



FOCUS DYNAMICS GROUP BERHAD

[Registration No. 200201015261 (582924-P)]



ANNUAL REPORT 2020



FOCUS DYNAMICS

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Corporate Information

BOARD OF DIRECTORS

Tay Ben Seng, Benson

Executive Director

Lim Ming Chang

(Appointed on 30 April 2021)

Executive Director

Tan Aik Heang

Independent Non-Executive Director

Abdul Menon Bin Arsad @

Abdul Manan Bin Arshad

Independent Non-Executive Director

Leow Wey Seng

(Appointed on 30 March 2021)

Independent Non-Executive Director



COMPANY SECRETARY

Wong Yuet Chyn

(SSM PC No. 202008002451) (MAICSA 7047163)

REGISTERED OFFICE

No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL), Malaysia
Tel No. : 03-6201 1120
Fax No. : 03-6201 3121

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan (KL), Malaysia
Tel No. : 03-2783 9299
Fax No. : 03-2783 9222

AUDITORS

Nexia SSY PLT (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

Corporate Information (cont'd)

**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
Independent Non-Executive Director

Tan Aik Heang – Member
Independent Non-Executive Director

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

NOMINATION COMMITTEE

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

Tan Aik Heang – Member
Independent Non-Executive Director

REMUNERATION COMMITTEE

Tan Aik Heang – Chairman
Independent Non-Executive Director

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

RISK MANAGEMENT COMMITTEE

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

Tay Ben Seng, Benson – Member
 Executive Director

ESOS COMMITTEE

Tan Aik Heang – Member
Independent Non-Executive Director

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

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting (“**18th AGM**”) of **FOCUS DYNAMICS GROUP BERHAD** will be conducted on a fully virtual basis from the Broadcast Venue at 18th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan, **Thursday, 1 July 2021** at 11.00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 and together with the Reports of the Directors and Auditors thereon. **(See Explanatory Note 1)**
2. To approve the payment of Directors’ fees of RM222,000 for the financial year ending 31 December 2021 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 Directors’ fees of RM222,000 for the financial year ending 31 December 2022 payable in arrears after each month of completed service of the Directors during the financial year. **(Ordinary Resolution 2)**
4. To re-elect Encik Abdul Menon bin Arsad @ Abdul Manan bin Arshad, a Director who is retiring by rotation under Clause 135 of the Company’s Constitution. **(Ordinary Resolution 3)**
5. To re-elect the following Directors who are retiring under Clause 137 of the Company’s Constitution:-
 - (i) Mr. Leow Wey Seng **(Ordinary Resolution 4)**
 - (ii) Mr. Lim Ming Chang **(Ordinary Resolution 5)**
6. To re-appoint Nexia SSY PLT as Auditors of the Company for the financial year ending 31 December 2021 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:

7. **Ordinary Resolution
Proposed Directors’ Benefits** **(Ordinary Resolution 7)
(See Explanatory Note 2)**

“**THAT** the payment of Directors’ benefits amounting to RM29,200 for the period commencing after the date of this AGM to the date of the next AGM be and is hereby approved.”
8. **Ordinary Resolution
Proposed Retention of Independent Directors**

To approve the following Directors, each of whom will have served as an Independent Non-Executive Director for a cumulative term of more than 9 years, to be retained and remain as Independent Non-Executive Director of the Company:-

 - (i) Mr. Tan Aik Heang **(Ordinary Resolution 8)**
 - (ii) Encik Abdul Menon bin Arsad @ Abdul Manan bin Arshad **(Ordinary Resolution 9)
(See Explanatory Note 3)**

Notice of Annual General Meeting (cont'd)

9. **Ordinary Resolution** **(Ordinary Resolution 10)**
Authority to Issue Shares Pursuant to Sections 75 and 76 of the **(See Explanatory Note 4)**
Companies Act 2016 ("CA 2016")

"**THAT** pursuant to Sections 75 and 76 of the CA 2016 and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue and allot shares of the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed twenty percent (20%) of the total number of issued shares of the Company for the time being to be utilised until 31 December 2021 as empowered by Bursa Malaysia Securities Berhad ("**Bursa Securities**") pursuant to Bursa Securities's letter dated 16 April 2020 to grant additional temporary relief measures to listed issuers and thereafter does not exceed ten percent (10%) of the total number of issued shares of the Company for the time of issuance and such authority under this resolution shall continue in force until the conclusion of the 19th 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."

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 May 2021

Explanatory Note on Ordinary Business:-

1. Audited Financial Statements for Financial Year Ended 31 December 2020

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.

Notice of Annual General Meeting (cont'd)

Explanatory Notes on Special Business:-

2. Proposed Directors' Benefits

The Proposed Ordinary Resolution 7, if passed, will authorise and approve of the payment of Directors' benefits comprised of allowances 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.

The Directors' benefits comprise meeting allowance payable to each Non-Executive Director, where applicable, for their attendance of Board and Committee Meetings.

3. Proposed Retention of Independent Directors

The Proposed Ordinary Resolutions 8 and 9 in Agenda 8, if passed, will allow Mr. Tan Aik Heang ("**Mr. Tan**") and Encik Abdul Menon bin Arsad @ Abdul Manan bin Arshad ("**Encik Abdul Menon**") to be retained and continue acting as Independent Directors to fulfill the requirements of Rule 15.02 of Bursa Securities's ACE Market Listing Requirements ("**AMLR**") and in line with the recommendation No. 4.2 of the Malaysian Code of Corporate Governance. The full details of the Board's justification and recommendations for the retention of Mr. Tan and Encik Abdul Menon as Independent Directors are set out in the Annual Report 2020.

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

The Proposed Ordinary Resolution 10, 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 Ordinary Resolution 10, if passed, will give the Directors of the Company authority to issue and allot 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 20% of the total number of issued shares of the Company for the time being to be utilised until 31 December 2021, after that, the 10% limit under Rule 6.04 of AMLR will be reinstated (hereinafter referred to as the "**General Mandate**").

As part of the initiative from Bursa Securities to aid and facilitate listed issuers in sustaining their business or easing their compliance with Bursa Securities' rules, amid the unprecedented uncertainty surrounding the recovery of the COVID-19 outbreak and Movement Control Order imposed by the Government, Bursa Securities had vide Bursa Securities's letter dated 16 April 2020 allow a listed issuer to seek a higher general mandate under Rule 6.04 of the AMLR of not more than 20% of the total number of issued shares (excluding treasury shares) for the general issue of new securities.

The 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.

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

Notice of Annual General Meeting (cont'd)

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.
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 No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) or fax to 03-6201 3121 or email to ir.focus@shareworks.com.my not later than Wednesday, 30 June 2021 at 11.00 a.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 June 2021, 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.

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	Operating and managing food and beverage outlets.
Focus Dynamics Drives Sdn Bhd [Registration No. 200101019492 (555249-D)]	3 August 2001 Malaysia	100	Operating and managing food and beverage outlets.
DPC Industrial Systems Sdn. Bhd. [Registration No. 199401038705 (324390-H)]	23 November 1994 Malaysia	100	Engage in 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 (formerly known as Marquee 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	(i) Operating and managing food and beverage outlet; and (ii) 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 business of restaurant, food and beverage 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	Engage in food and beverage business and investment holding.
Marquee Resources Sdn Bhd [Registration No. 201601014210 (1185141-D)]	25 April 2016 Malaysia	100	Engage in businesses of human resources, event management and general trading.
Finch Entertainment Sdn Bhd [Registration No. 201601033474 (1204415-V)]	7 October 2016 Malaysia	100	Engage in business of restaurant, food and beverage.
Wine Commerce Sdn Bhd [Registration No. 201701028080 (1242246-P)]	9 August 2017 Malaysia	100	Engage in businesses 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.

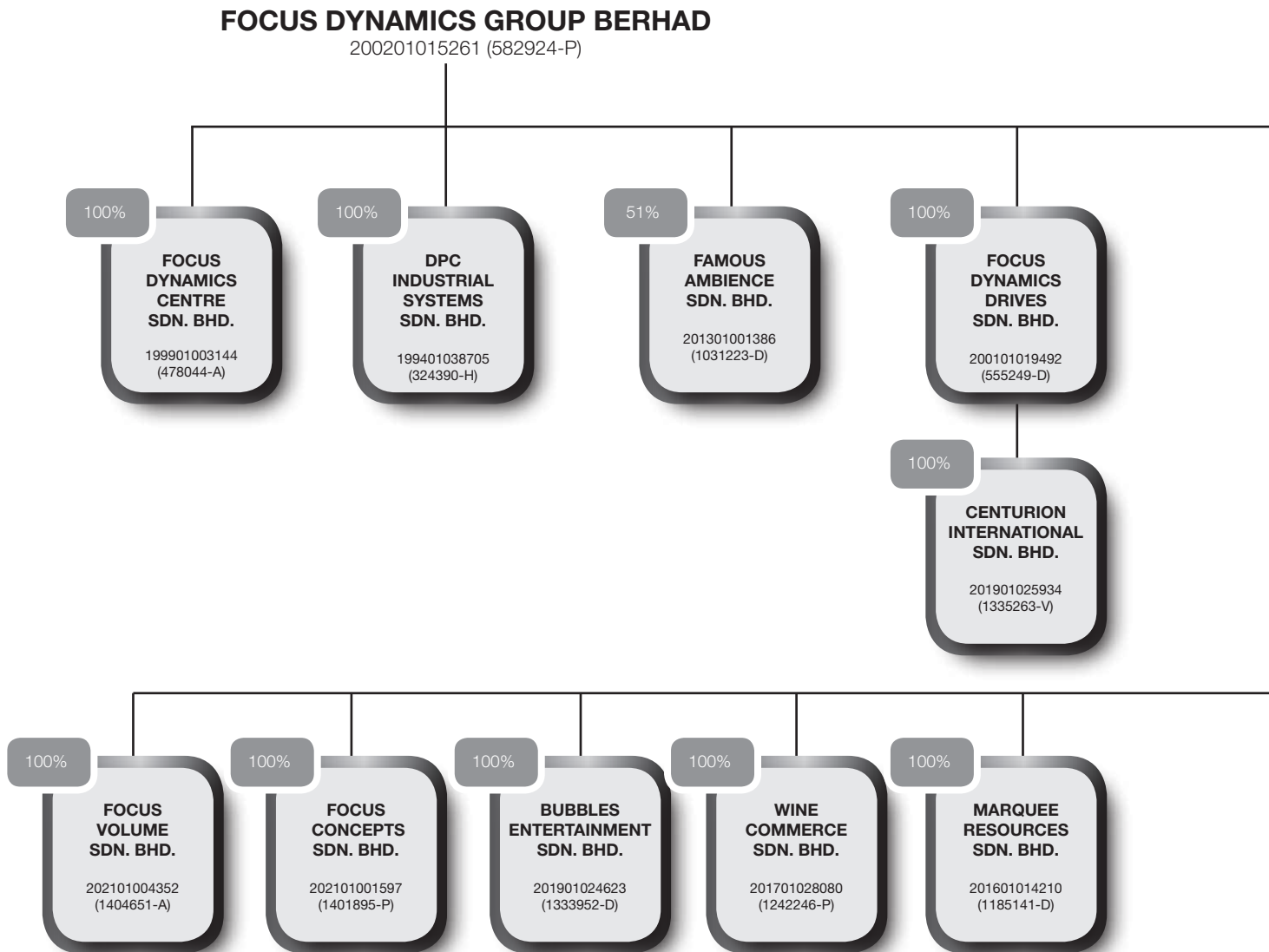
Corporate Profile (cont'd)

Company	Date and Country of Incorporation	Equity Interest (%)	Principal Activities
Famous Ambience Sdn. Bhd. [Registration No. 201301001386 (1031223-D)]	11 January 2013 Malaysia	51	Engage in letting of property business.
W Club Sdn Bhd [Registration No. 201601036026 (1206967-W)]	27 October 2016 Malaysia	45	Engaged in the business of entertainment centre and food and beverage.
Bubbles Entertainment Sdn Bhd [Registration No. 201901024623 (1333952-D)]	12 July 2019 Malaysia	100	Engage in businesses of operating restaurants, foods and beverages 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 food and beverage outlet.
Goldhill Eagle Sdn Bhd [Registration No. 201701043579 (1257752-M)]	28 November 2017 Malaysia	55	Export and import of a variety of goods without any particular specialisation.
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 business of operating and managing food and beverage 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 business of operating and managing food and beverage 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 food and beverage business, entertainment, general trading and investment holding.

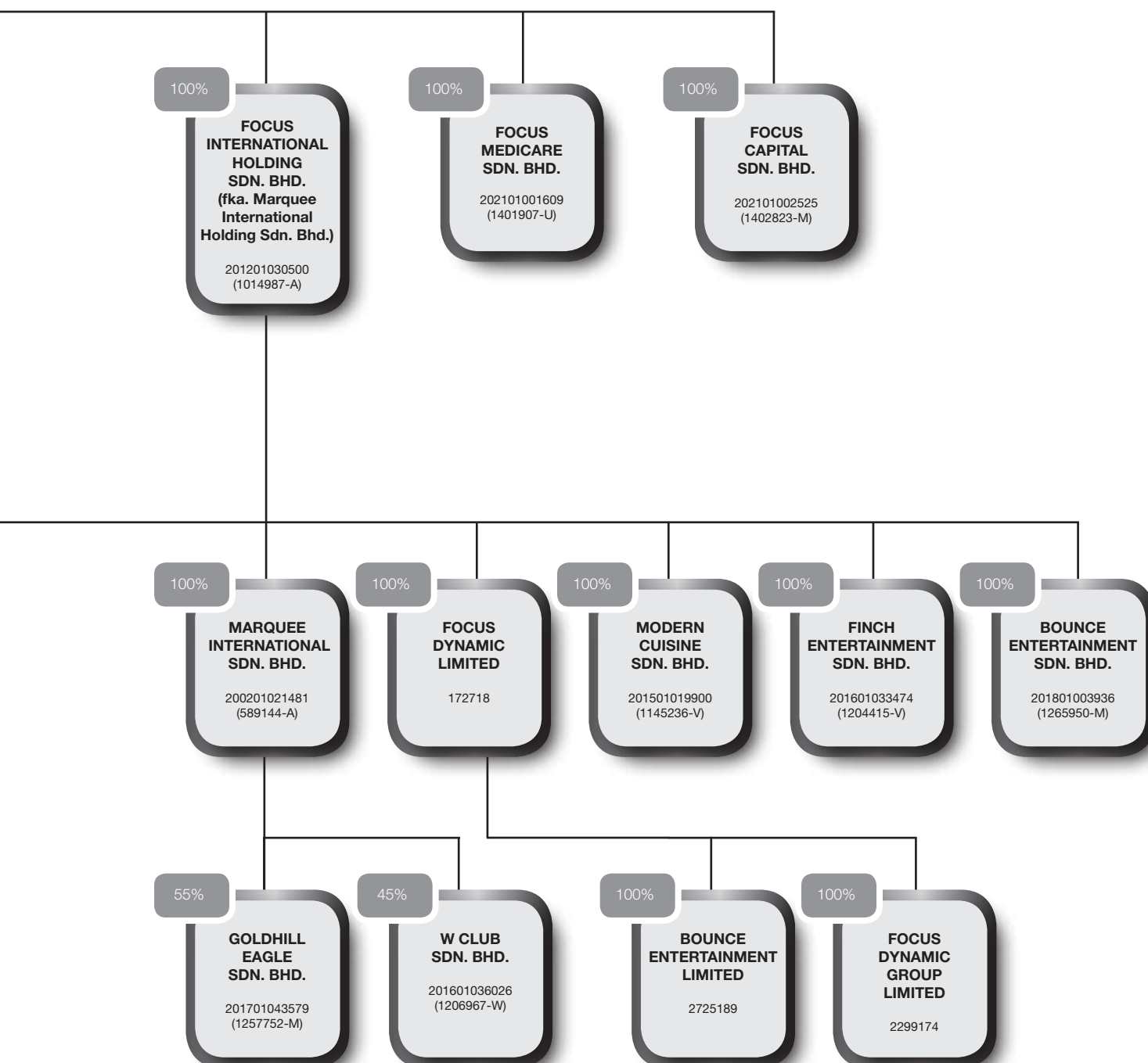
VISION & MISSION

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.

Corporate Structure



Corporate Structure (cont'd)



Profile of Directors

TAY BEN SENG, BENSON

Aged 37 / Male / Malaysian
Executive Director

Qualification:

Mr Tay holds a bachelor of Commerce Degree with a double major in Marketing and Management in Curtin University Technology, Perth.

Working Experience:

He was appointed as an Executive Director of 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. He has extensive experiences of more than a decade ranging from events management to F&B operations and conceptualizing new start-ups.

He currently sits as the Director of Marquee International Sdn Bhd ("MISB") which is the F&B division of the group and also holds directorship positions in several other private companies. Prior to joining MISB, he was involved mainly with various F&B start-ups as well as the automotive industry.

Other Directorships of Public Companies:

Brahim's Holdings Berhad

Details of Any Other Board Committee:

Member of Risk Management Committee

No. of Board Meetings attended in the financial year:

5/5

LIM MING CHANG

Aged 39 / Male / Malaysian
Executive Director

Qualification:

Mr Lim holds the following qualifications:-

- Diploma in Computing and Information Technology from Asia Pacific Institute of Information Technology
- Bachelor of Degree (Science in Computing) from Staffordshire University, United Kingdom; and
- Software Engineering from Asia Pacific University College of Technology and Innovation.

Working Experience:

He was appointed as an Executive Director of the Company on 30 April 2021. He joined LKL International Berhad's ("LKL") group ("the Group") as an IT and Sales Executive. In 2008, he was promoted to Management Information System Manager and was appointed as the Deputy Quality Management Representative of the Group. In 2011, he was promoted to Quality Management Representative. In 2015, he was promoted to General Manager - Operations. In this role, he oversees the Group's manufacturing operations, IT and telecommunications functions, corporate website maintenance, as well as building and facilities management. He remains as the Group's Quality Management Representative and manages quality control and quality assurance of the Group's operations, as well as operational safety, health and environment.

On 1 June 2019, he assumed his position as Chief Executive Officer of LKL Advance Metaltech Sdn Bhd, the wholly-owned subsidiary of LKL.

He currently sits as the Executive Director of LKL International Berhad.

Other Directorships of Public Companies:

LKL International Berhad

Details of Any Other Board Committee:

None

No. of Board Meetings attended in the financial year:

As he is appointed as Director on 30 April 2021, he has not attended any Board meeting held during the financial year.

Profile of Directors (cont'd)

LEOW WEY SENG

Aged 39 / Male / Malaysian
Independent Non-Executive Director

Qualification:

Mr Leow holds the following qualifications:-

- a) Bachelor of Business (Specialised in Accounting) from Monash University Australia;
- b) Member of CPA Australia; and
- c) Member of Malaysian Institute of Accountants (MIA).

Working Experience:

He was appointed as an Independent Non-Executive Director of the Company on 30 March 2021. He 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. He had managed and led various assurance and auditing assignments involving public listed and MNC clients. His experiences in financial advisory also include managing and leading various due diligence, business valuation, reporting accountants and strategy development work.

Currently, he is a director of an advisory firm providing corporate governance and deal advisory related services. He 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.

He currently sits as the Independent Non-Executive Director of Vizione Holdings Berhad.

Other Directorships of Public Companies:

Vizione Holdings Berhad

Details of Any Other Board Committee:

Member of the Audit Committee

No. of Board Meetings attended in the financial year:

As he is appointed as Director on 30 March 2021, he has not attended any Board meeting held during the financial year.

TAN AIK HEANG

Aged 53 / Male / Malaysian
Independent Non-Executive Director

Qualification:

Mr Tan is an Associate Member of the Chartered Institute of Management Accountant, United Kingdom.

Working Experience:

He was appointed as an Independent Non-Executive Director of the Company on 29 September 2010. He started his career as an auditor with Hun & Co. in 1991. In May 1993 he joined Trans-Global Agencies Sdn Bhd, a trading company, as an Account Executive. He left in May 1995 and joined SJ Asset Management Sdn Bhd, a fund management company as an Account Executive. On June 1997, he was promoted to Assistant Finance and Administration Manager and in June 1999 as Finance and Administration Manager. Subsequently in June 2006, he was promoted as Senior Finance and Administration Manager. After 15 years with the fund management industry, he left SJ Asset Management Sdn Bhd in June 2010. He is currently involved in the business of manpower supply and management.

Other Directorships of Public Companies:

None

Details of Any Other Board Committee:

He currently sits on the following Board Committees of the Company:-

- a) Chairman of the Remuneration Committee;
- b) Member of the Audit Committee;
- c) Member of the Nomination Committee; and
- d) Member of the ESOS Committee

No. of Board Meetings attended in the financial year:

5/5

Profile of Directors (cont'd)

ABDUL MENON BIN ARSAD @ ABDUL MANAN BIN ARSHAD

Aged 74 / Male / Malaysian

Independent Non-Executive Director

Qualification:

Encik Abdul Menan holds the following qualifications:-

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

Working Experience:

He was appointed as an Independent Non-Executive Director of the Company on 27 December 2011. He 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. He retired in 2009 and ventured into his own business.

He is also a Senior Independent Non-Executive Director of Vsolar Group Berhad.

Other Directorships of Public Companies:

Vsolar Group Berhad

Details of Any Other Board Committee:

He currently sits on the following Board Committees of the Company:-

- a) Chairman of the Nomination Committee;
- b) Member of the Audit Committee;
- c) Member of the Remuneration Committee;
- d) Chairman of the Risk Management Committee; and
- e) Member of the ESOS Committee.

No. of Board Meetings attended in the financial year:

5/5

Other Information

1. Family Relationship

The above Directors have no family relationship with any Director and/or major shareholder of Focus Dynamics Group Berhad.

2. Conflict of Interest

None of the Directors have any conflict of interest with Focus Dynamics Group Berhad.

3. Conviction of Offences

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

Other Information Required by the Bursa Malaysia Securities Berhad's ACE Market Listing Requirements

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

Audit/Non-Audit Fees

The amount of audit and non-audit fees incurred by the Company and Group for the financial year ended 31 December 2020 was as follows:-

	Company RM	Group RM
Statutory Audit fees	25,000	197,416
Non-audit fees	90,000	90,000

Material Contracts

To the best of the Board's knowledge, there were no material contracts entered into by the Company and/or its subsidiaries with any of the major Shareholders nor Directors in office as at 31 December 2020.

Status of Utilisation of Proceeds as at 31 December 2020

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 31 December 2020 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	–	65,280	Within 24 months
	14,280	–	14,280	Within 3 months from completion of the Arch
Working capital for the Arch	6,120	–	6,120	Upon completion of the Arch
Working capital for the Group	6,000	–	6,000	Within 24 months
Acquisition and/or investment in other complementary F&B businesses	20,125	–	20,125	Within 24 months
Defraying expenses	630	630	–	Immediate
	112,435	630	111,805	

Employees Share Options Scheme

The Company had granted 465,756,600 options pursuant to the Share Issuance Scheme ("SIS") and 63,958,900 options had been exercised.

There were no options granted, surrendered or exercised during the financial year ended 31 December 2020.

Total number of outstanding SIS Options as at 31 December 2020 is 147,523,247.

The SIS expired on 12 January 2020.

Financial Highlights

FIVE YEARS GROUP FINANCIAL SUMMARY

YEAR ENDED 31 DECEMBER	GROUP				
	2020	2019	2018	2017	2016
KEY COMPREHENSIVE INCOME STATEMENT DATA (RM'000)					
Revenue	66,259	39,077	24,210	24,024	15,533
Operating profit / (loss)	22,744	1,647	(2,128)	5,322	(16,963)
EBITDA	29,350	8,330	1,646	7,002	(14,155)
Profit /(loss) before taxation	21,984	741	(2,193)	5,258	(17,028)
Net profit attributable to equity holders	16,611	(1,809)	(3,122)	3,180	(16,722)
KEY FINANCIAL POSITION STATEMENT DATA (RM'000)					
Total assets	222,517	69,697	58,455	43,091	36,150
Total borrowings	6,651	5,931	1,287	1,321	1,360
Shareholders equity	178,428	40,804	42,265	30,741	25,883
SHARE INFORMATION					
Per share (sen)					
Basic earnings	0.27	(0.09)	(0.16)	0.22	(2.23)
Gross dividend	—	—	—	—	—
Net assets per share (RM)	0.03	0.02	0.02	0.04	0.03
Share price as at 31 December (RM)	0.65	0.51	0.15	0.43	0.09
FINANCIAL RATIOS (%)					
Gross profit margin	50.61	52.19	50.63	49.34	44.01
Net profit margin	24.42	(4.84)	(12.47)	19.24	(110.10)
Return on equity	9.07	(4.63)	(7.14)	15.04	(66.07)
Gearing ratio	3.73	14.53	3.04	4.30	5.25

Management Discussion And Analysis

Despite the challenges faced during unprecedented times of COVID-19 pandemic, the Group has been able to transform and continue to strive for success. Changing times calls for innovation and resilience. With this in mind, the Group have been tapping and advancing into food & beverages ("F&B") related technology, e-Commerce as well as diversifying into healthcare. We are proud to unveil the latest and upcoming additions to our F&B brands – e-commerce platform LavoWine.com and Finch at The Westin Kuala Lumpur.

Rest assured, we are 100% committed to make all the necessary efforts to future-proof the Group and achieve long-term success.

Notable mentions for our achievement in Year 2020 includes our collaborations with major F&B players. I am excited and confident that our partnership with notable industry players, such as Oversea, Brahim's and Saudee will achieve collaborative synergy.

Last but not least, I would like to thank all of our employees for the dedication and commitment that they have displayed throughout the years. I would also like to thank the Board, loyal shareholders, business partners, suppliers and customers for their ongoing support. We are committed to create continuing substantial value for our stakeholders, and I look forward to reporting on our progress in the years ahead.

GROUP BUSINESS OVERVIEW

Strengthening Resilience

The Malaysia F&B Industry is a fast-growing market and have always been one of the main contributors to the national account. With Malaysia being Asia's cultural melting pot, Malaysians are always on the look for gastronomical adventures. In recent years, Malaysian's have increased their spending on food as their living standards and purchasing power have increased. This is evident as shown in the growth of the Group's financial year ended 31 December 2020 ("FY2020") revenue of 69.56% to RM66.26 million as compared to RM39.08 million in the previous financial year. Despite the implementation of Movement Control Order ("MCO") on 18 March 2020, the Group was able to continue to provide for customers as our principal businesses falls under the Essential Services category.

The promising growth from our F&B business is mainly contributed by the revenue from LAVO, the Group's restaurant and wine bar. Embracing the new reality, the Management has accelerated the Group's digital transformation and focused on e-commerce as well as online delivery. An e-commerce alcohol, lifestyle, gifting and wine platform which offers diverse wine labels, spirits as well as wine accessories known as LavoWine.com was established during this challenging period. This e-commerce platform has contributed in new and recurring revenue for the Group. The e-commerce and retail market has grown rapidly in this challenging period where people choose to shop online and on physical retail segment.

Reflecting an overall improvement in the Group's performance, we recorded a profit after tax this year at RM16.18 million, an increase of 956.08% compared with loss after tax of RM1.89 million in financial year ended 31 December 2020 ("FY2019"). The Group's principal business segment continues to be Food & Beverage, accounting for 99.73% of the Group's total revenue. Engineering Services only had marginal contributions to the overall performance of the group.

Corporate Exercise

Renounceable Rights Issue of New Irredeemable Convertible Preference Shares ("ICPS") with Free Detachable Warrants ("Warrants D")

On 3 December 2020, the Group completed a rights issue exercise of 2,044,266,042 new ICPS with 3,066,399,051 Warrants D, which were listed on the ACE Market of Bursa Malaysia Securities Berhad. The additional capital of RM112.44 million was raised to part-fund the Group's mixed commercial development project "The Arch" — located along Jalan Tun Razak near nightlife centre TREC. The fund raised will also be utilized for acquisition and/or investment in other complementary F&B businesses. These Rights Issue together with the current year profits, has increased the Group's shareholders' funds to RM178.43 million. The efforts undertaken, while not immediate, aims to create sustainable value for its stakeholders in the longer term.

As of 31 December 2020, a total number of 65,056,550 ICPS was converted into ordinary shares, raising a total of RM12.60 million at issue price of RM0.55 per share.

Management Discussion And Analysis (cont'd)

GROUP BUSINESS OVERVIEW (CONT'D)

Financial Review

For the FY2020, the Group reported a profit before tax of RM21.98 million on the back of a RM66.26 million revenue. The variance of the financial results for the FY2020 against the preceding FY2019 is provided in the table as follows:-

Financial Results	2020 RM'000	2019 RM'000	Variance RM'000	Variance %
Revenue	66,259	39,077	27,182	69.56
Operating Expenses	18,911	25,394	(6,483)	(25.53)
Profit/ (Loss) Before Taxation	21,984	741	21,243	2,866.80
<u>Assets:</u>				
Inventories	11,744	15,945	(4,201)	(26.35)
Trade Receivables	4,366	3,159	1,207	38.21
Cash and Bank Balances	132,239	5,193	127,046	2,446.49
<u>Liabilities:</u>				
Trade Payables	15,000	5,598	9,402	167.95

The Group's revenue consists of revenue generated from 2 business segments namely Food & Beverage ("F&B") and Engineering Services. The 2 business segments contributed 99.73% and 0.27% of revenue respectively to the Groups' revenue for the FY2020. The Group's revenue increased to RM66.26 million from RM39.08 million in the previous financial year, representing an increase of RM27.18 million or 69.56%.

The Groups' operating expenses decreased from RM25.39 million in the previous financial year to RM18.91 million for the current financial year, representing a decreased of RM6.48 million or 25.53%. The decrease is mainly due to decrease in bad debts written off and staff cost.

The decrease in Groups' inventories from RM15.95 million from previous financial year end to RM11.74 million as at end of current FY2020 was mainly due to decrease stock holdings in alcohol and wine.

The Groups' cash and bank balances had increased by 2,446.49% from RM5.19 million to RM132.24 million. The Group completed a rights issue exercise of 2,044,266,042 new ICPS with 3,066,399,051 Warrants D, which were listed on the ACE Market of Bursa Malaysia Securities Berhad. The additional capital of RM112.44 million was raised to part-fund the Group's mixed commercial development project "The Arch".

The Groups' trade payables increased from RM5.60 million to RM15.00 million in the current financial year, representing an increased of RM9.40 million or 167.95%.

Management Discussion And Analysis (cont'd)

GROUP BUSINESS OVERVIEW (CONT'D)

Business & Operations Review

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, the Group has expanded our offerings and services into broader markets. Spearheading the Group's expansion into wine & alcohol delivery platform, strengthening partnerships with delivery partners, emphasizing on 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.

The Groups widely recognizable brands under its umbrella, namely LAVO, CHAZE, BOUNCE and WICKED continue to reinforce its position itself as trendy and hip venues with excellent food for dining, as well as for entertainment and celebrations. 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.

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. With its strategic location in the city centre, the Group is able to capture a wider consumer market and is set to become the talk of the town once FINCH opened its doors in Year 2021.

Proceeds raised from the Rights Issue of ICPS with Warrants are readily available for the construction works for this multi-storey building, The Arch which is situated in close proximity to the Tun Razak Exchange, Kuala Lumpur's new Central Business District (CBD) and Malaysia's International Financial District.

During FY2020, the Group has made investment in complementary F&B businesses which are also listed companies – local company Brahim's Holdings Berhad and Hong Kong listed company Top Standard Corporation. The acquisition of stake in both companies are strategic decisions to increase the Group's foothold and market presence in the industry. The Acquisition provides boundless opportunities by combining the best assets and skillsets from both parties.

ANTICIPATED RISK AND MITIGATING FACTOR

Overall, 2020 has been an exceptionally challenging year for the global economy, including Malaysia. Amid the Movement Control Order and emergency declaration, Malaysia's gross domestic product ("GDP") growth for Year 2020 is better than expected and the country's economy has shown various signs of recovery. Malaysia's GDP contracted 3.4% in the fourth quarter of 2020 amid a significant increase in Covid-19 infections, bringing the overall performance of the year to -5.6 % following global restraint order and border closures. The contraction in Year 2020's GDP is better than the initial projection by international organizations such as the International Monetary Fund (-5.8%), the World Bank (-5.8%) and the Asian Development Bank (-6.0%).

The government is confident that the systematic and effective implementation of the National Covid-19 Immunisation Programme will encourage the re-opening of various economic sectors, restore consumer sentiment, as well as boost Malaysia's economic growth and resilience.

(Source: Press Statement by Finance Minister Datuk Seri Tengku Zafrul Tengku Abdul Aziz dated 11 February 2021: "Malaysia's 2020 GDP growth better than expected")

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

In view of the above, the Group will continue to be diligent, prudent and innovative to thrive during challenging times. The Management will focus on creating new stream of revenues for the Group and long-term value for stakeholders.

No dividend was recommended for the FY2020.

Corporate Governance Overview Statement

The Board of Directors ("Board") 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 year ended 31 December 2020 ("FY2020"). 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 FY2020.

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 FY2020 were as follows:

	Training Programmes/Seminars/Conferences
Tay Ben Seng, Benson	• Refresher on Listing Requirement and Corporate Governance Practices
Tan Aik Heang	• Refresher on Listing Requirement and Corporate Governance Practices
Abdul Menon bin Arsad @ Abdul Manan bin Arshad	• Refresher on Listing Requirement and Corporate Governance Practices
*Leow Wey Seng (Appointed on 30 March 2021)	• Refresher on Listing Requirement and Corporate Governance Practices • Global leaders insights 2020 – Online • Analysing customer profitability (60399765) – Online • Analysing financial statements (61405953) – Online • Going concern assessments (75685131) – Online • CPA Q&A 2020 – Online

*Leow Wey Seng will be attending the Mandatory Accreditation Programme after FY2020

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 ("Encik 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 Encik Abdul Menon as Independent Directors notwithstanding that their tenure as Independent Directors have exceeded the nine (9) years limit as recommended under the Code.

The Board's and NC's justification to retain Mr Tan and Encik 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 their 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 FY2020, 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 and the Company during FY2020 is as follows:-

Group	Remuneration (RM)	Fee (RM)	Allowances (RM)	Total (RM)
Tay Ben Seng, Benson	43,577	332,600	3,500	379,677
Tan Aik Heang	–	24,000	10,400	34,400
Abdul Menon bin Arsad @ Abdul Manan bin Arshad	–	24,000	10,400	34,400
Koo Kien Yoon	–	60,000	–	60,000
Leung Kok Keong (Resigned on 17 June 2020)	15,898	–	14,334	30,232
Chang Yun Lung (Resigned on 27 August 2020)	–	15,677	6,019	21,696
Chong Kwang Fock (Appointed on 19 October 2020) (Resigned on 31 December 2020)	–	4,839	2,010	6,849

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 Group and the Company during FY2020 is as follows:- (cont'd)

Company	Remuneration (RM)	Fee (RM)	Allowances (RM)	Total (RM)
Tay Ben Seng, Benson	27,577	–	3,500	31,077
Tan Aik Heang	–	24,000	10,400	34,400
Abdul Menon bin Arsad @ Abdul Manan bin Arshad	–	24,000	10,400	34,400
Leung Kok Keong (Resigned on 17 June 2020)	15,898	–	14,334	30,232
Chang Vun Lung (Resigned on 27 August 2020)	–	15,677	6,019	21,696
Chong Kwang Fock (Appointed on 19 October 2020) (Resigned on 31 December 2020)	–	4,839	2,010	6,849

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**AC**

As at 31 December 2020, the AC currently comprises of two members, all of whom are Independent Directors. The AC Chairman is Mr Chong Kwang Fock who has resigned on 31 December 2020. 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 TOR 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 26 to 29 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 B: EFFECTIVE AUDIT AND RISK MANAGEMENT (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 FY2020 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 30 to 31 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 17th AGM held on 4 August 2020, 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 11 May 2021.

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 (Appointed on 30 March 2021)

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

Chang Yun Lung (Resigned on 27 August 2020)

Member, Independent Non-Executive Director

Chong Kwang Fock (Appointed on 19 October 2020) (Resigned on 31 December 2020)

Member, Independent Non-Executive Director

Mr Leow 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 year ended 31 December 2020 ("FY2020") are as follows:

AC Member	Number of Committee Meetings held during directors' tenure of office	Number of Committee Meetings attended
Leow Wey Seng (Appointed on 30 March 2021)	–	–
Tan Aik Heang	4	4
Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	4	4
Chang Yun Lung (Resigned on 27 August 2020)	3	3
Chong Kwang Fock (Resigned on 31 December 2020)	1	1

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 FY2020, 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 FY2020.

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 25 March 2021, Credenz Advisory tabled a report for AC's review covering the segment of Marketing Management of Focus Dynamics Group Berhad for the period from January 2020 to December 2020.

The report focused on understanding of the purchases made from unauthorised vendors' effectiveness of the marketing plan and cost controlled. 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.

For year 2020, the cost incurred for internal audit function was RM19,000.00.

Audit Committee Report (cont'd)

SUMMARY OF ACTIVITIES (CONT'D)

In respect of the FY2020, the AC in discharging its duties and functions carried out activities which are summarised broadly as follows: (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 and 4th Quarter Interim Financial Reports were tabled at the AC meetings held on 29 June 2020, 26 August 2020, 25 November 2020 and 25 March 2021;
- 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 Planning Memorandum ("APM") for the FY2020 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 FY2020 on 11 May 2021;
- vi. Reviewed RPT/RRPT entered into by the Company and its subsidiaries during its AC meetings on 29 June 2020, 26 August 2020, 25 November 2020 and 25 March 2021;
- 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 2020 Annual Report; and
- x. Reviewed the Statement of Risk Management and Internal Control together with the Internal Auditors and External Auditors and received assurance from the Executive Directors 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.

Audit Committee Report (cont'd)

SUMMARY OF ACTIVITIES (CONT'D)

In respect of the FY2020, the AC in discharging its duties and functions carried out activities which are summarised broadly as follows: (cont'd)

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 APM for the FY2020 on 25 November 2020 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 31 December 2021.

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 FYE 2020.

This statement was approved by the Board on 11 May 2021.

Statement On Risk Management & 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 year ended 31 December 2020 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 & 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 RM19,000.00. 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 senior 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 Senior Management within the Group in respect of the day-to-day operations and financing, investments, acquisitions and disposal of assets.
- The Board is committed to identify business and other risks that are inherent in the environment in which the Group operates and to ensure the implementation of appropriate control mechanism to manage these risks. In assisting it to discharge its duties and responsibilities, the Board through the Audit Committee, senior management will carry out quarterly review of the adequacy and the integrity of the Group's internal control system and management information system, including system for compliance with applicable laws, regulations, rules, directives and guidelines.
- During the current financial year, internal audit was carried out on the Marketing 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.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 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 11 May 2021.

Sustainability Statement

OUR APPROACH

Sustainability has always been a pillar of Focus Dynamics Group Berhad ("Focus Dynamics") and its subsidiary companies ("the Group")'s culture as we strive to achieve continuing growth and profitability in a safe, caring and sustainable environment. We recognise that the sustainability practices are one of the important 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.

Our mission, as a responsible corporate citizen, 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.

OUR POLICY ON SUSTAINABILITY



The Group continued success in maintaining a sustainable business and generating long-term shareholder value is influenced by several internal and external factors. Each material factor presents unique risks and opportunities to our organisation and is a key consideration in our approach to strategies 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**

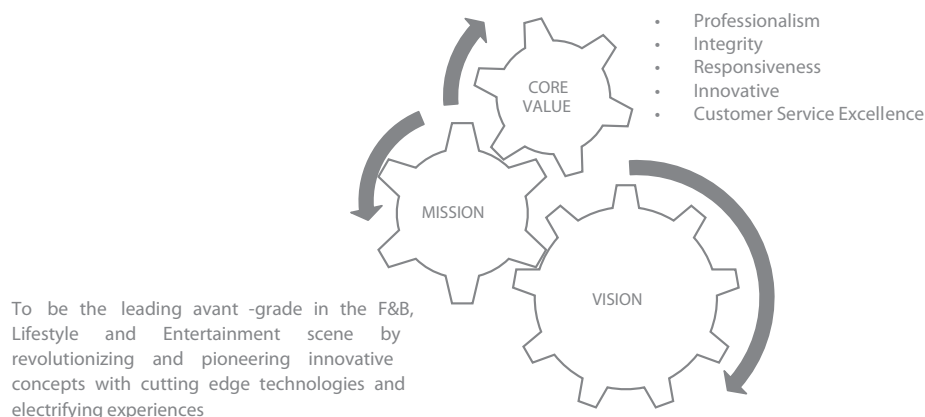
The statement covers Focus Dynamics and its subsidiaries. Information disclosed in this Statement encompasses our core activities related to Food & Beverage ("F&B"). This report covers data which had been compiled internally from 1 January 2020 to 31 December 2020.

Sustainability Statement (cont'd)

SUSTAINABILITY GOVERNANCE

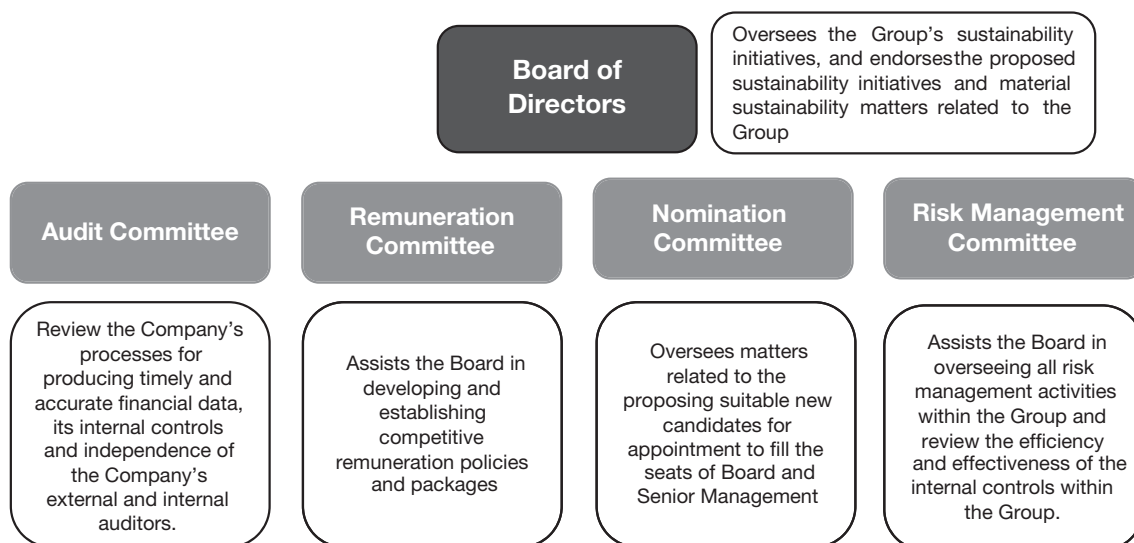
Corporate Governance

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 organisational approach and is led from the top. The Board of Directors (“Board”) plays a vital guidance and oversight role in advancing sustainability across the organisation with the assistance from the Senior Management to oversee the implementation of the organisation’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 to ensure 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)

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 recognises 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 to our Code of Business Conduct and Ethics and/or other non-compliance offences. 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 Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Group has also developed the 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 corrupt 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 methods by which we engage them.

STAKEHOLDERS	ENGAGEMENT METHODS	ENGAGEMENT AREAS
Shareholders	• Annual & Extraordinary General Meetings • Bursa announcements • Quarterly report • Annual report • Timely update on corporate website	• Financial and operational performance • Dividend policy • Return on investments
Government	• Compliances to laws and regulations	• Operation regulations • Bursa listing requirements • Companies Act • Labour law • Taxations
Board of directors	• Board meetings	• Corporate strategy • Corporate governance
Employees	• Trainings • Performance appraisal • Employee engagement activities	• Remuneration policy • Career development • Performance review • Fair employment practices

Sustainability Statement (cont'd)

STAKEHOLDER ENGAGEMENT (CONT'D)

STAKEHOLDERS	ENGAGEMENT METHODS	ENGAGEMENT AREAS
Financial Institutions	- Bursa announcements - Quarterly report - Annual report - Timely update on corporate website	- Financial and operational performance - Funding requirement
Customers	Marketing activities	- Customer satisfactions - Quality assurance
Suppliers	- Regular meetings - Quality review	- Products' quality - Legal compliances
Communities	Community events	- Social contribution - Job opportunities - Donation and financial aid
Analyst / Media	Annual & Extraordinary General Meetings	- Financial and operational performance - General announcements

MATERIAL SUSTAINABILITY MATTERS

We conducted a materiality assessment, collecting views from our stakeholders on key material sustainability matters that may have a significant EES impact on our business or substantively influence the assessment and decisions of our stakeholders.

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 a goodwill, trust and loyalty and a mutually beneficial investment relationship.

Customers & Services

The Group is committed to see that not only our shareholders' interests are taken care of but also those of our customers and suppliers. As one of leading avant-garde in Malaysia's F&B, Lifestyle and Entertainment scene, the Group values its customers as they are a major reason for its profitability. The Group places great importance in providing quality assurance on foods and beverages quality. In this respect, all the operation staff had attended the relevant food handling courses conducted by Kementerian Kesihatan Malaysia's approved trainers and also received Typhoid Vi Polysaccharide Vaccine.

Sustainability Statement (cont'd)

ECONOMIC (CONT'D)

Customers & Services (cont'd)

Our emphasis on customers' satisfaction has accorded us with our industry reputation as a trusted and reliable F&B retailer with our commitment of:

CUSTOMERS' SATISFACTION
Creating a cosy environment for our valued customers
F&B produced are handled and processed in a hygienic and safe environment
F&B produced are safe to be consumed & which is not poisonous, intoxicating or hazardous to health

The Group will continue to be innovative 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.

Suppliers

To our suppliers, we are committed to enhance 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 to share best practices with our suppliers. In respect of this, F&B, 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.

Energy & Water Savings

Action has been taken to reduce the overall energy consumed by lighting. Where lighting in and around our office facilities and corridors need to be replaced, we have converted them to LED. The process is on-going and on 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 premise for domestic waste generated (paper, plastic, aluminium cans, metal, etc.).

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

All the measures taken have successfully inculcated the environmental awareness in our employees and able to reduce our environmental footprint.

Sustainability Statement (cont'd)

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 as well as for their personal career development.

We are made up of people with vast experience and industry background. Building capability is key, hence we proactively provide opportunities for growth and development for talent in the organisation through targeted development plans and succession planning. Ensuring our long term sustainability, we continuously invest time and effort in recruiting (internal and external), upskilling, engaging and rewarding talents of the organisation 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 by stages and training programmes are designed specifically for management staff.

Maintaining a healthy and work-life balance is important for employee well-being and it can contribute towards greater productivity and performance. In this context, motivation and recreational is also an essential part of the Group's responsibility to our employees. The Group organised various festival celebrations such as birthday celebrations, Chinese New Year that adhered to the strict Standard Operating Procedures from government in order to motivate harmonious culture in the workplace as well as mingle around amongst our employees.

Safe Workplace

The Group recognise that the safety and well-being of its employees is 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 Coronavirus Disease 2019 ("COVID-19") has affected all areas of business throughout the world 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 COVID-19 pandemic, we have implemented various initiatives to safeguard the safety of our employees. We have implemented 'Work from Home' policy, replaced physical meeting with virtual meeting, In-House Lunch program as well as COVID-19 swab test for employees to ensure the safety of employees. Besides, our essential workers deserve most accolades, we ensure protective masks put on and body temperatures checked before entering into business premises. We also practice social distancing with at least one metre.

Labour Practices

We are committed to provide and respect fundamental human rights and safeguard against violation 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 per stipulated by Labour Law.

We guarantee an anti-discriminatory and anti-harassment workplace, one that is safe and healthy and above all, ethical in conduct. Employees are not restricted from unionising and are afforded the freedom of association per local laws and practice.

Despite this challenging business environment, the Group maintained all employment benefits and also implemented performance-based incentive on a quarterly basis to our employees.

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

Community Engagement

We strongly believe in giving back to society. We have from time to time made donations to various charitable organisation, helping the less fortunate members of our community is our way of giving back to society.

Pursuant to this, we have made donation to Kechara Soup Kitchen Society, a not-for-profit organisation distributing food, basic medical aid and counselling to those in need.

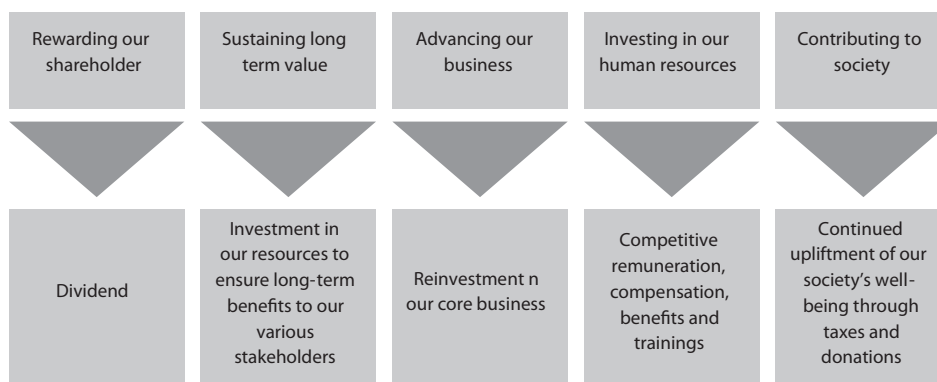
We also partnered with SESO (Save Environment Save Ourselves) to provide healthy cooked meals to House of Joy and Praise Emmanuel Children's Home.



As we are deeply rooted in the community we operate, we actively engage in community outreach programmes and activities. We are proud of having the privilege to serve various segments of the community towards providing for social empowerment and helping to make a positive difference for people across all walks of life. We have from time to time made various donations and contribution.

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 year.

During the preparation of the financial statements for the financial year ended 31 December 2020, 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 year ended 31 December 2020

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as disclosed in Note 9 to the financial statements.

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

FINANCIAL RESULTS

	Group RM	Company RM
Profit/(loss) for the year	16,181,097	(1,368,517)
Profit/(loss) attributable to:		
Owners of the Company	16,610,974	(1,368,517)
Non-controlling interests	(429,877)	–
	16,181,097	(1,368,517)

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 year ended 31 December 2020.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

On 26 October 2020, 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.

During the financial 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 irredeemable convertible preference shares ("ICPS") at the conversion price of RM0.55 per share, as disclosed in Note 23 to the financial statements which amounted to RM12,597,358.

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 year.

Directors' Report (cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the share options granted pursuant to the renounceable rights issue up to 2,044,266,042 new ICPS at an issue price of RM0.055 per ICPS together with 3,066,399,051 free detachable warrants ("Warrants D") on the basis of two (2) ICPS with three (3) free warrants 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").

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 Warrants D pursuant to the renounceable rights issue on the basis of 2 ICPS together with 3 free Warrants D for every 6 Split Shares held by the entitled shareholders of the Company.

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 year, 65,056,550 ICPS were converted into 22,904,285 new ordinary shares of the Company.

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 year, none of the Warrants D is exercised into new ordinary shares of the Company.

Directors' Report (cont'd)

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year 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)
Lim Ming Chang	(Appointed on 30.4.2021)
Leung Kok Keong	(Resigned on 17.6.2020)
Chang Yun Lung	(Resigned on 27.8.2020)
Chong Kwang Fock	(Appointed on 19.10.2020; resigned on 31.12.2020)

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

Tay Ben Seng, Benson
Chin Yuok Sheong
Koo Kien Yoon
Ong Kah Hoe
Muhammad Bin Md Rashid
Tengku Anun Zaharah Bt Tg Abdul Hamid
Wan Hazreek Putra Hussain Yusuf

DIRECTORS' INTERESTS

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

	Number of ordinary shares in the Company			
	At 1.1.2020	Addition	Sold	At 31.12.2020
Direct interest:				
Tay Ben Seng, Benson	41,933,380	87,366,760	(200,000)	129,100,140

	Number of ICPS			
	At 1.1.2020	Addition	Sold	At 31.12.2020
Direct interest:				
Tay Ben Seng, Benson	—	45,602,680	—	45,602,680

	Number of Warrants D			
	At 1.1.2020	Addition	Sold	At 31.12.2020
Direct interest:				
Tay Ben Seng, Benson	—	68,404,020	—	68,404,020

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 year to the extent the Company has an interest.

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

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 36 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 year 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

During the financial year, 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 RM43,500 respectively. There were no indemnity coverage and insurance premium paid for the auditors during the financial year.

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.

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.

Directors' Report (cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

In the opinion of the Directors:

- (a) the results of the Group's and of the Company's operations during the financial year 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 year 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 year 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 year 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 EVENTS

The details of significant events are disclosed in Note 46 to the financial statements.

SUBSEQUENT EVENTS

The details of 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 34 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 21 May 2021.

Tay Ben Seng, Benson
Executive Director

Kuala Lumpur

Lim Ming Chang
Executive Director

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Tay Ben Seng, Benson and Lim Ming Chang, 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 52 to 142 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 31 December 2020 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 21 May 2021.

Tay Ben Seng, Benson
Executive Director

Lim Ming Chang
Executive Director

Kuala Lumpur

Statutory Declaration

Pursuant to Section 251(1) 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 52 to 142 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 21 May 2021.

Before Me

Tay Ben Seng, Benson
Executive Director

Ng Say Jin
B195
Commissioner for Oaths

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 31 December 2020 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 52 to 142.

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 31 December 2020 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' *Code of Ethics for Professional Accountants* ("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 31 December 2020: RM12,081,433.

We refer to the consolidated financial statements: Note 3(c) "Property, plant and equipment, and depreciation", Note 3(q) "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
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. 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.	Our audit procedures included, among others: - 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 31 December 2020: RM11,743,552.

We refer to the consolidated financial statements: Note 3(g) "Inventories", Note 5(d) "Write-down of inventories to the lower of cost and net realisable value" and Note 14 "Inventories".

Key audit matter	Our response
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. 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.	Our audit procedures included, among others: - 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 or damaged inventories; and - Inquiring and assessing reasons from Management if slow moving or damaged 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 2020 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 2020 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- 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 9 to the financial statements.

Other Matters

1. The financial statements of Focus Dynamics Group Berhad for the financial year ended 31 December 2019 were audited by another auditor, who has expressed an unmodified opinion on those statements on 30 June 2020.
2. 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
LLP0019490-LCA & AF 002009
Chartered Accountants

Shah Alam
21 May 2021

Michelle Yong Voon Sze
No. 02864/07/2022 J
Chartered Accountant

Statements of Financial Position

as at 31 December 2020

			Group		Company
		2020	Restated	2020	2019
	Note	RM	2019	RM	RM
			RM		
ASSETS					
Non-current assets					
Property, plant and equipment	6	12,081,433	14,977,821	1,353,853	1,740,668
Right-of-use assets	7	4,443,452	4,645,722	–	–
Investment in quoted shares	8	22,689,193	–	–	–
Investment in subsidiaries	9	–	–	51,000	51,000
Investment in joint ventures	10	–	497,935	–	–
Prepaid expenses	11	19,236,416	14,815,159	–	–
Goodwill	12	88,129	88,129	–	–
		58,538,623	35,024,766	1,404,853	1,791,668
Current assets					
Inventories	14	11,743,552	15,945,097	–	–
Trade receivables	15	4,366,205	3,158,637	–	–
Other receivables, deposits and prepayments	16	7,409,968	8,110,321	43,518	199,347
Amount due from subsidiaries	17	–	–	46,474,721	42,756,576
Amount due from related parties	18	182,700	–	–	–
Amount due from joint venture	19	16,480	82,086	–	–
Short-term investments	20	4,722,356	17,994	2,700,000	–
Current tax assets		418,386	229,384	74,242	66,026
Fixed deposits with licensed banks	21	2,880,307	1,935,200	1,421,706	1,395,239
Cash and bank balances	22	132,238,857	5,193,256	118,986,810	160,632
		163,978,811	34,671,975	169,700,997	44,577,820
TOTAL ASSETS		222,517,434	69,696,741	171,105,850	46,369,488

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

Statements of Financial Position (cont'd)

			Group		Company
		2020	Restated	2020	2019
	Note	RM	2019	RM	RM
			RM		
EQUITY AND LIABILITIES					
Equity					
Share capital	23	99,562,907	86,965,549	99,562,907	86,965,549
Irredeemable convertible preference shares	24	108,856,522	–	108,856,522	–
Reserves	25	(30,931,559)	(47,535,147)	(43,385,743)	(42,017,226)
Equity attributable to owners of the Company					
Non-controlling interests	9(a)	177,487,870	39,430,402	165,033,686	44,948,323
		940,080	1,373,385	–	–
TOTAL EQUITY					
		178,427,950	40,803,787	165,033,686	44,948,323
Non-current liabilities					
Lease liabilities	26	4,493,805	3,698,968	–	–
Deferred tax liabilities	27	28,983	–	–	–
		4,522,788	3,698,968	–	–
Current liabilities					
Trade payables	28	15,000,161	5,597,659	–	–
Other payables and accruals	29	7,663,217	7,143,167	1,159,469	1,121,165
Provision for restoration costs	30	412,620	412,620	–	–
Amount due to subsidiaries	17	–	–	4,912,695	300,000
Amount due to related parties	18	11,896,419	9,358,600	–	–
Bank overdrafts	31	1,224,641	1,204,321	–	–
Lease liabilities	26	932,247	1,027,374	–	–
Taxation		2,437,391	450,245	–	–
		39,566,696	25,193,986	6,072,164	1,421,165
TOTAL LIABILITIES					
		44,089,484	28,892,954	6,072,164	1,421,165
TOTAL EQUITY AND LIABILITIES					
		222,517,434	69,696,741	171,105,850	46,369,488

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

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2020

		Group		Company	
	Note	2020 RM	Restated 2019 RM	2020 RM	2019 RM
Revenue	32	66,258,599	39,077,115	–	–
Cost of sales		(32,726,505)	(18,682,691)	–	–
Gross profit		33,532,094	20,394,424	–	–
Other income		6,121,541	3,509,100	104,010	39,208
Other operating expenses		(18,910,652)	(25,393,891)	(2,011,131)	(809,991)
Net reversal of impairment losses/ (impairment losses) on financial assets	33	2,499,338	3,076,827	538,604	(7,408,771)
Share of profit on investment in joint venture	10	(497,890)	60,188	–	–
Profit/(loss) from operations		22,744,431	1,646,648	(1,368,517)	(8,179,554)
Finance costs		(760,617)	(905,355)	–	–
Profit/(loss) before taxation	34	21,983,814	741,293	(1,368,517)	(8,179,554)
Taxation	37	(5,802,717)	(2,632,011)	–	–
Profit/(loss) for the year		16,181,097	(1,890,718)	(1,368,517)	(8,179,554)
Other Comprehensive Income Items that will be reclassified subsequently to Profit or Loss					
Foreign currency translation differences		(10,814)	(472)	–	–
Total comprehensive income/ (expenses) for the year		16,170,283	(1,891,190)	(1,368,517)	(8,179,554)
Profit/(loss) for the year attributable to:					
Owners of the Company		16,610,974	(1,809,248)	(1,368,517)	(8,179,554)
Non-controlling interests		(429,877)	(81,470)	–	–
		16,181,097	(1,890,718)	(1,368,517)	(8,179,554)
Total comprehensive income/ (expenses) attributable to:					
Owners of the Company		16,600,160	(1,809,720)	(1,368,517)	(8,179,554)
Non-controlling interests		(429,877)	(81,470)	–	–
		16,170,283	(1,891,190)	(1,368,517)	(8,179,554)
Earnings/(loss) per share (sen)					
- Basic	38	0.27	(0.09)		
- Diluted	38	0.20	(0.09)		

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

Statements of Changes in Equity

for the year ended 31 December 2020

	Note	Non-distributable					Non-controlling interests	Total equity
		Share capital	ICPS	Warrant reserve	Foreign exchange translation	Accumulated losses	Attributable to owners of the Company	
		RM	RM	RM	RM	RM	RM	RM
Group								
At 1 January 2020		86,965,549	-	-	(13,784)	(47,521,363)	39,430,402	40,803,787
Profit/(loss) for the year		-	-	-	-	16,610,974	16,610,974	16,181,097
Reclassifications		-	-	-	-	3,428	3,428	-
Other comprehensive expenses for the year		-	-	-	(10,814)	-	(10,814)	(10,814)
Total comprehensive income/(expenses) for the year		-	-	-	(10,814)	16,614,402	16,603,588	16,170,283
Contributions by and distributions to owners of the Company:								
- Issue of shares	23	12,597,358	(3,578,110)	-	-	-	9,019,248	9,019,248
- Issue of ICPS	24	-	112,434,632	-	-	-	112,434,632	112,434,632
- Issue of Warrants D	25	-	-	389,126,040	-	(389,126,040)	-	-
Total transactions with owners		12,597,358	108,856,522	389,126,040	-	(389,126,040)	121,453,880	121,453,880
At 31 December 2020		99,562,907	108,856,522	389,126,040	(24,598)	(420,033,001)	177,487,870	178,427,950

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

Statements of Changes in Equity (cont'd)

	Non-distributable					Total equity RM
	Share capital RM	Warrant reserve RM	Foreign exchange translation RM	Accumulated losses RM	Attributable to owners of the Company RM	
Group						
At 1 January 2019	86,815,822	31,773	(13,312)	(45,717,847)	41,116,436	42,264,697
Loss for the year	-	-	-	(1,809,248)	(1,809,248)	(1,890,718)
Other comprehensive expenses for the financial year	-	-	(472)	-	(472)	(472)
Total comprehensive expenses for the financial year	-	-	(472)	(1,809,248)	(1,809,720)	(1,891,190)
Contributions by and distributions to owners of the Company:						
- Warrants C expired	-	(5,732)	-	5,732	-	-
- Warrants C exercised	149,727	(26,041)	-	-	123,686	123,686
- Acquisition of a subsidiary	-	-	-	-	-	306,594
Total transactions with owners	149,727	(31,773)	-	5,732	123,686	430,280
At 31 December 2019	86,965,549	-	(13,784)	(47,521,363)	39,430,402	40,803,787

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

Statements of Changes in Equity (cont'd)

		Non-distributable				
		Share capital	ICPS	Warrant reserve	Accumulated losses	
	Note	RM	RM	RM	RM	
Company						
At 1 January 2020		86,965,549	–	–	(42,017,226)	44,948,323
Loss for the year		–	–	–	(1,368,517)	(1,368,517)
Contributions by and distributions to owners of the Company:						
- Issue of shares	23	12,597,358	(3,578,110)	–	–	9,019,248
- Issue of ICPS	24	–	112,434,632	–	–	112,434,632
- Issue of Warrants D	25	–	–	389,126,040	(389,126,040)	–
		12,597,358	108,856,522	389,126,040	(389,126,040)	121,453,880
At 31 December 2020		99,562,907	108,856,522	389,126,040	(432,511,783)	165,033,686
At 1 January 2019		86,815,822	–	31,773	(33,843,404)	53,004,191
Loss for the year		–	–	–	(8,179,554)	(8,179,554)
Contributions by and distributions to owners of the Company:						
- Warrants C expired		–	–	(5,732)	5,732	–
- Warrants C exercised	23	149,727	–	(26,041)	–	123,686
		149,727	–	(31,773)	5,732	123,686
At 31 December 2019		86,965,549	–	–	(42,017,226)	44,948,323

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

Statements of Cash Flows

for the year ended 31 December 2020

Note	Group		Company	
	2020 RM	Restated 2019 RM	2020 RM	2019 RM
Cash flows from operating activities				
Profit/(loss) before taxation	21,983,814	741,293	(1,368,517)	(8,179,554)
Adjustments for:				
Bad debts written-off	955,700	5,323,839	—	—
Bargain purchase	—	(374,177)	—	—
Deposits written-off	14,000	3,800	—	—
Depreciation of property, plant and equipment	4,823,624	5,297,802	386,815	193,408
Depreciation of right-of-use assets	1,352,411	1,304,394	—	—
Dividend income	(3,545)	—	—	—
Fair value gain on market securities	(5,337,547)	—	—	—
Gain on lease liabilities written-off due to early termination	(3,363)	—	—	—
Impairment losses on:				
- trade receivables	162,315	971,870	—	—
- other receivables	4,000	5,204	—	—
- amount due from joint venture	—	2,156,515	—	—
- amount due from subsidiaries	—	—	—	7,408,771
Impairment on investment in joint venture	45	—	—	—
Interest expenses on lease liabilities	704,690	845,778	—	—
Interest expense	55,927	59,577	—	—
Interest income	(141,618)	(56,639)	(104,010)	(39,208)
Loss on disposal of property, plant and equipment	—	1,104	—	—
Property, plant and equipment written-off (net)	648,407	157,550	—	—
Reversal of impairment losses on:				
- trade receivables	(1,432,053)	(6,100,416)	—	—
- other receivables	(295,200)	—	—	—
- amount due from related parties	(938,400)	(110,000)	—	—
- amount due from subsidiaries	—	—	(538,604)	—
Share of loss/(profit) on investment in joint venture	497,890	(60,188)	—	—
Unrealised foreign exchange loss	43	—	—	—
Operating profit/(loss) before working capital changes	23,051,140	10,167,306	(1,624,316)	(616,583)

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

Statements of Cash Flows (cont'd)

Note	Group		Company	
	2020 RM	Restated 2019 RM	2020 RM	2019 RM
Decrease/(increase) in inventories	4,201,545	(957,986)	–	–
Decrease/(increase) in receivables	1,039,723	2,194,902	155,829	(1,023)
Increase in payables	9,865,913	2,740,285	38,304	250,413
(Increase)/decrease in amount due from subsidiaries	–	–	(3,179,541)	1,723,726
Decrease in amount due from joint venture	65,606	420,299	–	–
(Increase)/decrease in amount due from related parties	(200,000)	110,000	–	–
Increase in amount due to subsidiaries	–	–	4,612,695	300,000
Increase in amount due to related parties	2,537,819	4,912,429	–	–
Cash generated from operations	40,561,746	19,587,235	2,971	1,656,533
Interest paid	(55,927)	(59,577)	–	–
Interest received - other than fixed deposits	96,511	15,015	77,543	–
Income tax paid	(3,993,120)	(1,981,694)	(8,216)	235,925
Income tax refunded	17,530	–	–	–
Net cash generated from operating activities	36,626,740	17,560,979	72,298	1,892,458
Cash flows from investing activities				
Acquisition of a subsidiary, net of cash and cash equivalents acquired	9	4,227	–	–
Additions to right-of-use assets	39(a)	(21,251)	–	–
Dividend income	3,545	–	–	–
Interest received - fixed deposits	45,107	41,624	26,467	39,208
Purchase of property, plant and equipment	(2,575,642)	(6,864,105)	–	(1,934,076)
Investment in quoted shares	(17,351,646)	–	–	–
Proceeds from disposal of property, plant and equipment	–	716,020	–	–
Increase in pledged fixed deposits with licensed banks	(26,467)	(39,209)	(26,467)	(39,209)
Withdrawal of pledged fixed deposits with licensed banks	–	12,000	–	–
Additions to prepaid expenses	(4,421,257)	(8,177,110)	–	–
Net cash used in investing activities	(24,326,360)	(14,327,804)	–	(1,934,077)

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

Statements of Cash Flows (cont'd)

		Group		Company	
	Note	2020 RM	Restated 2019 RM	2020 RM	2019 RM
Cash flows from financing activities					
Repayment of lease liabilities	39(b)	(390,430)	(947,055)	–	–
Interest paid on lease liabilities	39(b)	(704,690)	(845,778)	–	–
Proceeds from issuance of irredeemable convertible preference shares ("ICPS")		108,856,522	–	108,856,522	–
Proceeds from issuance of share capital		12,597,358	123,686	12,597,358	123,686
Net cash generated from/ (used in) financing activities		120,358,760	(1,669,147)	121,453,880	123,686
Net increase in cash and cash equivalents		132,659,140	1,564,028	121,526,178	82,067
Cash and cash equivalents at beginning of the year		4,546,890	2,982,862	160,632	78,565
Effects of foreign exchange translation		(10,857)	–	–	–
		4,536,033	2,982,862	160,632	78,565
Cash and cash equivalents at end of the year		137,195,173	4,546,890	121,686,810	160,632
Cash and cash equivalents comprise:					
Short-term investments	20	4,722,356	17,994	2,700,000	–
Fixed deposits with licensed banks	21	2,880,307	1,935,200	1,421,706	1,395,239
Cash and bank balances	22	132,238,857	5,193,256	118,986,810	160,632
		139,841,520	7,146,450	123,108,516	1,555,871
Less:					
Bank overdrafts	31	(1,224,641)	(1,204,321)	–	–
Fixed deposits pledged to a licensed bank	22	(1,421,706)	(1,395,239)	(1,421,706)	(1,395,239)
		(2,646,347)	(2,599,560)	(1,421,706)	(1,395,239)
		137,195,173	4,546,890	121,686,810	160,632

Notes to the Financial Statements

for the year ended 31 December 2020

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 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur. The principal place of business of the Company is located at Lot 12.1, 12th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as disclosed in Note 9. There have been no significant changes in the nature of these activities during the financial year.

The number of employees in the Group and in the Company at the end of the financial year were 83 (2019: 117) and 3 (2019: 5) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 21 May 2021.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Malaysian Financial Reporting Standards, 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 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.

3. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial year.

(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 Group. 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. Potential voting rights are considered when assessing control only when such rights are substantive. The Group 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.

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

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(a) Basis of consolidation (cont'd)**

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 Group.

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 Group 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 Group.

Loss of Control

Upon the loss of control of a subsidiary, the Group 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.

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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(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.

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	10% - 35%
Furniture, fittings, and equipment	10% - 33%
Motor vehicles	20%
Signboard	10% - 35%
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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(c) Property, plant and equipment, and depreciation (cont'd)**

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 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 31 December 2020. 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.

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. 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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) 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.

(g) 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.

(h) 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.

(i) 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.

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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(j) 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.

(k) 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.

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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Leases (cont'd)

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.

(l) 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.

(m) 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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(m) Income tax (cont'd)**

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.

(n) 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.

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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Employee benefits (cont'd)

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.

(o) 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.

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:

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(o) Revenue recognition (cont'd)****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. Rental income

Rental income from billboard is accounted on a straight-line method over the lease term.

(p) 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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(p) Foreign currencies transactions (cont'd)****ii Foreign currency transactions and balances (cont'd)**

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.

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:

	2020 RM	2019 RM
1 Hong Kong Dollar (HKD)	0.52	0.53

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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(p) Foreign currencies transactions (cont'd)****ii Foreign operations (cont'd)**

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.

(q) 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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Financial instruments

Financial instruments carried on the statement 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.

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).

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(r) Financial instruments (cont'd)****Financial assets (cont'd)****ii Financial assets measured subsequently at fair value (cont'd)**

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.

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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) 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.

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.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(t) 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.

(u) 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.

(v) 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 42, including the factors used to identify the reportable segments and measurement basis of segment information.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) 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.

(x) 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.

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.

(y) 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.

(z) 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.

Notes to the Financial Statements (cont'd)

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 3: Business Combinations	1 January 2020
Amendments to MFRS 7: Financial Instruments: Disclosures	1 January 2020
Amendments to MFRS 9: Financial Instruments	1 January 2020
Amendments to MFRS 101: Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 139: Financial Instruments: Recognition and Measurement	1 January 2020
Amendments to MFRS 16: Leases	1 June 2020
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current – Deferral of Effective Date	17 August 2020
Amendments to MFRS 4: Extension of Temporary Exemption from Applying MFRS 9	17 August 2020

MFRSs that have been issued but only effective for financial period beginning on 1 January 2021 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 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
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 10: Consolidated Financial Statements	Deferred
Amendments to MFRS 128: Investments in Associates and Joint Ventures	Deferred

Notes to the Financial Statements (cont'd)

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.

(c) 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).

(d) 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.

(e) 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.

Notes to the Financial Statements (cont'd)

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (CONT'D)Key sources of estimation uncertainty (cont'd)**(f) 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.

(g) 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.

(h) 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.

(i) 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 31 December 2020.

Notes to the Financial Statements (cont'd)

6. PROPERTY, PLANT AND EQUIPMENT

Group	Building RM	Plant and machinery RM	Equipment and kitchen utensils RM	Furniture, fittings, and equipment RM	Motor vehicles RM	Balance carried forward RM
Cost						
At 1 January 2020	2,595,552	35,200	2,903,992	11,562,598	456,230	17,553,572
Additions	-	-	105,996	241,943	-	347,939
Adjustments	-	-	-	-	-	-
Transfers (Note 7)	-	-	-	-	478,250	478,250
Reclassifications	-	-	-	588,913	-	588,913
Write-offs	-	-	-	(784,038)	-	(784,038)
At 31 December 2020	2,595,552	35,200	3,009,988	11,609,416	934,480	18,184,636
Accumulated depreciation						
At 1 January 2020	(38,933)	(35,199)	(1,356,254)	(6,510,414)	(307,541)	(8,248,341)
Charge for the financial year	(51,912)	-	(541,269)	(1,840,857)	(46,000)	(2,480,038)
Transfers (Note 7)	-	-	-	-	(478,249)	(478,249)
Write-offs	-	-	-	181,880	-	181,880
At 31 December 2020	(90,845)	(35,199)	(1,897,523)	(8,169,391)	(831,790)	(11,024,748)
Carrying amount						
At 31 December 2020	2,504,707	1	1,112,465	3,440,025	102,690	7,159,888

Notes to the Financial Statements (cont'd)

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

Group	Balance brought forward RM	Signboard RM	Electrical fittings RM	Renovation RM	Capital work-in-progress RM	Total RM
Cost						
At 1 January 2020	17,553,572	48,975	27,196	13,469,743	597,808	31,697,294
Additions	347,939	-	-	64,000	2,187,203	2,599,142
Adjustments	-	-	-	-	(23,500)	(23,500)
Transfers (Note 7)	478,250	-	-	-	-	478,250
Reclassifications	588,913	-	-	-	(588,913)	-
Write-offs	(784,038)	-	-	(511,080)	(10,000)	(1,305,118)
At 31 December 2020	18,184,636	48,975	27,196	13,022,663	2,162,598	33,446,068
Accumulated depreciation						
At 1 January 2020	(8,248,341)	(13,054)	(13,371)	(8,444,707)	-	(16,719,473)
Charge for the financial year	(2,480,038)	(8,685)	(1,359)	(2,333,542)	-	(4,823,624)
Transfers (Note 7)	(478,249)	-	-	-	-	(478,249)
Write-offs	181,880	-	-	474,831	-	656,711
At 31 December 2020	(11,024,748)	(21,739)	(14,730)	(10,303,418)	-	(21,364,635)
Carrying amount						
At 31 December 2020	7,159,888	27,236	12,466	2,719,245	2,162,598	12,081,433

Notes to the Financial Statements (cont'd)

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

Group	Building RM	Plant and machinery RM	Equipment and kitchen utensils RM	Furniture, fittings, and equipment RM	Motor vehicles RM	Balance carried forward RM
Cost						
At 1 January 2019	-	35,200	1,579,257	7,947,840	924,282	10,486,579
Effects of adoption of MFRS 16 using modified retrospective approach	-	-	-	-	(478,250)	(478,250)
As restated	-	35,200	1,579,257	7,947,840	446,032	10,008,329
Acquisition of subsidiary (Note 9)	-	-	-	-	-	-
Additions	-	-	617,569	2,611,966	10,198	3,239,733
Reclassifications	2,595,552	-	718,665	1,002,792	-	4,317,009
Disposals	-	-	(11,499)	-	-	(11,499)
Write-offs	-	-	-	-	-	-
At 31 December 2019	2,595,552	35,200	2,903,992	11,562,598	456,230	17,553,572
Accumulated depreciation						
At 1 January 2019	-	(26,400)	(787,829)	(4,824,640)	(740,298)	(6,379,167)
Effects of adoption of MFRS 16 using modified retrospective approach	-	-	-	-	478,249	478,249
As restated	-	(26,400)	(787,829)	(4,824,640)	(262,049)	(5,900,918)
Charge for the financial year	(38,933)	(8,799)	(570,820)	(1,685,774)	(45,492)	(2,349,818)
Disposals	-	-	2,395	-	-	2,395
At 31 December 2019	(38,933)	(35,199)	(1,356,254)	(6,510,414)	(307,541)	(8,248,341)
Accumulated impairment						
At 1 January 2019	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-
At 31 December 2019	-	-	-	-	-	-
Carrying amount						
At 31 December 2019	2,556,619	1	1,547,738	5,052,184	148,689	9,305,231

Notes to the Financial Statements (cont'd)

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

Group	Balance brought forward RM	Signboard RM	Electrical fittings RM	Renovation RM	Capital work-in-progress RM	Building work-in-progress RM	Total RM
Cost							
At 1 January 2019	10,486,579	32,675	27,196	11,055,175	2,596,483	2,314,251	26,512,359
Effects of adoption of MFRS 16 using modified retrospective approach	(478,250)	–	–	(337,260)	–	–	(815,510)
As restated	10,008,329	32,675	27,196	10,717,915	2,596,483	2,314,251	25,696,849
Acquisition of subsidiary (Note 9)	–	–	–	55,809	–	–	55,809
Additions	3,239,733	16,300	–	1,487,549	1,839,222	281,301	6,864,105
Reclassifications	4,317,009	–	–	1,208,470	(2,929,927)	(2,595,552)	–
Disposals	(11,499)	–	–	–	(708,020)	–	(719,519)
Write-offs	–	–	–	–	(199,950)	–	(199,950)
At 31 December 2019	17,553,572	48,975	27,196	13,469,743	597,808	–	31,697,294
Accumulated depreciation							
At 1 January 2019	(6,379,167)	(5,999)	(9,292)	(5,507,857)	–	–	(11,902,315)
Effects of adoption of MFRS 16 using modified retrospective approach	478,249	–	–	–	–	–	478,249
As restated	(5,900,918)	(5,999)	(9,292)	(5,507,857)	–	–	(11,424,066)
Charge for the financial year	(2,349,818)	(7,055)	(4,079)	(2,936,850)	–	–	(5,297,802)
Disposals	2,395	–	–	–	–	–	2,395
At 31 December 2019	(8,248,341)	(13,054)	(13,371)	(8,444,707)	–	–	(16,719,473)
Accumulated impairment							
At 1 January 2019	–	–	–	–	(42,400)	–	(42,400)
Write-offs	–	–	–	–	42,400	–	42,400
At 31 December 2019	–	–	–	–	–	–	–
Carrying amount							
At 31 December 2019	9,305,231	35,921	13,825	5,025,036	597,808	–	14,977,821

Notes to the Financial Statements (cont'd)

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

Company	Office equipment RM	Total RM
Cost		
At 1 January 2020/31 December 2020	1,934,076	1,934,076
Accumulated depreciation		
At 1 January 2020	(193,408)	(193,408)
Charge for the financial year	(386,815)	(386,815)
At 31 December 2020	(580,223)	(580,223)
Carrying amount		
At 31 December 2020	1,353,853	1,353,853
Cost		
At 1 January 2019	—	—
Additions	1,934,076	1,934,076
At 31 December 2019	1,934,076	1,934,076
Accumulated depreciation		
At 1 January 2020	—	—
Charge for the financial year	(193,408)	(193,408)
At 31 December 2019	(193,408)	(193,408)
Carrying amount		
At 31 December 2019	1,740,668	1,740,668

Notes to the Financial Statements (cont'd)

7. RIGHT-OF-USE ASSETS

Group	Outlets RM	Hostels RM	Storerooms RM	Office RM	Motor vehicles RM	Total RM
Cost						
At 1 January 2020	4,882,217	276,434	20,546	711,971	601,500	6,492,668
Adjustments due to lease modifications	(271,866)	(3,092)	-	(48,723)	-	(323,681)
Additions	2,233,580	-	11,057	-	-	2,244,637
Subsequent effects of adoption of MFRS 16	(936,997)	-	-	-	-	(936,997)
Transfers (Note 6)	-	-	-	-	(478,250)	(478,250)
Write-offs	-	(48,753)	(20,546)	-	-	(69,299)
At 31 December 2020	5,906,934	224,589	11,057	663,248	123,250	6,929,078
Accumulated depreciation						
At 1 January 2020	(1,056,968)	(129,828)	(9,417)	(149,888)	(500,845)	(1,846,946)
Charged for the financial year	(1,091,958)	(77,593)	(18,762)	(139,448)	(24,650)	(1,352,411)
Subsequent effects of adoption of MFRS 16	187,400	-	-	-	-	187,400
Transfers (Note 6)	-	-	-	-	478,249	478,249
Write-offs	-	30,960	17,122	-	-	48,082
At 31 December 2020	(1,961,526)	(176,461)	(11,057)	(289,336)	(47,246)	(2,485,626)
Carrying amount						
At 31 December 2020	3,945,408	48,128	-	373,912	76,004	4,443,452

Notes to the Financial Statements (cont'd)

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

Group	Outlets RM	Hostels RM	Storerooms RM	Office RM	Motor vehicles RM	Total RM
Cost						
At 1 January 2019	–	–	–	–	–	–
Effects of adoption of MFRS 16 using modified retrospective approach	4,882,217	24,775	11,057	–	478,250	5,396,299
As restated	4,882,217	24,775	11,057	–	478,250	5,396,299
Additions	–	251,659	20,546	711,971	123,250	1,107,426
Write-offs	–	–	(11,057)	–	–	(11,057)
At 31 December 2019	4,882,217	276,434	20,546	711,971	601,500	6,492,668
Accumulated depreciation						
At 1 January 2019	–	–	–	–	–	–
Effects of adoption of MFRS 16 using modified retrospective approach	(75,360)	–	–	–	(478,249)	(553,609)
As restated	(75,360)	–	–	–	(478,249)	(553,609)
Charged for the year	(981,608)	(129,828)	(20,474)	(149,888)	(22,596)	(1,304,394)
Write-offs	–	–	11,057	–	–	11,057
At 31 December 2019	(1,056,968)	(129,828)	(9,417)	(149,888)	(500,845)	(1,846,946)
Carrying amount						
At 31 December 2019	3,825,249	146,606	11,129	562,083	100,655	4,645,722

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

- (i) Outlets: The Group has leased a number of outlets that run between 5 and 6 years, with no option to renew the lease after that date. The Group is not allowed to sublease the outlets.
- (ii) Hostels: The Group has leased a number of hostels that run between 1 and 3 years, with no option to renew the lease after that date. The Group is not allowed to sublease the hostels.
- (iii) Storerooms: The Group has leased 2 units of storeroom that run for 1 to 2 years, with no option to renew the lease after that date. The Group is not allowed to sublease the storeroom.
- (iv) Office: The Group has leased an office for 5 years with no option to renew the lease after that date. The Group is not allowed to sublease the office.
- (v) Motor vehicles: The Group has leased 1 (2019: 2) units of motor vehicles under hire purchase arrangements. The leases are secured by the leased assets.

Notes to the Financial Statements (cont'd)

8. INVESTMENT IN QUOTED SHARES

	2020 RM	Group 2019 RM
Quoted shares, at cost		
At beginning of the year	–	–
Additions (Note 46(e) and (f))	17,351,646	–
Fair value adjustments	5,337,547	–
At end of the year	22,689,193	–
Investment measured at fair value:		
Shares quoted in Malaysia	12,540,000	–
Shares quoted in Hong Kong	10,149,193	–
	22,689,193	–

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

9. INVESTMENT IN SUBSIDIARIES

	2020 RM	Company 2019 RM
Unquoted shares		
Cost		
At beginning/end of the year	9,349,360	9,349,360
Accumulated impairment loss		
At beginning/end of the year	(9,298,360)	(9,298,360)
Carrying amount	51,000	51,000

Notes to the Financial Statements (cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of subsidiaries are as follows:

Name of company	Principal place of business/country of incorporation	Equity interest held		Principal activities
		2020	2019	
Focus Dynamics Centre Sdn. Bhd. (^)	Malaysia	100%	100%	Operating and managing food and beverage outlets.
Focus Dynamics Drives Sdn. Bhd. ("FDDSB") (^)	Malaysia	100%	100%	Operating and managing food and beverage outlets.
DPC Industrial Systems Sdn. Bhd. (^)	Malaysia	100%	100%	Engage in 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. ("FIHSB") (formerly known as Marquee International Holding Sdn. Bhd.) (^)	Malaysia	100%	100%	Investment holding.
Famous Ambience Sdn. Bhd. (^)	Malaysia	51%	51%	Engage in letting of property business.
<u>Subsidiaries of FIHSB</u>				
Marquee International Sdn. Bhd. ("MISB") (^)	Malaysia	100%	100%	(i) Operating and managing food and beverage outlet; and (ii) Importer, distributor and wholesaler of wines, champagnes and spirits.
Modern Cuisine Sdn. Bhd. (^)	Malaysia	100%	100%	Engage in the business of restaurant, food and beverage as well as investment holding and general trading.
Marquee Resources Sdn. Bhd. (^)	Malaysia	100%	100%	Engage in the businesses of human resources, event management and general trading.
Finch Entertainment Sdn. Bhd. (^)	Malaysia	100%	100%	Engage in the business of restaurant, food and beverage.
Wine Commerce Sdn. Bhd. (^)	Malaysia	100%	100%	Engage in the business of online wine retailing and distribution.

Notes to the Financial Statements (cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of company	Principal place of business/country of incorporation	Equity interest held		Principal activities
		2020	2019	
<u>Subsidiaries of FIHSB (cont'd)</u>				
Bounce Entertainment Sdn. Bhd. (^)	Malaysia	100%	100%	Other food service activities, investment advisory services, creative, arts and entertainment activities.
Focus Dynamics Limited ("FDL") (#)	Republic of Seychelles	100%	100%	Investment holding.
Bubbles Entertainment Sdn. Bhd. ("Bubbles") (^)	Malaysia	100%	100%	Engage in the businesses of operating restaurants, food and beverage as well as investment holdings and general trading.
<u>Subsidiaries of FDL</u>				
Focus Dynamic Group Limited (#)	Hong Kong	100%	100%	Engage in food and beverage business and investment holding.
Bounce Entertainment Limited (#)	Hong Kong	100%	100%	Engage in food and beverage business, entertainment, general trading and investment holding.
<u>Subsidiaries of FDDSB</u>				
Centurion International Sdn. Bhd. ("CISB") (^)	Malaysia	100%	100%	Engage in the business of operating and managing food and beverage outlet.
<u>Subsidiaries of MISB</u>				
Goldhill Eagle Sdn. Bhd. ("GESB") (^)	Malaysia	55%	55%	Export and import of a variety of goods without any particular specialisation.

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

Audited by other firms of chartered accountants.

In the previous financial year, the Group has completed the following acquisitions:

- (i) The Company through its subsidiary, FIHSB, incorporated a wholly-owned subsidiary, Bubbles, with a subscription price of RM2.
- (ii) The Company through its subsidiary, FIHSB, incorporated a wholly-owned subsidiary, CISB, with a subscription price of RM2. Subsequently, the Company disposed 100% equity interests in CISB to FDDSB for a total consideration of RM2.

Notes to the Financial Statements (cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (iii) On 5 November 2019, the Company through its indirect subsidiary, MISB, entered into a share subscription agreement whereby MISB acquired 55% equity interests in GESB for a total consideration of RM550. The acquisition of this subsidiary will enable the Group to expand further into business of operating and managing food and beverage outlets.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:-

	Group 2019 RM
Cash and bank balances	4,777
Property, plant and equipment (Note 6)	55,809
Other receivables and deposits	621,590
Accruals	(855)
Fair value of net identifiable assets acquired	681,321
Less: Non-controlling interests, measured at the proportionate share of the fair value of the net identifiable assets	(306,594)
Less: Bargain purchase	(374,177)
Total purchase consideration, to be settled by cash	550
Less: Cash and bank balances of subsidiary acquired	(4,777)
Net cash inflow from the acquisition of GESB	(4,227)

There is no acquisition of new subsidiary during the financial year.

(a) Material partly-owned subsidiaries

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

Name of company	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated profit/(losses) of non-controlling interests	
	2020	2019	2020	2019	2020	2019
	%	%	RM	RM	RM	RM
Famous Ambience Sdn. Bhd.	49	49	(53,954)	(76,805)	1,014,074	1,071,456
Goldhill Eagle Sdn. Bhd.	45	45	(375,923)	(4,665)	(73,994)	301,929
			(429,877)	(81,470)	940,080	1,373,385

Notes to the Financial Statements (cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

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.

i. Summarised statements of financial position

	Famous Ambience Sdn. Bhd.	
	2020	2019
	RM	RM
Non-current assets	19,251,854	14,832,185
Current assets	4,616,076	4,260,613
Current liabilities	(21,798,391)	(16,913,148)
Net assets	2,069,539	2,179,650
Equity attributable to owners of the Company	1,055,465	1,108,194
Non-controlling interest	1,014,074	1,071,456
	2,069,539	2,179,650

	Goldhill Eagle Sdn. Bhd.	
	2020	2019
	RM	RM
Non-current assets	3,686,598	50,228
Current assets	424,711	624,925
Non-current liabilities	(2,029,033)	–
Current liabilities	(2,246,708)	(4,200)
Net assets	(164,432)	670,953
Equity attributable to owners of the Company	(90,438)	369,024
Non-controlling interest	(73,994)	301,929
	(164,432)	670,953

Notes to the Financial Statements (cont'd)

9. 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.	
	2020	2019
	RM	RM
Revenue	–	–
Loss before taxation	(110,111)	75,129
Taxation	1	(231,873)
Loss for the year, representing total comprehensive loss for the year	(110,110)	(156,744)
Loss attributable to owners of the Company	(56,156)	(79,939)
Non-controlling interest	(53,954)	(76,805)
	(110,110)	(156,744)

	Goldhill Eagle Sdn. Bhd.	
	2020	2019
	RM	RM
Revenue	–	–
Loss before taxation	(835,385)	(27,897)
Taxation	–	–
Loss for the year, representing total comprehensive loss for the year	(835,385)	(27,897)
Loss attributable to owners of the Company	(459,462)	(23,232)
Non-controlling interest	(375,923)	(4,665)
	(835,385)	(27,897)

Notes to the Financial Statements (cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

iii Summarised statements of cash flows

	Famous Ambience Sdn. Bhd.	
	2020 RM	2019 RM
Net cash generated from operating activities	4,418,614	8,157,903
Net cash used in investing activities	(4,421,257)	(8,177,110)
Net decrease in cash and cash equivalents	(2,643)	(19,207)

	Goldhill Eagle Sdn. Bhd.	
	2020 RM	2019 RM
Net cash generated from/(used in) operating activities	1,999,802	(315,856)
Net cash used in investing activities	(1,740,468)	(55,809)
Net cash (used in)/generated from financing activities	(339,607)	575,848
Net (decrease)/increase in cash and cash equivalents	(80,273)	204,183

10. INVESTMENT IN JOINT VENTURE

	Group	
	2020 RM	2019 RM
Unquoted shares, at cost	45	45
Share of post-acquisition reserves	–	497,890
	45	497,935
Less: Allowance for impairment losses	(45)	–
At end of the year	–	497,935

The details of the joint venture are as follows:

Name of company	Principal place of business/country of incorporation	Equity interest held		Principal activities
		2020	2019	
W Club Sdn. Bhd. ("WCSB")	Malaysia	45%	45%	Engaged in the business of entertainment centre and food and beverage.

WCSB has a different financial year end from the Group. In applying the equity method of accounting, the financial statements of the joint venture for the financial year ended 31 October 2020 have been used and appropriate adjustments have been made for the effects of significant transactions between 1 November 2020 and 31 December 2020.

Notes to the Financial Statements (cont'd)

10. INVESTMENT IN JOINT VENTURE (CONT'D)

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

	2020 RM	2019 RM
Non-current assets	1,656,215	2,247,469
Current assets	1,840,458	3,103,747
Non-current liabilities	(79,548)	(79,548)
Current liabilities	(3,441,819)	(4,165,144)
Net assets	(24,694)	1,106,524
<u>12-months period ended 31 December</u>		
Revenue	1,554,003	9,069,644
(Loss)/profit for the year, representing total comprehensive (loss)/income for the year	(1,133,814)	133,751
Group's share of (loss)/profit for the year	(497,890)	60,188

11. PREPAID EXPENSES

	2020 RM	Group 2019 RM
At beginning of the year	14,815,159	–
Effects of adoption of MFRS 16 using modified retrospective approach	–	6,638,049
As restated	14,815,159	6,638,049
Additions	4,421,257	8,177,110
At end of the year	19,236,416	14,815,159

The Group has 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.

Notes to the Financial Statements (cont'd)

12. GOODWILL

	2020 RM	Group 2019 RM
At cost	2,297,922	2,297,922
Less: Accumulated impairment losses	(2,209,793)	(2,209,793)
	88,129	88,129

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:

	2020 RM	Group 2019 RM
Property investment and management	88,129	88,129

13. PRODUCTS DEVELOPMENT EXPENDITURE

	2020 RM	Group 2019 RM
At cost	2,780,418	2,780,418
Less: Accumulated amortisation	(1,966,789)	(1,966,789)
Less: Accumulated impairment losses	(813,629)	(813,629)
	-	-

14. INVENTORIES

	2020 RM	Group 2019 RM
Food and beverages	7,869,467	12,148,218
Goods-in-transit	3,874,085	3,796,879
	11,743,552	15,945,097
Recognised in profit or loss:-		
Inventories recognised as cost of sales	32,603,155	18,643,152

Included in food and beverages are inventories held in trust amounting to RM187,816 (2019: RM243,412) held by a related party.

Notes to the Financial Statements (cont'd)

15. TRADE RECEIVABLES

	2020 RM	Group Restated 2019 RM
Trade receivables	4,636,638	4,698,808
Less: Allowance for impairment losses	(270,433)	(1,540,171)
	4,366,205	3,158,637

The Group's normal trade credit terms range from 30 to 90 (2019: 30 to 90) days. Other credit terms are assessed and approved on case-by-case basis.

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

	2020 RM	Group Restated 2019 RM
RM	3,508,903	1,421,688
HKD	857,302	1,736,949
	4,366,205	3,158,637

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2020 RM	Group Restated 2019 RM	2020 RM	Company 2019 RM
Other receivables	811,462	2,740,087	–	163,332
Less: Allowance for impairment losses	(254,000)	(545,200)	–	–
	557,462	2,194,887	–	163,332
Deposits	3,738,729	3,623,556	1,250	1,250
Prepayments	3,113,777	2,291,878	42,268	34,765
	7,409,968	8,110,321	43,518	199,347

Notes to the Financial Statements (cont'd)

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

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

	Group		Company	
	2020	Restated 2019	2020	2019
	RM	RM	RM	RM
RM	7,406,599	8,110,321	43,518	199,347
HKD	3,369	–	–	–
	7,409,968	8,110,321	43,518	199,347

17. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	Company	
	2020	2019
	RM	RM
Amount due from subsidiaries		
Non-trade balances	81,312,698	78,133,157
Less: Allowance for impairment losses	(34,837,977)	(35,376,581)
	46,474,721	42,756,576
Amount due to subsidiaries		
Non-trade balances	4,912,695	300,000

The amount due from subsidiaries are as follows:

	Company	
	2020	2019
	RM	RM
Focus Dynamics Drives Sdn. Bhd.	21,156,738	20,556,738
Marquee International Sdn. Bhd.	20,951,172	39,610,429
Focus Dynamics Centre Sdn. Bhd.	12,819,830	3,009,830
Focus Dynamic Group Limited	10,359,811	2,347,711
Modern Cuisine Sdn. Bhd.	5,446,606	5,196,606
Focus International Holding Sdn. Bhd. (formerly known as Marquee International Holding Sdn. Bhd.)	5,393,580	5,353,580
Famous Ambience Sdn. Bhd.	4,463,738	800,000
Finch Entertainment Sdn. Bhd.	458,972	483,972
DPC Industrial Systems Sdn. Bhd.	249,210	249,210
Focus Dynamics Limited	13,041	13,041
Wine Commerce Sdn. Bhd.	–	512,040
	81,312,698	78,133,157

Notes to the Financial Statements (cont'd)

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

The amount due to subsidiaries are as follows:

	2020	Company
	RM	2019
		RM
Marquee International Sdn. Bhd.	2,174,734	–
Wine Commerce Sdn. Bhd.	2,437,961	–
Bounce Entertainment Sdn. Bhd.	300,000	300,000
	4,912,695	300,000

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

18. AMOUNT DUE FROM/(TO) RELATED PARTIES

	2020	Group
	RM	2019
		RM
Amount due from a related party		
Non-trade balances	182,700	938,400
Less: Allowance for impairment losses	–	(938,400)
	182,700	–
Amount due to related parties		
Non-trade balances	11,896,419	9,358,600

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

	2020	Group
	RM	2019
		RM
Amount due from a related party		
Unilink Outdoor Sdn. Bhd.	182,700	938,400

The amount due to related parties is as follows:

	2020	Group
	RM	2019
		RM
Non-trade balances		
OCR Land Holdings Sdn. Bhd.	10,349,225	8,018,284
Dynavance Construction Sdn. Bhd.	947,194	940,316
Unilink Sdn. Bhd.	400,000	400,000
Citrasli Emas Sdn. Bhd.	200,000	–
	11,896,419	9,358,600

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

Notes to the Financial Statements (cont'd)

19. AMOUNT DUE FROM JOINT VENTURE

	2020 RM	Group 2019 RM
Trade balances	–	1,066
Non-trade balances	2,172,995	2,237,535
	2,172,995	2,238,601
Less: Allowance for impairment losses	(2,156,515)	(2,156,515)
	16,480	82,086

The normal trade credit terms granted by the Group is 30 (2019: 30) days.

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

20. SHORT-TERM INVESTMENTS

	2020 RM	Group 2019 RM	2020 RM	Company 2019 RM
Money market fund	4,722,356	17,994	2,700,000	–
Investment measured at fair value:				
Money market fund in Malaysia	4,722,356	17,994	2,700,000	–

21. FIXED DEPOSITS WITH LICENSED BANKS

	2020 RM	Group 2019 RM	2020 RM	Company 2019 RM
Fixed deposits with licensed banks	2,880,307	1,935,200	1,421,706	1,395,239

- (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 3.40% (2019: 2.70% to 3.40%) per annum. The fixed deposits have maturity periods ranging from 30 to 90 (2019: 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 RM1,421,706 (2019: RM1,395,239) which has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 31.

Notes to the Financial Statements (cont'd)

22. CASH AND BANK BALANCES

	2020 RM	Group 2019 RM	2020 RM	Company 2019 RM
Cash in hand	48,739	226,144	15	15
Cash at bank	132,190,118	4,967,112	118,986,795	160,617
Cash and bank balances	132,238,857	5,193,256	118,986,810	160,632

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

	2020 RM	Group 2019 RM	2020 RM	Company 2019 RM
RM	131,279,968	4,144,166	118,986,810	160,632
HKD	958,889	1,049,090	–	–
	132,238,857	5,193,256	118,986,810	160,632

23. SHARE CAPITAL

	2020 Unit	Group and Company 2019 Unit	2020 RM	2019 RM
Issued and fully paid				
At beginning of the year	2,044,266,157	2,041,792,408	86,965,549	86,815,822
Issuance of share capital pursuant to:				
- exercise of Warrants C	–	2,473,749	–	149,727
- conversion of ICPS	22,904,285	–	12,597,358	–
- share split	4,088,532,314	–	–	–
At end of the year	6,155,702,756	2,044,266,157	99,562,907	86,965,549

On 26 October 2020, 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.

During the financial 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 RM12,597,358.

In the previous financial year, the Company increased its issued and paid-up share capital from RM86,815,822 to RM86,965,549 by way of an issuance of 2,473,749 new ordinary shares from the exercise of Warrants 2014/2019 ("Warrants C") at the exercise price of 5 sen per warrant which amounted to RM123,686 and transfer from warrant reserve of RM26,041.

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)

24. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

	2020 Unit	Group and Company 2019 Unit	2020 RM	2019 RM
ICPS				
At beginning of the year	–	–	–	–
Issued during the year	2,044,266,042	–	112,434,632	–
Converted during the year	(65,056,550)	–	(3,578,110)	–
At end of the year	1,979,209,492	–	108,856,522	–

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:-

- 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;
- The ICPS is not redeemable for cash; and
- 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.

25. RESERVES

	2020 RM	Group 2019 RM	Company 2020 RM	2019 RM
Warrant reserve (Note a)	389,126,040	–	389,126,040	–
Foreign exchange translation reserve (Note b)	(24,598)	(13,784)	–	–
Accumulated losses	(420,033,001)	(47,521,363)	(432,511,783)	(42,017,226)
	(30,931,559)	(47,535,147)	(43,385,743)	(42,017,226)

Notes to the Financial Statements (cont'd)

25. RESERVES (CONT'D)

(a) Warrant reserve

During the financial year, 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 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 45(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 year, none of the Warrants D is exercised into new ordinary shares of the Company.

Notes to the Financial Statements (cont'd)

25. RESERVES (CONT'D)

(a) Warrant reserve (cont'd)

Warrants C

Warrants C were listed and quoted on Bursa Securities on 14 November 2014. Each Warrants C 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 6 November 2019 at an exercise price of RM0.10 payable in cash.

On 14 November 2014, the Company listed and quoted 235,167,596 Warrants C pursuant to the renounceable rights issue.

The Warrants C are constituted by the Deed Poll dated 30 September 2014 ("Deed Poll C").

Salient features of the Warrants C are as follows:-

- (i) Each Warrants C entitles the Warrant holders to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.10 during the 5-year period expiring on 6 November 2019 ("Exercise Period"), subject to the adjustments as set out in the Deed Poll C;
- (ii) At the expiry of the Exercise Period, any Warrants C which have not been exercised shall automatically lapse and cease to be valid for any purposes; and
- (iii) Warrant holders must exercise the Warrants C in accordance with the procedures set out in the Deed Poll C 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.

On 10 February 2016, the Company announced that the exercise price of the outstanding Warrants C will be adjusted from RM0.10 to RM0.05 per share on even date.

On 26 March 2018, the Company completed a share split exercise which resulted in the creation of 1,552,269 additional Warrants C.

In the previous financial year, 2,473,749 Warrants C were exercised and converted into 2,473,749 new ordinary shares of the Company. The balance of 544,551 unexercised Warrants C were lapsed on the maturity date of 6 November 2019.

(b) Foreign exchange translation reserves

The foreign exchange translation reserves 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)

26. LEASE LIABILITIES

	2020 RM	Group 2019 RM
At beginning of the year	4,726,342	–
Effects of adoption of MFRS 16 using modified retrospective approach	–	4,587,222
As restated	4,726,342	4,587,222
Additions during the year	2,244,637	1,086,175
Adjustments due to subsequent effects of adoption of MFRS 16	(806,236)	–
Adjustments due to lease modification	(323,681)	–
Adjustments due to early termination	(24,580)	–
Interest expense recognised in profit or loss	704,690	845,778
Repayment of principal	(390,430)	(947,055)
Repayment of interest	(704,690)	(845,778)
At end of the year	5,426,052	4,726,342
Analysed by:		
Non-current liabilities	4,493,805	3,698,968
Current liabilities	932,247	1,027,374
	5,426,052	4,726,342
The repayment terms of lease liabilities is as follows:		
	2020 RM	2019 RM
Minimum lease payments		
- not later than 1 year	1,568,371	1,727,045
- later than 1 year and not later than 5 years	5,398,548	4,624,312
- later than 5 years	210,362	42,824
Total minimum lease payments	7,177,281	6,394,181
Less: Future finance charges on lease liabilities	(1,751,229)	(1,667,839)
Present value of lease liabilities	5,426,052	4,726,342

Certain lease liabilities of the Group are secured by the Group's motor vehicles under the hire purchase arrangements as disclosed in Note 7 to the financial statements, with lease terms of 9 (2019: 1 to 9) years and bear an effective interest rates at 2.51% (2019: 2.51% to 2.75%) per annum.

Notes to the Financial Statements (cont'd)

27. DEFERRED TAX LIABILITIES

	2020 RM	Group 2019 RM
At beginning of the year	–	44,824
Recognised in the statements of comprehensive income (Note 37)	28,983	(44,824)
At end of the year	28,983	–

The deferred tax liabilities are in respect of taxable temporary differences arising from the property, plant and equipment.

28. TRADE PAYABLES

The normal trade credit terms granted to the Group ranged from 30 to 90 days (2019: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

29. OTHER PAYABLES AND ACCRUALS

	2020 RM	Group 2019 RM	2020 RM	Company 2019 RM
Other payables	5,740,053	5,401,798	1,107,171	1,022,022
Accruals	1,030,642	1,198,675	52,298	99,143
Amount due to directors of the subsidiaries	892,522	542,694	–	–
	7,663,217	7,143,167	1,159,469	1,121,165

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

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

	2020 RM	Group 2019 RM	2020 RM	Company 2019 RM
RM	7,602,442	7,102,171	1,159,469	1,121,165
HKD	60,775	40,996	–	–
	7,663,217	7,143,167	1,159,469	1,121,165

Notes to the Financial Statements (cont'd)

30. PROVISION FOR RESTORATION COSTS

	2020 RM	Group 2019 RM
At beginning/end of the year	412,620	412,620

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 4 to 5 years (2019: 5 to 6 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.

31. 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 21; 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 21.

The bank overdrafts of the Group at the end of the reporting period bore effective interest rates between 3.49% and 4.85% (2019: 4.85%) per annum.

32. REVENUE

Revenue consists of the followings:

	2020 RM	Group 2019 RM
Food and beverages	66,078,574	38,850,100
Engineering services	180,025	227,015
	66,258,599	39,077,115

The other information on the disaggregation of revenue is disclosed in Note 42 to the financial statements.

Notes to the Financial Statements (cont'd)

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

	Group		Company	
	2020	Restated 2019	2020	2019
	RM	RM	RM	RM
Impairment losses:				
- trade receivables	(162,315)	(971,870)	-	-
- other receivables	(4,000)	(5,204)	-	-
- amount due from joint venture	-	(2,156,515)	-	-
- amount due from subsidiaries	-	-	-	(7,408,771)
Reversal of impairment losses:				
- trade receivables	1,432,053	6,100,416	-	-
- other receivables	295,200	-	-	-
- amount due from related parties	938,400	110,000	-	-
- amount due from subsidiaries	-	-	538,604	-
	2,499,338	3,076,827	538,604	(7,408,771)

34. PROFIT/(LOSS) BEFORE TAXATION

	Group		Company	
	2020	Restated 2019	2020	2019
	RM	RM	RM	RM
Profit/(loss) before taxation is arrived at after charging:				
Auditors' remuneration:				
(a) Auditors of the Company				
(i) Statutory				
- current year	140,000	185,900	25,000	43,000
- underprovision in prior years	13,000	60,000	-	60,000
(ii) Non-statutory				
- current year	90,000	-	90,000	-
(b) Other auditors				
(i) Statutory				
- current year	44,416	45,375	-	-
Bad debts written-off	955,700	5,323,839	-	-
Deposits written-off	14,000	3,800	-	-
Depreciation of property, plant and equipment	4,823,624	5,297,802	386,815	193,408
Depreciation of right-of-use assets	1,352,411	1,304,394	-	-
Impairment on investment in joint venture	45	-	-	-
Interest expense on lease liabilities	704,690	845,778	-	-
Interest expense on bank overdrafts	55,927	59,577	-	-
Lease expense on low-value assets	10,331	502	-	-

Notes to the Financial Statements (cont'd)

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

	Group		Company	
	2020	Restated 2019	2020	2019
	RM	RM	RM	RM
Profit/(loss) before taxation is arrived at after charging (cont'd):				
Loss on disposal of property, plant and equipment	–	1,104	–	–
Property, plant and equipment written-off (net)	648,407	157,550	–	–
Realised foreign exchange loss	206	115	–	–
Share of loss on investment in joint venture	497,890	–	–	–
Staff costs (Note 35)	4,827,637	7,417,011	158,654	195,984
Unrealised foreign exchange loss	43	–	–	–
and crediting:				
Bad debts recovered	11,200	10,800	–	–
Bargain purchase	–	374,177	–	–
Dividend income	3,545	–	–	–
Gain on lease liabilities written-off due to early termination	3,363	–	–	–
Fair value gain on investment in quoted shares	5,337,547	–	–	–
Fair value gain on short term investments	395	–	–	–
Incentive income	515,930	2,733,459	–	–
Interest income				
- fixed deposits	45,107	41,624	26,467	39,208
- others	96,511	15,015	77,543	–
Management fee	24,000	48,000	–	–
Rental income from billboard	35,500	90,000	–	–
Share of profit on investment in joint venture	–	60,188	–	–

35. STAFF COSTS

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Short-term employee benefits	4,493,653	6,869,053	153,012	193,644
Defined contribution benefits	406,584	547,958	5,642	2,340
Total staff cost	4,900,237	7,417,011	158,654	195,984
SOSCO's COVID-19 Aid Relief	(72,600)	–	–	–
	4,827,637	7,417,011	158,654	195,984

Notes to the Financial Statements (cont'd)

35. STAFF COSTS (CONT'D)

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Short-term employee benefits	561,612	461,644	153,012	193,644
Defined contribution benefits	5,642	2,340	5,642	2,340
	567,254	463,984	158,654	195,984

36. DIRECTORS' REMUNERATION

Detail breakdown of remuneration is as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Directors of the Company				
Short-term employee benefits:				
- fees	401,116	300,000	68,516	108,000
- salaries, bonuses and other benefits	100,496	101,644	84,496	85,644
Defined contribution benefits	5,642	2,340	5,642	2,340
	507,254	403,984	158,654	195,984
Directors of the subsidiaries				
Short-term employee benefits:				
- fees	60,000	60,000	-	-
	60,000	60,000	-	-
Total remuneration	567,254	463,984	158,654	195,984

Notes to the Financial Statements (cont'd)

37. TAXATION

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
<u>Malaysian income tax</u>				
- current year	5,828,461	2,479,554	-	-
- (over)/underprovision in prior years	(54,727)	197,281	-	-
	5,773,734	2,676,835	-	-
<u>Deferred tax (Note 27)</u>				
- Relating to origination and reversal of temporary differences	5,207	(44,824)	-	-
- underprovision in prior years	23,776	-	-	-
	28,983	(44,824)	-	-
	5,802,717	2,632,011	-	-

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	
	2020 RM	2019 RM	2020 RM	2019 RM
Profit/(loss) before taxation	21,983,814	741,293	(1,368,517)	(8,179,554)
Tax at Malaysian statutory tax rate of 24% (2019: 24%)	5,276,115	177,910	(328,444)	(1,963,093)
Tax effects of:				
- expenses not deductible for tax purposes	2,323,683	1,325,381	457,709	1,963,093
- income not subject to tax	(1,438,875)	(89,802)	-	-
- deferred tax asset not recognised during the financial year	54,154	1,035,686	-	-
- share of result in joint venture	119,494	(14,445)	-	-
- utilisation of deferred tax assets previously not recognised	(500,903)	-	(129,265)	-
(Over)/underprovision of income tax in prior years	(54,727)	197,281	-	-
Underprovision of deferred tax in prior years	23,776	-	-	-
Tax expense for the year	5,802,717	2,632,011	-	-

Notes to the Financial Statements (cont'd)

37. TAXATION (CONT'D)

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of the realisation are as follows:

	2020 RM	Group 2019 RM
Accelerated capital allowances	(74,360)	(161,900)
Depreciation in excess of capital allowances	872,960	809,660
Unutilised capital allowances	137,290	868,400
Unabsorbed tax losses	24,953,280	24,852,200
Impairment on receivables	2,676,620	5,056,700
	28,565,790	31,425,060

No deferred tax assets are recognised in respect of these items as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised.

The unabsorbed tax losses are allowed to be utilised for 7 consecutive years of assessment while the unabsorbed capital allowances are allowed to be carried forward indefinitely.

38. EARNINGS/(LOSS) PER SHARE

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

	2020 RM	Group 2019 RM
Earnings/(loss) attributable to owners of the Company	16,610,974	(1,809,248)
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at beginning of the year	2,044,266,157	2,041,792,408
Effect of conversion of ICPS during the year	436,742	–
Effect of exercise of Warrants C during the year	–	1,073,742
Effect of share split during the year	4,088,532,314	–
Weighted average number of ordinary shares at end of the year	6,133,235,213	2,042,866,150
Basic earnings/(loss) per share (sen)	0.27	(0.09)

The diluted earnings/(loss) per share is arrived at by dividing the Group's loss 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:

Notes to the Financial Statements (cont'd)

38. EARNINGS/(LOSS) PER SHARE (CONT'D)

	2020 RM	Group 2019 RM
Earnings/(loss) attributable to owners of the Company	16,610,974	(1,809,248)
Weighted average number of ordinary shares adjusted as follows:		
Weighted average number of ordinary shares at end of the year	6,133,235,213	2,042,866,150
Adjustment for dilutive effect of ICPS	1,979,209,492	–
Adjusted weighted average number of ordinary shares at end of the year	8,112,444,705	2,042,866,150
Diluted earnings/(loss) per share (sen)	0.20	(0.09)

39. CASH FLOWS INFORMATION

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

	2020 RM	Group 2019 RM
Cash payment	–	21,251
Additions of new lease liabilities	2,244,637	1,086,175
Cost of right-of-use assets acquired	2,244,637	1,107,426

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

	Lease liabilities RM	Group Total RM
At 1 January 2020	4,726,342	4,726,342
<u>Changes in financing cash flows</u>		
Repayment of principal	(390,430)	(390,430)
Repayment of interest	(704,690)	(704,690)
	(1,095,120)	(1,095,120)
<u>Non-cash changes</u>		
Additions of new leases	2,244,637	2,244,637
Interest expense recognised in profit or loss	704,690	704,690
Adjustments due to subsequent effects of adoption of MFRS 16	(806,236)	(806,236)
Adjustments due to lease modifications	(323,681)	(323,681)
Adjustments due to early termination	(24,580)	(24,580)
	1,794,830	1,794,830
At 31 December 2020	5,426,052	5,426,052

Notes to the Financial Statements (cont'd)

39. CASH FLOWS INFORMATION (CONT'D)

	Finance lease liabilities RM	Group Lease liabilities RM	Total RM
At 1 January 2019	81,793	–	81,793
Effects on adoption of MFRS 16 using modified retrospective approach	(81,793)	4,587,222	4,505,429
As restated	–	4,587,222	4,587,222
<u>Changes in financing cash flows</u>			
Repayment of principal	–	(947,055)	(947,055)
Repayment of interest	–	(845,778)	(845,778)
	–	(1,792,833)	(1,792,833)
<u>Non-cash changes</u>			
Additions of new leases	–	1,086,175	1,086,175
Interest expense recognised in profit or loss	–	845,778	845,778
	–	1,931,953	1,931,953
At 31 December 2019	–	4,726,342	4,726,342

40. CAPITAL COMMITMENTS

	2020 RM	Group 2019 RM
Construction of building	85,680,000	82,875,000
Purchase of property	2,945,000	–
	88,625,000	82,875,000

Notes to the Financial Statements (cont'd)

41. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

Transactions arising from normal business transactions of the Company and its subsidiaries with their related parties during the financial year are as follows:-

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Management fee received from joint venture				
W Club Sdn. Bhd.	24,000	48,000	–	–
Sales of food and beverage to joint venture				
W Club Sdn. Bhd.	13,770	340,052	–	–
Rental income of billboard from a related party				
Unilink Outdoor Sdn. Bhd.	–	90,000	–	–

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.

(b) Compensation of Directors and key management personnel

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Salaries, bonuses and other benefits	100,496	101,644	84,496	85,644
Fees	461,116	360,000	68,516	108,000
Employees Provident Fund	5,642	2,340	5,642	2,340
	567,254	463,984	158,654	195,984

Included in total remuneration of key management personnel are the Directors' remuneration of the Group and of the Company amounting to RM567,254 (2019: RM463,984) and RM158,654 (2019: RM195,984) respectively.

Notes to the Financial Statements (cont'd)

41. 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 year is as follows:

	Salaries, bonuses and other benefits RM	Fees RM	Employees Provident Fund RM	Total RM
Group level				
Tay Ben Seng, Benson	43,500	332,600	3,577	379,677
Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	10,400	24,000	–	34,400
Tan Aik Heang	10,400	24,000	–	34,400
Leung Kok Keong*	28,167	–	2,065	30,232
Chang Yun Lung*	6,019	15,677	–	21,696
Chong Kwang Fock*	2,010	4,839	–	6,849
	100,496	401,116	5,642	507,254
Subsidiary level				
Koo Kien Yoon	–	60,000	–	60,000
	–	60,000	–	60,000
	100,496	461,116	5,642	567,254

* The Directors' remuneration have been accounted for up to their date of resignation.

Notes to the Financial Statements (cont'd)

42. 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 investment holding, businesses of human resources, event management and general trading and export and import of a variety of goods without any particular specialisation.

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)

42. SEGMENT REPORTING (CONT'D)

Primary segment reporting - business (cont'd)

2020	Investment holding RM	Property investment and management RM	Engineering services RM	Food and beverage RM	Others RM	Total RM	Elimination RM	Consolidation RM
Revenue								
External revenue	-	-	180,025	66,078,574	-	66,258,599	-	66,258,599
Intersegment revenue	-	-	-	610,458	-	610,458	(610,458)	-
Total revenue	-	-	180,025	66,689,032	-	66,859,057	(610,458)	66,258,599
Results								
Segment results	(1,445,505)	(110,111)	1,915,367	24,764,077	(555,245)	24,568,583	(1,467,880)	23,100,703
Interest income	104,010	-	423	37,185	-	141,618	-	141,618
(Loss)/profit from operations	(1,341,495)	(110,111)	1,915,790	24,801,262	(555,245)	24,710,201	(1,467,880)	23,242,321
Interest expenses	-	-	(59,620)	(448,951)	(345,018)	(853,589)	92,972	(760,617)
Share of results in joint venture	-	-	-	(497,890)	-	(497,890)	-	(497,890)
(Loss)/profit before taxation	(1,341,495)	(110,111)	1,856,170	23,854,421	(900,263)	23,358,722	(1,374,908)	21,983,814
Taxation	-	1	-	(5,802,718)	-	(5,802,717)	-	(5,802,717)
(Loss)/profit for the year	(1,341,495)	(110,110)	1,856,170	18,051,703	(900,263)	17,556,005	(1,374,908)	16,181,097

Notes to the Financial Statements (cont'd)

42. SEGMENT REPORTING (CONT'D)

Primary segment reporting - business (cont'd)

2020	Investment holding RM	Property investment and management RM	Engineering services RM	Food and beverage RM	Others RM	Total RM	Elimination RM	Consolidation RM
Other information								
Bad debts written-off	-	955,700	-	-	-	955,700	-	955,700
Depreciation on property, plant and equipment	386,815	1,588	77,660	4,351,902	5,659	4,823,624	-	4,823,624
Depreciation on right-of-use assets	-	-	35,707	1,110,858	332,019	1,478,584	(126,173)	1,352,411
Fair value gain on investment in quoted shares	-	-	2,850,000	2,487,547	-	5,337,547	-	5,337,547
Net impairment loss on financial assets	603,604	(938,400)	-	(2,538,518)	-	(4,080,522)	1,581,184	(2,499,338)
Property, plant and equipment written-off (net)	-	-	-	648,407	-	648,407	-	648,407

Notes to the Financial Statements (cont'd)

42. SEGMENT REPORTING (CONT'D)

Primary segment reporting - business (cont'd)

2020	Investment holding RM	Property investment and management RM	Engineering services RM	Food and beverage RM	Others RM	Total RM	Elimination RM	Consolidation RM
Assets								
Segment assets	174,054,539	23,867,930	13,229,972	69,127,856	4,546,364	284,826,661	(62,815,742)	222,010,919
Current tax assets	74,242	-	13,039	331,105	-	418,386	-	418,386
Goodwill	174,128,781	23,867,930	13,243,011	69,458,961	4,546,364	285,245,047	(62,815,742)	222,429,305
Consolidated assets								88,129
								222,517,434
Liabilities								
Segment liabilities	11,568,339	21,548,988	37,122,719	62,517,628	4,909,477	137,667,151	(96,044,041)	41,623,110
Current tax liabilities	-	249,403	-	2,187,988	-	2,437,391	-	2,437,391
Deferred taxation	-	-	-	28,983	-	28,983	-	28,983
Consolidated liabilities	11,568,339	21,798,391	37,122,719	64,734,599	4,909,477	140,133,525	(96,044,041)	44,089,484
Additions to non-current assets other than financial instruments are:								
Prepaid expenses	-	4,421,257	-	-	-	4,421,257	-	4,421,257
Property, plant and equipment	-	-	-	858,674	1,740,468	2,599,142	-	2,599,142
Right-of-use assets	-	-	11,057	-	2,233,580	2,244,637	-	2,244,637

Notes to the Financial Statements (cont'd)

42. SEGMENT REPORTING (CONT'D)

Primary segment reporting - business (cont'd)

2019 (Restated)	Investment holding RM	Property investment and management RM	Engineering services RM	Food and beverage RM	Others RM	Total RM	Elimination RM	Consolidation RM
Revenue								
External revenue	-	-	227,015	38,850,100	-	39,077,115	-	39,077,115
Intersegment revenue	-	-	-	1,233,091	-	1,233,091	(1,233,091)	-
Total revenue	-	-	227,015	40,083,191	-	40,310,206	(1,233,091)	39,077,115
Results								
Segment results	(8,329,637)	74,781	(1,639,157)	1,582,712	(65,336)	(8,376,637)	9,532,281	1,155,644
Interest income	39,208	349	3,000	14,082	-	56,639	-	56,639
(Loss)/profit from operations	(8,290,429)	75,130	(1,636,157)	1,596,794	(65,336)	(8,319,998)	9,532,281	1,212,283
Interest expenses	-	-	(67,517)	(837,838)	-	(905,355)	-	(905,355)
Bargain purchase	-	-	-	374,177	-	374,177	-	374,177
Share of results in joint venture	-	-	-	60,188	-	60,188	-	60,188
(Loss)/profit before taxation	(8,290,429)	75,130	(1,703,674)	1,193,321	(65,336)	(8,790,988)	9,532,281	741,293
Taxation	-	(231,873)	-	(2,400,138)	-	(2,632,011)	-	(2,632,011)
(Loss)/profit for the year	(8,290,429)	(156,743)	(1,703,674)	(1,206,817)	(65,336)	(11,422,999)	9,532,281	(1,890,718)

Notes to the Financial Statements (cont'd)

42. SEGMENT REPORTING (CONT'D)

Primary segment reporting - business (cont'd)

2019 (Restated)	Investment holding RM	Property investment and management RM	Engineering services RM	Food and beverage RM	Others RM	Total RM	Elimination RM	Consolidation RM
Other information								
Bad debts written-off	-	-	-	5,323,839	-	5,323,839	-	5,323,839
Depreciation on property, plant and equipment	193,408	4,765	118,930	4,975,118	5,581	5,297,802	-	5,297,802
Depreciation on right-of-use assets	-	-	33,653	1,270,741	-	1,304,394	-	1,304,394
Net impairment loss on financial assets	7,408,771	(110,000)	53,801	(3,020,628)	-	4,331,944	(7,408,771)	(3,076,827)
Property, plant and equipment written-off (net)	-	-	-	157,550	-	157,550	-	157,550
Loss on disposal of property, plant and equipment	-	-	-	1,104	-	1,104	-	1,104

Notes to the Financial Statements (cont'd)

42. SEGMENT REPORTING (CONT'D)

Primary segment reporting - business (cont'd)

2019 (Restated)	Investment holding RM	Property investment and management RM	Engineering services RM	Food and beverage RM	Others RM	Total RM	Elimination RM	Consolidation RM
Assets								
Segment assets	49,236,171	19,092,798	811,120	50,333,512	1,142,920	120,616,521	(51,237,293)	69,379,228
Current tax assets	66,026	-	13,039	150,319	-	229,384	-	229,384
Goodwill	49,302,197	19,092,798	824,159	50,483,831	1,142,920	120,845,905	(51,237,293)	69,608,612
Consolidated assets								88,129
								69,696,741
Liabilities								
Segment liabilities	6,857,157	16,681,275	26,560,036	64,068,624	606,916	114,774,008	(86,331,299)	28,442,709
Current tax liabilities	-	231,873	-	218,372	-	450,245	-	450,245
Consolidated liabilities	6,857,157	16,913,148	26,560,036	64,286,996	606,916	115,224,253	(86,331,299)	28,892,954

Additions to non-current assets other than financial instruments are:

Investment in joint venture	-	-	-	60,188	-	60,188	-	60,188
Prepaid expenses	-	8,177,110	-	-	-	8,177,110	-	8,177,110
Property, plant and equipment	1,934,076	-	7,000	4,923,029	55,809	6,919,914	-	6,919,914
Right-of-use assets	-	-	123,250	984,176	-	1,107,426	-	1,107,426

Information about major customer

There is one (2019: Nil) customer whose transactions arising from sales in the food and beverage segment amounted to RM12,145,200 (2019: RMNil) representing more than 10% of the Group's revenue.

Notes to the Financial Statements (cont'd)

43. 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 RM12,246 (2019: RM12,043).

The fixed deposits with licensed banks as at 31 December 2020 have maturity periods of 30 to 90 (2019: 30 to 90) days, and bear interest at rates ranging from 1.25% to 3.40% (2019: 2.70% to 3.40%) per annum.

(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.

Notes to the Financial Statements (cont'd)

43. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

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	Contractual undiscounted cash flow RM	Maturity		
				Less than 1 year RM	Between 2 and 5 years RM	More than 5 years RM
2020						
Trade payables	-	15,000,161	15,000,161	15,000,161	-	-
Other payables and accruals	-	7,663,217	7,663,217	7,663,217	-	-
Amount due to related parties	-	11,896,419	11,896,419	11,896,419	-	-
Bank overdrafts	3.49 - 4.85	1,224,641	1,224,641	1,224,641	-	-
Lease liabilities	2.51	5,426,052	7,177,281	1,568,371	5,398,548	210,362
		41,210,490	42,961,719	37,352,809	5,398,548	210,362
2019 (Restated)						
Trade payables	-	5,597,659	5,597,659	5,597,659	-	-
Other payables and accruals	-	7,143,167	7,143,167	7,143,167	-	-
Amount due to related parties	-	9,358,600	9,358,600	9,358,600	-	-
Bank overdrafts	4.85	1,204,321	1,204,321	1,204,321	-	-
Lease liabilities	2.51 - 2.75	4,726,342	6,394,181	1,727,045	4,624,312	42,824
		28,030,089	29,697,928	25,030,792	4,624,312	42,824

Notes to the Financial Statements (cont'd)

43. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

Company	Effective interest rate %	Carrying amount RM	Contractual undiscounted cash flow RM	← Maturity →
				Less than 1 year RM
2020				
Other payables and accruals	–	1,159,469	1,159,469	1,159,469
Amount due to subsidiaries	–	4,912,695	4,912,695	4,912,695
		6,072,164	6,072,164	6,072,164
2019				
Other payables and accruals	–	1,121,165	1,121,165	1,121,165
Amount due to subsidiaries	–	300,000	300,000	300,000
		1,421,165	1,421,165	1,421,165

(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 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)

43. 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:

		Group		Company	
		2020	Restated 2019	2020	2019
	Note	RM	RM	RM	RM
Short-term investments	20	4,722,356	17,994	2,700,000	–
Fixed deposits with licensed banks	21	2,880,307	1,935,200	1,421,706	1,395,239
Cash and bank balances	22	132,238,857	5,193,256	118,986,810	160,632
		139,841,520	7,146,450	123,108,516	1,555,871

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

Notes to the Financial Statements (cont'd)

43. 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	Credit impaired RM	Not past due RM	Not credit impaired				Total past due RM
					1-30 days RM	31-60 days RM	61-90 days RM	>90 days RM	
2020									
Trade receivables	15	4,636,638	193,762	3,962,552	143,737	35,736	18,841	282,010	480,324
Other receivables which are financial assets	16	4,550,191	-	4,296,191	-	-	-	254,000	254,000
Amount due from related parties	18	182,700	-	182,700	-	-	-	-	-
Amount due from joint venture	19	2,172,995	-	16,480	-	-	-	2,156,515	2,156,515
		11,542,524	193,762	8,457,923	143,737	35,736	18,841	2,692,525	2,890,839
2019 (Restated)									
Trade receivables	15	4,698,808	1,485,854	2,753,602	91,470	20,131	347,751	-	459,352
Other receivables which are financial assets	16	6,363,643	-	5,802,289	-	-	-	561,354	561,354
Amount due from related parties	18	938,400	-	-	-	-	-	938,400	938,400
Amount due from joint venture	19	2,238,601	-	82,086	-	-	-	2,156,515	2,156,515
		14,239,452	1,485,854	8,637,977	91,470	20,131	347,751	3,656,269	4,115,621

Notes to the Financial Statements (cont'd)

43. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Credit risk (cont'd)

Receivables (cont'd)

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

Company	Note	Total RM	Credit impaired RM	Not past due RM	Not credit impaired				Total past due RM
					1-30 days RM	31-60 days RM	61-90 days RM	>90 days RM	
2020									
Other receivables which are financial assets	16	1,250	-	1,250	-	-	-	-	-
Amount due from subsidiaries	17	81,312,698	34,837,977	925,000	3,690,350	9,800,000	-	32,059,371	45,549,721
		81,313,948	34,837,977	926,250	3,690,350	9,800,000	-	32,059,371	45,549,721
2019									
Other receivables which are financial assets	16	164,582	-	164,582	-	-	-	-	-
Amount due from subsidiaries	17	78,133,157	35,376,581	-	-	-	-	42,756,576	42,756,576
		78,297,739	35,376,581	164,582	-	-	-	42,756,576	42,756,576

Notes to the Financial Statements (cont'd)

43. 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 (2019: 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.

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 2 (2019: 5) major customers which constituted 53% (2019: 79%) 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:

	2020 RM	Group Restated 2019 RM
Domestic	3,508,903	1,421,688
Hong Kong	857,302	1,736,949
	4,366,205	3,158,637

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)

43. 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)

43. 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	Credit impaired (Note i) RM	Lifetime ECL allowance RM	Credit impaired (Note i) RM
				Total allowance RM
At 1 January 2020	54,317	1,485,854	545,200	545,200
Charge/(reversal) during the year (Note ii)	22,354	(1,292,092)	(291,200)	(291,200)
At 31 December 2020	76,671	193,762	254,000	254,000
At 1 January 2019	790,919	5,877,798	539,996	539,996
(Reversal)/charge during the year (Note ii)	(736,602)	(4,391,944)	5,204	5,204
At 31 December 2019	54,317	1,485,854	545,200	545,200

Notes to the Financial Statements (cont'd)

43. 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	Credit impaired (Note i) RM	Lifetime ECL allowance RM	Credit impaired (Note i) RM
				Total allowance RM
At 1 January 2020	938,400	-	2,156,515	-
Reversal during the year (Note ii)	(938,400)	-	-	-
At 31 December 2020	-	-	2,156,515	2,156,515
At 1 January 2019	1,048,400	-	-	-
Charge/(reversal) during the year (Note ii)	(110,000)	-	2,156,515	-
At 31 December 2019	938,400	-	2,156,515	2,156,515

i Receivables that are individually determined to be credit impaired at the financial 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 year decreased by RM2,499,338 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. 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 RM3,076,827 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.

Notes to the Financial Statements (cont'd)

43. 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	Credit impaired (Note i) RM	Total allowance RM
At 1 January 2020	–	35,376,581	35,376,581
Reversal during the year (Note ii)	–	(538,604)	(538,604)
At 31 December 2020	–	34,837,977	34,837,977
At 1 January 2019	–	27,967,810	27,967,810
Charge during the year (Note ii)	–	7,408,771	7,408,771
At 31 December 2019	–	35,376,581	35,376,581

- i Receivables that are individually determined to be credit impaired at the financial 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 year decreased by RM538,604 is mainly due to the provision for lower impaired amount due from subsidiaries. In the previous financial year, the Company's allowance for impairment loss on amount due from subsidiaries increased by RM7,408,771 is mainly due to the provision for higher impaired amount due from subsidiaries.

Notes to the Financial Statements (cont'd)

43. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(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 Dollars (HKD). 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.

Group	Note	HKD RM	Total RM
2020			
Financial assets			
Trade receivables	15	857,302	857,302
Other receivables and deposits	16	3,369	3,369
Cash and bank balances	22	958,889	958,889
		1,819,560	1,819,560
Financial liabilities			
Other payables and accruals	29	(60,775)	(60,775)
Net financial assets		1,758,785	1,758,785
2019 (Restated)			
Financial assets			
Trade receivables	15	1,736,949	1,736,949
Cash and bank balances	22	1,049,090	1,049,090
		2,786,039	2,786,039
Financial liabilities			
Other payables and accruals	29	(40,996)	(40,996)
Net financial assets		2,745,043	2,745,043

Notes to the Financial Statements (cont'd)

43. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(d) Foreign currency risk (cont'd)

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 Impact on profit/ (loss) for the year	
	2020 RM	Restated 2019 RM
HKD/RM – strengthened/(weakened) 10%	175,879	274,504

(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 31 December 2020 and 2019 were as follows:

	Note	2020 RM	Group 2019 RM
Bank overdrafts	31	1,224,641	1,204,321
Lease liabilities	26	5,426,052	4,726,342
		6,650,693	5,930,663
Less:			
Short-term investments	20	(4,722,356)	(17,994)
Fixed deposits with licensed banks	21	(2,880,307)	(1,935,200)
Cash and bank balances	22	(132,238,857)	(5,193,256)
		(139,841,520)	(7,146,450)
Net debt		(133,190,827)	(1,215,787)
Total equity excluding non-controlling interest		177,487,870	39,430,402
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 year end.

Notes to the Financial Statements (cont'd)

44. 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"]

	Carrying amount RM	AC RM	FVTPL RM
Group			
2020			
Non-derivative financial assets			
Investment in quoted shares	22,689,193	–	22,689,193
Trade receivables	4,366,205	4,366,205	–
Other receivables and deposits	4,296,191	4,296,191	–
Amount due from related parties	182,700	182,700	–
Amount due from joint venture	16,480	16,480	–
Short-term investments	4,722,356	–	4,722,356
Fixed deposits with licensed banks	2,880,307	2,880,307	–
Cash and bank balances	132,238,857	132,238,857	–
At 31 December 2020	171,392,289	143,980,740	27,411,549
Non-derivative financial liabilities			
Trade payables	15,000,161	15,000,161	–
Other payables and accruals	7,663,217	7,663,217	–
Amount due to related parties	11,896,419	11,896,419	–
Bank overdrafts	1,224,641	1,224,641	–
Lease liabilities	5,426,052	5,426,052	–
At 31 December 2020	41,210,490	41,210,490	–
2019 (Restated)			
Non-derivative financial assets			
Trade receivables	3,158,637	3,158,637	–
Other receivables and deposits	5,818,443	5,818,443	–
Amount due from joint venture	82,086	82,086	–
Short-term investments	17,994	–	17,994
Fixed deposits with licensed banks	1,935,200	1,935,200	–
Cash and bank balances	5,193,256	5,193,256	–
At 31 December 2019	16,205,616	16,187,622	17,994
Non-derivative financial liabilities			
Trade payables	5,597,659	5,597,659	–
Other payables and accruals	7,143,167	7,143,167	–
Amount due to related parties	9,358,600	9,358,600	–
Bank overdrafts	1,204,321	1,204,321	–
Lease liabilities	4,726,342	4,726,342	–
At 31 December 2019	28,030,089	28,030,089	–

Notes to the Financial Statements (cont'd)

44. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amount RM	AC RM	FVTPL RM
Company			
2020			
Non-derivative financial assets			
Deposits	1,250	1,250	–
Amount due from subsidiaries	46,474,721	46,474,721	–
Short-term investments	2,700,000	–	2,700,000
Fixed deposits with licensed banks	1,421,706	1,421,706	–
Cash and bank balances	118,986,810	118,986,810	–
At 31 December 2020	169,584,487	166,884,487	2,700,000
Non-derivative financial liabilities			
Other payables and accruals	1,159,469	1,159,469	–
Amount due to subsidiaries	4,912,695	4,912,695	–
At 31 December 2020	6,072,164	6,072,164	–
2019			
Non-derivative financial assets			
Other receivables and deposits	164,582	164,582	–
Amount due from subsidiaries	42,756,576	42,756,576	–
Fixed deposits with licensed banks	1,395,239	1,395,239	–
Cash and bank balances	160,632	160,632	–
At 31 December 2019	44,477,029	44,477,029	–
Non-derivative financial liabilities			
Other payables and accruals	1,121,165	1,121,165	–
Amount due to subsidiaries	300,000	300,000	–
At 31 December 2019	1,421,165	1,421,165	–

Notes to the Financial Statements (cont'd)

45. 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 25(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	Level 2 RM	Total RM
Group			
2020			
Investment in quoted shares	22,689,193	–	22,689,193
Short term investments	4,722,356	–	4,722,356
Warrant reserve	–	(389,126,040)	(389,126,040)
	27,411,549	(389,126,040)	(361,714,491)
2019			
Short term investments	17,994	–	17,994
Company			
2020			
Short term investments	2,700,000	–	2,700,000
Warrant reserve	–	(389,126,040)	(389,126,040)
	2,700,000	(389,126,040)	(386,426,040)
2019			
Short term investments	–	–	–

(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	15
Other receivables which are financial assets	16
Amount due from/(to) subsidiaries	17
Amount due from/(to) related parties	18
Amount due from joint venture	19
Fixed deposits with licensed banks	21
Cash and bank balances	22
Lease liabilities	26
Trade payables	28
Other payables and accruals	29
Bank overdrafts	31

Notes to the Financial Statements (cont'd)

46. SIGNIFICANT EVENTS

- (a) On 2 June 2020, the Company has embarked on a new project to revolutionise the current food delivery landscape, to provide entrepreneurs, hobbyists and restaurant owners with an automated Cloud Kitchen Facility.
- (b) On 9 June 2020, Marquee International Sdn. Bhd. ("MISB"), an indirect wholly-owned subsidiary of the Company entered into an Exclusive Agreement with Lambomove Sdn. Bhd., a subsidiary of Lambo Group Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad to expand its business to include an automated cloud kitchen facility and is engaging Lambomove Sdn. Bhd. as the exclusive fulfillment agent for last mile delivery.
- (c) On 26 August 2020, MISB entered into Sale and Purchase Agreements with AK Star Sdn. Bhd. for the acquisitions of two (2) units of condominium of development project known as "Axon Bukit Bintang" held under leasehold lands of 99 years held under P.N. 46183 Lot 1377 and P.N. 38313 Lot 1351, both of Seksyen 67, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur for a purchase price of RM1,472,000 and RM1,473,000 respectively.
- (d) On 6 October 2020, the Company entered into a Heads of Agreement with Oversea Enterprise Berhad ("Oversea"), a company listed on the ACE Market of Bursa Malaysia Securities Berhad to pool their respective resources, expertise and reputation in the Food and Beverage ("F&B") industry to revamp, expand and enhance the Oversea brand to global metropolises in a collaborative venture. At the same time, the parties will also collaborate to establish new product offerings in local and expanded markets in line with developing technology, tastes and traction of the F&B industry.
- (e) Focus Dynamics Centre Sdn. Bhd. ("FDCSB"), a wholly-owned subsidiary of FDGB had from 7 October 2020 till 9 October 2020 acquired 28,801,500 ordinary shares of Brahim's Holdings Berhad ("Brahim"), representing 12.19% of the issued and paid up capital of Brahim, at RM0.255 per share for a total cash consideration of RM7,344,382.50. On 12 October 2020, FDCSB acquire a further 9,198,500 ordinary shares of Brahim representing 3.89% of the issued and paid up capital of Brahim, at RM0.255 per share for a total cash consideration of RM2,345,617.50 bringing the total investment of Brahim in FDCSB's books to RM9,690,000 represents 16.08%.
- (f) On 13 October 2020, the Company entered into a conditional subscription agreement with Top Standard Corporation which is listed on the Growth Enterprise Market in Hong Kong in respect of the investment in via subscription of 192,000,000 new shares pursuant to the proposed General Mandate at a Subscription Price of HKD0.077 each per Subscription Share, for the total consideration of HKD14.78 million (approximately RM7.66 million) via its wholly-owned Hong Kong subsidiary, Focus Dynamic Group Limited. The investment represents approximately 16.67% of equity interest was completed on 10 November 2020.
- (g) During the financial year, the Company has completed the following corporate exercises:
 - (i) share split involving the subdivision of every 1 existing ordinary share in the Company ("Share") into 3 Shares ("Split Shares"). On 27 October 2020, a total of 6,132,798,471 Split Shares was listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad;
 - (ii) On 3 December 2020, 2,044,266,042 ICPS and 3,066,399,051 Warrants D were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad; and
 - (iii) Amendments to the constitution of the Company to facilitate the issue of the ICPS pursuant to the Right Issues of ICPS with Warrants.

Notes to the Financial Statements (cont'd)

46. SIGNIFICANT EVENTS (CONT'D)

- (h) On 30 October 2020, FDCSB entered into a Head of Agreement with Perusahaan Saudee Sdn. Bhd., a wholly owned subsidiary of Saudee Group Berhad, listed on the Main Market of Bursa Malaysia Securities Berhad to jointly roll out Malaysia's first robotics operated burger kiosks and food trucks.
- (i) On 11 November 2020, FDCSB entered into a Head of Agreement with Brahim's Sats Food Services Sdn. Bhd. ("Brahim's") to collaborate and to leverage off each other's businesses to develop, enhance and execute an integrated digital network to provide an end to end fulfillment and delivery strategy for both Focus' outlets, online businesses, Cloud kitchen and Ghost kitchen programs, as well provide Brahim's central kitchen with an opportunity to leverage this platform to digitise their own businesses, modernise their central kitchen and to compensate for downtime and lack of utilisation in the current economic climate.
- (j) 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 is unable to reasonably estimate the financial impact of COVID-19 for the financial year ending 31 December 2021 to be disclosed in the financial statements as the situation is still evolving and the uncertainty of the outcome of the current events. 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.

47. SUBSEQUENT EVENTS

- (a) On 4 January 2021, the Company proposes 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.
- (b) 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.
- (c) 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"), representing approximately 30% of the total issued and paid-up ordinary shares of LKLI, at the price of RM0.25 each, for a total cash consideration of RM37,500,000. As such, LKLI became an associate to the Company with the transaction completed on 25 March 2021.
- (d) 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.
- (e) 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.

Notes to the Financial Statements (cont'd)

48. COMPARATIVE FIGURES

- (a) The following comparative figures have been reclassified to conform to current year's presentation:

	As previously stated RM	Reclassifications RM	As restated RM
Statements of Financial Position			
Trade receivables	1,421,688	1,736,949	3,158,637
Other receivables, deposits and prepayments	9,847,270	(1,736,949)	8,110,321
	11,268,958	–	11,268,958
Statements of Profit or Loss and Other Comprehensive Income			
Other operating expenses	(20,079,862)	(5,314,029)	(25,393,891)
Net impairment losses on financial assets	(2,237,202)	5,314,029	3,076,827
	(22,317,064)	–	(22,317,064)
Statements of Cash Flows			
Bad debts written-off	9,810	5,314,029	5,323,839
Reversal of impairment losses on trade receivables	(786,387)	(5,314,029)	(6,100,416)
	(776,577)	–	(776,577)

- (b) The comparative figures are derived from financial statements audited by a firm of chartered accountants other than Nexia SSY PLT.

Analysis of Shareholdings

As at 24 May 2021

SHARE CAPITAL

Issued and Fully Paid-up Capital	:	6,372,185,736
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

SHAREHOLDING DISTRIBUTION SCHEDULE

No. of Shareholders	Size of Shareholdings	No. of Shares Held	% of Shares
70	Less than 100	2,547	*
595	100 to 1,000	339,184	*
3,190	1,001 to 10,000	22,062,100	0.35
8,327	10,001 to 100,000	384,094,265	6.03
3,275	100,001 to less than 5% of issued shares	3,126,592,704	49.07
3	5% and above of the issued shares	2,839,094,936	44.55
15,460	TOTAL	6,372,185,736	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	1,589,897,076	24.95
2. HSBC Nominees (Asing) Sdn Bhd - Exempt An for Credit Suisse AG (DUB CLT N-TREAT)	891,809,800	14.00
3. M & A Nominees (Asing) Sdn Bhd - Exempt An for Sanston Financial Group Limited (Account Client)	357,388,060	5.61
4. Affin Hwang Nominees (Asing) Sdn Bhd - Exempt An for Lazarus Corporate Finance Pty Ltd	236,718,600	3.71
5. Citigroup Nominees (Asing) Sdn Bhd - UBS AG for Maybank Kim Eng Securities Pte Ltd	204,743,100	3.21
6. UOBM Nominees (Asing) Sdn Bhd - Exempt An for Sanston Financial Group Limited	188,352,400	2.96
7. Cartaban Nominees (Asing) Sdn Bhd - Barclays Bank PLC (RE EQUITIES)	111,291,042	1.75
8. Kenanga Nominees (Asing) Sdn Bhd - Exempt An for Monex Boom Securities (HK) Limited	106,124,330	1.67
9. M & A Securities Sdn Bhd - Exempt An CLR for Sanston Financial Group Limited	90,000,000	1.41
10. Tay Ben Seng, Benson	86,000,000	1.35

Analysis of Shareholdings (cont'd)

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)

	Name of Shareholders	No. of Shares Held	Percentage (%)
11.	MIDF Amanah Investment Nominees (Asing) Sdn Bhd - <i>for Lazarus Securities PTY LTD for Members One Ventures Fund</i>	73,913,360	1.16
12.	UOBM Nominees (Tempatan) Sdn Bhd - <i>Exempt An for Sanston Financial Group Limited</i>	62,000,000	0.97
13.	M & A Nominee (Tempatan) Sdn Bhd - <i>Exempt An for Sanston Financial Group Limited (Account Client)</i>	56,919,130	0.89
14.	AllianceGroup Nominees (Tempatan) Sdn Bhd - <i>Pledged Securities Account for Carol Vun On Nei (8078831)</i>	53,547,300	0.84
15.	Ho Jien Shiung	51,259,470	0.80
16.	Cartaban Nominees (Asing) Sdn Bhd - <i>Exempt An for Barclays Capital Securities Ltd (SBL/PB)</i>	50,821,500	0.80
17.	Cartaban Nominees (Asing) Sdn Bhd - <i>Exempt An for State Street Bank & Trust Company (WEST CLT OD67)</i>	45,955,200	0.72
18.	Kenanga Nominees (Tempatan) Sdn Bhd - <i>Pledged Securities Account for Tay Ben Seng, Benson</i>	39,800,140	0.62
19.	Pang Chow Huat	35,000,000	0.55
20.	Lau Kim San	26,000,000	0.41
21.	Kong Kok Keong	22,460,000	0.35
22.	Citigroup Nominees (Asing) Sdn Bhd - <i>Exempt An for OCBC Securities Private Limited (Client A/C-NR)</i>	17,355,000	0.27
23.	Maybank Nominees (Tempatan) Sdn Bhd - <i>Pledged Securities Account for Mak Siew Wei</i>	16,950,000	0.27
24.	Kua Khai Shyuan	16,708,900	0.26
25.	DB (Malaysia) Nominee (Asing) Sdn Bhd - <i>Exempt an for Nomura PB Nominees Ltd</i>	15,713,238	0.25
26.	Citigroup Nominees (Asing) Sdn Bhd - <i>UBS AG</i>	13,565,100	0.21
27.	HSBC Nominees (Asing) Sdn Bhd - <i>JPMCB NA for Emerging Markets Small Capitalization Equity Index Nonlendable Fund</i>	13,490,100	0.21
28.	Maybank Nominees (Tempatan) Sdn Bhd - <i>Pledged Securities Account for Pang Chow Huat</i>	13,215,300	0.21
29.	JF Apex Nominees (Tempatan) Sdn Bhd - <i>Pledged Securities Account for Seik Yee Kok</i>	11,500,000	0.18
30.	HSBC Nominees (Asing) Sdn Bhd - <i>JPMCB NA for Blackrock Institutional Trust Company, N.A. Investment Funds for Employee Benefit Trusts</i>	11,404,500	0.18
TOTAL		4,509,902,646	70.774

Analysis of Shareholdings (cont'd)

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	—	—	^ 1,669,197,076	26.20

^ Deemed interest through the shares held by Asiabio Capital Sdn Bhd, and Fintec Global Limited, the wholly-owned subsidiaries of Fintec Global Berhad.

DIRECTORS' SHAREHOLDINGS

	NAME OF DIRECTORS	DIRECT	NO. OF SHARES HELD		%
			%	INDIRECT	
1.	Tay Ben Seng, Benson	129,100,140	2.03	—	—
2.	Lim Ming Chang	128,800	*	—	—
3.	Leow Wey Seng	—	—	—	—
4.	Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	—	—	—	—
5.	Tan Aik Heang	—	—	—	—

* Less than 0.01%

Analysis of Irredeemable Convertible Preference Shares Holding

As at 24 May 2021

No. of ICPS	:	903,563,292
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 Shareholders	Size of Shareholdings	No. of ICPS	% of ICPS
7	Less than 100	402	*
63	100 to 1,000	26,082	*
157	1,001 to 10,000	943,308	0.10
579	10,001 to 100,000	34,679,524	3.84
856	100,001 to less than 5% of issued shares	867,913,976	96.05
0	5% and above of the issued shares	0	0.00
1,662	TOTAL	903,563,292	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. Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Koh Boon Poh (008)	40,000,000	4.43
2. Cartaban Nominees (Asing) Sdn Bhd - Exempt An for Standard Chartered Bank Singapore (EFGBHK-ASING)	39,524,933	4.37
3. Tee Keng Jin	35,000,000	3.87
4. Teo Ah Seng	27,500,000	3.04
5. Maybank Nominees (Tempatan) Sdn Bhd - Tan Sun Ping	23,500,000	2.60
6. Quek See Kui	17,500,100	1.94
7. CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Lee Soi Gek (PB)	17,000,000	1.88
8. AMSEC Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Quek See Kui	16,000,700	1.77
9. CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Teo Ah Seng (PB)	10,000,000	1.11
10. Ting Seu Nguong	9,105,100	1.01
11. Tan Swee Lay	9,000,000	1.00
12. HLIB Nominees (Tempatan) Sdn Bhd - Hong Leong Bank Bhd for Tan Teong Beng	8,100,000	0.90

Analysis of Irredeemable Convertible Preference Shares Holding (cont'd)

LIST OF 30 LARGEST ICPS ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS)
(CONT'D)

Name of ICPS Holders	No. of ICPS Held	Percentage (%)
13. Chia Yaw Ping	7,570,000	0.84
14. Wang Tsun Siang	7,500,000	0.83
15. Yap Kow Chai	7,500,000	0.83
16. Lim Kay Keong	7,400,000	0.82
17. Ho Lee Fung	7,223,500	0.80
18. Maybank Nominees (Tempatan) Sdn Bhd - Chiew Guo Chang	7,085,000	0.78
19. Anuar Bin Md Junus	5,830,000	0.65
20. Chan Shee Chuen	5,360,000	0.59
21. Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ching Swee Meng (3100321)	5,031,300	0.56
22. Chew Weng Choy	5,000,000	0.55
23. Liew Yook Kuiw	5,000,000	0.55
24. Maybank Nominees (Tempatan) Sdn Bhd - Tan Ing Kiong	5,000,000	0.55
25. Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Kelvin Tan Chye Hock	5,000,000	0.55
26. Hon Hee @ Yoo Kong See	4,900,000	0.54
27. Chia Lee Lee	4,500,000	0.50
28. CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Chin Kok (SEC17, PJ-CL)	4,000,000	0.44
29. Chan Yoon Chai	4,000,000	0.44
30. JF Apex Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Gan Chow Tee (Margin)	4,000,000	0.44
TOTAL	354,130,633	39.192

DIRECTORS' ICPS HOLDINGS

NAME OF DIRECTORS	DIRECT	NO. OF SHARES HELD		%
		%	INDIRECT	
1. Tay Ben Seng, Benson	—	—	—	—
2. Lim Ming Chang	—	—	—	—
3. Leow Wey Seng	—	—	—	—
4. Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	—	—	—	—
5. Tan Aik Heang	—	—	—	—

* Less than 0.01%

Analysis of Warrants D Holding

As at 24 May 2021

No. of Warrants	:	3,066,399,051
Exercise Price of Warrants	:	RM0.80
Exercise Period of Warrants	:	27 November 2020 to 26 November 2025
Voting Rights in the Meeting of Warrants Holders per warrants on poll	:	one vote per warrants holder on a show of hand / one vote
Number of Warrants Holders	:	5,940

WARRANTS DISTRIBUTION SCHEDULE

No. of Warrantholders	Size of Warrantholdings	No. of Warrants Held	% of Warrants
18	Less than 100	913	*
81	100 to 1,000	41,494	*
352	1,001 to 10,000	2,372,161	0.08
2,222	0,001 to 100,000	140,241,020	4.57
3,267	100,001 to less than 5% of issued shares	2,923,743,463	95.35
0	5% and above of the issued shares	0	0.00
5,940	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 Warrantholders	No. of Warrants Held	Percentage (%)
1. Kenanga Nominees (Tempatan) Sdn Bhd - <i>Pledged Securities Account for Koh Boon Poh (008)</i>	112,500,000	3.67
2. Teo Ah Seng	57,000,000	1.86
3. Tee Keng Jin	45,180,900	1.47
4. Ho Lee Fung	30,711,000	1.00
5. Chan Shee Chuen	29,682,600	0.97
6. Ong Kheam Chye	27,255,300	0.89
7. Tan Enn Leong	27,000,000	0.88
8. Maybank Nominees (Tempatan) Sdn Bhd - <i>Tan Sun Ping</i>	24,000,000	0.78
9. AMSEC Nominees (Tempatan) Sdn Bhd - <i>Pledged Securities Account for Louis Luk Zhang Sheng</i>	19,000,000	0.62
10. Chin Kiam Hsung	18,500,000	0.60
11. Chan Chee Keong	15,449,700	0.50
12. R. Ramesh A/L Rajahram @ Rajaram	14,900,000	0.49

Analysis of Warrants D Holding (cont'd)

LIST OF 30 LARGEST WARRANTS D ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (CONT'D)

Name of Warrantholders		No. of Warrants Held	Percentage (%)
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.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yeoh Chin Leong (E-PPG)	12,500,000	0.41
16.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Martin Pau Kin Loong	12,000,000	0.39
17.	Wong Lye Seng	12,000,000	0.39
18.	Chang Choo Shoong	11,500,000	0.38
19.	Vijay Anand Naidu A/L Kanakaiy	11,000,000	0.36
20.	AMSEC Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Kathy Luk Kai Ting	10,500,000	0.34
21.	Mohamad Bin Yusof	10,500,000	0.34
22.	Anuar Bin Md Junus	10,260,000	0.33
23.	David Ling Howe Kim	10,200,000	0.33
24.	Loo Fook Wah	10,001,000	0.33
25.	Chin Kian Fong	10,000,000	0.33
26.	Kok Gee Kern	10,000,000	0.33
27.	Leong Kit Ying	10,000,000	0.33
28.	Tan Book Soon	10,000,000	0.33
29.	Lau Kam Meng	9,890,800	0.32
30.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Phe Siew Ling (E-KPG)	9,750,000	0.32
TOTAL		618,616,300	20.18

DIRECTORS' WARRANTHOLDINGS (BASED ON THE REGISTRAR OF DIRECTORS' WARRANTHOLDINGS)

NAME OF DIRECTORS		DIRECT	NO. OF WARRANTS HELD		%
			%	INDIRECT	%
1.	Tay Ben Seng, Benson	50	*	—	—
2.	Lim Ming Chang	—	—	—	—
3.	Leow Wey Seng	—	—	—	—
4.	Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	—	—	—	—
5.	Tan Aik Heang	—	—	—	—
* Less than 0.01%					

Summary of Group Property

As at 31 December 2020

No.	Owner	Location	Description	Existing use	Land area (Sq. ft.)	Built-up area (Sq. ft.)	Tenure	Approximate age of building	Audited net book value as at 31 December 2020 (RM)	Date of Acquisition/ Last Valuation
1.	Marquee International Sdn Bhd	One (1) unit of Serviced Apartment, type B-a, known as "The Residences", Parcel No. 33-13 held under master title Geran No. 51952, Lot No. 194 Seksyen 58, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur	Serviced Apartment	Staffs & overseas DJ	–	103.5 Square Metres	Freehold	2.5 years	2,504,707.31	25 August 2015

Administrative Guide

Date	Time	Broadcast Venue
1 July 2021 (Thursday)	11.00 a.m.	18th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan

MODE OF MEETING

In view of the **Covid-19** outbreak and as part of the safety measures, the 18th AGM will be conducted entirely through live streaming from the 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 at the main venue of the AGM. Shareholders of the Company ("**Shareholders**") are **NOT REQUIRED** to be physically present **NOR ADMITTED** at the Broadcast Venue on the day of the AGM.

Shareholders will have to register to attend the AGM remotely by using the Remote Participation and Voting ("**RPV**") Facilities, the details as set out below.

RPV

The 18th AGM will be conducted entirely through live streaming and online remote voting. You are encouraged to attend the 18th AGM by using the RPV Facilities. With the RPV Facilities, you may exercise your rights as a Shareholder to participate (including to pose questions to the Board of Directors of the Company ("**Board**") and vote at the 18th AGM.

Individual Members are strongly encouraged to take advantage of RPV Facilities to participate and vote remotely at the 18th AGM.

If an individual member is unable to attend the 18th AGM, he/she is encouraged to appoint a proxy or the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

Corporate Members (through Corporate Representatives or appointed proxies) are also strongly advised to participate and vote remotely at the AGM using the RPV Facilities. Corporate Members who wish to participate and vote remotely at the AGM must contact the poll administrator, ShareWorks Sdn. Bhd. with the details set out below for assistance and will be required to provide the following documents to the Company no later than **30 June 2021 at 11:00 a.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.

Upon receipt of such documents, ShareWorks Sdn. Bhd. will respond to your remote participation request.

If a Corporate Member (through Corporate Representative(s) or appointed proxy(ies)) is unable to attend the 18th 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)

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 18th AGM using RPV Facilities. Nominee Company Members who wish to participate and vote remotely at the 18th AGM can request its Nominee Company to appoint him/her as a proxy to participate and vote remotely at the 18th AGM. Nominee Company must contact the poll administrator, ShareWorks Sdn. Bhd. with the details set out below for assistance and will be required to provide the following documents to the Company no later than 30 June 2021 at 11:00 a.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.

Upon receipt of such documents, ShareWorks Sdn. Bhd. will respond to your remote participation request.

If a Nominee Company Member is unable to attend the 18th 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 18th AGM is as follows:-

Procedures		Action
Before 18th AGM		
1.	Register as participant in Virtual 18th AGM 	- Using your computer, access the registration website at https://rebrand.ly/FocusAGM - Click on the Register link to register for the AGM session. - 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 18th 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	- Shareholders who wish to participate and vote remotely at the 18th AGM via RPV Facilities are required to register prior to the meeting. The registration will open from 11:00 a.m. on 31 May 2021 and the registration will close at 11:00 a.m. on 30 June 2021. - Clicking on the link mentioned in item 1 will redirect you to the 18th 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 June 2021, the system will send you an email to notify you if your registration is approved or rejected after 22 June 2021. - If your registration is rejected, you can contact the Company's Poll Administrator for clarifications or to appeal.

Administrative Guide (cont'd)

On the day of 18th AGM		
3.	Attending Virtual 18th AGM	- Two reminder emails will be sent to your inbox. First email is one day before the 18th AGM day, while the second email will be sent 1 hour before the 18th AGM session. - Click Join Event in the reminder email to participate the RPV.
4.	Participate with live video	- 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	- The Chairman will announce the commencement of the voting session and the duration allowed at the respective 18th 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 remote participation	Upon the announcement by the Chairman on the closure of the 18th AGM, the live session will end.

PROXY

Shareholders who appoint proxies to participate via RPV Facilities in the 18th AGM must deposit the completed duly executed proxy forms at ShareWorks Sdn. Bhd., No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) or fax to 03-6201 3121 or email to ir.focus@shareworks.com.my, no later than **Wednesday, 30 June 2021 at 11.00 a.m.**

Please note that if an individual member has submitted his/her Form of Proxy prior to the 18th AGM and subsequently decides to personally participate in the AGM via RPV Facilities, the individual member shall proceed to contact ShareWorks Sdn. Bhd. using the contact details as set out below to revoke the appointment of his/her proxy no later than **Wednesday, 30 June 2021 at 11.00 a.m.**

POLL VOTING

The voting at the 18th 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 ShareWorks Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic means and SharePolls Sdn. Bhd. as Scrutineers to verify the poll results.

The Scrutineers will verify the poll results and the Chairman will declare whether the resolution is duly passed or otherwise.

NO RECORDING OR PHOTOGRAPHY

Strictly **NO recording or photography** of the proceedings of the 18th 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.

Administrative Guide (cont'd)

ENQUIRY

If you have any enquiry prior to the meeting, please contact the following officers during office hours (from 9.00 a.m. to 5.30 p.m. (Monday to Friday)):

For registration, logging in and system related:

Focus Dynamics Group Berhad

Name : Mr. ZH Lee
Telephone : 6016-328 7852
Email : agm@focusdynamics.com.my

FOR PROXY AND OTHER MATTERS:

ShareWorks Sdn. Bhd.

Name : Mr. Kou Si Qiang/Mr. Vemalan a/l Naraynan/Ms. Fong Wee Liam
Telephone : 03-6201 1120
Email: : ir.focus@shareworks.com.my

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD

To administer the proceedings of the 18th AGM in orderly manner, shareholders may before the 18th AGM, submit questions to the Board to agm@focusdynamics.com.my no later than **30 June 2021** at **11:00 a.m.** The Board will endeavour to address the questions received at the 18th AGM.

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.
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 No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) or fax to 03-6201 3121 or email to ir.focus@shareworks.com.my not later than Wednesday, 30 June 2021 at 11.00 a.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 June 2021, 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.

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AFFIX
STAMP

The Company Secretary
FOCUS DYNAMICS GROUP BERHAD
(Registration No. 200201015261 (582924-P))
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

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Fold This Flap For Sealing



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, Malaysia
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