restoran Oversea (Imbi) Sdn. Bhd.	170	–
Spark Club Sdn. Bhd. (formerly known as Zouk Club (KL) Sdn. Bhd.)	3,922	–
Vinta Construction Sdn. Bhd. (formerly known as Unilink Sdn. Bhd.)	400	400
	17,349	11,896

The non-trade amounts due from/(to) related parties are unsecured, interest free and are repayable on demand.

20. AMOUNT DUE FROM/(TO) JOINT VENTURE

	30.6.2022 RM'000	Group 31.12.2020 RM'000
Amount due from joint venture		
Non-trade balances	2,156	2,173
Less: Accumulated impairment losses	(2,156)	(2,156)
	–	17
Amount due to joint venture		
Non-trade balances	9	–

The non-trade amount due from/(to) joint venture is unsecured, interest free and is repayable on demand.

Notes To The Financial Statements (cont'd)

21. SHORT-TERM INVESTMENTS

	Group		Company	
	30.6.2022 RM'000	31.12.2020 RM'000	30.6.2022 RM'000	31.12.2020 RM'000
At cost	2,064	4,722	-	2,700
Fair value adjustments	12	*	-	-
	2,076	4,722	-	2,700
Investment measured at fair value: Money market fund in Malaysia	2,076	4,722	-	2,700

* Denotes amount below RM1,000

22. FIXED DEPOSITS WITH LICENSED BANKS

	Group		Company	
	30.6.2022 RM'000	31.12.2020 RM'000	30.6.2022 RM'000	31.12.2020 RM'000
Fixed deposits with licensed banks	2,940	2,880	1,450	1,422

- (a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 1.25% to 1.90% (31.12.2020: 1.25% to 3.40%) per annum. The fixed deposits have maturity periods ranging from 30 to 90 (31.12.2020: 30 to 90) days.
- (b) Included in the fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period was an amount of RM1,450,282 (31.12.2020: RM1,421,706) which has been pledged to a licensed bank as security for banking facilities granted to the Group, as disclosed in Note 32.

23. CASH AND BANK BALANCES

	Group		Company	
	30.6.2022 RM'000	31.12.2020 RM'000	30.6.2022 RM'000	31.12.2020 RM'000
Cash in hand	129	49	-	*
Cash at bank	60,416	132,190	40,030	118,987
Cash and bank balances	60,545	132,239	40,030	118,987

Notes To The Financial Statements
(cont'd)**23. CASH AND BANK BALANCES (CONT'D)**

The currency exposure profile of cash and bank balances of the Group and of the Company is as follows:

	Group		Company	
	30.6.2022 RM'000	31.12.2020 RM'000	30.6.2022 RM'000	31.12.2020 RM'000
RM	60,154	131,280	40,030	118,987
HKD	389	959	–	–
USD	2	–	–	–
	60,545	132,239	40,030	118,987

* Denotes amount below RM1,000

24. SHARE CAPITAL

	Group and Company			
	30.6.2022 Unit'000	31.12.2020 Unit'000	30.6.2022 RM'000	31.12.2020 RM'000
Issued and fully paid ordinary shares				
At beginning of the period/year	6,155,703	2,044,266	99,563	86,966
Issuance of share capital pursuant to:				
- conversion of ICPS	216,503	22,904	119,077	12,597
- share split	–	4,088,533	–	–
At end of the period/year	6,372,206	6,155,703	218,640	99,563

In the previous financial year, the Company increased its issued and paid-up share capital by way of an issuance of 4,088,532,314 new ordinary shares from the subdivision of every 1 existing share into 3 split shares. In the same year, the Company increased its issued and paid-up share capital from RM86,965,549 to RM99,562,907 by way of an issuance of 22,904,285 new ordinary shares from the conversion of 65,056,550 ICPS at the conversion price of RM0.55 per share which amounted to RM12,597,357.

During the financial period, the Company increased its issued and paid-up share capital from RM99,562,907 to RM218,639,545 by way of an issuance of 216,502,980 new ordinary shares from the conversion of 1,075,846,200 ICPS at the conversion price of RM0.55 per share which amounted to RM119,076,639.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

Notes To The Financial Statements
(cont'd)

25. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

	Group and Company			
	30.6.2022 Unit'000	31.12.2020 Unit'000	30.6.2022 RM'000	31.12.2020 RM'000
ICPS				
At beginning of the period/year	1,979,209	–	108,857	–
Issued during the period/year	–	2,044,266	–	112,435
Converted during the period/year	(1,075,846)	(65,057)	(59,172)	(3,578)
At end of the period/year	903,363	1,979,209	49,685	108,857

In the previous financial year, on 3 December 2020, the Company listed and quoted 2,044,266,042 ICPS at an issue price of RM0.055 per ICPS together with 3,066,399,051 free detachable warrants ("Warrants D") pursuant to the renounceable rights issue on the basis of two (2) ICPS together with three (3) free Warrants D for every six (6) existing ordinary shares held by the entitled shareholders of the Company after share split of every one (1) existing ordinary share into three (3) shares ("Split Shares").

The ICPS are constituted by the Constitution of the Company.

Salient features of the ICPS are as follows:-

- (a) Each ICPS carries the entitlement to convert into new ordinary shares of the Company at the conversion price of RM0.55 per share based on the conversion ratio of ten (10) ICPS for every one (1) new ordinary share during the 10-year period expiring on 26 November 2030 ("Conversion Period"), subject to the adjustments determined by the Board of Directors;
- (b) The ICPS is not redeemable for cash; and
- (c) The ICPS are unsecured and shall, upon allotment and issue, rank pari passu amongst themselves and shall rank in priority to any other class of shares in the capital of the Company, except that they will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared by the Company in respect of the ordinary shares and they carry no right to vote at any general meeting of the Company.

26. RESERVES

	Group		Company	
	30.6.2022 RM'000	31.12.2020 RM'000	30.6.2022 RM'000	31.12.2020 RM'000
Warrant reserve (Note a)	389,126	389,126	389,126	389,126
Foreign exchange translation reserve (Note b)	185	(25)	–	–
Accumulated losses	(494,790)	(420,033)	(501,489)	(432,512)
	(105,479)	(30,932)	(112,363)	(43,386)

Notes To The Financial Statements (cont'd)

26. RESERVES (CONT'D)

(a) Warrant reserve

During the financial period, warrant reserve consists of 3,066,399,051 unexercised warrants with an exercise price of RM0.80 per warrant. The value ascribed to the warrants was credited as a reserve in equity under warrant reserve and appropriate amount was transferred to share capital as and when warrants are exercised. Upon the expiry of the warrants, the balance in the warrant reserve was transferred to accumulated losses.

The warrant reserve represents the fair value allocated to the 3,066,399,051 free detachable Warrants D. The fair value allocated to each of the Warrants D as at the previous financial year end is RM0.1269 which has been ascertained through an independent valuation performed by professional valuers using the Trinomial Option Pricing Model. The fair value determined is in accordance with Level 2 of the fair value hierarchy as defined in Note 46(a)(ii) which is based on observable inputs including the Company's share prices and volatility of the share prices over a trading period and market risk free rate of return. The warrant reserve arising from the allocation of fair value to the warrants has been charged to accumulated losses.

Warrants D

Warrants D were listed and quoted on Bursa Securities on 3 December 2020. Each Warrants D entitles its holder the right to subscribe for one (1) new ordinary share in the Company at any time up to the expiry date of 26 November 2025 at an exercise price of RM0.80 payable in cash.

On 3 December 2020, the Company listed and quoted 3,066,399,051 Warrants D pursuant to the renounceable rights issue.

The Warrants D are constituted by the Deed Poll dated 19 October 2020 ("Deed Poll D") and immediately be detached from the ICPS upon allotment and issuance.

Salient features of the Warrants D are as follows:-

- (i) Each Warrants D shall entitle its registered holders to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.80 per Warrant D during the 5-year period expiring on 26 November 2025 ("Exercise Period"), subject to the adjustments as set out in the Deed Poll D;
- (ii) At the expiry of the Exercise Period, any Warrants D which have not been exercised shall automatically lapse and cease to be valid for any purposes; and
- (iii) Warrant holders must exercise the Warrants D in accordance with the procedures set out in the Deed Poll D and shares allotted and issued upon such exercise shall rank pari passu in all respects with the then existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

During the financial period, none (31.12.2020: none) of the Warrants D is exercised into new ordinary shares of the Company.

(b) Foreign exchange translation reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

Notes To The Financial Statements (cont'd)

27. LEASE LIABILITIES

	30.6.2022 RM'000	Group 31.12.2020 RM'000
At beginning of the period/year	5,426	4,726
Additions during the period/year	19,985	2,245
Adjustments due to subsequent effects of adoption of MFRS 16	–	(806)
Adjustments due to lease modification	(698)	(324)
Adjustments due to early termination	–	(25)
Interest expense recognised in profit or loss	2,039	705
Repayment of principal	(4,335)	(390)
Repayment of interest	(2,039)	(705)
At end of the period/year	20,378	5,426
Analysed by:		
Non-current liabilities	10,543	4,494
Current liabilities	9,835	932
	20,378	5,426

The repayment terms of lease liabilities is as follows:

	30.6.2022 RM'000	Group 31.12.2020 RM'000
Minimum lease payments		
- not later than 1 year	11,615	1,568
- later than 1 year and not later than 5 years	11,931	5,399
- later than 5 years	1,387	210
Total minimum lease payments	24,933	7,177
Less: Future finance charges on lease liabilities	(4,555)	(1,751)
Present value of lease liabilities	20,378	5,426

Certain lease liabilities of the Group are secured by the Group's motor vehicles under the hire purchase arrangements, as disclosed in Note 7, with lease terms of 4 to 9 years (31.12.2020: 9 years) and bear effective interest rates between 2.51% and 4.70% (31.12.2020: 2.51%) per annum.

Notes To The Financial Statements
(cont'd)

28. DEFERRED TAX LIABILITIES

	Group		Company	
	30.6.2022 RM'000	31.12.2020 RM'000	30.6.2022 RM'000	31.12.2020 RM'000
At beginning of the period/ year	29	–	–	–
Recognised in the statements of comprehensive income (Note 38)	169	29	–	–
At end of the period/year	198	29	–	–
Presented after appropriate offsetting as follows:				
Deferred tax assets	(160)	(36)	(167)	(139)
Deferred tax liabilities	358	65	167	139
	198	29	–	–

The components and movements of deferred tax liabilities and deferred tax assets during the financial period/year prior to offsetting are as follows:

Deferred tax liabilities

	Property, plant and equipment RM'000	Total RM'000
Group		
At 1 January 2021	65	65
Recognised in the statements of comprehensive income	293	293
At 30 June 2022	358	358
Company		
At 1 January 2021	139	139
Recognised in the statements of comprehensive income	28	28
At 30 June 2022	167	167
Group		
At 1 January 2020	39	39
Recognised in the statements of comprehensive income	26	26
At 31 December 2020	65	65
Company		
At 1 January 2020	139	139
Recognised in the statements of comprehensive income	–	–
At 31 December 2020	139	139

Notes To The Financial Statements
(cont'd)

28. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax assets

	Unabsorbed capital allowances RM'000	Others deductible temporary differences RM'000	Total RM'000
Group			
At 1 January 2021	(19)	(17)	(36)
Recognised in the statements of comprehensive income	(110)	(14)	(124)
At 30 June 2022	(129)	(31)	(160)
<hr/>			
At 1 January 2020	(2)	(37)	(39)
Recognised in the statements of comprehensive income	(17)	20	3
At 31 December 2020	(19)	(17)	(36)
<hr/>			
Company			
At 1 January 2021	-	(139)	(139)
Recognised in the statements of comprehensive income	-	(28)	(28)
At 30 June 2022	-	(167)	(167)
<hr/>			
At 1 January 2020	-	(139)	(139)
Recognised in the statements of comprehensive income	-	-	-
At 31 December 2020	-	(139)	(139)
<hr/>			

29. TRADE PAYABLES

The normal trade credit terms granted to the Group ranged from 30 to 90 days (31.12.2020: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Notes To The Financial Statements (cont'd)

30. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	30.6.2022 RM'000	31.12.2020 RM'000	30.6.2022 RM'000	31.12.2020 RM'000
Other payables	19,445	5,740	837	1,107
Accruals	2,765	1,031	77	52
Amount due to shareholders	525	–	–	–
Amount due to directors of the subsidiaries	961	892	–	–
	23,696	7,663	914	1,159

The amount due to shareholders and directors of the subsidiaries is unsecured, interest free and is repayable on demand.

The currency exposure profile of other payables and accruals of the Group and the Company is as follows:

	Group		Company	
	30.6.2022 RM'000	31.12.2020 RM'000	30.6.2022 RM'000	31.12.2020 RM'000
RM	23,639	7,602	914	1,159
HKD	57	61	–	–
	23,696	7,663	914	1,159

31. PROVISION FOR RESTORATION COSTS

	Group	
	30.6.2022 RM'000	31.12.2020 RM'000
At beginning of the period/year	413	413
Additions	166	–
At end of the period/year	579	413

Under certain lease arrangements, the Group has an obligation to dismantle and remove structures on certain sites and restore those sites at the end of the lease terms to an acceptable condition consistent with the lease arrangements.

The provisions are estimated using the assumption that decommissioning, removal and restoration will only take place upon expiry of the lease terms (inclusive of secondary terms) of 3 to 6 years (31.12.2020: 4 to 5 years).

While the provisions are based on the best estimate of future costs and the economic lives of the affected assets, there is uncertainty regarding both the amount and timing of incurring of these costs. All the estimates are reviewed on an annual basis or more frequently, where there is indication of a material change.

Notes To The Financial Statements (cont'd)

32. BANK OVERDRAFTS

The bank overdrafts are secured as follows:

- (a) Existing Memorandum of Deposit and Letter of Authorisation by the Company in favour of the licensed bank in respect of fixed deposits of not less than RM204,698 together with all interest accruing from time to time in respect of the fixed deposits, as disclosed in Note 22; and
- (b) Execution Memorandum of Deposit (creating a charge) and Letter of Authorisation by the Company in favour of the licensed bank in respect of fixed deposits of not less than RM1,000,000 together with all interest accruing from time to time in respect of the fixed deposits, as disclosed in Note 22.

The bank overdrafts of the Group and the Company at the end of the reporting period bore effective interest rates between 3.60% and 3.80% (31.12.2020: 3.49% and 4.85%) per annum.

33. REVENUE

Revenue consists of the followings:

	Financial period from 1.1.2021 to 30.6.2022 RM'000	Group Financial year from 1.1.2020 to 31.12.2020 RM'000
Food and beverage	60,012	66,079
Engineering services	-	180
Others	225	-
	60,237	66,259

The other information on the disaggregation of revenue is disclosed in Note 43.

Notes To The Financial Statements
(cont'd)

34. NET (IMPAIRMENT LOSSES)/REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Group		Company	
	Financial period from 1.1.2021 to 30.6.2022 RM'000	Restated Financial year from 1.1.2020 to 31.12.2020 RM'000	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
Impairment losses:				
- trade receivables	(109)	(162)	-	-
- other receivables	(110)	(4)	-	-
- amount due from subsidiaries	-	-	(69,434)	-
- amount due from related parties	(186)	-	-	-
Reversal of impairment losses:				
- trade receivables	82	1,432	-	-
- other receivables	-	295	-	-
- amount due from subsidiaries	-	-	195	539
- amount due from joint venture	*	-	-	-
	(323)	1,561	(69,239)	539

* Denotes amount below RM1,000

35. (LOSS)/PROFIT BEFORE TAXATION

	Group		Company	
	Financial period from 1.1.2021 to 30.6.2022 RM'000	Restated Financial year from 1.1.2020 to 31.12.2020 RM'000	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
(Loss)/profit before taxation is arrived at after charging:				
Auditors' remuneration:				
(a) Auditors of the Company				
(i) Statutory				
- current period/year	390	140	89	25
- underprovision in prior years	-	13	-	-
(ii) Non-statutory				
- current period/year	32	90	32	90
(b) Other auditors				
(i) Statutory				
- current period/year	66	44	-	-
Bad debts written-off	-	18	-	-
Deemed loss on disposal of investment in an associate	17,873	-	-	-
Deposits written-off	-	14	-	-
Depreciation of property, plant and equipment	6,570	4,825	464	387

Notes To The Financial Statements
(cont'd)

35. (LOSS)/PROFIT BEFORE TAXATION (CONT'D)

	Group		Company	
	Financial period from 1.1.2021 to 30.6.2022 RM'000	Restated Financial year from 1.1.2020 to 31.12.2020 RM'000	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
(Loss)/profit before taxation is arrived at after charging: (Cont'd)				
Depreciation of right-of-use assets	5,417	1,352	-	-
Fair value loss on investment in quoted shares	22,051	-	-	-
Impairment on investment in joint venture	-	*	-	-
Impairment on investment in associates	40,710	-	-	-
Impairment on investment in unquoted shares	380	-	-	-
Interest expense on lease liabilities	2,039	705	-	-
Interest expense on bank overdrafts	69	56	-	-
Lease expense on low-value assets	69	10	-	-
Property, plant and equipment written-off (net)	82	648	-	-
Realised foreign exchange loss	4	*	-	-
Share of losses on investment in associates	13,708	-	-	-
Share of losses on investment in joint venture	-	498	-	-
Staff costs (Note 36)	12,470	4,828	560	159
Unrealised foreign exchange loss	102	*	-	-

Notes To The Financial Statements
(cont'd)

35. (LOSS)/PROFIT BEFORE TAXATION (CONT'D)

	Group		Company	
	Financial period from 1.1.2021 to 30.6.2022 RM'000	Restated Financial year from 1.1.2020 to 31.12.2020 RM'000	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
and crediting:				
Bad debts recovered	61	11	-	-
Bargain purchase of associates	20,166	-	-	-
Dividend income	41	4	-	-
Fair value gain on short term investments	12	*	-	-
Fair value gain on investment in quoted shares	-	5,338	-	-
Financing and operational support income (Note 47(g))	3,632	-	-	-
Gain on disposal of property, plant and equipment	193	-	-	-
Gain on disposal of right-of-use assets	40	-	-	-
Gain on lease liabilities written-off due to early termination	-	3	-	-
Gain on disposal of investment in quoted warrants (Note 9 (d))	2,530	-	-	-
Gain on disposal of investment in quoted shares	2,496	-	-	-
Incentive income	185	516	-	-
Interest income				
- fixed deposits	60	45	28	26
- others	2,635	97	2,562	78
Management fee	252	24	-	-
Rental income	143	36	-	-
Unrealised foreign exchange gain	745	-	295	-

* Denotes amount below RM1,000

Notes To The Financial Statements
(cont'd)

36. STAFF COSTS

	Group		Company	
	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
Short-term employee benefits	11,690	4,494	525	153
Employees Provident Fund	950	362	33	5
Social security contributions	102	41	2	1
Employment Insurance System	12	4	*	*
Total staff cost	12,754	4,901	560	159
Less: SOCSO's COVID-19 Aid Relief	(284)	(73)	–	–
Net staff costs	12,470	4,828	560	159

The remuneration of Directors and key management personnel included in staff costs during the period are as follows:

	Group		Company	
	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
Short-term employee benefits	1,377	561	485	153
Employees Provident Fund	50	5	33	5
Social security contributions	3	1	2	1
Employment Insurance System	*	*	*	*
	1,430	567	520	159

* Denotes amount below RM1,000

Notes To The Financial Statements
 (cont'd)

37. DIRECTORS' REMUNERATION

Detail breakdown of remuneration is as follows:

	Group		Company	
	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
Directors of the Company				
Short-term employee benefits:				
- fees	898	401	178	69
- salaries, bonuses and other benefits	321	100	307	84
Employees Provident Fund	35	5	33	5
Social security contributions	2	1	2	1
Employment Insurance System	*	*	*	*
	1,256	507	520	159
Directors of the subsidiaries				
Short-term employee benefits:				
- fees	36	60	-	-
- salaries, bonuses and other benefits	122	-	-	-
Employees Provident Fund	15	-	-	-
Social security contributions	1	-	-	-
Employment Insurance System	*	-	-	-
	174	60	-	-
Total remuneration	1,430	567	520	159

* Denotes amount below RM1,000

Notes To The Financial Statements (cont'd)

38. TAXATION

	Group		Company	
	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
Malaysian income tax				
- current period/year	1,912	5,829	278	-
- under/(over) provision in prior years	73	(55)	-	-
	1,985	5,774	278	-
Deferred tax (Note 28)				
- Relating to origination and reversal of temporary differences	166	5	-	-
- underprovision in prior years	3	24	-	-
	169	29	-	-
	2,154	5,803	278	-

The reconciliations of income tax expense applicable to the results of the Group and of the Company at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
(Loss)/profit before taxation	(71,829)	21,984	(68,699)	(1,369)
Tax at Malaysian statutory tax rate of 24% (31.12.2020: 24%)	(17,239)	5,276	(16,488)	(329)
Tax effects of:				
- expenses not deductible for tax purposes	14,841	2,324	176	458
- income not subject to tax	(5,981)	(1,439)	-	-
- deferred tax assets not recognised during the financial period/year	10,674	54	16,590	-
- share of result in joint venture	-	120	-	-
- utilisation of deferred tax assets previously not recognised	(217)	(501)	-	(129)
Under/(over) provision of income tax in prior years	73	(55)	-	-
Underprovision of deferred tax liabilities in prior years	3	24	-	-
Tax expense for the period/year	2,154	5,803	278	-

Notes To The Financial Statements (cont'd)

38. TAXATION (CONT'D)

Subject to the agreement by Inland Revenue Board, the amount of temporary differences as at the end of the reporting period/year are as follows:

	Group		Company	
	30.6.2022 RM'000	31.12.2020 RM'000	30.6.2022 RM'000	31.12.2020 RM'000
Depreciation in excess of capital allowances	311	885	-	-
Unutilised capital allowances	1,573	819	-	-
Unabsorbed tax losses	27,231	24,933	-	-
Others deductible temporary differences	44,701	3,607	109,397	40,273
	73,816	30,244	109,397	40,273
Deferred tax assets not recognised in respect of the above temporary differences due to uncertainties of realisation of profits	17,716	7,259	26,255	9,665

The unabsorbed tax losses are allowed to be utilised for 10 (31.12.2020: 7) consecutive years of assessment while the unutilised capital allowances are allowed to be carried forward indefinitely.

The Group's unabsorbed tax losses of RM23,587,904, RM1,155,709, RM189,011, RM1,075,732 and RM1,222,384 can be carried forward up to YA2028, YA2029, YA2030, YA2031 and YA2032 respectively (31.12.2020: RM23,587,904, RM1,155,709 and RM189,011 can be carried forward up to YA2025, YA2026, and YA2027 respectively).

Notes To The Financial Statements (cont'd)

39. (LOSSES)/EARNINGS PER SHARE

The basic (losses)/earnings per share is arrived at by dividing the Group's (losses)/earnings attributable to owners of the Company by the weighted average number of ordinary shares issued and calculated as follows:

	Financial period from 1.1.2021 to 30.6.2022 RM'000	Group Financial year from 1.1.2020 to 31.12.2020 RM'000
(Losses)/earnings attributable to owners of the Company	(74,423)	16,611
	Unit'000	Unit'000
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at beginning of the period/year	6,155,703	2,044,266
Effect of conversion of ICPS during the period/year	185,981	437
Effect of share split during the period/year	-	4,088,532
Weighted average number of ordinary shares at end of the period/year	6,341,684	6,133,235
Basic (losses)/earnings per share (sen)	(1.17)	0.27

The diluted (losses)/earnings per share is arrived at by dividing the Group's (losses)/earnings attributable to owners of the Company by the weighted average number of ordinary shares issued adjusted for dilutive effect of ICPS and calculated as follows:

	Financial period from 1.1.2021 to 30.6.2022 RM'000	Group Financial year from 1.1.2020 to 31.12.2020 RM'000
(Losses)/earnings attributable to owners of the Company	(74,423)	16,611
	Unit'000	Unit'000
Weighted average number of ordinary shares in issue, adjusted as follows:		
Weighted average number of ordinary shares in issue, at end of the period/year	6,341,684	6,133,235
Adjustment for dilutive effect of ICPS	903,363	1,979,209
Adjusted weighted average number of ordinary shares at end of the period/year	7,245,047	8,112,444
Diluted (losses)/earnings per share (sen)	(1.03)	0.20

Notes To The Financial Statements (cont'd)

40. CASH FLOWS INFORMATION

(a) The cash disbursed for the additions of right-of-use assets is as follows:

	Financial period from 1.1.2021 to 30.6.2022 RM'000	Group Financial year from 1.1.2020 to 31.12.2020 RM'000
Cash payment	25	–
Additions of new lease liabilities	19,985	2,245
Provision for restoration costs	166	–
Cost of right-of-use assets acquired	20,176	2,245

(b) The reconciliations of liabilities arising from financing activities are as follows:

	Financial period from 1.1.2021 to 30.6.2022 RM'000	Group Financial year from 1.1.2020 to 31.12.2020 RM'000
At beginning of the period/year	5,426	4,726
<u>Changes in financing cash flows</u>		
Repayment of principal	(4,335)	(390)
Repayment of interest	(2,039)	(705)
	(6,374)	(1,095)
<u>Non-cash changes</u>		
Additions of new leases	19,985	2,245
Interest expense recognised in profit or loss	2,039	705
Adjustments due to subsequent effects of adoption of MFRS 16	–	(806)
Adjustments due to lease modifications	(698)	(324)
Adjustments due to early termination	–	(25)
	21,326	1,795
At end of the period/year	20,378	5,426

Notes To The Financial Statements (cont'd)

41. CAPITAL COMMITMENTS

	30.6.2022 RM'000	Group 31.12.2020 RM'000
Approved and contracted for:		
Construction of building	98,612	21,220
Property, plant and equipment	8,194	2,945
	106,806	24,165

Included is an aggregate amount of RM8,964,228 (31.12.2020: RM10,250,551) which has been recognised in the capital work-in-progress of property, plant and equipment, prepaid expenses and deposits for acquisition of property, plant and equipment, as disclosed in Notes 6, 12 and 17.

42. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

Transactions arising from normal business operations of the Group with its related parties during the financial period/year are as follows:

	Financial period from 1.1.2021 to 30.6.2022 RM'000	Group Financial year from 1.1.2020 to 31.12.2020 RM'000
Management fee received from joint venture		
W Club Sdn. Bhd.	4	24
Management fee received from a related party		
Oversea Enterprise Berhad	248	-
Sales of food and beverage to joint venture		
W Club Sdn. Bhd.	-	14

Notes To The Financial Statements
(cont'd)**42. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)****(a) Transactions with related parties (Cont'd)**

	Financial period from 1.1.2021 to 30.6.2022 RM'000	Group Financial year from 1.1.2020 to 31.12.2020 RM'000
Sales of food and beverage to related parties		
Ace Edible Oil Industries Sdn. Bhd.	179	–
Aluxcare Wellness Sdn. Bhd.	211	–
Gem Live Sdn. Bhd.	4,745	–
Oversea Production Sdn. Bhd.	124	–
Restoran Oversea (Bandar Baru Sri Petaling) Sdn. Bhd.	1	–
Restoran Oversea (Imbi) Sdn. Bhd.	1,771	–
Saudi Cold Storage Sdn. Bhd.	183	–
Purchases of food and beverage from related parties		
Aluxcare Wellness Sdn. Bhd.	44	–
Brahim's SATS Food Services Sdn. Bhd.	19	–
Gem Live Sdn. Bhd.	267	–
Haewaytian Food Industries Sdn. Bhd.	74	–
Medik Gen Sdn. Bhd.	9	–
Oversea Production Sdn. Bhd. (formerly known as Haewaytian Cake House Sdn. Bhd.)	29	–
Spark Club Sdn. Bhd. (formerly known as Zouk Club (KL) Sdn. Bhd.)	99	–
Net commission charged to a related party		
Gem Live Sdn. Bhd.	54	–
Rental expenses charged by a related party		
Spark Club Sdn. Bhd. (formerly known as Zouk Club (KL) Sdn. Bhd.)	3,922	–
Ushers/KOL expenses charged by a related party		
Gem Live Sdn. Bhd.	44	–
Administrative expenses charged by a related party		
Gem Live Sdn. Bhd.	40	–

Notes To The Financial Statements (cont'd)

42. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(a) Transactions with related parties (Cont'd)

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties. The outstanding balances of the related parties, if any together with their terms and conditions are disclosed in the respective notes to the financial statements.

There were no transactions arising from normal business operations of the Company with its subsidiaries and its related parties during the financial period/year.

(b) Compensation of Directors and key management personnel

The remuneration of key management personnel including Directors during the financial period/year are as follows:

	Group		Company	
	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
Salaries, bonuses and other benefits	443	100	307	84
Fees	934	461	178	69
Employees Provident Fund ("EPF")	50	5	33	5
Social security contributions ("SOCSSO")	3	1	2	1
Employment Insurance System ("EIS")	*	*	*	*
	1,430	567	520	159

Included in total remuneration of key management personnel are the Directors' remuneration of the Group and of the Company amounting to RM1,429,850 (31.12.2020: RM567,254) and RM519,748 (31.12.2020: RM158,654) respectively.

Notes To The Financial Statements
(cont'd)

42. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) Compensation of Directors and key management personnel (Cont'd)

The detailed remuneration of each named Director at Group and subsidiary levels during the current financial period is as follows:

	Salaries, bonuses and other benefits RM'000	Fees RM'000	EPF RM'000	SOCSSO RM'000	EIS RM'000	Total RM'000
Group level						
Tay Ben Seng, Benson	151	720	18	1	*	890
Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	9	43	-	-	-	52
Tan Aik Heang	9	43	-	-	-	52
Leow Wey Seng	7	71	-	-	-	78
Lim Ming Chang+	145	-	17	1	*	163
Tang Yee Ling	-	21	-	-	-	21
	321	898	35	2	*	1,256
Subsidiary level						
Koo Kien Yoon+	-	29	-	-	-	29
Chong Loong Men	15	-	2	*	*	17
William Shak Soo Wei+	17	7	2	*	*	26
Tan Tiam Pueh	90	-	11	1	*	102
	122	36	15	1	*	174
	443	934	50	3	*	1,430

+ The directors' remuneration have been accounted for up to their date of resignation.

* Denotes amount below RM1,000

Notes To The Financial Statements (cont'd)

43. SEGMENT REPORTING

Primary segment reporting - business

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Directors as chief operating decision makers in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into main business segments as follows:

Business segments	Business activities
Investment holding	Investment holding.
Property investment and management	Engaging in letting of property.
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.
Food and beverage	Operate and manage food and beverage outlets.
Others	Other segments comprise businesses of human resources, event management and general trading and export, import of a variety of goods without any particular specialisation and medical and healthcare equipment, products and services.

For the purpose of making decisions about resource allocation, the Executive Directors assess the performance of the operating segments based on operating profits or losses which is measured differently from those disclosed in the financial statements.

Borrowings and investment-related activities are managed on a group basis by the central treasury function and are not allocated to reportable segments.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items.

The Executive Directors are of the opinion that all inter-segment transactions are entered into in the normal course of business and are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

Notes To The Financial Statements
(cont'd)

43. SEGMENT REPORTING (CONT'D)

Primary segment reporting - business (Cont'd)

	Investment holding RM'000	Property investment and management RM'000	Engineering services RM'000	Food and beverage RM'000	Others RM'000	Total and elimination RM'000	Consolidation adjustments RM'000	Consolidation RM'000
Financial period from 1.1.2021 to 30.6.2022								
Revenue								
External revenue	-	-	-	60,012	225	60,237	-	60,237
Intersegment revenue	-	-	-	3,037	-	3,037	(3,037)	-
Total revenue	-	-	-	63,049	225	63,274	(3,037)	60,237
Results								
Segment results	(131,809)	(359)	90	(6,345)	(582)	(139,005)	80,297	(58,708)
Interest income	2,592	-	-	103	*	2,695	-	2,695
(Loss)/profit from operations	(129,217)	(359)	90	(6,242)	(582)	(136,310)	80,297	(56,013)
Interest expenses	(3)	-	(67)	(2,006)	-	(2,076)	(32)	(2,108)
Share of results in associates	-	-	-	-	-	-	(13,708)	(13,708)
(Loss)/profit before taxation	(129,220)	(359)	23	(8,248)	(582)	(138,386)	66,557	(71,829)
Taxation	(277)	-	(13)	(1,864)	-	(2,154)	-	(2,154)
(Loss)/profit for the period	(129,497)	(359)	10	(10,112)	(582)	(140,540)	66,557	(73,983)

Notes To The Financial Statements
(cont'd)

43. SEGMENT REPORTING (CONT'D)

Primary segment reporting - business (Cont'd)

	Investment holding RM'000	Property investment management RM'000	Engineering services RM'000	Food and beverage RM'000	Others RM'000	Total and elimination RM'000	Consolidation adjustments RM'000	Consolidation RM'000
Financial period from 1.1.2021 to 30.6.2022								
Other information								
Bad debts recovered	-	-	(61)	-	-	(61)	-	(61)
Bad debts written-off	-	-	-	-	-	-	-	-
Bargain purchase of associates	(20,166)	-	-	-	-	(20,166)	-	(20,166)
Deemed loss on investment in an associate	28,111	-	-	-	-	28,111	(10,238)	17,873
Deposits written-off	-	-	-	-	-	-	-	-
Depreciation of property, plant and equipment	464	5	-	6,084	17	6,570	-	6,570
Depreciation of right-of-use assets	-	-	16	5,512	-	5,528	(111)	5,417
Fair value loss on investment in quoted shares	16,226	-	-	5,825	-	22,051	-	22,051
Financing and operational support income	-	-	-	(3,632)	-	(3,632)	-	(3,632)
Gain on disposal of property, plant and equipment	-	-	-	(193)	-	(193)	-	(193)
Gain on disposal of investment in quoted warrants	(2,530)	-	-	-	-	(2,530)	-	(2,530)

Notes To The Financial Statements
(cont'd)

43. SEGMENT REPORTING (CONT'D)

Primary segment reporting - business (Cont'd)

	Investment holding RM'000	Property investment and management RM'000	Engineering services RM'000	Food and beverage RM'000	Others RM'000	Total and elimination RM'000	Consolidation adjustments RM'000	Consolidation RM'000
30.6.2022								
Assets								
Segment assets	203,534	58,761	-	108,127	4,995	375,417	(149,923)	225,494
Current tax assets	1,224	-	-	7,089	-	8,313	-	8,313
	204,758	58,761	-	115,216	4,995	383,730	(149,923)	233,807
Goodwill								88
Consolidated assets								233,895
Liabilities								
Segment liabilities	111,951	56,811	2,192	141,746	5,680	318,380	(249,708)	68,672
Current tax liabilities	-	238	-	187	-	425	-	425
Deferred taxation	-	-	-	198	-	198	-	198
Consolidated liabilities	111,951	57,049	2,192	142,131	5,680	319,003	(249,708)	69,295
Additions to non-current assets other than financial instruments are:								
Investment in associates	81,707	-	-	-	-	81,707	-	81,707
Investment in quoted and unquoted shares	9,481	-	-	-	-	9,481	-	9,481
Prepaid expenses	-	15,543	-	-	-	15,543	-	15,543
Property, plant and equipment	-	-	-	15,529	135	15,664	-	15,664
Right-of-use assets	-	-	-	20,176	-	20,176	-	20,176

Notes To The Financial Statements
(cont'd)

43. SEGMENT REPORTING (CONT'D)

Primary segment reporting - business (Cont'd)

	Investment holding RM'000	Property investment management RM'000	Engineering services RM'000	Food and beverage RM'000	Others RM'000	Total and elimination RM'000	Consolidation adjustments RM'000	Consolidation RM'000
Financial year from 1.1.2020 to 31.12.2020								
Revenue								
External revenue	-	-	180	66,079	-	66,259	-	66,259
Intersegment revenue	-	-	-	610	-	610	(610)	-
Total revenue	-	-	180	66,689	-	66,869	(610)	66,259
Results								
Segment results	1,336	(110)	(866)	24,764	(555)	24,569	(1,468)	23,101
Interest income	104	-	1	37	-	142	-	142
Profit/(loss) from operations	1,440	(110)	(865)	24,801	(555)	24,711	(1,468)	23,243
Interest expenses	(8)	-	(52)	(449)	(345)	(854)	93	(761)
Share of results in joint venture	-	-	-	-	-	-	(498)	(498)
Profit/(loss) before taxation	1,432	(110)	(917)	24,352	(900)	23,857	(1,873)	21,984
Taxation	-	*	-	(5,803)	-	(5,803)	-	(5,803)
Profit/(loss) for the year	1,432	(110)	(917)	18,549	(900)	18,054	(1,873)	16,181

Notes To The Financial Statements
 (cont'd)

43. SEGMENT REPORTING (CONT'D)

Primary segment reporting - business (Cont'd)

	Investment holding RM'000	Property investment and management RM'000	Engineering services RM'000	Food and beverage RM'000	Others RM'000	Total and elimination RM'000	Consolidation adjustments RM'000	Consolidation RM'000
Financial year from 1.1.2020 to 31.12.2020								
Other information (Cont'd)								
Gain on disposal of investment in quoted shares	-	-	-	-	-	-	-	-
Impairment on investment in associates	-	-	-	-	-	-	-	-
Impairment on investment in unquoted shares	-	-	-	-	-	-	-	-
Net reversal of impairment losses on financial assets	(604)	-	-	(2,538)	-	(3,142)	1,581	(1,561)
Property, plant and equipment written-off (net)	-	-	-	648	-	648	-	648
Share of losses on investment in associates	-	-	-	-	-	-	-	-
Share of losses on investment in joint venture	-	-	-	-	-	-	498	498

Notes To The Financial Statements
(cont'd)

43. SEGMENT REPORTING (CONT'D)

Primary segment reporting - business (Cont'd)

	Investment holding RM'000	Property investment management RM'000	Engineering services RM'000	Food and beverage RM'000	Others RM'000	Total and elimination RM'000	Consolidation adjustments RM'000	Consolidation RM'000
31.12.2020								
Assets								
Segment assets	186,772	23,868	513	69,128	4,546	284,827	(62,816)	222,011
Current tax assets	74	-	13	331	-	418	-	418
Goodwill	186,846	23,868	526	69,459	4,546	285,245	(62,816)	222,429
Consolidated assets								88
								<u>222,517</u>
Liabilities								
Segment liabilities	24,438	21,549	24,253	62,518	4,909	137,667	(96,044)	41,623
Current tax liabilities	-	249	-	2,188	-	2,437	-	2,437
Deferred taxation	-	-	-	29	-	29	-	29
Consolidated liabilities	24,438	21,798	24,253	64,735	4,909	140,133	(96,044)	44,089
Additions to non-current assets other than financial instruments are:								
Investment in associates	-	-	-	-	-	-	-	-
Investment in quoted and unquoted shares	9,690	-	-	7,661	-	17,351	-	17,351
Prepaid expenses	-	4,421	-	-	-	4,421	-	4,421
Property, plant and equipment	-	-	-	859	1,740	2,599	-	2,599
Right-of-use assets	-	-	11	-	2,234	2,245	-	2,245

* Denotes amount below RM1,000

Notes To The Financial Statements (cont'd)

43. SEGMENT REPORTING (CONT'D)

Primary segment reporting - business (Cont'd)

Information about major customer

There is one (31.12.2020: one) customer whose transactions arising from sales in the food and beverage segment amounted to RM13,102,079 (31.12.2020: RM12,145,200) representing more than 10% of the Group's revenue.

44. FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

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:

(a) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits or occasionally, in short term commercial papers.

The Group's interest rate risk arises primarily from interest-bearing borrowings. The Group's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

Interest rate sensitivity analysis

i Fair value sensitivity analysis for fixed rate instrument

The Group does not account for any fixed rate financial liabilities at 'fair value through profit or loss' and does not designate derivatives as hedging instrument under fair value hedge accounting method. Therefore, a change in interest rate at the end of the reporting year would not affect profit or loss.

ii Sensitivity analysis

If the interest rates have been higher or lower and all other variables were held constant, the Group's results would decrease or increase accordingly. This is mainly attributable to the Group's exposure to interest rates on its floating rate borrowings which are not hedged. The Group's floating rate borrowings in RM are exposed to variability in future interest payments. If the Bank's Base Lending Rate (BLR) was to increase/decrease by 1%, it would impact the Group's profit by RM12,071 (31.12.2020: RM12,246).

The fixed deposits with licensed banks as at 30 June 2022 have maturity periods of 30 to 90 (31.12.2020: 30 to 90) days, and bear interest at rates ranging from 1.25% to 1.90% (31.12.2020: 1.25% to 3.40%) per annum.

Notes To The Financial Statements
(cont'd)

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

The maturity profiles of the Group and the Company's liabilities at the financial year end based on contractual undiscounted repayment obligations are as follows:

Group	Effective interest rate %	Carrying amount RM'000	Contractual undiscounted cash flow RM'000	Maturity ----->		
				Less than 1 year RM'000	Between 2 and 5 years RM'000	More than 5 years RM'000
30.6.2022						
Trade payables	-	5,293	5,293	5,293	-	-
Other payables and accruals	-	23,696	23,696	23,696	-	-
Amount due to related parties	-	17,510	17,510	17,510	-	-
Amount due to joint venture	-	9	9	9	-	-
Bank overdrafts	3.60 - 3.85	1,207	1,207	1,207	-	-
Lease liabilities	2.51 - 16.58	20,378	24,933	11,615	11,931	1,387
		68,093	72,648	59,330	11,931	1,387
31.12.2020						
Trade payables	-	15,000	15,000	15,000	-	-
Other payables and accruals	-	7,663	7,663	7,663	-	-
Amount due to related parties	-	11,896	11,896	11,896	-	-
Bank overdrafts	3.49 - 4.85	1,225	1,225	1,225	-	-
Lease liabilities	2.51 - 16.74	5,426	7,177	1,568	5,399	210
		41,210	42,961	37,352	5,399	210

Notes To The Financial Statements
 (cont'd)

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Liquidity risk (Cont'd)

Company	Effective interest rate %	Carrying amount RM'000	Contractual undiscounted cash flow RM'000	< - Maturity - >
				Less than 1 year RM'000
30.6.2022				
Other payables and accruals	-	914	914	914
Amount due to subsidiaries	-	3,113	3,113	3,113
		4,027	4,027	4,027
31.12.2020				
Other payables and accruals	-	1,159	1,159	1,159
Amount due to subsidiaries	-	4,913	4,913	4,913
		6,072	6,072	6,072

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group is exposed to credit risk primarily from their trade receivables, other receivables and cash and bank balances, all which are financial assets.

As at the current and previous financial period/year end, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised in the statements of financial position.

For cash and bank balances, the Group minimises credit risk by adopting an investment policy which allows dealing with counterparties with good credit ratings only. The Group closely monitors the credit worthiness of their counterparties by reviewing their credit ratings and credit profiles on a regular basis. Receivables are monitored to ensure that exposure to bad debts is minimised.

For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval from the Head of Credit Control. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

Notes To The Financial Statements
(cont'd)

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Credit risk (Cont'd)

Cash and bank balances

The Group's and the Company's cash and bank balances at the financial year end are as follows:

	Note	Group		Company	
		30.6.2022 RM'000	31.12.2020 RM'000	30.6.2022 RM'000	31.12.2020 RM'000
Short-term investments	21	2,076	4,722	–	2,700
Fixed deposits with licensed banks	22	2,940	2,880	1,450	1,422
Cash and bank balances	23	60,545	132,239	40,030	118,987
		65,561	139,841	41,480	123,109

No expected credit loss on the Group's and the Company's balances were recognised arising from the bank balances because the probability of default by these financial institutions were negligible.

Notes To The Financial Statements
(cont'd)

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Credit risk (Cont'd)

Receivables

The ageing analysis of the Group and the Company's gross receivables (before deducting allowance for impairment loss) are as follows:

Group	Note	Total RM'000	Credit impaired RM'000	Not past due RM'000	Not credit impaired				Total past due RM'000
					1-30 days RM'000	31-60 days RM'000	61-90 days RM'000	>90 days RM'000	
30.6.2022									
Trade receivables	16	9,747	211	8,721	245	192	95	283	815
Other receivables which are financial assets	17	23,472	247	22,586	54	88	-	497	639
Amount due from related parties	19	1,971	3	182	89	72	200	1,425	1,786
Amount due from joint venture	20	2,156	-	-	-	-	-	2,156	2,156
		37,346	461	31,489	388	352	295	4,361	5,396
31.12.2020									
Trade receivables	16	4,637	194	3,963	144	35	19	282	480
Other receivables which are financial assets	17	4,550	-	4,296	-	-	-	254	254
Amount due from related parties	19	1,121	-	183	-	-	-	938	938
Amount due from joint venture	20	2,173	-	17	-	-	-	2,156	2,156
		12,481	194	8,459	144	35	19	3,630	3,828

Notes To The Financial Statements
(cont'd)

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Credit risk (Cont'd)

Receivables (Cont'd)

Company	Note	Total RM'000	Credit impaired RM'000	Not past due RM'000	Not credit impaired				Total past due RM'000
					1-30 days RM'000	31-60 days RM'000	61-90 days RM'000	>90 days RM'000	
30.6.2022									
Other receivables which are financial assets	17	1	-	1	-	-	-	-	-
Amount due from subsidiaries	18	221,377	104,077	117,300	-	-	-	-	-
		221,378	104,077	117,301	-	-	-	-	-
31.12.2020									
Other receivables which are financial assets	17	1	-	1	-	-	-	-	-
Amount due from subsidiaries	18	81,313	34,838	925	3,690	9,800	-	32,060	45,550
		81,314	34,838	926	3,690	9,800	-	32,060	45,550

Notes To The Financial Statements
(cont'd)**44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(c) Credit risk (Cont'd)****Receivables (Cont'd)**

Receivables that are neither past due nor credit impaired are creditworthy debtors with good payment records with the Group. The Group's trade receivables credit term ranges from 30 days to 90 days (31.12.2020: 30 days to 90 days). Certain receivables' credit terms are assessed and approved on a case by case basis.

Other receivables which are financial assets include sundry receivables and amounts due from a related party and a joint venture.

None of the Group's receivables that are neither past due nor credit impaired have been renegotiated during the current and previous financial years. Receivables are not secured by any collaterals or credit enhancements.

The Group's concentration of credit risk relates to the amount owing by two (31.12.2020: four) major customers which constituted 47% (31.12.2020: 81%) of its trade receivables at the end of the reporting year.

The exposure of credit risks for trade receivables as at the end of the reporting period by geographical region is as follows:

	30.6.2022	Group
	RM'000	31.12.2020
		RM'000
Domestic	2,056	3,509
France	5,017	–
Hong Kong	1,379	858
Singapore	663	–
Japan	318	–
China	17	–
	9,450	4,367

As at the end of the reporting period, the maximum exposure of credit risk arising from trade receivables is represented by the carrying amount in the statements of financial position.

Impairment of Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. For certain large customers or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information, past trends of payments an external credit rating, where applicable. Also, the Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than 1 year are deemed credit impaired and assesses for their risk of loss individually. The expected loss rates are based on the payment profiles of sales over a period of 1 year from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

Notes To The Financial Statements (cont'd)

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Credit risk (Cont'd)

Receivables (Cont'd)

Impairment of Other Receivables, Related Parties and Joint Venture

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables. Under this approach, the Group assesses whether there is a significant increase in credit risk on the receivables by comparing their risk of default as at the reporting date with the risk of default as at the date of initial recognition based on available reasonable and supportable forward-looking information. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group considers a receivable is credit impaired when the receivable is in significant financial difficulty, for instances, the receivable is in breach of financial covenants or insolvent. Receivables that are credit impaired are assessed individually while other receivables are assessed on a collective basis.

Impairment of amount due from subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, the Company considers advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available.

Notes To The Financial Statements
(cont'd)

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Credit risk (Cont'd)

Impairment on receivables

The Group and the Company apply the simplified approach whereby allowance for impairment are measured at lifetime ECL. The movement of the allowance for impairment loss on receivables is as follows:

Group	< ----- Trade receivables ----- >		< ----- Other receivables which are financial assets ----- >	
	Lifetime ECL allowance RM'000	Credit impaired (Note i) RM'000	Lifetime ECL allowance RM'000	Credit impaired (Note i) RM'000
At 1 January 2021	76	194	254	-
Charge/(reversal) during the period (Note ii)	10	17	(137)	247
At 30 June 2022	86	211	117	247
At 1 January 2020	54	1,486	545	-
Charge/(reversal) during the year (Note ii)	22	(1,292)	(291)	-
At 31 December 2020	76	194	254	-
Total				
		270		364
		27		110
		297		364
		1,540		545
		(1,270)		(291)
		270		254

Notes To The Financial Statements
(cont'd)

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Credit risk (Cont'd)

Impairment on receivables (Cont'd)

The Group and the Company apply the simplified approach whereby allowance for impairment are measured at lifetime ECL. The movement of the allowance for impairment loss on receivables is as follows: (Cont'd)

Group	< ----- Amount due from related parties ----- >		< ----- Amount due from joint venture ----- >	
	Lifetime ECL allowance RM'000	Credit impaired (Note i) RM'000	Total allowance RM'000	Lifetime ECL allowance RM'000
At 1 January 2021	938	-	938	2,156
Charge/(reversal) during the period (Note ii)	183	3	186	*
At 30 June 2022	1,121	3	1,124	2,156
At 1 January 2020	938	-	938	2,156
Reversal during the year (Note ii)	-	-	-	-
At 31 December 2020	938	-	938	2,156

i Receivables that are individually determined to be credit impaired at the financial period/year end relate to debtors who are in significant financial difficulties and have defaulted on payments.

ii The Group's allowance for impairment loss on trade receivables, other receivables which are financial assets, amount due from related parties and joint venture during the current financial period increased by RM322,694 is mainly due to the provision for higher impaired trade receivables, other receivables which are financial assets, amount due from related parties and joint venture. In the previous financial year, the Group's allowance for impairment loss on trade receivables, other receivables which are financial assets, amount due from related parties and joint venture decreased by RM1,560,938 is mainly due to the provision for lower impaired trade receivables, other receivables which are financial assets, amount due from related parties and joint venture.

* Denotes amount below RM1,000

Notes To The Financial Statements
(cont'd)**44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(c) Credit risk (Cont'd)****Impairment on receivables (Cont'd)**

Company	Amount due from subsidiaries		
	Lifetime ECL allowance RM'000	Credit impaired (Note i) RM'000	Total allowance RM'000
At 1 January 2021	–	34,838	34,838
Charge during the period (Note ii)	–	69,239	69,239
At 30 June 2022	–	104,077	104,077
At 1 January 2020	–	35,377	35,377
Reversal during the year (Note ii)	–	(539)	(539)
At 31 December 2020	–	34,838	34,838

- i Receivables that are individually determined to be credit impaired at the financial period/year end relate to debtors who are in significant financial difficulties and have defaulted on payments.
- ii The Company's allowance for impairment loss on amount due from subsidiaries during the current financial period increased by RM69,239,218 is mainly due to the provision for higher impaired amount due from subsidiaries. In the previous financial year, the Company's allowance for impairment loss on amount due from subsidiaries decreased by RM538,604 is mainly due to the provision for lower impaired amount due from subsidiaries.

(d) Foreign currency risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Hong Kong Dollar (HKD), Euro Dollar (EUR) and United States Dollar (USD). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. Material foreign currency transaction exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts.

Notes To The Financial Statements
(cont'd)

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(d) Foreign currency risk (Cont'd)

Group	Note	HKD RM'000	EUR RM'000	USD RM'000	Total RM'000
30.6.2022					
Financial assets					
Trade receivables	16	1,379	5,998	17	7,394
Cash and bank balances	23	389	–	2	391
		1,768	5,998	19	7,785
Financial liabilities					
Other payables and accruals	30	(57)	–	–	(57)
Net financial assets		1,711	5,998	19	7,728
31.12.2020					
Financial assets					
Trade receivables	16	858	–	–	858
Other receivables and deposits	17	3	–	–	3
Cash and bank balances	23	959	–	–	959
		1,820	–	–	1,820
Financial liabilities					
Other payables and accruals	30	(61)	–	–	(61)
Net financial assets		1,759	–	–	1,759

Notes To The Financial Statements
(cont'd)

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(d) Foreign currency risk (Cont'd)

Company	Note	HKD RM'000	EUR RM'000	USD RM'000	Total RM'000
30.6.2022					
Financial assets					
Amount due from subsidiaries	18	5,191	-	-	5,191
Net financial assets		5,191	-	-	5,191
31.12.2020					
Financial assets					
Amount due from subsidiaries	18	10,360	-	-	10,360
Net financial assets		10,360	-	-	10,360

Sensitivity analysis

The following table demonstrates the sensitivity of the Group's results to a reasonable possible change in the exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Group		Company	
	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000	Financial period from 1.1.2021 to 30.6.2022 RM'000	Financial year from 1.1.2020 to 31.12.2020 RM'000
Effects on (loss)/ profit before taxation:				
HKD/RM – strengthened/ (weakened) 10%	171	176	519	1,036
EUR/RM – strengthened/ (weakened) 10%	600	-	-	-
USD/RM – strengthened/ (weakened) 10%	2	-	-	-

Notes To The Financial Statements (cont'd)

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(e) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The gearing ratios at 30 June 2022 and 31 December 2020 were as follows:

	Note	30.6.2022 RM'000	Group 31.12.2020 RM'000
Bank overdrafts	32	1,207	1,225
Lease liabilities	27	20,378	5,426
		21,585	6,651
Less:			
Short-term investments	21	(2,076)	(4,722)
Fixed deposits with licensed banks (not pledged)	22	(1,490)	(1,458)
Cash and bank balances	23	(60,545)	(132,239)
		(64,111)	(138,419)
Net debt		(42,526)	(131,768)
Total equity attributable to owners of the Company		163,180	177,488
Debt-to-equity ratio		N/A	N/A

N/A – Not applicable, as the short-term investments, fixed deposits with licensed banks and cash and bank balances of the Group are sufficient to settle all the outstanding debts of the Group as at the financial period/year end.

Notes To The Financial Statements (cont'd)

45. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as follows:

- (a) Amortised cost ["AC"]
(b) Fair value through profit or loss ["FVTPL"]

Group	Carrying amount RM'000	AC RM'000	FVTPL RM'000
30.6.2022			
Non-derivative financial assets			
Investment in quoted and unquoted shares	16,678	–	16,678
Trade receivables	9,450	9,450	–
Other receivables and deposits	23,108	23,108	–
Amount due from related parties	847	847	–
Short-term investments	2,076	–	2,076
Fixed deposits with licensed banks	2,940	2,940	–
Cash and bank balances	60,545	60,545	–
	115,644	96,890	18,754
Non-derivative financial liabilities			
Trade payables	5,293	5,293	–
Other payables and accruals	23,696	23,696	–
Amount due to related parties	17,510	17,510	–
Amount due to joint venture	9	9	–
Bank overdrafts	1,207	1,207	–
Lease liabilities	20,378	20,378	–
	68,093	68,093	–
31.12.2020			
Non-derivative financial assets			
Investment in quoted and unquoted shares	22,689	–	22,689
Trade receivables	4,367	4,367	–
Other receivables and deposits	4,296	4,296	–
Amount due from related parties	183	183	–
Amount due from joint venture	17	17	–
Short-term investments	4,722	–	4,722
Fixed deposits with licensed banks	2,880	2,880	–
Cash and bank balances	132,239	132,239	–
	171,393	143,982	27,411

Notes To The Financial Statements
(cont'd)

45. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
Group (Cont'd)			
31.12.2020 (Cont'd)			
Non-derivative financial liabilities			
Trade payables	15,000	15,000	–
Other payables and accruals	7,663	7,663	–
Amount due to related parties	11,896	11,896	–
Bank overdrafts	1,225	1,225	–
Lease liabilities	5,426	5,426	–
	41,210	41,210	–
Company			
30.6.2022			
Non-derivative financial assets			
Deposits	1	1	–
Amount due from subsidiaries	117,300	117,300	–
Fixed deposits with licensed banks	1,450	1,450	–
Cash and bank balances	40,030	40,030	–
	158,781	158,781	–
Non-derivative financial liabilities			
Other payables and accruals	914	914	–
Amount due to subsidiaries	3,113	3,113	–
	4,027	4,027	–
31.12.2020			
Non-derivative financial assets			
Deposits	1	1	–
Amount due from subsidiaries	46,475	46,475	–
Short-term investments	2,700	–	2,700
Fixed deposits with licensed banks	1,422	1,422	–
Cash and bank balances	118,987	118,987	–
	169,585	166,885	2,700
Non-derivative financial liabilities			
Other payables and accruals	1,159	1,159	–
Amount due to subsidiaries	4,913	4,913	–
	6,072	6,072	–

Notes To The Financial Statements (cont'd)

46. FAIR VALUES

(a) Financial instruments that are measured at fair value

Investment in quoted shares, short term investments and warrants [upon initial recognition as disclosed in Note 26(a)] are measured at fair value at different measurement hierarchies (i.e. Levels 1, 2, 3). The hierarchies reflect the level of objectiveness of inputs used when measuring the fair value.

- (i) Level 1: Quoted prices (unadjusted) of identical asset in active markets
- (ii) Level 2: Inputs other at quoted prices included within Level 1 that are observable for the asset, either directly (i.e. prices) or indirectly (i.e. derived from prices)
- (iii) Level 3: Inputs for the assets are not based on observable market data (unobservable inputs)

The Group and the Company do not have any financial instruments measured at Level 3 in current and previous financial years.

	Level 1 RM'000	Level 2 RM'000	Total RM'000
Group			
30.6.2022			
Investment in quoted and unquoted shares	16,678	–	16,678
Short term investments	2,076	–	2,076
Warrant reserve	–	(389,126)	(389,126)
	18,754	(389,126)	(370,372)
31.12.2020			
Investment in quoted and unquoted shares	22,689	–	22,689
Short term investments	4,722	–	4,722
Warrant reserve	–	(389,126)	(389,126)
	27,411	(389,126)	(361,715)
Company			
30.6.2022			
Warrant reserve	–	(389,126)	(389,126)
31.12.2020			
Short term investments	2,700	–	2,700
Warrant reserve	–	(389,126)	(389,126)
	2,700	(389,126)	(386,426)

Notes To The Financial Statements (cont'd)

46. FAIR VALUES (CONT'D)

(b) Financial instruments that are not measured at fair value

The carrying amount of the financial instruments measured at amortised cost are reasonable approximation of their fair values due to their short-term nature.

	Note
Trade receivables	16
Other receivables which are financial assets	17
Amount due from/(to) subsidiaries	18
Amount due from/(to) related parties	19
Amount due from/(to) joint venture	20
Fixed deposits with licensed banks	22
Cash and bank balances	23
Lease liabilities	27
Trade payables	29
Other payables and accruals	30
Bank overdrafts	32

47. SIGNIFICANT AND SUBSEQUENT EVENTS

- (a) The coronavirus (COVID-19) outbreak in early 2020 has reached a pandemic level affecting all businesses and economic activities globally. The Malaysian Government has enforced various measures to curb with the spreading of the virus including travel restrictions, reduced business operating capacity and total prohibition for certain businesses to operate.

The Group foresees that there is no material impact of COVID-19 on the Group's results of operations and financial performance for the financial year ending 30 June 2023. Given the fluidity of the situation, the Group will continuously monitor the impact of COVID-19 on its operations and its financial performance and will also be taking appropriate and timely measures to minimise the impact of the outbreak on the Group's operations.

- (b) On 4 January 2021, the Company proposed to undertake a share split involving the subdivision of every 1 existing Share into 3 Shares ("Proposed Share Split") subject to all relevant approvals being obtained. On 5 August 2021, Bursa Securities vide its letter dated 5 August 2021 rejected the Proposed Share Split as the price of Focus Shares as at 29 July 2021 is RM0.045 and the Proposed Share Split, if approved and implemented, would result in an adjusted price of RM0.015 post Proposed Share Split.
- (c) On 13 January 2021, the Company incorporated Focus Medicare Sdn. Bhd. ("FMSB") with the intention of creating a digital platform for over-the-counter (OTC) healthcare products, as an add-on to its strategic plan to incorporate an entire suite of food-based consumer products into its ecosystem.
- (d) On 19 March 2021, the Company had entered into a Sale and Purchase Agreement with Lim Kon Lian and Mok Mei Lan for the acquisition of 150,000,000 ordinary shares of LKL International Berhad ("LKLI"), a company incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad, representing approximately 29.92% of the total issued and paid-up ordinary shares of LKLI. At the price of RM0.2500 each, the total cash consideration amounted to RM37,500,000 with a transaction cost of RM390,150 and the investment was made vide its wholly-owned subsidiary, Focus Dynamics Centre Sdn. Bhd. ("FDC"). Following the acquisition, LKLI became an associate to the Group. However, there was a subsequent dilution of FDC's shareholdings in LKLI to 19.40% in September 2021 due to a corporate exercise undertaken by LKLI. Nonetheless FDC is able to exercise significant influence by way of common directors on the Board at the Company and LKLI levels and LKLI continued to be regarded as an associated company.

Notes To The Financial Statements (cont'd)

47. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)

(d) (Cont'd)

In addition to the above, there were further acquisition of shares from the open market on the following dates:

- 21 December 2021: 10,667,800 ordinary shares for a cash consideration of RM640,068;
- 22 December 2021: 1,000,000 ordinary shares for a cash consideration of RM60,000; and
- 22 March 2022: 5,869,000 ordinary shares for a cash consideration of RM410,830.

FDC's aggregate investment amounted to 167,536,800 ordinary shares at an investment cost of RM39,001,048, representing 17.24% of equity interest.

On 24 May 2022, following the resignation of Lim Ming Chang as the Executive Director of the Company, also the resignation of Tay Ben Seng, Benson as the Executive Director of LKLI on 30 May 2022, LKLI ceased to be classified as an associate of the Group, and the entire investment was reclassified to investment in quoted shares at fair value and the deemed loss on disposal of the associate amounted to RM17,872,784 (31.12.2020: RMNil) was recognised in profit and loss.

- (e) On 4 May 2021, FMSB entered into a Head of Agreement with LKLI to initiate the rollout of a chain of lifestyle-based pharmacies throughout the Klang Valley, and eventually nationwide.
- (f) On 20 May 2021, FMSB entered into a Joint Venture and Shareholders' Agreement with Carelife Center Sdn. Bhd., a wholly-owned subsidiary of LKLI to jointly incorporate Focus Carelife Sdn. Bhd. ("FCSB") and contribute their expertise to assist FCSB in carrying on the businesses of setting up of pharmacies in Malaysia and trading, supplying, wholesaling and/or manufacturing of medical and healthcare equipment, products and services.
- (g) On 25 May 2021, the Company's wholly-owned subsidiaries, Marquee International Sdn. Bhd. ("MISB") and Wine Commerce Sdn. Bhd. ("WCSB") had entered into business collaborations with three Suppliers for a period of 12 months commencing 1 January 2021 to 31 December 2021. The strategy of the business collaboration was to ameliorate the market condition of the food and beverage industry in light of the Covid-19 pandemic and to capitalise on the strength of Focus Dynamics Group Berhad ("FDGB") in respect of finance and operational support.

The subsidiaries will purchase inter alia wines, champagne and spirits ("Goods") which the above-mentioned Suppliers will undertake to unequivocally assume all responsibilities and liabilities. The Suppliers will procure the Goods from their vendors and such Goods will be kept at the Suppliers' premises for subsequent delivery to the Buyers which will be procured by the Suppliers. The Suppliers will also facilitate the payments by the Buyers for MISB/WCSB sales invoices issued. On 29 December 2021, all parties have agreed to extend the business collaborations for another 3 months, from 1 January 2022 to 31 March 2022.

In consideration thereof for this business collaboration, the Group will receive financing and operational support income equivalent to at least 18% of the total sales value. However, on 7 June 2022, the basis of financing and operational support income was renegotiated by the said Suppliers and on 12 August 2022, the Group and the said Suppliers have entered into Settlement Agreements to agree that the final financing and operational support income will amount to RM3,632,280 which has been recognised by the Group, as disclosed in Note 35.

Notes To The Financial Statements (cont'd)

47. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)

- (h) On 17 June 2021, FDC subscribed to 138,050,000 new ordinary shares in Saudee Group Berhad ("Saudee"), a company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad, representing 19.37% of the total issued and paid-up share capital of Saudee at RM0.1500 per share for a total cash consideration of RM20,707,500. Following the acquisition, and with the Group's obtaining a representation in the Board of Directors of Saudee, Saudee became an associate to the Group. From 13 December 2021 to 23 December 2021, FDC has further acquired 68,000,000 ordinary shares of Saudee from open market for a total cash consideration of RM4,030,000, to arrive at an aggregate investment of 206,050,000 ordinary shares at an investment cost of RM24,737,500 representing 20.77% equity interest.
- (i) On 26 August 2021, FDC subscribed to 351,932,000 new ordinary shares in Green Ocean Corporation Berhad ("Green Ocean"), a company incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad, representing 16.67% of the total issued and paid-up share capital of Green Ocean via private placement at RM0.0231 per share for a total cash consideration of RM8,129,629 with a transaction cost of RM162,593.

In addition to the above, there were further acquisition of shares from the open market on the following dates:

- 25 November 2021: 63,000,000 ordinary shares for a cash consideration of RM2,520,000; and
- 1 December 2021: 79,000,000 ordinary shares for a cash consideration of RM2,765,000.

Following the acquisition, FDC's aggregate investment amounted to 493,932,000 ordinary shares at an investment cost of RM13,577,222 representing 23.39% of equity interest, Green Ocean became an associate to the Group. From 2 December 2021 to 14 December 2021, FDC acquired 134,068,000 ordinary shares of Green Ocean from open market for a cash consideration of RM4,391,310, to arrive at an aggregate investment of 628,000,000 ordinary share at an investment cost of RM17,968,532 representing 29.74% equity interest.

- (j) On 15 September 2021, the Company's subsidiary, Famous Ambience Sdn. Bhd. has awarded a contract for the construction and completion of Satu Blok Bangunan Perdagangan Sementara 3 Tingkat Yang Mengandung: i) Tingkat Bawah Tanah (LG1 & LG2) – Tempat Letak Kereta, ii) Tingkat Bawah – Ruang Perdagangan, iii) Tingkat 1 – Ruang Perdagangan, iv) Tingkat 2 – Dewan Banquet located at Lot 550 (Pt 431) & Lot 551 (Pt 432), Jalan Tun Razak, Seksyen 90, Bandar Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur to Pasukhas Sdn Bhd, a wholly-owned subsidiary of Pasukhas Group Berhad. The estimated aggregate contracts' value is approximately RM77 million.
- (k) On 9 November 2021, FDC has entered into a Collaboration and Tenancy Agreement with Cergaz Autohaus Sdn. Bhd., a wholly-owned subsidiary of Permaju Industries Berhad to jointly develop, promote and offer the luxury and premium EVs motor vehicles at The Arch, Kuala Lumpur upon the terms and subject to the conditions stipulated in the Agreement.
- (l) On 21 February 2022, Focus Sky Sdn. Bhd., a newly incorporated wholly-owned subsidiary, has entered into a Tenancy Agreement with Alpine Return Sdn. Bhd. to lease a shoplot for the purpose of operating restaurant, bar and bistro with registered address as 3-57-1 (RT3 Rooftop), Residensi Star 3, No. 1, Jalan Yap Kwan Seng, 53300 Kuala Lumpur with a total estimated contract value of RM1,303,920, for the period from 1 June 2022 to 31 May 2025, at the average monthly rental of RM36,220, with an option to renew for another 3 years.
- (m) On 24 February 2022, the Company's wholly-owned subsidiary, Marquee International Sdn. Bhd. ("MISB") has obtained the acceptance from BRDB Developments Sdn. Bhd. ("Vendor") to purchase a property bearing postal address as Lot No. 1-2, First Floor, Troika, 19 Persiaran KLCC, 50450 Kuala Lumpur with a consideration of RM4,640,540. On 14 February 2022, MISB has paid RM139,216 (3% of the purchase price) to the Vendor. The balance of RM324,838 (7% of the purchase price) has been paid on 12 April 2022 to the Vendor. The acquisition was not completed as at the date of this report.

Notes To The Financial Statements (cont'd)

47. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)

- (n) On 10 March 2022, the Company's wholly-owned subsidiary, Focus Deli Sdn. Bhd. (formerly known as Finch Entertainment Sdn. Bhd.) has entered into a Tenancy Agreement with President Hotel Sdn. Bhd. to lease a lobby cafe with registered address as Lobby Cafe, Ground Floor, Parkroyal Collection Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur with a total estimated contract value of RM448,404, for the period from 1 May 2022 to 30 April 2025, at the average monthly rental of RM12,456, with an option to renew for another 3 years. On 17 August 2022, President Hotel Sdn. Bhd. has accepted that Modern Cuisin Sdn. Bhd. will be assigned to execute the Tenancy Agreement in place of Focus Deli Sdn. Bhd..
- (o) On 10 March 2022, Focus Jumbo Sdn. Bhd., a newly incorporated wholly-owned subsidiary, has entered into three Tenancy Agreements with President Hotel Sdn. Bhd. to lease nine (9) shoplots for the purpose of operating restaurants with registered address as Shop 1-9, Ground Floor, Parkroyal Collection Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur with a total estimated contract value of RM1,988,573, for the period from 1 July 2022 to 30 June 2025, at the average monthly rental of RM55,238, with an option to renew for another 3 years.
- (p) On 17 March 2022, the Company's wholly-owned subsidiary, Focus Supernova Sdn. Bhd. ("FSSB") has entered into a Tenancy Agreement with JBB Hotels Sdn. Bhd. to lease a shoplot with registered address as 199, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia with a total estimated contract value of RM2,625,000, for the period from 1 April 2022 to 31 March 2025, at the average monthly rental of RM72,919, with an option to renew for another 3 years.
- (q) On 5 April 2022, MISB has entered into a Tenancy Agreement with Spark Club Sdn. Bhd. (formerly known as Zouk Club (KL) Sdn. Bhd.) to lease part of ground floor, mezzanine floor first floor and basement of the building, Zouk Club (KL) with registered address as 436 Jalan Tun Razak, 50400 Kuala Lumpur with a total estimated contract value of RM15,676,752, for the period from 1 January 2022 to 31 December 2023, at the average monthly rental of RM653,198.
- (r) 8 April 2022, Brahim's Holdings Berhad ("Brahim"), being one of the Group's quoted share investments, announced that Bursa Malaysia Securities Berhad ("Bursa") had vide its letter dated 7 April 2022, decided to reject Brahim's application for an extension of time to comply with Paragraph 8.04(3) and Practice Note 17 of the Main Market Listing Requirements of Bursa.

In the circumstances and pursuant to Paragraph 8.04(5) of the Listing Requirements, the trading of the securities of Brahim will be suspended with effect from 15 April 2022. As at 26 April 2022, the indicative share price is RM0.010 per share. On 31 May 2022, Brahim announced that Bursa has dismissed its appeal for the extension of time and on 3 June 2022, Brahim has been removed from the Official List of Bursa Securities.

- (s) On 19 July 2022, MISB has entered into a Sale and Purchase Agreement with Symphony Union Suites Sdn. Bhd. for the acquisition of two (2) storey detached commercial retail lot with vacant possession, in the Building No. Block B in the commercial development known as "Union Suites" held under leasehold land of 99 years with address identified as P.N. 116462, No. Lot 74752, Pekan Penaga, Daerah Petaling, Negeri Selangor for a purchase price of RM4,500,000.
- (t) On 30 August 2022, the Company's wholly-owned subsidiary, Focus Volume Sdn. Bhd. ("FVSB") has entered into a Tenancy Agreement with Pedomon Cekap Sdn. Bhd. to lease a shoplot together with Terrace 1 and Terrace 2 of TSLAW Tower, with registered address as No. 39, Jalan Kamuning, Pinggiran TRX, 55100 Kuala Lumpur, Malaysia with a total estimated contract value of RM1,889,370, for the period from 25 February 2023 to 24 February 2026, at the average monthly rental of RM52,483, with an option to renew for another 3 years.

Notes To The Financial Statements
(cont'd)

48. COMPARATIVE FIGURES

- (a) The following comparative figures have been reclassified to conform to current period's presentation.

	As previously stated RM'000	Reclassification RM'000	As restated RM'000
Group			
Statements of			
Comprehensive Income			
Other operating expenses	(18,910)	938	(17,972)
Net reversal of impairment losses on financial assets	2,499	(938)	1,561
	(16,411)	–	(16,411)
Statements of Cash Flows			
Bad debts written-off	956	(938)	18
Reversal of impairment losses on amount due from related parties	(938)	938	–
	18	–	18

- (b) During the financial period, the Company changed its financial year end from 31 December 2021 to 30 June 2022. Accordingly, the comparative figures for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are for twelve months from 1 January 2020 to 31 December 2020 and are therefore not comparable.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tay Ben Seng, Benson and Tan Aik Heang, being two of the Directors of Focus Dynamics Group Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 53 to 167 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and of their financial performance and cash flows for the financial period then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 18 October 2022.

Tay Ben Seng, Benson
Director

Tan Aik Heang
Director

Kuala Lumpur

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Tay Ben Seng, Benson, being the Director primarily responsible for the financial management of Focus Dynamics Group Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 53 to 167 are in my opinion 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 Tay Ben Seng, Benson
at Puchong in the state of Selangor
on 18 October 2022.

Tay Ben Seng, Benson
Director

Before me,

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FOCUS DYNAMICS GROUP BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Focus Dynamics Group Berhad, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit and loss and other 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 53 to 167.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and of their financial performance and their 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 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report (cont'd)

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Property, plant and equipment

The carrying amount of property, plant and equipment as at 30 June 2022: RM20,856,974.

We refer to the consolidated financial statements: Note 3(c) "Property, plant and equipment, and depreciation", Note 3(r) "Impairment of non-financial assets", Note 5(b) "Impairment of property, plant and equipment" and Note 6 "Property, plant and equipment".

Key audit matter	Our response
<p>On an annual basis, Management assesses whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the assets recoverable amount. Where the carrying of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.</p> <p>We determine this to be a key audit matter as it involves significant estimation of the value-in-use of the cash-generating unit (CGU) to which the property, plant and equipment are allocated, and the expected future cash flows from the CGU. In estimating the expected future cash flows, significant judgement is required in determining a suitable discount rate as well as the expected future market and economic conditions.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> Examining the relevant cash flow forecasts which support Management's impairment assessment. We evaluated the evidence supporting the underlying assumptions in those forecasts, by comparing and considering historical data with current and future information such as prior budget accuracy and expected growth rates to relevant market expectations; and Reviewing the adequacy of the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive.

2. Inventories

The carrying amount of inventories as at 30 June 2022: RM14,633,125.

We refer to the consolidated financial statements: Note 3(h) "Inventories", Note 5(e) "Write-down of inventories to the lower of cost and net realisable value" and Note 15 "Inventories".

Key audit matter	Our response
<p>The cost of inventories may not be recoverable if those inventories are damaged, expired or if their selling prices have declined. The Management reviews for any necessary write-downs at the financial year end.</p> <p>We determine this as a key audit matter as inventories represent a significant component of the Group's statement of financial position and, due to the nature of the inventories, the estimation of the net realisable values of the inventories involved significant judgement by the Management.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> Enquiring (if any), obtaining, reviewing and assessing the inventory list for slow moving, damaged or expired inventories and how Management identifies them; Attending the physical count of inventories to observe the count procedures and physical conditions of those inventories; Assessing the Group's judgement made to the net realisable value of slow moving inventories; and Inquiring and assessing reasons from Management if slow moving inventories are not written-down to their net realisable value.

Independent Auditors' Report (cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information included in the 2022 Annual Report. The other information comprises the Directors' Report and Statement on Risk Management and Internal Control which were obtained prior to the date of this auditors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon. The other sections of the other information included in the 2022 Annual Report are expected to be made available to us subsequently.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.

Independent Auditors' Report (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Independent Auditors' Report (cont'd)

Other Matters

This report is made solely to the Members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Nexia SSY PLT

201906000679 (LLP0019490-LCA) & AF 002009
Chartered Accountants

Michelle Yong Voon Sze

No. 02864/07/2024 J
Chartered Accountant

Shah Alam
18 October 2022

ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2022

SHARE CAPITAL

Issued and Fully Paid-up Capital	:	6,372,205,736
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

SHAREHOLDING DISTRIBUTION SCHEDULE (BASED ON THE RECORD OF DEPOSITORS)

No. of Shareholders	Size of Shareholdings	No. of Shares Held	% of Shares
65	Less than 100	2,354	*
572	100 to 1,000	314,520	*
2,469	1,001 to 10,000	16,967,060	0.27
7,184	10,001 to 100,000	351,347,669	5.51
3,587	100,001 to less than 5% of issued shares	3,513,017,919	55.13
3	5% and above of the issued shares	2,490,556,214	39.08
13,880	TOTAL	6,372,205,736	100.00

* Less than 0.01%

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS)

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

Name of Shareholders	No. of Shares Held	Percentage (%)
1. Asiabio Capital Sdn. Bhd.	1,651,897,076	25.92
2. CGS-CIMB Nominees (Asing) Sdn. Bhd. - Exempt An for CGS-CIMB Securities (Singapore) Pte. Ltd. (RETAIL CLIENTS)	461,443,500	7.24
3. HSBC Nominees (Asing) Sdn. Bhd. - Exempt An for Morgan Stanley & Co. International PLC (IPB CLIENT ACCT)	377,215,638	5.92
4. HSBC Nominees (Asing) Sdn. Bhd. - Exempt An for the Hong Kong and Shanghai Banking Corporation Limited (GCHK-LAZARUS)	300,000,000	4.71
5. HSBC Nominees (Asing) Sdn. Bhd. - Exempt An for BNP Paribas (LONPBCLR-3PTY)	268,514,800	4.21
6. M & A Nominee (Asing) Sdn. Bhd. - Exempt An for Sanston Financial Group Limited (ACCOUNT CLIENT)	218,213,500	3.42
7. Cartaban Nominees (Asing) Sdn. Bhd. - Barclays Bank PLC (RE EQUITIES)	216,701,542	3.40

Analysis Of Shareholdings (cont'd)

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (CONT'D) (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

Name of Shareholders	No. of Shares Held	Percentage (%)
8. Cartaban Nominees (Asing) Sdn. Bhd. - Exempt An for Standard Chartered Bank Singapore (EFGBHK-ASING)	160,000,000	2.51
9. Affin Hwang Nominees (Asing) Sdn. Bhd. - Exempt An for Sanston Financial Group Limited (ACCOUNT CLIENT)	112,700,000	1.77
10. Tay Ben Seng, Benson	86,000,000	1.35
11. Grace Yun Siaw Nei	53,547,300	0.84
12. Lau Kim San	50,000,000	0.78
13. Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tay Ben Seng, Benson	39,800,140	0.62
14. Kenanga Nominees (Asing) Sdn. Bhd. - Exempt An for Monex Boom Securities (HK) Limited	39,558,930	0.62
15. Pang Chow Huat	35,000,000	0.55
16. CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Liew Tak Hon (MY4270)	32,171,900	0.50
17. Kong Kok Keong	30,309,000	0.48
18. Ho Jien Shiung	30,000,000	0.47
19. Ang Kian You	24,628,800	0.39
20. Ho Jien Shiung	21,259,470	0.33
21. Citigroup Nominees (Asing) Sdn. Bhd. - Exempt An for OCBC Securities Private Limited (CLIENT A/C-NR)	17,805,000	0.28
22. Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lee Kim Teck	17,500,000	0.27
23. Kua Khai Shyuan	16,708,900	0.26
24. Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Pang Chow Huat	13,215,300	0.21
25. M & A Nominee (Tempatan) Sdn. Bhd. - Exempt An for Sanston Financial Group Limited (ACCOUNT CLIENT)	12,319,130	0.19
26. Wong Ah Yong	12,000,000	0.19

Analysis Of Shareholdings (cont'd)

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (CONT'D) (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

Name of Shareholders	No. of Shares Held	Percentage (%)
27. Affin Hwang Nominees (Asing) Sdn. Bhd. - DBS Vickers Secs (S) Pte. Ltd. for KGI Securities (Singapore) Pte. Ltd.	10,000,000	0.16
28. Agnes Chan Wai Ching	9,200,000	0.14
29. Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Guak Chua (E-BMM)	9,000,000	0.14
30. Tan Chor Jun	8,501,400	0.13
TOTAL	4,335,211,326	68.03

SUBSTANTIAL SHAREHOLDERS

NAME OF SHAREHOLDERS	DIRECT	NO. OF SHARES HELD		%
		%	INDIRECT	
1. Asiabio Capital Sdn. Bhd.	1,651,897,076	25.92	–	–
2. Fintec Global Berhad	–	–	**1,951,897,076	30.63
3. Morgan Stanley	–	–	^377,240,838	5.92
4. Mitsubishi UFJ Financial Group, INC	–	–	^377,240,838	5.92
**	Deemed interest through the shares held by Asiabio Capital Sdn Bhd, the wholly-owned subsidiary of Fintec Global Berhad.			
^	Mitsubishi UFJ Financial Group, Inc MUFG is deemed interested in the shares of Focus Dynamics Group Berhad held by Morgan Stanley Group by virtue of MUFG's holding more than 20% interest in shares of Morgan Stanley Group.			

DIRECTORS' SHAREHOLDINGS

NAME OF DIRECTORS	DIRECT	NO. OF SHARES HELD		%
		%	INDIRECT	
1. Tay Ben Seng, Benson	129,100,140	2.03	–	–
2. Leow Wey Seng	–	–	–	–
3. Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	–	–	–	–
4. Tan Aik Heang	–	–	–	–
5. Tang Yee Ling	–	–	–	–

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

AS AT 30 SEPTEMBER 2022

No. of ICPS	:	903,363,292
Exercise Price of ICPS	:	RM0.55
Exercise Ratio of ICPS	:	10:01
Exercise Period of ICPS	:	27 November 2020 to 26 November 2030
Voting Rights in the Meeting of ICPS Holders	:	one vote per ICPS holder on a show of hand / one vote per ICPS on poll

SHAREHOLDING DISTRIBUTION SCHEDULE

No. of ICPS Shareholders	Size of Shareholdings	No. of ICPS	% of ICPS
8	Less than 100	435	*
68	100 to 1,000	29,282	*
137	1,001 to 10,000	803,008	0.09
458	10,001 to 100,000	27,260,124	3.02
739	100,001 to less than 5% of issued ICPS	792,670,443	87.75
1	5% and above of the issued ICPS	82,600,000	9.14
1,411	TOTAL	903,363,292	100.00

* Less than 0.01%

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

Name of ICPS Holders	No. of ICPS Held	Percentage (%)
1. Tee Keng Jin	82,600,000	9.14
2. Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Michael Heng Chun Hong	40,000,000	4.43
3. Chai Kok Kheang	35,000,000	3.87
4. Teo Ah Seng	27,500,000	3.04
5. Quek See Kui	17,500,100	1.94
6. Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB for Lee Soi Gek (PB)	17,000,000	1.88
7. Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Quek See Kui	16,000,700	1.77
8. Tan Wei Loon	13,163,000	1.46
9. Maybank Nominees (Tempatan) Sdn. Bhd. - Chiew Guo Chang	10,101,000	1.12

Analysis Of Irredeemable
Convertible Preference Shares ("ICPS")
(cont'd)

**LIST OF 30 LARGEST ICPS ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS)
(CONT'D)
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE
SAME REGISTERED HOLDER)**

Name of ICPS Holders	No. of ICPS Held	Percentage (%)
10. Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB for Teo Ah Seng (PB)	10,000,000	1.11
11. Tan Enn Leong	10,000,000	1.11
12. Tan Gia Lung	9,750,000	1.08
13. Kenanga Nominees (Tempatan) Sdn. Bhd. - Rakuten Trade Sdn. Bhd. for Lua Chin Aik	9,488,500	1.05
14. Ting Seu Nguong	9,105,100	1.01
15. Tan Swee Lay	9,000,000	1.00
16. HLIB Nominees (Tempatan) Sdn. Bhd. - Hong Leong Bank Bhd for Tan Teong Beng	8,460,000	0.94
17. Wang Tsun Siang	7,500,000	0.83
18. Yap Kow Chai	7,500,000	0.83
19. Lim Kay Keong	7,400,000	0.82
20. Tan Chee Keong	7,096,600	0.79
21. Chin Ying Jack	7,000,000	0.77
22. Wong Ah Yong	6,500,000	0.72
23. Anuar bin Md Junus	5,830,000	0.65
24. Chan Shee Chuen	5,360,000	0.59
25. Chia Lee Lee	5,000,000	0.55
26. Liew Yook Kuiw	5,000,000	0.55
27. Hon Hee @ Yoo Kong See	4,900,000	0.54
28. Wong Sieh Ming	4,180,000	0.46
29. Chia Yaw Ping	4,026,500	0.45
30. Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Gan Chow Tee (MARGIN)	4,000,000	0.44
TOTAL	405,961,500	44.94

Analysis Of Irredeemable
Convertible Preference Shares ("ICPS")
(cont'd)

DIRECTORS' ICPS HOLDINGS

	NAME OF DIRECTORS	DIRECT	NO. OF ICPS HELD		%
			%	INDIRECT	
1.	Tay Ben Seng, Benson	-	-	-	-
2.	Leow Wey Seng	-	-	-	-
3.	Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	-	-	-	-
4.	Tan Aik Heang	-	-	-	-
5.	Tang Yee Ling	-	-	-	-

ANALYSIS OF WARRANTS D HOLDING

AS AT 30 SEPTEMBER 2022

No. of Warrants D	:	3,066,399,051
Exercise Price of Warrants D	:	RM0.80
Exercise Period of Warrants D	:	27 November 2020 to 26 November 2025
Voting Rights in the Meeting of Warrants D Holders	:	one vote per warrants holder on a show of hand / one vote per warrants on poll
Number of Warrants D Holders	:	5,517

WARRANTS DISTRIBUTION SCHEDULE

No. of Warrants D holders	Size of Warrants D holdings	No. of Warrants D Held	% of Warrants D
20	Less than 100	1,062	*
96	100 to 1,000	45,891	*
324	1,001 to 10,000	2,187,964	0.07
1,929	10,001 to 100,000	121,173,670	3.95
3,148	100,001 to less than 5% of issued warrants D	2,942,990,464	95.98
5,517	TOTAL	3,066,399,051	100.00

* Less than 0.01%

LIST OF 30 LARGEST WARRANTS D ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

Name of Warrant D holders	No. of Warrants D Held	Percentage (%)
1. Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Michael Heng Chun Hong	112,500,000	3.67
2. Teo Ah Seng	57,000,000	1.86
3. Tan Enn Leong	30,000,000	0.98
4. Chan Shee Chuen	29,682,600	0.97
5. Maybank Nominees (Tempatan) Sdn. Bhd. - Tan Sun Ping	24,000,000	0.78
6. Ho Lee Fung	20,384,300	0.66
7. Ong Kheam Chye	19,911,600	0.65
8. Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Louis Luk Zhang Sheng	19,000,000	0.62

Analysis Of Warrants D Holding (cont'd)

LIST OF 30 LARGEST WARRANTS D ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (CONT'D) (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

Name of Warrant D holders	No. of Warrants D Held	Percentage (%)
9. Chin Kiam Hsung	18,500,000	0.60
10. Tan Book Soon	15,000,000	0.49
11. R. Ramesh A/L Rajahram @ Rajaram	14,900,000	0.49
12. Wong Lye Seng	14,090,000	0.46
13. Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chin Kian Fong	14,000,000	0.46
14. Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Wong Sze Chien	13,335,000	0.43
15. Lua Kim Hut	12,600,000	0.41
16. Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Phe Siew Ling (E-KPG)	12,430,000	0.41
17. Ong Wei Hsien	12,311,600	0.40
18. TA Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Phea Pei Chin	12,200,000	0.40
19. Chang Choo Shoong	12,000,000	0.39
20. Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Martin Pau Kin Loong	12,000,000	0.39
21. Vijay Anand Naidu A/L Kanakaiy	11,500,000	0.38
22. Ong Kheam Chye	11,117,900	0.36
23. Anuar bin Md Junus	10,560,000	0.34
24. Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Kathy Luk Kai Ting	10,500,000	0.34
25. Mohamad bin Yusof	10,500,000	0.34
26. Ch'ng Beng Wei	10,450,000	0.34
27. David Ling Howe Kim	10,200,000	0.33

Analysis Of Warrants D Holding (cont'd)

LIST OF 30 LARGEST WARRANTS D ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (CONT'D) (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

Name of Warrant D holders	No. of Warrants D Held	Percentage (%)
28. Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Kok Keng (LIM0738C)	10,000,000	0.33
29. Chin Kian Fong	10,000,000	0.33
30. Kok Gee Kern	10,000,000	0.33
TOTAL	580,673,000	18.94

DIRECTORS' WARRANTS D HOLDINGS (BASED ON THE REGISTER OF DIRECTORS' WARRANTS D HOLDINGS)

NAME OF DIRECTORS	DIRECT	NO. OF WARRANTS D HELD		%
		%	INDIRECT	
1. Tay Ben Seng, Benson	50	*	—	—
2. Leow Wey Seng	—	—	—	—
3. Abdul Menon bin Arsad @ Abdul Manan bin Arshad	—	—	—	—
4. Tan Aik Heang	—	—	—	—
5. Tang Yee Ling	—	—	—	—
* Less than 0.01%				

ADMINISTRATIVE GUIDE

Date	Time	Broadcast Venue
29 November 2022 (Tuesday)	2.30 p.m.	Lot 4.1, 4th Floor, Menara Lien Hoe No. 8, Persiaran Tropicana Tropicana Golf & Country Resort 47410 Petaling Jaya, Selangor Darul Ehsan Malaysia

MODE OF MEETING

In view of the Covid-19 outbreak and as part of the safety measures, the 19th AGM will be conducted entirely through live streaming from a broadcast venue.

The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which stipulates that the Chairman of the meeting shall be present at the broadcast venue of the 19th AGM. Shareholders of Focus Dynamics Group Berhad (the Company) (Shareholders) are **NOT REQUIRED** to be physically present **NOT ADMITTED** at the broadcast venue on the day of the 19th AGM.

Shareholders whose names appear on the General Meeting Record of Depositors on 21 November 2022 shall be eligible to participate in the 19th AGM remotely by using the Remote Participation and Voting (RPV) Facilities as per the details set out below.

RPV

The 19th AGM will be conducted entirely through live streaming and online remote voting. Shareholders are encouraged to participate in the 19th AGM by using the RPV Facilities. With the RPV Facilities, Shareholders may exercise their rights to participate (including to pose questions to the Board of Directors (Board) and the management of the Company and vote at the 19th AGM.

Individual Members are strongly encouraged to take advantage of RPV Facilities to participate and vote remotely at the 19th AGM.

If an Individual Member is unable to participate the 19th AGM, he/she is encouraged to appoint a proxy(ies) or the Chairman of the meeting to participate on his/her behalf and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

Corporate Members (through Corporate Representative(s) or appointed proxy(ies)) are also strongly advised to participate and vote remotely at the 19th AGM using the RPV Facilities. Corporate Members who wish to participate and vote remotely at the 19th AGM will be required to provide the following documents to the Share Registrar's office at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) no later than **Sunday, 27 November 2022 at 2.30 p.m.:**

- i. Certificate of Appointment of its Corporate Representative or Form of Proxy under the seal of the Corporation;
- ii. Copy of the Corporate Representative's or proxy's MyKad (front and back) / Passport; and
- iii. Corporate Representative's or proxy's email address and mobile phone number.

If a Corporate Member (through Corporate Representative(s) or appointed proxy(ies)) is unable to participate in the 19th AGM, the Corporate Member is encouraged to appoint the Chairman of the meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

Administrative Guide (cont'd)

RPV (CONT'D)

In respect of Nominee Company Members, the beneficiaries of the shares under a Nominee Company's CDS account are also strongly advised to participate and vote remotely at the 19th AGM using RPV Facilities. Nominee Company Members who wish to participate and vote remotely at the 19th AGM can request its Nominee Company to appoint him/her as a proxy to participate and vote remotely at the 19th AGM. Nominee Company will be required to provide the following documents to the Share Registrar's office at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) no later than **Sunday, 27 November 2022 at 2.30 p.m.:**

- i. Form of Proxy under the seal of the Nominee Company;
- ii. Copy of the proxy's MyKad (front and back) / Passport; and
- iii. Proxy's email address and mobile phone number.

If a Nominee Company Member is unable to participate in the 19th AGM, it is encouraged to request its Nominee Company to appoint the Chairman of the meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

The procedures for the RPV in respect of the live streaming and remote voting at the 19th AGM is as follows:-

Procedures	Action
Before 19th AGM	
1. Register as participant in Virtual 19th AGM	<ul style="list-style-type: none"> • Using your computer, access the registration website at https://rebrand.ly/FocusAGM • If you are using mobile devices, you can also scan the QR provided on the left to access the registration page. Click Register and enter your email followed by Next to fill in your details to register for the 19th AGM session. • Upon submission of your registration, you will receive an email notifying you that your registration has been received and is pending verification. • The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android and iOS). Refer to the tutorial guide posted on the same page for assistance.
2. Submit your online registration	<ul style="list-style-type: none"> • Shareholders who wish to participate and vote remotely at the 19th AGM via RPV Facilities are required to register prior to the meeting. The registration will open from 5.00 p.m. on 31 October 2022 and the registration will close at 2.30 p.m. on 27 November 2022. • Clicking on the link mentioned in item 1 will redirect you to the 19th AGM event page. Click on the Register link for the online registration form. • Complete your particulars in the registration page. Your name MUST match your CDS account name (not applicable for proxy). • Insert your CDS account number(s) and indicate the number of shares you hold. • Read and agree to the Terms & Conditions and confirm the Declarations. • Please ensure all information given is accurate before you click Submit to register your remote participation. Failure to do so will result in your registration being rejected. • System will send an email to notify that your registration for remote participation is received and will be verified. • After verification of your registration against the General Meeting Record of Depositors of the Company as at 21 November 2022, the system will send you an email to notify you if your registration is approved or rejected after 27 November 2022. • If your registration is rejected, you can contact the Company's Poll Administrator for clarifications or to appeal.

Administrative Guide (cont'd)

RPV (CONT'D)

The procedures for the RPV in respect of the live streaming and remote voting at the 19th AGM is as follows:- (Cont'd)

Procedures		Action
On the day of 19th AGM		
3.	Attending 19th AGM	<ul style="list-style-type: none"> Two reminder emails will be sent to your inbox. First email is one day before the 19th AGM day, while the second email will be sent 1 hour before the 19th AGM session. Click Join Event in the reminder email to participate the RPV.
4.	Participate with live video	<ul style="list-style-type: none"> You will be given a short brief about the system. Your microphone is muted throughout the whole session. If you have any questions for the Chairman/Board, you may use the Q&A panel to send your questions. The Chairman/Board will try to respond to relevant questions if time permits. All relevant questions will be collected throughout the session and replied later through your registered email. The session will be recorded. Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at your location.
5.	Online Remote Voting	<ul style="list-style-type: none"> The Chairman will announce the commencement of the voting session and the duration allowed at the respective 19th AGM. The list of resolutions for voting will appear at the right-hand side of your computer screen. You are required to indicate your votes for the resolutions within the given stipulated time frame. Click on the Submit button when you have completed. Votes cannot be changed once it is submitted.
6.	End of RPV Facility	Upon the announcement by the Chairman on the closure of the 19th AGM, the live session will end.

PROXY

Shareholders who appoint proxies to participate via RPV Facilities in the 19th AGM must ensure that the duly executed proxy forms are deposited in a hard copy form at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) or fax to 03-6413 3270 or email to infosr@wscs.com.my, no later than **Sunday, 27 November 2022 at 2.30 p.m.**

Please note that if an Individual Member who has submitted his/her Form of Proxy prior to the 19th AGM and subsequently decides to personally participate in the AGM via RPV Facilities, the Individual Member shall proceed to contact the Company's share registrar at 03-6413 3271 to revoke the appointment of his/her proxy no later than **Sunday, 27 November 2022 at 2.30 p.m.**

POLL VOTING

The voting at the 19th AGM will be conducted by poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Workshire Share Registration Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic means.

The Scrutineers will verify the poll results and the Chairman will declare whether the resolutions are duly passed or otherwise.

Administrative Guide (cont'd)

NO RECORDING OR PHOTOGRAPHY

Strictly **NO** recording or photography of the proceedings of the 19th AGM is allowed.

NO BREAKFAST/LUNCH PACKS, DOOR GIFTS OR FOOD VOUCHERS

There will be **NO** distribution of breakfast / lunch packs, door gifts or food vouchers to the Shareholders or proxy(ies) who participate in the 19th AGM.

ENQUIRY

If you have any enquiry prior to the meeting, please contact the following officers during office hours from 9.00 a.m. to 6.00 p.m. on Monday to Friday (except public holidays) at:

For registration, logging in and system related:

Focus Dynamics Group Berhad

Name : Mr. Hong / Ms. Eris / Ms. Jey
Telephone : 03-7688 1013
Email : vgm@mlabs.com

For Proxy and other matters:

Workshire Share Registration Sdn. Bhd.

Name : Mr. Tee Yee Loon
Telephone : 012-371 8858
Email: : infosr@wscs.com.my

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD

To administrate the proceedings of the 19th AGM in orderly manner, Shareholders may before the 19th AGM, submit questions to the Board to agm@focusdynamics.com.my no later than **Sunday, 27 November 2022 at 2.30 p.m.** The Board will endeavour to address the questions received at the 19th AGM.

CDS ACCOUNT NO.																				
NO. OF SHARES HELD																				
NO. OF ICPS HELD																				

FORM OF PROXY

I/We
(FULL NAME IN BLOCK LETTERS)

(NRIC No./Passport No./Company Registration No)

of
(FULL ADDRESS)

Email Address Contact No.

being a member/members of **FOCUS DYNAMICS GROUP BERHAD**, hereby appoint

Name of Proxy	NRIC No./Passport No.	% of Shareholding to be Represented
Address		
Email Address		Contact No.

and/or failing him/her

Name of Proxy	NRIC No./Passport No.	% of Shareholding to be Represented
Address		
Email Address		Contact No.

or failing him/her, the **CHAIRMAN OF THE MEETING** as my/our proxy to vote for me/us on my/our behalf at the Nineteenth Annual General Meeting of the Company to be held at will be conducted on a fully virtual basis from a Broadcast Venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on **Tuesday, 29 November 2022 at 2.30 p.m.** and at any adjournment thereof.

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	Payment of Directors' fees for the financial year ending 30 June 2023		
2.	Payment of Directors' fees for the financial year ending 30 June 2024		
3.	Payment of Directors' benefits		
4.	Re-election of Mr. Tay Ben Seng, Benson		
5.	Re-election of Ms. Tang Yee Ling		
6.	Re-appointment of Auditors		
7.	Retention of Mr. Tan Aik Heang as Independent Director		
8.	Retention of Encik Abdul Menon bin Arsad @ Abdul Manan bin Arshad as Independent Director		
9.	Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016		

(Please indicate with an "X" in the space provided on how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Dated this day of2022.
Signature(s) of member(s)

Notes:-

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
4. Where a member is an Authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account") there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.



Notes:- (Cont'd)

5. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, W. P. Kuala Lumpur or fax to 03-6413 3270 or email to infosr@wscs.com.my not later than Sunday, 27 November 2022 at 2.30 p.m., and in default the instrument of proxy shall not be treated as valid.
6. An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 21 November 2022, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
8. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.
9. The members are encouraged to refer the Administrative Guide on registration and voting process for the meeting.

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AFFIX
STAMP

The Company Secretary
FOCUS DYNAMICS GROUP BERHAD
(Registration No. 200201015261 (582924-P))
A3-3-8, Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Wilayah Persekutuan (KL)

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Fold This Flap For Sealing

F O C U S D Y N A M I C S

FOCUS DYNAMICS GROUP BERHAD

[Registration No. 200201015261 (582924-P)]

Lot 12.1, 12th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana,
Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

Tel No. +603-7803 7333 | Fax No. +603-7803 7338

Email : info@focusdynamics.com.my

www.focusdynamics.com.my