

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

This Circular has been reviewed by Sierac Corporate Advisers Sdn. Bhd., being the Adviser to the Company for the Proposed Capital Reduction (as defined herein).

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

FOCUS DYNAMICS GROUP BERHAD

Registration No. 200201015261 (582924-P)

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

**PROPOSED REDUCTION OF UP TO RM126,800,000 OF THE ISSUED SHARE CAPITAL OF
FOCUS DYNAMICS GROUP BERHAD PURSUANT TO
SECTION 117 OF THE COMPANIES ACT 2016
("PROPOSED CAPITAL REDUCTION")**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser



SIERAC CORPORATE ADVISERS SDN. BHD.

(Registration No.: 200001013247 (515853-A))

The special resolution pertaining to the Proposed Capital Reduction will be tabled at the Extraordinary General Meeting ("EGM") of **FOCUS DYNAMICS GROUP BERHAD** ("**Focus**" or the "**Company**") which will be conducted on a virtual basis through live streaming and online remote participation and voting from the broadcast venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 10 January 2025 at 10.30 a.m. or any adjournment thereof. The Notice of EGM together with the Form of Proxy are enclosed in this Circular.

As a shareholder, you can appoint a proxy or proxies to attend and vote on your behalf. The Form of Proxy must be completed and deposited at the registered office of the Company at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, W.P. Kuala Lumpur or via e-mail at infosr@wscs.com.my not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Wednesday, 8 January 2025 at 10.30 a.m.
Date and time of the EGM : Friday, 10 January 2025 at 10.30 a.m.

This Circular is dated 19 December 2024

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

“Act”	: The Companies Act 2016 as amended from time to time and any re-enactment thereof
“Board”	: Board of Directors of Focus
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“Circular”	: This circular to shareholders dated 19 December 2024 in relation to the Proposed Capital Reduction
“COVID-19”	: An infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
“Director(s)”	: A natural person who holds a directorship in the Company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
“EGM”	: Extraordinary general meeting of the Company
“EPS”	: Earnings per Share
“Focus” or the “Company”	: Focus Dynamics Group Berhad (200201015261 (582924-P))
“Focus Group” or the “Group”	: Collectively, Focus and its subsidiaries
“Focus Shares” or the “Shares”	: Ordinary shares in Focus
“FPE”	: Financial period ended/ending
“FYE”	: Financial year ended/ending
“GP”	: Gross profit
“ICPS”	: Irredeemable convertible preference shares
“LAT”	: Loss after tax
“LBT”	: Loss before tax
“Listing Requirements”	: ACE Market Listing Requirements of Bursa Securities, including any amendments that may be made from time to time.
“LPD”	: 25 November 2024, being the latest practicable date prior to the printing of this Circular
“LPS”	: Loss per Share
“Maximum Scenario”	: Assuming all of the outstanding ICPS are converted into new Shares and all of the outstanding warrants are exercised into new Shares prior to the implementation of the Proposed Capital Reduction

DEFINITIONS (CONT'D)

“Minimum Scenario”	:	Assuming none of the outstanding ICPS is converted into new Shares and none of the outstanding warrants is exercised into new Shares prior to the implementation of the Proposed Capital Reduction
“NA”	:	Net assets
“PAT”	:	Profit after tax
“PBT”	:	Profit before tax
“Proposed Capital Reduction”	:	Proposed reduction of up to RM126,800,000 of the issued share capital of Focus pursuant to Section 117 of the Act
“Registrar of Companies”	:	The registrar designated as Chief Executive Officer of the Companies Commission of Malaysia
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“SCA” or the “Adviser”	:	Sierac Corporate Advisers Sdn. Bhd.

All references to “you” in this Circular are to the Shareholders of Focus.

In this Circular, words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by the Company, such as in the quarterly results or annual reports of the Company (as the case may be), is due to rounding.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION CONTAINED IN THE MAIN CONTENT OF THIS CIRCULAR. PLEASE READ THE ENTIRE CIRCULAR CAREFULLY FOR FURTHER DETAILS ON THE PROPOSED CAPITAL REDUCTION BEFORE VOTING AT THE FORTHCOMING EGM.

PROPOSED CAPITAL REDUCTION	
Details of the Proposed Capital Reduction	<p>: The Proposed Capital Reduction entails the reduction of up to RM126,800,000 of the issued share capital of Focus via the cancellation of the Company's issued share capital which is lost and unrepresented by available assets pursuant to Section 117 of the Act.</p> <p>Please refer to Section 2 of this Circular for further details of the Proposed Capital Reduction.</p>
Rationale	<p>: The Proposed Capital Reduction will enable the Company to reduce its accumulated losses to more appropriately reflect the value of the underlying assets and financial position of the Company and the Group as well as to enhance the credibility of the Company and the Group with the bankers, customers, suppliers, investors and other stakeholders.</p> <p>Please refer to Section 3 of this Circular for further information on the rationale for the Proposed Capital Reduction.</p>
Approvals required	<p>: The Proposed Capital Reduction is subject to the following approvals being obtained from:</p> <ul style="list-style-type: none">(i) the shareholders of Focus at the forthcoming EGM; and(ii) any other relevant authorities or parties, if required. <p>Please refer to Section 5 of this Circular for further information.</p>
Inter-conditionality	<p>: The Proposed Capital Reduction is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.</p> <p>Please refer to Section 6 of this Circular for further information.</p>
Interest of Directors, major shareholders, chief executive and/or persons connected with them	<p>: None of the Directors, major shareholders, chief executive of the Company and/or persons connected with them has any interest, direct and indirect, in the Proposed Capital Reduction.</p> <p>Please refer to Section 8 of this Circular for further information.</p>
Board's recommendation	<p>: The Board recommends you to vote in favour of the special resolution in respect of the Proposed Capital Reduction to be tabled at the forthcoming EGM.</p> <p>Please refer to Section 9 of this Circular for further information.</p>

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

FOCUS DYNAMICS GROUP BERHAD
Registration No. 200201015261 (582924-P)
(Incorporated in Malaysia)

Registered Office:
A3-3-8, Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
W.P. Kuala Lumpur

19 December 2024

BOARD OF DIRECTORS

Tan Sri Dato' Seri Tan King Tai @ Tan Khoon Hai (*Independent Non-Executive Chairman*)
Tay Ben Seng, Benson (*Executive Director*)
Leow Wey Seng (*Independent Non-Executive Director*)
Tang Yee Ling (*Independent Non-Executive Director*)
Ng Chee Kin (*Independent Non-Executive Director*)

To: Shareholders of Focus Dynamics Group Berhad

Dear Sir/Madam,

PROPOSED CAPITAL REDUCTION

1. INTRODUCTION

On 4 December 2024, SCA had, on behalf of the Board, announced that the Company proposes to undertake the Proposed Capital Reduction.

Further details of the Proposed Capital Reduction are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED CAPITAL REDUCTION, TO SET OUT THE BOARD'S RECOMMENDATION ON THE PROPOSED CAPITAL REDUCTION AND TO SEEK YOUR APPROVAL FOR THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED CAPITAL REDUCTION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE SPECIAL RESOLUTION TO GIVE EFFECT TO THE PROPOSED CAPITAL REDUCTION AT THE FORTHCOMING EGM.

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2. DETAILS OF THE PROPOSED CAPITAL REDUCTION

The Proposed Capital Reduction entails the reduction of up to RM126,800,000 of the issued share capital of the Company pursuant to Section 117 of the Act via the cancellation of the Company's issued share capital which is lost and unrepresented by available assets. The corresponding credit of up to RM126,800,000 arising from such cancellation will be used to set-off against the accumulated losses of the Company as permitted by the relevant and applicable laws, the Listing Requirements as well as the Company's Constitution.

As at the LPD, the total issued share capital of the Company is RM218,639,545 comprising 6,372,205,736 Focus Shares (excluding ICPS). As at the LPD, the Company has 903,363,292 outstanding ICPS and 3,066,399,051 outstanding warrants. The Company does not have any treasury shares as at the LPD.

For illustrative purposes only, the pro forma effects of the Proposed Capital Reduction on the accumulated losses of the Group based on its latest audited consolidated financial statements for the 15-month FPE 30 September 2023 and the unaudited financial results as at 30 September 2024 are set out below:

	Audited		Unaudited	
	As at 30 September 2023		As at 30 September 2024	
	Company	Group	Company	Group
	RM'000	RM'000	RM'000	RM'000
Accumulated losses ⁽¹⁾	(525,392)	(518,621)	(516,001)	(520,706)
Add:				
Credit arising from the Proposed Capital Reduction	126,800	126,800	126,800	126,800
Less:				
Estimated expenses for the Proposed Capital Reduction	(100)	(100)	(100)	(100)
Resultant accumulated losses	(398,692)	(391,921)	(389,301)	(394,006)

Note:

- (1) Included RM389.13 million arose from the initial recognition of warrant reserve in FYE 31 December 2020.

Subject to and subsequent to the approval of the Proposed Capital Reduction by the shareholders of the Company at the forthcoming EGM, the Proposed Capital Reduction will be effective when the Registrar of Companies has recorded the information lodged in the appropriate register in accordance with Section 119 of the Act.

For the avoidance of doubt, the Proposed Capital Reduction will not result in:

- any adjustment to the price of Focus Shares, conversion price of ICPS and exercise price of outstanding warrants;
- any change in the total number of Focus Shares in issue or the number of Focus Shares held by the Company's existing shareholders, number of outstanding ICPS and number of outstanding warrants;
- any payment to the Company's shareholders; and
- any cash outflow or change in the NA of Focus Group, save for the estimated expenses to be incurred in relation to the Proposed Capital Reduction.

3. RATIONALE FOR THE PROPOSED CAPITAL REDUCTION

The Proposed Capital Reduction will enable the Company to reduce its accumulated losses to more appropriately reflect the value of the underlying assets and financial position of the Company and the Group. In addition, the reduction of accumulated losses is expected to enhance the credibility of the Company and the Group with the bankers, customers, suppliers, investors and other stakeholders.

4. EFFECTS OF THE PROPOSED CAPITAL REDUCTION

The effects of the Proposed Capital Reduction are illustrated based on the following scenarios:

Minimum scenario : Assuming none of the outstanding ICPS is converted into new Shares and none of the outstanding warrants is exercised into new Shares prior to the implementation of the Proposed Capital Reduction.

Maximum scenario : Assuming all of the outstanding ICPS are converted into new Shares and all of the outstanding warrants are exercised into new Shares prior to the implementation of the Proposed Capital Reduction.

4.1 Share capital

The pro forma effects of the Proposed Capital Reduction on the issued share capital of the Company are as follows:

	Minimum scenario		Maximum scenario	
	No. of Shares ('000)	RM'000	No. of Shares ('000)	RM'000
Issued share capital as at the LPD (excluding ICPS)	6,372,206	218,640	6,372,206	218,640
To be issued assuming full conversion of the outstanding ICPS	-	-	903,363	⁽¹⁾ 447,165
To be issued assuming full exercise of the outstanding warrants	-	-	3,066,399	⁽²⁾ 2,453,119
	<u>6,372,206</u>	<u>218,640</u>	<u>10,341,968</u>	<u>3,118,924</u>
Less:				
To be cancelled pursuant to the Proposed Capital Reduction	-	(126,800)	-	(126,800)
Issued share capital after the Proposed Capital Reduction (excluding ICPS)	<u>6,372,206</u>	<u>91,840</u>	<u>10,341,968</u>	<u>2,992,124</u>

Notes:

(1) Assuming all outstanding ICPS are fully converted into new Shares based on the conversion price of RM0.550, by surrendering one (1) ICPS (which was issued at an issue price of RM0.055 each) with additional cash payment of RM0.495 for one (1) new Share.

(2) Assuming all outstanding warrants are fully exercised into new Shares based on the exercise price of RM0.80 per warrant.

4.2 Substantial shareholders' shareholdings

The Proposed Capital Reduction will not have any effect on the substantial shareholders' shareholdings in the Company as it does not involve any issuance of new Shares.

4.3 Earnings and EPS

The Proposed Capital Reduction will not have any material effect on the Group's earnings and EPS for the 18-month FPE 31 March 2025⁽¹⁾.

Note:

(1) Focus had on 18 September 2024 announced the change of financial year end from 30 September to 31 March.

4.4 NA, NA per Share and gearing

The pro forma effects of the Proposed Capital Reduction on the NA, NA per Share and gearing of the Group based on the audited consolidated financial statements of the Group as at 30 September 2023 and on the assumption that the Proposed Capital Reduction had been effected on that date are as follows:

Minimum Scenario

	Audited as at 30 September 2023	After the Proposed Capital Reduction
	RM'000	RM'000
Share capital (excluding ICPS)	218,640	91,840
ICPS	49,685	49,685
Warrant reserve	389,126	389,126
Accumulated losses ⁽¹⁾	(525,392)	⁽²⁾ (398,692)
Shareholders' funds/NA	132,059	131,959
No. of Shares in issue ('000)	6,372,206	6,372,206
NA per Share (RM)	0.0207	0.0207
Total borrowings (RM'000)	28,952	28,952
Gearing (times)	0.219	0.219

Notes:

(1) Included RM389.13 million arose from the initial recognition of warrant reserve in FYE 31 December 2020.

(2) After setting off RM126.80 million from the Company's accumulated losses due to the cancellation of the Company's issued share capital and deducting the estimated expenses of RM0.10 million in relation to the Proposed Capital Reduction.

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Maximum Scenario

		(I)	(II)
	Audited as at 30 September 2023	Assuming full conversion/ exercise of the outstanding ICPS and warrants	After (I) and the Proposed Capital Reduction
	RM'000	RM'000	RM'000
Share capital (excluding ICPS)	218,640	⁽²⁾ 3,118,924	2,992,124
ICPS	49,685	-	-
Warrant reserve	389,126	-	-
Accumulated losses ⁽¹⁾	(525,392)	(525,392)	⁽³⁾ (398,692)
Shareholders' funds/NA	132,059	2,593,532	2,593,432
No. of Shares in issue ('000)	6,372,206	10,341,968	10,341,968
NA per Share (RM)	0.0207	0.2508	0.2508
Total borrowings (RM'000)	28,952	28,952	28,952
Gearing (times)	0.219	0.011	0.011

Notes:

- (1) Included RM389.13 million arose from the initial recognition of warrant reserve in FYE 31 December 2020.
- (2) Assuming the following:
- (a) all outstanding ICPS are fully converted into new Shares based on the conversion price of RM0.550, by surrendering one (1) ICPS (which was issued at an issue price of RM0.055 each) with additional cash payment of RM0.495 for one (1) new Share; and
- (b) all outstanding warrants are fully exercised into new Shares based on the exercise price of RM0.80 per warrant.
- (3) After setting off RM126.80 million from the Company's accumulated losses due to the cancellation of the Company's issued share capital and deducting the estimated expenses of RM0.10 million in relation to the Proposed Capital Reduction.

4.5 Convertible securities

Save for the outstanding 903,363,292 ICPS and 3,066,399,051 warrants, the Company does not have any outstanding convertible securities as at the LPD. The Proposed Capital Reduction will not result in any adjustment to the conversion price, exercise price and the number of outstanding ICPS and warrants.

5. APPROVALS REQUIRED

The Proposed Capital Reduction is subject to the following approvals being obtained from:

- (i) the shareholders of Focus at the forthcoming EGM; and
- (ii) any other relevant parties/authorities, if required.

For the avoidance of doubt, the Proposed Capital Reduction is not subject to the approval of the court, pursuant to Section 117 of the Act.

6. INTER-CONDITIONALITY

The Proposed Capital Reduction is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

7. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Capital Reduction, there are no other corporate exercises which have been announced but pending completion as at the date of this Circular.

8. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executive of the Company and/or persons connected with them has any interest, direct and indirect, in the Proposed Capital Reduction.

9. DIRECTORS' STATEMENT AND RECOMMENDATION

After having considered all aspects of the Proposed Capital Reduction, including but not limited to the rationale and effects of the Proposed Capital Reduction, the Board is of the opinion that the Proposed Capital Reduction is in the best interest of the Company and accordingly recommends you to vote in favour of the special resolution in respect of the Proposed Capital Reduction to be tabled at the forthcoming EGM.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Capital Reduction is expected to be completed in the first quarter of 2025. The indicative timeline of events in relation to the Proposed Capital Reduction is set out as follows:

Tentative timeline	Events
January 2025	• EGM
February 2025	• Lodgement of documents with the Registrar of Companies for the Proposed Capital Reduction
February 2025 ⁽¹⁾	• Effective date of the Proposed Capital Reduction

Note:

(1) *Subject to receipt of Notice of Confirming Reduction of Share Capital from the Registrar of Companies.*

11. ADVISER

SCA has been appointed as the Adviser for the Proposed Capital Reduction.

12. EGM

The EGM, the notice of which is enclosed in this Circular, will be conducted on a virtual basis through live streaming and online remote participation and voting from the broadcast venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 10 January 2025 at 10.30 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the special resolution to give effect to the Proposed Capital Reduction.

If you are unable to attend the EGM, you may appoint one or more proxies to participate and vote on your behalf. If you wish to do so, you should complete and lodge the Form of Proxy enclosed in this Circular with the registered office of the Company, not less than 48 hours before the stipulated time fixed for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from participating and voting at the EGM should you subsequently wish to do so.

13. FURTHER INFORMATION

You are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
FOCUS DYNAMICS GROUP BERHAD

Tay Ben Seng, Benson
Executive Director

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

The summary of the financial information of the Group for the audited FYE 30 December 2020, 18-month FPE 30 June 2022, 15-month FPE 30 September 2023 and unaudited 12-month FPE 30 September 2024 are as follows:

	Audited			Unaudited
	FYE 31	18-month FPE	15-month FPE	12-month FPE
	December 2020	30 June 2022	30 September 2023	30 September 2024 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Revenue	66,259	60,237	94,225	85,678
GP	33,532	30,425	55,412	51,975
PBT/(LBT)	21,984	(71,829)	(22,505)	4,810
PAT/(LAT)	16,181	(73,983)	(26,051)	(1,698)
PAT/(LAT) attributable to the owners of the Company	16,611	(74,423)	(24,165)	(1,635)
Total borrowings ⁽²⁾	5,426	20,378	17,747	13,905
Shareholders' funds/NA	178,428	163,180	138,761	136,968
Share capital (excluding ICPS)	99,563	218,640	218,640	218,640
No. of Shares in issue ('000)	6,155,703	6,327,206	6,327,206	6,327,206
NA per Share (RM) ⁽³⁾	0.03	0.03	0.02	0.02
EPS/(LPS) (sen) ⁽⁴⁾	0.27	(1.17)	(0.38)	(25.66)
Current ratio (times)	4.14	2.12	1.03	1.04
Gearing ratio (times)	0.03	0.12	0.13	0.10

Notes:

- (1) Focus had on 18 September 2024 announced the change of financial year end from 30 September to 31 March.
- (2) Total borrowings comprise lease liabilities and term loan.
- (3) Computed by dividing the shareholders' funds/NA with the total number of Shares in issue in the respective FYE/FPE.
- (4) Computed by dividing the LAT attributable to owners of the Company with the total number of Shares in issue in the respective FYE/FPE.

Commentaries:**(i) 12-month FPE 30 September 2024 vs 15-month FPE 30 September 2023**

The Group's revenue increased by RM10.30 million or 13.66% from RM75.38 million for the annualised 15-month FPE 30 September 2023 to RM85.68 million for the 12-month FPE 30 September 2024. The Group's GP increased by RM7.65 million or 17.25% from RM44.33 million for the annualised 15-month FPE 30 September 2023 to RM51.96 million for the 12-month FPE 30 September 2024. The increase in revenue and GP was primarily driven by the opening of new outlets.

The Group recorded a LAT of RM1.70 million for the 12-month FPE 30 September 2024, representing an improvement of RM19.14 million or 91.84% from annualised LAT of RM20.84 million for the 15-month FPE 30 September 2023. The improvement on the LAT was mainly attributable to the following:

HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONT'D)

- (a) net reversal of impairment loss on the financial assets of RM3.72 million for the 12-month FPE 30 September 2024 from annualised net impairment loss on the financial assets of RM1.38 million for the annualised 15-month FPE 30 September 2023, representing an improvement of RM5.10 million or 369.57%;
- (b) reversal of impairment on investment in associates of RM6.10 million for the 12-month FPE 30 September 2024 from annualised impairment on investment in associates of RM1.62 million for the annualised 15-month FPE 30 September 2023, representing an improvement of RM7.72 million or 476.54%; and
- (c) fair value loss on investment in quoted shares of RM1.22 million for the 12-month FPE 30 September 2024, representing an improvement of RM5.49 million or 81.82% from RM6.71 million for the annualised 15-month FPE 30 September 2023.

(ii) 15-month FPE 30 September 2023 vs 18-month FPE 30 June 2022

The Group's annualised revenue increased by RM35.22 million or 87.70% from RM40.16 million for the annualised 18-month FPE 30 June 2022 to RM75.38 million for the annualised 15-month FPE 30 September 2023. The Group recorded an annualised GP of RM44.33 million for the annualised 15-month FPE 30 September 2023, representing an improvement of RM24.05 million or 118.59% from RM20.28 million for the annualised 18-month FPE 30 June 2022. The improvement in revenue and GP was mainly driven by the increase in sales from existing restaurants and bars of the Group as well as additional revenue derived from the outlets that are newly opened during 15-month FPE 30 September 2023.

The Group recorded an annualised LAT of RM20.84 million for the 15-month FPE 30 September 2023, which improved by RM28.48 million or 57.75% compared to the annualised LAT of RM49.32 million for the 18-month FPE 30 June 2022. The improvement in the LAT for the 15-month FPE 30 September 2023 was due to lower impairment on financial assets as well as lower fair value loss on the marketable securities.

(iii) 18-month FPE 30 June 2022 vs FYE 31 December 2020

The Group recorded an annualised revenue of RM40.16 million for the annualised 18-month FPE 30 June 2022, representing a decrease of RM26.10 million or 39.39% from RM66.26 million for the FYE 31 December 2020. The annualised GP of the Group decreased by RM13.25 million or 39.52% from RM33.53 million for the FYE 31 December 2020 to RM20.28 million for the annualised 18-month FPE 30 June 2022. The decrease in revenue and GP for the 18-month FPE 30 June 2022 was due to normalisation of the post COVID-19 operation of the Group, as the Group managed to increase its revenue by setting higher selling prices for its alcoholic products for the FYE 31 December 2020 due to the shortage of alcoholic products during COVID-19 pandemic.

The Group recorded an annualised LAT of RM49.32 million for the annualised 18-month FPE 30 June 2022, representing a decrease of RM65.50 million or 404.82% from PAT of RM16.18 million for the FYE 31 December 2020. The annualised LAT was mainly attributable to the following:

- (a) annualised fair value loss on marketable securities of RM14.70 million for the annualised 18-month FPE 30 June 2022 (FYE 31 December 2020: Nil);
- (b) annualised impairment on investment in associates of RM27.14 million for the annualised 18-month FPE 30 June 2022 (FYE 31 December 2020: Nil);
- (c) annualised deemed loss on disposal of investment in an associate of RM11.92 million for the annualised 18-month FPE 30 June 2022 (FYE 31 December 2020: Nil);

HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONT'D)

- (d) annualised net impairment loss on financial assets of RM0.22 million for the annualised 18-month FPE 30 June 2022, representing a decrease of RM1.78 million or 114.10% (net reversal of impairment loss for the FYE 31 December 2020: RM1.56 million); and
- (e) annualised operating expenses of RM25.96 million incurred for the annualised 18-month FPE 30 June 2022, representing increase of RM7.99 million or 44.46 % (FYE 31 December 2020: RM17.97 million).

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ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and the Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading or incorrect.

2. CONSENT

SCA, as the Adviser for the Proposed Capital Reduction, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. CONFLICT OF INTEREST

As at the LPD, SCA has confirmed that there is no conflict of interest which exists or is likely to exist in its capacity as the Adviser for the Proposed Capital Reduction.

4. MATERIAL CONTRACTS

Save as disclosed below, the Board confirmed that there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group within two (2) years immediately preceding the date of this Circular:

- (i) on 5 December 2022, Focus International Holding Sdn. Bhd ("**FIHSB**") entered into a share sale agreement with Dion Tan Yong Chien and Morvin Tan U-Jiang (collectively referred to as the "**Vendors**"), whereby FIHSB acquired from the Vendors of a total of 55 ordinary shares, representing 55% equity interest in W Club Sdn. Bhd. for a total purchase consideration of RM715,000.00 which was satisfied via cash;
- (ii) on 20 March 2023, FIHSB entered into a sale and purchase agreement for the disposal of two (2) ordinary shares, representing 100% equity interest in Wine Commerce Sdn. Bhd. for a total consideration of RM5,500,000.00. The disposal had been completed;
- (iii) on 30 June 2024, The Arch Properties Sdn. Bhd. (formerly known as Famous Ambience Sdn. Bhd.) ("**TAP**") entered into a debt settlement agreement ("**Debt Settlement Agreement**") with Pasukhas Sdn. Bhd. ("**Pasukhas**"). Pursuant to the Debt Settlement Agreement, TAP acknowledged that Pasukhas had carried out construction and renovation works for a mixed commercial 3-storey building with 2 mezzanine floors at Lot 550 (PT431) and Lot 551 (PT432), Jalan Tun Razak, Seksyen 90, Bandar Kuala Lumpur, Wilayah Persekutuan KL ("**Arch Project**") and that as at 30 June 2024 Pasukhas had made certified progress billings of RM20,758,666.70 and retention sum of RM4,368,241.90 to TAP, totaling RM25,126,908.60 ("**Due Amount**"). The Parties further agreed that the Due Amount shall be paid by way of 25 monthly instalments as follows:
 - (a) monthly payment of RM526,908.60 for December 2025;
 - (b) monthly payment of RM750,000.00, commencing from January 2026 to December 2026; and
 - (c) monthly payment of RM1,300,000.00, commencing from January 2027 to December 2027; and

ADDITIONAL INFORMATION (CONT'D)

- (iv) on 30 June 2024, in consideration of Pasukhas agreeing to enter into the Debt Settlement Agreement with TAP, the Company provided a corporate guarantee to Pasukhas guaranteeing the performance of TAP of its obligation under the Debt Settlement Agreement. If for any reason whatsoever, TAP defaults in the performance of the terms and provisions of the Debt Settlement Agreement, the Company shall pay Pasukhas the Due Amount or any outstanding sum thereof.

5. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, the Board confirmed that the Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group and the Board is not aware of any proceedings pending or threatened, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of the Group.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Focus at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, W.P. Kuala Lumpur, during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) the Constitution of Focus;
- (ii) Focus' audited financial statements for the past two financial periods up to 15-month FPE 30 September 2023 as well as the unaudited financial statements for the 12-month FPE 30 September 2024;
- (iii) the letter of consent and conflict of interest as referred to in **Sections 2 and 3** of this **Appendix**; and
- (iv) material contracts as referred to in **Section 4** of this **Appendix**.

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

FOCUS DYNAMICS GROUP BERHAD
Registration No. 200201015261 (582924-P)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Focus Dynamics Group Berhad (“**Focus**” or the “**Company**”) will be conducted on a virtual basis through live streaming and online remote participation and voting from the broadcast venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Friday, 10 January 2025 at 10.30 a.m.** or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution:

SPECIAL RESOLUTION

PROPOSED REDUCTION OF UP TO RM126,800,000 OF THE ISSUED SHARE CAPITAL OF FOCUS DYNAMICS GROUP BERHAD PURSUANT TO SECTION 117 OF THE COMPANIES ACT 2016 (“PROPOSED CAPITAL REDUCTION”)

“**THAT** subject to the approvals being obtained from the relevant authorities and/or relevant parties pursuant to Section 117 of the Companies Act 2016, approval be and is hereby given to the Company to implement the Proposed Capital Reduction and reduce up to RM126,800,000 of the issued share capital of the Company and that the corresponding credit of up to RM126,800,000 arising from such cancellation will be used to set-off against the accumulated losses of the Company as permitted by the relevant and applicable laws, the ACE Market Listing Requirements (“**AMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) as well as the Company’s Constitution;

AND THAT the board of directors of Focus (“**Board**”) be and is hereby authorised with full power to make any modifications, variations and/or amendments in any manner as may be in the best interest of the Company or as may be required by the relevant authority/authorities to give effect to the Proposed Capital Reduction, and to take all such steps as they may deem necessary or expedient in the best interests of the Company to implement, finalise and give full effect to the Proposed Capital Reduction.”

**BY ORDER OF THE BOARD OF
FOCUS DYNAMICS GROUP BERHAD**

WONG YUET CHYN
(MAICSA 7047163) (SSM PC NO. 202008002451)
Company Secretary

Kuala Lumpur
19 December 2024

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 A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, W.P. Kuala Lumpur or fax to 03-6413 3270 or email to infosr@wscs.com.my not later than Wednesday, 8 January 2025 at 10.30 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 31 December 2024, 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, a resolution set out in this Notice will be put to vote by way of poll.
9. The members are encouraged to refer the Administrative Guide on registration and voting process for the meeting.
10. **Personal Data Privacy**
By registering for the meeting via remote participation and electronic voting and/or submitting an instrument appointing proxy(ies) and/or representatives to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company: (i) consents to the processing of the member's personal data by the Company (or its agents): (a) for processing and administration of proxies and representatives appointed for the EGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (which includes any adjournments thereof); and (c) for the Company's (or its agents') compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively "the Purpose"); (ii) warrants that he/she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes; and (iii) agrees that the member will indemnify the Company for any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note: The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.

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

FOCUS DYNAMICS GROUP BERHAD
Registration No. 200201015261 (582924-P)
(Incorporated in Malaysia)

CDS ACCOUNT NO.	-
NO. OF SHARES HELD	
NO. OF ICPS HELD	

FORM OF PROXY

I/We
(FULL NAME IN BLOCK LETTERS)

(NRIC No./Passport No./Company Registration No.....)

of
(FULL ADDRESS)

Email Address Contact No.

being a member/members of **FOCUS DYNAMICS GROUP BERHAD**, hereby appoint

Name of Proxy	NRIC No./Passport No.	% of Shareholding to be Represented
Address		
Email Address		Contact No.

and/or failing him/her

Name of Proxy	NRIC No./Passport No.	% of Shareholding to be Represented
Address		
Email Address		Contact No.

or failing him/her, the **CHAIRMAN OF THE MEETING** as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting (EGM) of the Company which will be conducted on a virtual basis through live streaming and online remote participation and voting from the broadcast venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Friday, 10 January 2025 at 10.30 a.m.** and at any adjournment thereof.

SPECIAL RESOLUTION	FOR	AGAINST
1. Proposed Capital Reduction		

(Please indicate with an "X" in the space provided on how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Dated this day of20.....

.....
Signature(s) of member(s)



Notes:

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
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.
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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 31 December 2024, 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, a resolution set out in this Notice will be put to vote by way of poll.
9. The members are encouraged to refer the Administrative Guide on registration and voting process for the meeting.

Personal Data Privacy

By submitting an instrument appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 19 December 2024.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary
FOCUS DYNAMICS GROUP BERHAD
(Registration No. 200201015261 (582924-P))
A3-3-8, Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
W.P. Kuala Lumpur

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