



# FOCUS POINT

Focus Point Holdings Berhad  
(884238-U)

ANNUAL REPORT  
**2017**



# FOCUS POINT

Management Office  
Unit 1, 3, 5 & 7, Jalan PJU 1/37, Dataran Prima,  
47301 Petaling Jaya, Selangor.  
Tel: 03-7880 5520 Fax: 03-7880 5530

## Central

AEON Alpha Angle	03-4142 0478
AEON BIG Kepong	03-6259 3403
AEON BIG Wangsa Maju	03-4149 6437
AEON Bukit Raja	03-3341 4006
AEON Cheras Selatan	03-9075 3975
AEON Metro Prima Kepong	03-6259 0235
AEON Rawang	03-6092 0843
Alamanda Putrajaya	03-8889 3093
Ampang Point	03-4252 0758
Axis Atrium	03-9281 2449
Bukit Tinggi	03-3323 0349
Encorp Strand Mall	03-6143 5822
Evo Bangi	03-8912 1420
Gamuda Walk	03-5131 7223
Giant Batu 9 Cheras	03-9076 0125
Giant Batu Caves	03-6188 4799
Giant Kajang	03-8733 3714
Giant Klang	03 3323 5195
Giant Putra Heights	03-5191 5197
Giant Seri Kembangan	03-8938 2784
Gombak	03-4021 1341
IOI City Mall Putrajaya	03-8959 9346
IOI Mall Puchong	03-8075 7556
Kajang	03 8736 0220
Kelana Jaya	03-7804 3013
Klang Parade	03-3343 5850
KLCC	03-2166 8318
Leisure Mall	03-2856 0510
Metro Point Kajang	03-8737 0970
MyTown Shopping Centre	03-2710 4980
Nu Sentral	03-2272 2073
One Utama	03-7722 1266
Pandan Kapital	03-4285 3500
Paradigm Mall	03-7887 1078
Pavillion KL	03-2141 4866
PJ Old Town	03-7781 5341
Plaza Shah Alam	03-5891 0535
Rawang	03-6092 2599
SACC Mall	03-5510 9593
Seksyen 14 PJ	03-7960 2726
Selayang Mall	03-6136 9566
Setapak Sentral	03-4131 8977
Setia City Mall	03-3345 6510
Sri Gombak	03-6186 7721
Sri Hartamas	03-6143 8828
Sri Petaling	03-9054 0470
SS2	03-7873 6220
Subang Parade	03-5622 1458
Sungai Buloh	03-6141 0976
Sunway Giza	03-6148 1808
Sunway Putra Mall	03-4040 0759
Sunway Pyramid	03-7494 0480
Sunway Velocity	03-2725 9263
Taman Putra	03-4296 2310
Tesco Ampang	03-9285 7767
Tesco Extra Cheras	03-9133 5130
Tesco Kepong	03-6273 4010
Tesco Kuala Selangor	03-3289 6418
Tesco Rawang	03-6091 4809
Tesco Shah Alam	03-5512 1686
The Curve	03-7727 9852
The Mines	03-8941 6158
Tropicana City Mall	03-7710 6630
USJ Taipan 1	03-5637 1536
USJ Taipan 2	03-5631 0801
Wangsa Walk	03-4142 7063

## Northern

AEON Big Ipoh	05-281 1410
AEON Bukit Mertajam	04-548 5797
AEON Kinta City	05-546 3566
AEON Klebang	05-291 4257
AEON Seri Manjung	05-687 0046
AEON Station 18, Ipoh	05-321 7225
AEON Taiping	05-804 8036
Alor Setar Mall	04-771 2150
Aman Central	04-733 5520
Giant Ipoh	05-547 4384

Gurney Paragon	04-226 1850
Gurney Plaza	04-228 0816
Kompleks Bukit Jambul	04-642 5155
Queensbay Mall	04-641 1975
Sunway Carnival	04-390 5520
Taiping Mall	05-804 8129
Tesco Ipoh	05-548 4906
Tesco Penang	04-659 5070
Tesco Seberang Jaya	04-399 6972
Tesco Station 18, Ipoh	05-322 3509
Tesco Sungai Petani Lagenda	04-425 8858
Tesco Sungai Petani Mutiara	04-425 9858

## Southern

AEON Ayer Keroh	06-232 8634
AEON Kulaijaya	07-660 6308
AEON Permas Jaya	07-386 1790
AEON Taman Universiti	07-520 1676
Batu Pahat Jalan Soga	07-432 8964
Batu Pahat Mall	07-435 2306
Batu Pahat Taman Flora	07-438 5520
City Square	07-226 0130
Giant Lukut	06-651 7866
Giant Muar	06-952 9619
Giant Nilai	06-794 0996
Giant Plentong	07-358 3318
Giant Senawang	06-679 7696
Giant Tampoi	07-236 9588
Holiday Plaza LG25	07-333 2018
Holiday Plaza LG83	07-333 0257
Kluang	07-776 0303
Kota Tinggi	07-882 4967
Masai	07-251 8778
Mydin Seremban 2	06-601 7910
Palm Mall	06-765 6120
Paradigm Mall JB	07-244 4263
Plaza Kota Tinggi	07-883 9689
Skudai Parade	07-554 9784
Terminal One	06-763 9193
Tesco Desa Tebrau	07-353 9780
Tesco Masai	07-388 6231
Tesco Putra Nilai	06-799 8081
Tesco Senawang	06-677 6672
Ulu Tiram	07-861 8363
Wetex Parade	06-951 4379
Yong Peng	07-467 5278

## East Coast

East Coast Mall	09-517 3136
Giant Gong Badak	012-406 0567
Giant Kuala Terengganu	09-622 6967
Giant Kuantan	09-515 8279
KB Mall	09-747 7993
KB Mall 2	09-743 2636
Mesra Mall	09-864 9469
Tesco Kota Bharu	09-741 6520

## East Malaysia

1 Borneo	088-447 581
Imago KK	088-274 800
Suria Sabah	088-487 787
Vivacity Megamall	082-263 818

## Brunei

Freshco Mall	+673 222 0099
KB Sentral	+673 334 3038
Kuala Belait	+673 333 2299
Supasave Seria	+673 322 1203
The Mall	+673 242 8777
Times Square	+673 234 2903

Subsidiary brands of: **FOCUS POINT**

**FOCUS POINT**  
SIGNATURE

AEON Shah Alam	03-5524 5695
Empire Subang	03-5632 4171
Komtar JBCC	07-266 3409
Mid Valley	03-2282 0878
Quill City Mall	03-2602 2292
The Spring Kuching	082-230 743

**FOCUS POINT**  
CONCEPT STORE

AEON Bandar Dato' Onn	07-361 6713
AEON Tebrau City	07-364 3145
Concept Store Melawati Mall	03-4162 1445
Concept Store IPC	03-7731 1358

**FOCUS POINT**  
OUTLET

Design Village	04-589 9014
Freeport A'Famosa Melaka	06-552 0913
Genting Premium Outlets	03-6436 8171
Damansara Uptown	03-7729 6268



Ipoh Parade	05-243 5717
	05-243 5718
Segamat	07-9313 408



AEON Seremban 2	06-601 5018
Gurney Plaza	04-229 6482
Holiday Plaza LG28	07-335 4121
One Utama	03-7724 1395
Sky Avenue Genting	03-6101 2039
Sunway Carnival	04-398 5520



AEON Melaka	06-292 1107
Giant Plentong	07-351 8075
Mid Valley	03-2287 3790



Pavilion KL	03-2141 8586
Suria Sabah	088-210772

**eyefont**

KLCC	03-2181 2397
Paradigm Mall JB	07-232 7654



Mid Valley	03-2280 0087
Gurney Plaza	04-218 9624



AEON Kota Bahru	09-744 0988
AEON Shah Alam	03-5523 8941
Gurney Plaza	04-218 9624
Imago KK	088-274 248
IOI Mall Puchong	03-8062 0640
KLCC	03-2181 6386
Mid Valley	03-2287 5520
Mydin Seremban 2	06-601 1138
Nu Sentral	03-2260 1306
Queensbay Mall	04-641 0631
Setia City Mall	03-3341 1625
Subang Parade	03-5621 0140
Sunway Pyramid	03-5621 0308
Suria Sabah	088-204 187
Sutera Mall	07-554 5753
Tesco Seremban 2	06-633 3212
The Curve	03-7710 0426
The Mines	03-8938 1785
Today's Mall	07-861 4415
Vivacity Megamall	082-263 828

**Whoosh Brunei**

Time's Square Brunei	673-234 1135
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**Komugi Malaysia**



AEON Mall Tebrau City	07-361 5393
AEON Shah Alam	03-5524 1614
Leisure Mall	03-2858 5603
Main Place	03-8021 6093
Malacca	019-905 8232
Mid Valley	03-2201 2846
MyTOWN Shopping Centre	03-2710 5448
One Utama	03-7732 0521
Paradigm Mall	03-7886 5611
Pavilion	03-2110 5022
Subang Parade	03-5039 0630
Sunway Pyramid	03-5612 4212
The Mines	03-8958 5520
Vivacity Megamall	082-263 981

**Kumori Philippines**



Landmark Makati, Makati City	+63 917-656 9433
SM Makati, Makati City	+63 917-656 9430
SM North Edsa, Quezon City	+63 977-837 3798
UP Town Center, Quezon City	+63 917-671 8963
Robinsons Place Manila	+63 977-859 8803
SM Mall of Asia	+63 905-325 4143
Ayala Malls Cloverleaf	+63 995-455 2629
Robinsons Galleria	+63 932-355 2299

**Komugi Australia**

Eastland Shopping Centre	+613 8820 8140
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**Fuwari Malaysia**



Mid Valley	03-2201 0279
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# OUTLET CONCEPT

Our range of retail outlets provides customers with a unique experience that is tailored to their needs. Just another way for us to ensure there is something for everyone. Focus Point prides on being your all-in-one solution when it comes to eye care, eyewear and accessories, and we truly believe that we have something for everyone. In addition to our Focus Point retail outlets, we have also launched a variety of different brands and concepts in order to better serve our customers' needs.



## Focus Point

A professional eye care centre that caters for consumers of all age groups.



## Focus Point Signature

Focus Point Signature is Focus Point's latest concept store that provides only the finest selection of products. In addition to its great service and hospitality, it's Shop-In-Shop concept which allows brand fanatics to have a better shopping experience, 'teleporting' them into a realm filled with only their favourite brands. Equipped with i-Terminal 2 by Zeiss, a fast and high precision technology used to measure centration for perfectly-fitted eyewear, and i-Profilor plus by Zeiss, an easy-to-use eye profiling system infused with i.scription® technology, customers are sure to walk away with perfectly-matched eyewear.



## Focus Point Concept Store

Focus Point Concept Store, the first revolution of its kind. The store offers the unity of several subsidiary brands inclusive of "Eyefont" and "Whoosh" that would bring to its customers the 1-stop convenience and varieties offered for ranges of age and style.



## Opulence

An exclusive optical centre for luxurious eyewear brands.





### Whoosh

For those who want it DIFFERENT, for those who want it NOW. Whoosh brings the next generation of eyewear designs and eyewear services to those who value style, quality and professional advice on the go. 3 SIMPLE STEPS is all it takes – choose a frame, test your eyes and get your glasses in 30 minutes. No Whoosh! No Fun!

### Eyefont

This new optical concept store has been derived from a global study on the experience of how modern customers choose and purchase their eyewear. The study shows that customers are keen to know and understand more about their eyes, personalised lens solution to fit onto their favourite branded eyewear. In partnership with world's largest eyewear company, Luxottica, this store offers a selection of people's top pick eyewear brands.

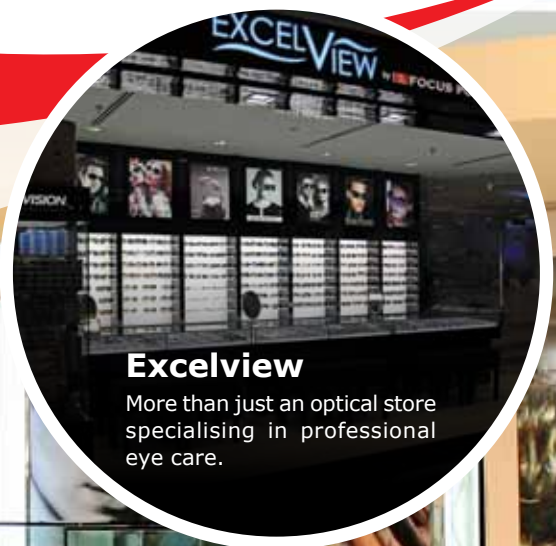


### Ray-Ban

Ray-Ban has been the global leader in premium eyewear market and thus far the best-selling eyewear brand in the world. This store has been crafted to fulfill the desire from the fans of wanting more from this fashion brand. Customer can get hold of the whole range of the best known Wayfarer and Aviator styles of frames in this store.

### Optical City

A one-stop solution centre for eye care and eyewear products incorporated under one roof.



### Excelview

More than just an optical store specialising in professional eye care.



KOMUGI  
こむぎ

## Komugi



Komugi is a staple for those who appreciate quality bakery and pastry products with a Japanese soul.

Komugi offers more than 100 variety of deliciously authentic Japanese products that emphasises natural, simple, fresh daily, handmade and premium. Komugi Japanese products are led by team of experienced and passionate chef behind the scene bake everything daily to ensure our valued customers get only the freshest products. Komugi has been expanding locally in KL, Melaka, Johor Bharu, and Kuching and internationally in Philippines and Australia. Komugi also introduced the first Japanese Bakery mobile app, namely Komugi Malaysia, in 2017. Komugi Central Kitchen has also been halal certified in Jan 2018.

Komugi not only aspires to make all customers smile on the first bite but also satisfy with the Japanese culture customer service.



IT'S JAPAN  
BAKED DAILY  
手作りの菓子工房



## Fuwari



Fuwari is a brand that promotes on simple, straight forward and on-the-spot baking of Japanese patisseries experience. Fuwari was born from humble recipe hailing from Toyohashi, Japan.

Fuwari means fluffy in Japanese and it has two introductory products, namely Fuwari Cheese Cup and Rakuno Caramel Pudding. Fuwari Cheese Cup is a delicious baked cheesecake in a cup, the first of its kind in Malaysia. It is a delicious baked cheesecake in a cup (with 3 layers, creamy cheese, sponge and crunchy crumble). Scoop to the deep to enjoy the delicious 3 layers of texture all-in-together.

Try also Rakuno Caramel Pudding that is silky smooth with laces sweet caramel. Oishiii!!



# Content

# FOCUS POINT

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## CORPORATE PROFILE



It all started with the opening of the very first Focus Point outlet in Muar, Johor, back in 1989. At the time, it was simply called Focus Vision Care Centre, and the store was nothing more than a small counter in a shopping centre.

From those humble beginnings, we have grown from a small-town optical store to a company that not only leads the eyewear retail industry in the country, but one that is set to make its mark on the region.

Certainly, it has been quite a journey. Following the establishment of Focus Point Sdn Bhd in 1993, a head office was set up in Johor Bahru to provide management and operational support to the growing number of retail branches. But more opportunities beckoned, and we eventually expanded to the nation's capital and set up home in Kuala Lumpur in 2000.

As business continued to thrive, our management arrived at a turning point. The decision to formulate a franchise programme was sparked by the belief that people are the most important asset, plus a desire to create opportunities for rising young entrepreneurs.

Listed in 2010, we are now a leading optical player in the market.

### VISION

To become a leading brand name in Asia through our focused approach in vision care

### MISSION

To provide consumers with the best vision care and eyewear services as well as to uphold the highest standards in reliability, quality and professionalism

CORPORATE  
INFORMATIONBoard of  
Directors

**Leow Ming Fong @ Leow Min Fong**  
(Independent Non-Executive Chairman)

**Dato' Liaw Choon Liang**  
(President/Chief Executive Officer)

**Datin Goh Poi Eong**  
(Executive Director)

**Kelvin Liaw Kai Xuan**  
(Executive Director)

**Datin Sim Swee Yoke**  
(Independent Non-Executive Director)

**Dato' Syed Kamarulzaman  
bin Dato' Syed Zainol Khodki Shahabudin**  
(Non-Independent Non-Executive Director)



### **NOMINATION COMMITTEE**

Leow Ming Fong @ Leow Min Fong  
(Chairman)  
Datin Sim Swee Yoke  
(Member)  
Dato' Syed Kamarulzaman bin Dato'  
Syed Zainol Khodki Shahabudin  
(Member)

### **REMUNERATION COMMITTEE**

Datin Sim Swee Yoke  
(Chairman)  
Leow Ming Fong @ Leow Min Fong  
(Member)  
Dato' Syed Kamarulzaman bin Dato'  
Syed Zainol Khodki Shahabudin  
(Member)

### **AUDIT COMMITTEE**

Datin Sim Swee Yoke  
(Chairman)  
Leow Ming Fong @ Leow Min Fong  
(Member)  
Dato' Syed Kamarulzaman bin Dato'  
Syed Zainol Khodki Shahabudin  
(Member)

### **CORPORATE OFFICE**

Unit 1, 3, 5 & 7, Jalan PJU 1/37  
Dataran Prima  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Tel No.: 03-7880 5520  
Fax No.: 03-7880 5530

### **REGISTERED OFFICE**

Unit 30-01, Level 30  
Tower A, Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel No.: 03-2783 9191  
Fax No.: 03-2783 9111

### **STOCK EXCHANGE LISTING**

Bursa Malaysia Securities Berhad  
ACE Market  
Stock Code : 0157

### **COMPANY SECRETARIES**

Wong Wai Foong  
(MAICSA 7001358)  
Wong Peir Chyun  
(MAICSA 7018710)

### **SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR**

Leow Ming Fong @ Leow Min Fong  
Unit 1, 3, 5 & 7, Jalan PJU 1/37  
Dataran Prima  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Email: leowjim2015@gmail.com

### **SHARE REGISTRAR**

Tricor Investor & Issuing House Services  
Sdn Bhd (11324-H)  
Unit 32-01, Level 32  
Tower A, Vertical Business Suite  
Avenue 3, Bangsar South,  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel No.: 03-2783 9299  
Fax No.: 03-2783 9222

### **AUDITORS**

BDO (AF0206)  
Chartered Accountants  
Level 8, BDO@Menara CenTARa  
360 Jalan Tuanku Abdul Rahman  
50100 Kuala Lumpur  
Tel No.: 03-2616 2888  
Fax No.: 03-2616 2970

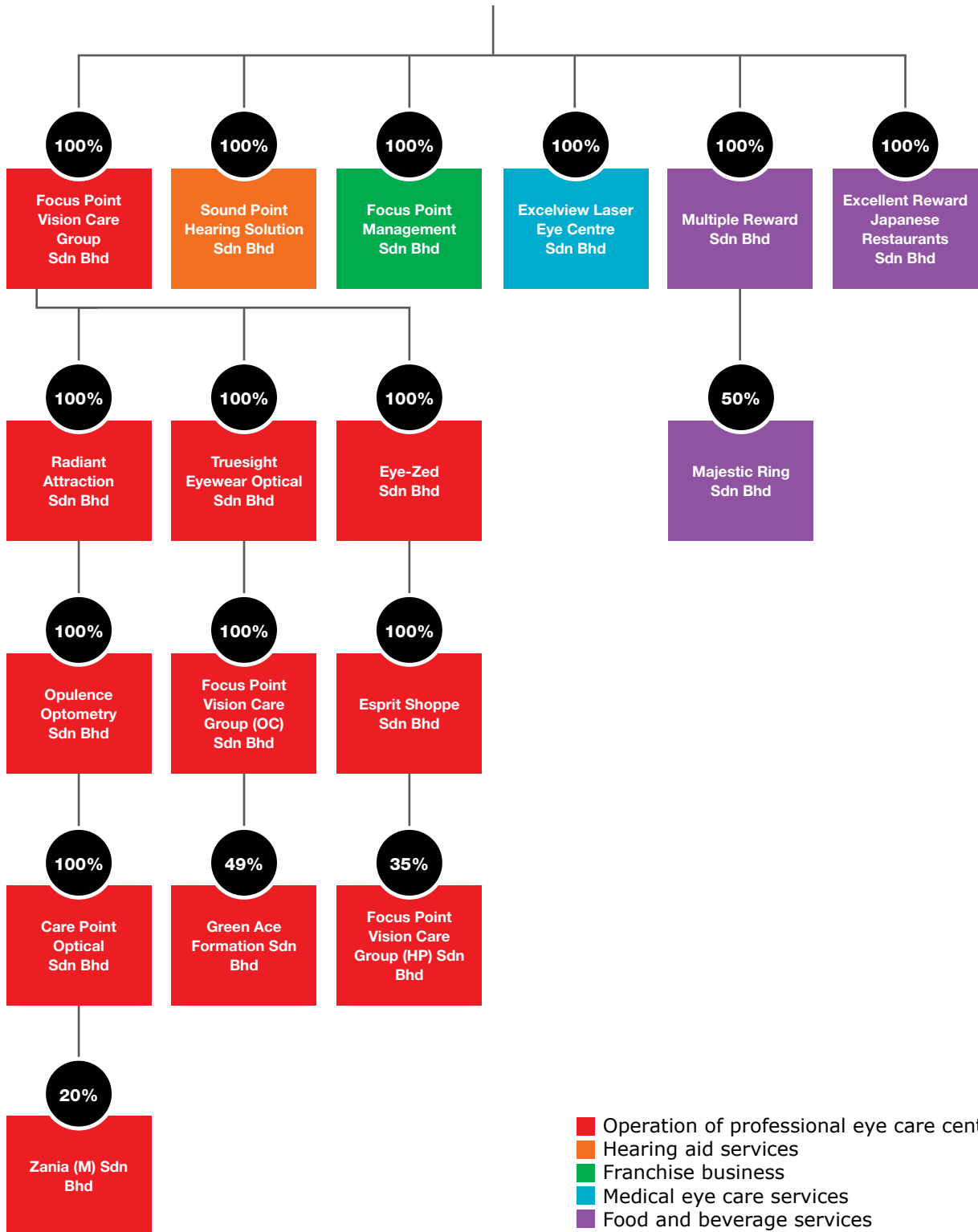
### **COMPANY WEBSITE**

[www.focus-point.com](http://www.focus-point.com)

## CORPORATE STRUCTURE

# FOCUS POINT

Focus Point Holdings Berhad



- Operation of professional eye care centres
- Hearing aid services
- Franchise business
- Medical eye care services
- Food and beverage services

## FINANCIAL HIGHLIGHTS

	2017	2016	2015	2014	2013	2012	2011	2010 *
Revenue (RM'000)	<b>165,121</b>	161,946	154,592	153,491	147,451	130,578	120,226	74,649
Earnings before interest, tax, depreciation and amortisation (EBITDA) (RM'000)	<b>12,436</b>	10,342	12,985	11,809	15,312	14,023	13,388	12,039
Profit before tax (RM'000)	<b>1,911</b>	643	4,593	4,104	8,360	9,477	9,208	9,393
(Loss)/Profit after tax (RM'000)	<b>(457)</b>	(1,283)	1,200	1,103	4,701	6,019	6,999	6,214
Net (loss)/profit attributable to owners of the parent (RM'000)	<b>(458)</b>	(1,198)	1,331	1,167	4,771	6,035	7,012	6,234
Total assets (RM'000)	<b>129,818</b>	133,344	123,735	109,707	107,469	98,895	92,462	89,119
Total liabilities (RM'000)	<b>77,474</b>	80,548	69,762	56,954	52,489	45,365	41,731	41,886
Total borrowings (RM'000)	<b>43,331</b>	44,667	32,536	27,145	26,667	21,317	15,213	21,281
Total equity (RM'000)	<b>52,344</b>	52,796	53,973	52,753	54,980	53,530	50,731	47,129
Equity attributable to owners of the parent (RM'000)	<b>52,344</b>	52,802	54,083	52,752	54,946	53,475	50,740	47,027
Return on assets (%)	-	(1)	1	1	4	6	8	7
Return on equity (%)	<b>(1)</b>	(2)	2	2	9	11	14	13
Gearing ratio (%)	<b>83</b>	85	60	51	49	40	30	45
Net assets per share (sen)	<b>31.72</b>	32.00	32.78	31.97	33.30	32.41	30.75	28.50
(Loss)/Earnings per share (sen)	<b>(0.28)</b>	(0.73)	0.81	0.71	2.89	3.66	4.25	3.78
Dividend per share (sen)	<b>0.00</b>	0.00	0.00	1.00	2.00	1.00	2.00	2.00

\* The audited financial statements for 2010 was for a period of 8.5 months as the acquisition of Focus Point Vision Care Group Sdn Bhd and its subsidiaries by Focus Point Holdings Berhad as well as the internal restructuring were completed on 14 April 2010. Focus Point Holdings Berhad was listed on the ACE Market of Bursa Malaysia Securities Berhad in August 2010.

## PROFILE OF DIRECTORS

### **Leow Ming Fong @ Leow Min Fong**

Malaysian, aged 68, male

Leow Ming Fong @ Leow Min Fong is our Independent Non-Executive Director and was appointed to our Board on 1st April 2010. He was appointed as Chairman of the Company on 3 August 2015. He is also Chairman of the Nomination Committee as well as a member of the Remuneration Committee and Audit Committee. He is a retired Audit Partner of KPMG, Kuala Lumpur. He is a Fellow of Institute of Chartered Accountants in England and Wales, member of the Malaysian Institute of Certified Public Accountants and member of the Malaysian Institute of Chartered Accountants. He began his career in 1969 when he started his articleship with a chartered accounting firm in London, United Kingdom. He returned to Malaysia in 1974 and joined KPMG, Kuala Lumpur as an Audit Senior and Supervisor. In 1976, he was appointed as the Audit Manager in KPMG, Sandakan, Sabah and subsequently, in 1980, he was appointed as the Partner overseeing the tax and audit department of KPMG, Sandakan and Tawau, Sabah. In 1995, he returned to KPMG, Kuala Lumpur to take up the position of Audit Partner and during the years between 1996 and 2000, he also acted as the Partner-in-Charge of KPMG, Cambodia for 3 ½ years. He carried out short-term assignments such as fraud investigation, due diligence for mergers and acquisitions, reporting accountant for various corporate exercises for public listed companies during his KPMG experience in Singapore, British Guinea in South America and Vietnam. He is also Independent Non-Executive Director of KSK Group Berhad, a Canada Bank PLC, a bank operating in Cambodia, Sovannaphum Life Assurance PLC, a life insurance company operating in Cambodia and Hap Seng Consolidated Berhad. He attended all the six (6) Board of Directors' Meeting held during the year.

### **Dato' Liaw Choon Liang ("Dato' Liaw")**

Malaysian, aged 50, male

Dato' Liaw is the President/Chief Executive Officer and was appointed to the Board on 30 December 2009. He is a registered optician with the Malaysian Optical Council. He brings with him invaluable industrial experience having accumulated over 30 years of experience in the professional eye care industry. He has been instrumental in the growth and development of our Group and more importantly, has been the key driving force in the expansion of our chain of professional eye care centres. As our Group's President/Chief Executive Officer, his overall management has contributed significantly to the success and growth of our Group. During the early years of our operations, he recognised the importance of brand building and development, ownership and management as the key components in differentiating our Group from our competitors. In addition, he was instrumental in building our "Focus Point" brand as the chain of professional eye care centres which has become the largest in Malaysia today. His expertise and contributions also extend to strategy planning and business development where his sound management skills have contributed to the continuing success and growth of our Group. In 2002, he was awarded the Certificate of Merit for The Outstanding Young Malaysian Awards 2002 by the Junior Chamber, Malaysia. In 2009, he was a finalist for the Best Franchise Entrepreneur Award by the Malaysian Franchise Association. Subsequently, at the Malaysian Retailers-Chain Association ("MRCA") – 8TV Entrepreneur Awards in 2009, Dato' Liaw was given an award in recognition of his outstanding entrepreneurship. In 2012, Dato' Liaw was elected as Deputy President of MRCA for 2012 to 2014. Further in 2014 itself, he was elected as President of MRCA for 2014 to 2016. Dato' Liaw was awarded Industry Advisory Council and CEO Faculty, Polytechnic Education Department for 2015 to 2017 by Politeknik Malaysia. He also holds several directorships in the companies within the Group. He is the spouse of Datin Goh Poi Eong and also a major shareholder of the Company. He attended five (5) Board of Directors' Meeting held during the year.

PROFILE OF  
DIRECTORS  
(CONT'D)**Datin Goh Poi Eong ("Datin Goh")**

Malaysian, aged 51, female

Datin Goh is the Executive Director and was appointed to the Board on 30 December 2009. She is a registered optician with the Malaysian Optical Council. She has accumulated more than 20 years of experience in the industry. Her expertise and contribution extends to resource planning and management where her prudent management has contributed to the continuing business success and growth of our Group. She is currently actively involved in the planning and implementation of various corporate social responsibility efforts to further enhance the corporate image and awareness of our Group. She holds several directorships in the companies within the Group. She is the spouse of Dato' Liaw Choon Liang and also a major shareholder of the Company. She attended five (5) Board of Directors' Meetings held during the year.

**Kelvin Liaw Kai Xuan ("Mr Kelvin Liaw")**

Malaysian, aged 25, male

Mr Kelvin Liaw was appointed to the Board as Executive Director on 20 December 2017. He possesses a Bachelor Degree, majoring in Business & Marketing Management from Oxford Brookes University, United Kingdom. Since young, he has been highly exposed to the optical industry and worked as sales assistant within the Group's optical outlets. Mr Kelvin Liaw joined the Group on 1 October 2014, assuming the role of marketing for the food & beverage business. Prior to his appointment as Executive Director, he was holding the position of Executive Assistant to the President and Chief Executive Officer involving group marketing as well as operation planning & execution. He is the son of Dato' Liaw Choon Liang and Datin Goh Poi Eong who are also major shareholders of the Company. During the year, he did not attend any Board of Directors' Meeting as there was no meeting held subsequent to his appointment.

**Datin Sim Swee Yoke ("Datin Sim")**

Malaysian, aged 57, female

Datin Sim is our Independent Non-Executive Director. She was appointed to our Board on 3rd August 2015. She is Chairman of the Audit Committee and Remuneration Committee as well as a member of the Nomination Committee.

She holds a Bachelor Degree of Arts & Social Science from University Malaya, a Masters of Arts (Management & Organisational Analysis) from Warwick Business School of the United Kingdom, and is also a certified coach.

Datin Sim is a human resource practitioner and has close to 35 years of commercial experience in real estate/hospitality, management consulting and financial services (insurance and asset management) industries.

She started her career in marketing communications. Her working experiences were gained from both developed and emerging markets including start-ups in China, India and Vietnam. She has also worked regionally in Hong Kong, Tokyo, Indonesia, Maldives, Singapore and the Philippines.

Her core expertise covers partnering with business leaders in setting-up new offices, information technology shops as well as sale and acquisition of businesses. She has extensive experience in human resource transformation, managing and delivering shared services practice, human resource & information technology outsourcing and change management.

## PROFILE OF DIRECTORS (CONT'D)

Datin Sim is skillful in organisational development, talent acquisition as well as building bench strength and human capital for organisations. She has been a key leader in the insurance sector and has introduced the best in class practices when the insurance sector was undergoing critical skills shortage in the last decade. She has also led cross-cultural teams, and is adept in providing human resource solutions for organisations experiencing change especially in the context of mergers and acquisitions.

Prior to the appointment, her last employment was with Great Eastern Life Assurance (M) Berhad as Senior Vice-President of Human Capital. She has also served as the President of the Association of Insurance Employers (AIE), Vice President of the Malaysian Employers Federation (MEF) and a Director of the Malaysian Employers Federation Academy (MEFA).

In her spare time, Datin Sim contributes time as a Mentor Coach for The ICAEW & Talentcorp Malaysia Women In Leadership (WIL) programme and writes for Leadernomics, a human resource pullout section of the Star Publications (M) Berhad. She is also a volunteer with the Malaysian Chapter of the 30% Club, an advocacy group and serves on community boards.

Datin Sim is also an Independent Non-Executive Director of Jadi Imaging Holdings Berhad. She attended all the six (6) Board of Directors' Meetings held during the year.

### **Dato' Syed Kamarulzaman bin Dato' Syed Zainol Khodki Shahabudin ("Dato' Syed Kamarulzaman")**

Malaysian, aged 53, male

Dato' Syed Kamarulzaman was appointed as our Non-Independent Non-Executive Director, a member of the Audit Committee and the Nomination Committee on 16 August 2016. He was subsequently appointed as a member of the Remuneration Committee on 26 February 2018. He is the holder of Master in Science and Corporate Communication from School of Modern Languages & Communication, Universiti Putra Malaysia (UPM). He also holds a Bachelor degree in Business Administration from School of Business, Royal Melbourne Institute of Technology (RMIT) and a Diploma in Business Studies from Mara Institute of Technology.

Dato' Syed Kamarulzaman was previously the Managing Director of Yayasan Tekun Nasional. Prior to joining Yayasan Tekun Nasional, he had accumulated over 20 years of experience in banking operations, corporate management, property and information technology with a last attachment at Bank Muamalat Malaysia Berhad as Branch Manager while he began his career at Bank Bumiputera Malaysia Berhad. He had also served as a Lecturer at Universiti Tenaga Nasional (UNITEN).

Dato' Syed Kamarulzaman was appointed as Managing Director of Perbadanan Nasional Berhad ("PNS") since 1st December 2007. He is a member of Directors Investment Committee of PNS and an Independent Non-Executive Director of WZ Satu Berhad and Ikhtiar Factoring Sdn Bhd.

Dato' Syed Kamarulzaman is the Vice Chairman of Association of Development Finance Institution of Malaysia (ADFIM) and the Vice President of Oxford Business Alumni KL Chapter.

Dato' Syed Kamarulzaman attended all the six (6) Board of Directors' Meetings held during the year.

Save as disclosed above, none of the Directors has:

- Any family relationship with any Director and/or major shareholder of the Company;
- Any conviction for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year; and
- Any conflict of interest with the Company and the Group.



## PROFILE OF KEY SENIOR MANAGEMENT

### **Chua Tian Pang (“Mr Chua”)**

Chief Financial Officer, Malaysian, aged 45, male

Mr Chua holds a degree in Bachelor of Commerce from Monash University (Clayton Campus), Melbourne, Australia. He is a Certified Practising Accountant (CPA) of the Australian Society of Certified Practising Accountants (ASCPA) and a Chartered Accountant (CA) of the Malaysian Institute of Accountants (MIA).

Mr Chua has more than 20 years of working experience in the areas of auditing, accounting, treasury, taxation, group finance, corporate finance and investor relation. He began his career with Ernst & Young and KPMG in auditing. He joined Warisan TC Holdings Berhad (“WTCH”) in 2001 as head of internal audit department. He was the pioneer member of the internal audit department who assisted to set up the internal audit function for WTCH in complying with Bursa Malaysia Securities Berhad Listing Requirements which stipulates the requirement of existence of an internal audit function for all public listed companies in Malaysia. Subsequently he pursued to head group finance department commencing 2003. Throughout the ten (10) years, he was overseeing the financial management for more than 30 companies within WTCH Group and had gone through a couple of major corporate exercises in relation to Mergers & Acquisitions (M&A). His last position held with WTCH was Group Financial Controller (GFC). Mr Chua joined Focus Point Holdings Berhad (“FPHB”) on 7 January 2013 as Chief Financial Officer (CFO) managing group finance, operational finance, internal audit, treasury, taxation, corporate finance and investor relation functions. He has since then been instrumental to the financial management and treasury functions of FPHB Group.

### **Poo Kuan Meng (“Mr Poo”)**

Head of Professional Services, Malaysian, aged 43, male

Mr Poo holds a Bachelor Degree of Optometry from National University of Malaysia. He started his career as an Optometrist in 1997 before joining Focus Point Vison Care Group Sdn Bhd as a trainer in 2000. He was given the responsibility to train trainee managers for retail operation under the newly developed trainee managers programme. He was later assigned to head the operation of Focus Point Group’s new business venture, namely Excelview Laser Eye Centre in 2002 as Lasik Consultant cum Optometrist. Amongst others, his duties were to develop the laser eye centre business, provide training to the staff, develop marketing campaign and promote the newly opened laser eye centre. Mr Poo was also tasked to assist in setting up cataract operation business for Excelview Laser Eye Centre in 2006. His notable contribution during his tenure as person in charge of Excelview Laser Eye Centre was to keep the business growing and profitable. On 1 October 2013, he was promoted to his current position as Senior Manager of Professional Services in charge of Training & Development Department. His main duties and responsibilities, amongst others, are to recruit, train, develop and retain human capital for the Group including but not limited to optometrists and opticians. He is also in charge of conducting induction training program, soft skills training, trainee managers training program as well as organising products training. He also involves in providing customer service support to the Group.

Save as disclosed above, none of the Key Senior Management has:

- Any family relationship with any Director and/or major shareholder of the Company;
- Any conviction for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year; and
- Any conflict of interest with the Company and the Group.



# **CHAIRMAN'S STATEMENT**

**On behalf of the Board of Directors (the "Board"), it is my pleasure to present the Annual Report together with the Audited Financial Statements of Focus Point Holdings Berhad (the "Company") for the financial year ended 31 December 2017.**

## CHAIRMAN'S STATEMENT (CONT'D)

### Financial Performance

The Group achieved revenue of RM165.1 million, a marginal growth of 2% over previous year's revenue at RM161.9 million. The increase in revenue was attributed to contribution from the optical business which aggressively opened 13 new outlets during the year.

Group profit before tax was recorded at RM1.9 million compared with RM0.6 million of previous year, a robust improvement by 197%. However, the optical business' profit before tax ("PBT") declined to RM4.7 million from RM7.0 million of previous year. The lower PBT was due mainly to expansion of new outlets resulting in higher operating expenses incurred. On the other hand, the food & beverage business continued to record a substantial reduction in operating loss to RM2.7 million from RM5.6 million of previous year, representing an encouraging improvement by 51%. As highlighted in the previous year's Chairman Statement, the restructuring of the business model to smaller retail space commencing 2016 is meant to reduce the operating loss of the business and it has started to be prolific since then resulting in lower operating expenses incurred and consequently lower operating loss for the year.

During the year, the Group had written down inventories of RM437,000 (2016 : RM542,000), written off inventories of RM380,000 (2016 : RM434,000), written down property, plant and equipment of RM698,000 (2016 : RM250,000) as well as written off property, plant and equipment of RM778,000 (2016 : RM1,551,000).

The Group's balance sheet remained resilient with shareholders' fund of RM52.3 million and total assets of RM129.8 million.

### Corporate Development

I am pleased to see that the Group continued to expand its optical business amid this challenging time by opening 13 new outlets during the year. To-date we have remarkable 103 "Focus Point" outlets and 17 "Whoosh" outlets totaling to 120 outlets. For franchise outlets, there are 70 in total. To further enhance our presence nationwide, the Group has never stopped in expanding its distribution network and this business approach is also in tandem with the vision of the Group, which is to become a leading brand name in vision care.

During the year, the Group divested a 60%-owned subsidiary, namely Optolab Sdn Bhd ("OSB") to its existing minority shareholders to achieve operational efficiency and maximisation of brand value of a product carried by OSB. OSB is engaged in distributing a range of contact lenses imported directly from Japan.

For Komugi business, on 27 March 2017, Multiple Reward Sdn Bhd ("MRSB"), a wholly-owned subsidiary of the Company which carries on Komugi bakery business entered into a Shareholders' Agreement with two (2) individuals to undertake a joint venture for the purpose of operating and managing one or more Komugi bakery through a 50%-owned joint venture company namely Majestic Ring Sdn Bhd. The joint venture company is currently operating a Komugi licensed bakery outlet in Johor Bahru which was opened on 30 March 2017. With another opening of licenced outlet in Malacca on 19 April 2017, we saw the opening of two (2) new licensee outlets during the year bringing to a total of three (3) licenced outlets locally. Our existing Philippines licensee also further expanded its outlets under the brandname of Kumori by opening additional four (4) outlets (3 in 2017 and 1 in February 2018) bringing to a total of eight (8) outlets within the country. To-date there are in total, 11 own outlets and 11 licensed outlets. MRSB has also signed a new licensing agreement on 15 December 2017 with an Australian licensee to open the first Komugi bakery outlet in Melbourne on 20 March 2018. I expect the number of Komugi licensed outlets to grow both locally and in overseas. I am also proud to reveal that the central kitchen of Komugi has attained HALAL certification status on 1 January 2018 and this would definitely enable the brand to further penetrate into the Muslim market.

## CHAIRMAN'S STATEMENT (CONT'D)

### Corporate Social Responsibility

In October 2017, we launched World Sight Day 2017 campaign – “Make Vision Count”, a holistic Corporate Social Responsibility (CSR) campaign aimed at advocating eye and vision care amidst rising vision impairment and eye problem incidences in the country. This year’s theme – “Make Vision Count” carries the message that we can beat preventable blindness or vision impairment by providing public with proper education and useful information, as “Knowledge is Power”. This event offered a kaleidoscopic range of holistic activities to encourage Malaysians to care for their eyes and vision. Supporting the cause at the media event, amongst others, were Dato’ Garry Chua, President of MRCA, Mr. Ven Raman, Managing Director of Carl Zeiss Southeast Asia and Ms. Gean Fong, Head of Creatif Academy of Art & Design. We were also proud to have Dr. Hoh Hon Bing (Consultant Ophthalmologist & Surgeon) joined the event and shared the latest eye health insights & age-related eye issues. At the same time, Dr. Chin Pik Kee of Sunway Medical Centre and Dr. Helen Tan Chen Chen from Centre of Sight also shared some invaluable eye care insights during the 7-day event. For the public, we arranged complimentary diagnostic eye checks. Focus Point Vision Care Group Sdn Bhd, a wholly-owned subsidiary of the Company, donated 1,000 pairs of optical frames to the Lions Club of KL Bukit Kiara and contributed a sum of RM5,000 cash to the Malaysian Association For The Blind.

For the 12<sup>th</sup> time and on humanitarian causes, Focus Point joined force with Focus Point Caring Hearts Charity Foundation, KPJ Healthcare and Lions Club of KL Bukit Kiara to organise blood donation drive at The Curve, Mutiara Damansara on 5 November 2017. This noble act was participated by staff of Focus Point and our customers. Health benefits of donating blood include reduced risk of cancer and hemochromatosis, reduced risk of damage to liver and pancreas, improved cardiovascular health as well as reduced chances of obesity. A total of 103 pints of blood were collected.

In the spirit of giving, Focus Point Caring Hearts Foundation visited Pusat Penjagaan Kanak-Kanak Cacat Taman Megah (“PPKKCTM”) on 15 December 2017 and organised clown show as well as lunch for the children who lived at the centre. RM5,000 in cash was donated to PPKKCTM.

As part of the Group’s Corporate Social Responsibility (CSR), the Group has been undertaking good initiative by providing free eye screening to schools since 2012. During the year, eight (8) schools were visited, more than 13,000 students screened and some eyewear were sponsored to those who needed them. It has been always our intention to assist students in their growth and development into independent and healthy people.

### Board Commitment

The Board continues to uphold and implement high standard of corporate governance and corporate social responsibility across the Group. Details of the corporate governance disclosure and activities of corporate social responsibility are disclosed in the relevant sections of the annual report.

We value the diverse mix of skills, experience, knowledge and competencies of the Board and will continue to drive better performance for the Group.

## CHAIRMAN'S STATEMENT (CONT'D)

### Outlook and Prospects

For the fourth quarter of 2017, the Malaysian economy registered a growth of 5.9% (Q3 2017: 6.2%) and private sector spending continued to be the primary driver of growth at 7.4% (Q3 2017: 7.3%). The external sector performance improved further to 5.4% (Q3 2017: 1.7%), as real import growth moderated faster than real export growth. For the year as a whole, the economy registered a robust growth of 5.9%. Premised upon these positive statistics, the Board is positive and will continue to stay focus on its core business, i.e. the optical business. In 2018, the optical business will continue to invest in new outlets and concepts, at the same time, consolidate the non-performing outlets. In addition to that, the Group will continue to embark on its e-commerce business to stay relevant.

As to the food & beverage business, we will continue to improve its business operation, profit margin, quality of products, customer service and importantly to contain cost.

Overall, the Group will continue to improve the performance for 2018 which is forecasted to be another challenging year.

### Appreciation

I wish to extend my sincere thanks to the Board for their wisdom, continued support, faith and insightful contribution that they bring into our business and to our President/Chief Executive Officer, Dato' Liaw Choon Liang, for his excellent stewardship and foresight, and the management and staff, for their untiring efforts, dynamism and team work in bringing the Group to where we are today.

I would also like to take this opportunity to welcome Mr Kelvin Liaw Kai Xuan who was appointed to the Board on 20 December 2017. I am sure he will be contributing positively to the Group.

**Leow Ming Fong @ Leow Min Fong**  
**Independent Non-Executive Chairman**



**DATO' LIAW CHOON LIANG**  
President/Chief Executive Officer

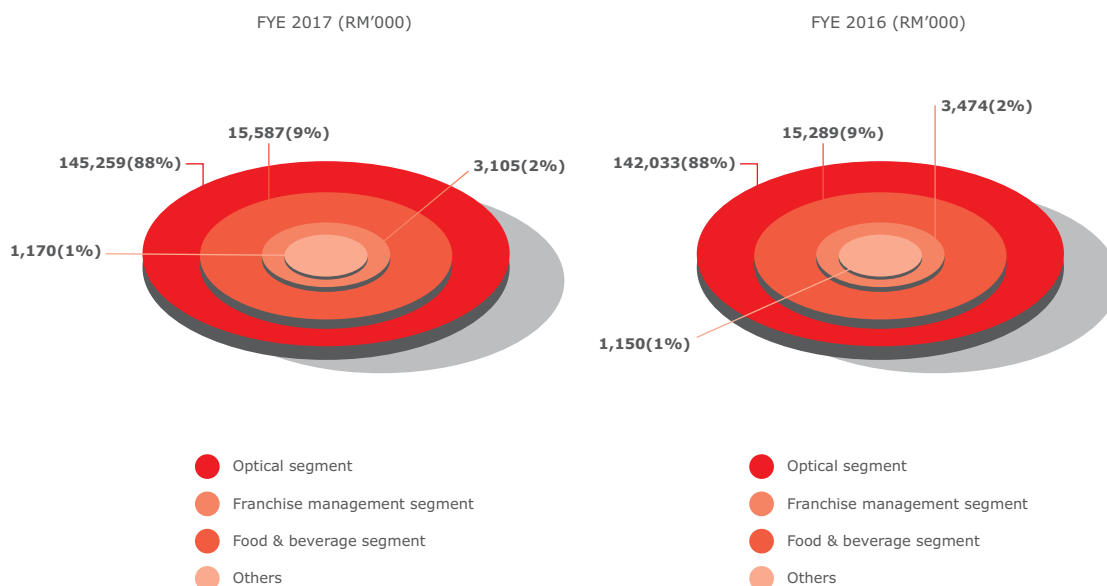
## MANAGEMENT DISCUSSION & ANALYSIS

The Group is principally engaged in the operation of professional eye care centres, trading of eyewear and eye care products, management of franchised professional eye care centres and provision of food and beverage services.

Providing the best vision care and eyewear services as well as upholding the highest standard in reliability, quality and professionalism are the major components of the Group's vision and strategies to maintain our leading optical brand name in the industry.

### Revenue review by segment

	FYE 2017 (RM'000)	%	FYE 2016 (RM'000)	%
Optical	145,259	88	142,033	88
Franchise management	3,105	2	3,474	2
Food & beverage	15,587	9	15,289	9
Others	1,170	1	1,150	1
<b>Total</b>	<b>165,121</b>	<b>100</b>	<b>161,946</b>	<b>100</b>



The Group recorded revenue of RM165.1 million, representing an increase of 2% over RM161.9 million of previous year. The increase was attributed to higher contribution from the optical business with the opening of 13 new outlets; revenue generated thereon was RM7.8 million, representing 6% of the optical business' total retail revenue. On existing outlets, revenue recorded at RM125.3 million was fairly consistent with previous year's revenue. The franchise management business' revenue declined by 11% was attributed to lower royalty fee income attained, which was in turn caused by lower retail sales achieved by franchise outlets. For the food & beverage business, revenue increased marginally by 2% due mainly to higher sales to franchisees and higher royalty/franchisee fee income.

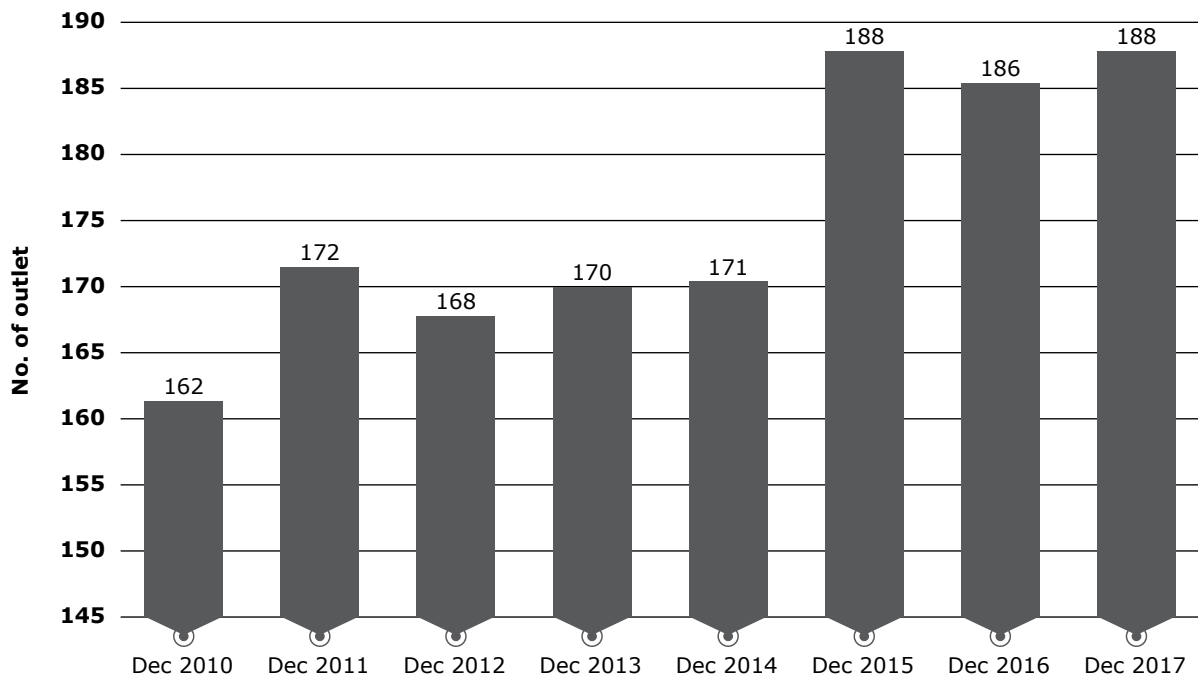
## MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

### Profit/(Loss) review by segment

	FYE 2017 (RM'000)	FYE 2016 (RM'000)
Optical	4,670	7,000
Franchise management	164	(411)
Food & beverage	(2,747)	(5,604)
Others	(176)	(342)
<b>Total</b>	<b>1,911</b>	<b>643</b>

Profit before tax ("PBT") stood at RM1.9 million, which was substantially higher by 197% compared with RM0.6 million recorded in previous year. However, the optical business recorded lower PBT due mainly to expansion of new outlets resulting in higher operating expenses incurred. For the franchise business, it turned to profitability from operating loss of previous year due to lower management fee incurred. The food & beverage business' operating loss reduced largely due to lower operating expenses incurred following the restructuring of business model ie to reduce outlet's occupying area which took place in 2016.

### Total number of outlet





## MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

The Group has grown its outlets continuously and we now have more store concept than before to cater for the needs of consumers. We will continue to invest in new store at the right location to enhance our market share.

### Financial position review

Total assets stood at RM129.8 million (2016 : RM133.3 million), representing a reduction of 3% due mainly to decrease in cash and bank balances. Cash and bank balances declined as a result of repayment made to certain creditors. Property, plant & equipment, trade & other receivables and inventories recorded at RM48.5 million, RM25.1 million and RM45.1 million respectively were fairly consistent with previous year. Shareholders' fund continued to remain resilient at RM52.3 million (2016 : RM52.8 million) while total borrowings declined to RM43.3 million from RM44.7 million of previous year due to lower banker acceptance incurred. Other than bank borrowings, the Group has no other debt instrument. Trade and other payables decreased to RM29.5 million from RM32.1 million of previous year while net assets per share was 31.7 sen, marginally lower over 32.0 sen of previous year.

The Group incurred approximately RM10.1 million of capital expenditure during the year for opening and upgrading of outlets as well as additional capitalisation of properties through internally generated fund and external borrowings. Certain level of capital expenditure for 2018 has been approved by the Board and the Group will work within the said approved limit.

### Sustaining Momentum for Growth

The Group continued to expand its presence nationwide by embarking on aggressive marketing and promotional activities as well as opening new outlets at various locations to increase market share. In 2017, a total of 13 new outlets were opened while we also consolidated six (6) under-performing outlets. We have to-date built 120 own-outlets comprising 103 Focus Point outlets and 17 Whoosh outlets. To-date, total number of franchise outlets is 70. These numbers are expected to grow continuously in the following year.

Apart from that, we continue to build cordial relationship with our local and international principals as well as shopping malls to maintain Focus Point's leading position in the market. It is through our commitment to deliver quality products and good customer service all these years that the brand has received good recognition from consumers. With the Group's geographical reach and number of outlets within Malaysia, we maintain as the largest retail chain of professional eye care centres in Malaysia.

We have also expanded our e-commerce business during the year by launching our own B2C website which is fully customised to sell prescription eyeglasses apart from the usual sunglasses and contact lenses. This is the first website having such features owned by a major chain store in Malaysia. In the year itself, our e-commerce sales achieved 40% higher than budget and we have also grown tremendously higher compared with the corresponding year. This has been very encouraging and the growth is expected to continue in the coming years.

For the food & beverage business, during the year, there were opening of two (2) new licensed outlets in Malacca and Johor. Locally, including the existing licensed outlet in Kuching, there are to-date three (3) Komugi licensed outlets. The Philippines licensee continued to expand its outlets by opening three (3) outlets during the year and one (1) outlet in February 2018 bringing to a total of eight (8) outlets. Both locally and in overseas, to-date there are 11 licensed outlets. Multiple Reward Sdn Bhd, a wholly-owned subsidiary of the Company which carries on Komugi bakery business has also signed a new licensing agreement on 15 December 2017 with an Australian licensee to open the first Komugi bakery outlet in Melbourne on 20 March 2018. For our own outlets, we wound down one (1) during the year; total number of own Komugi outlets to-date is 11. We will continue to expand the licensing business both locally and in overseas. The central kitchen of Komugi has also attained HALAL certification status on 1 January 2018 and this would definitely enable the brand to capture certain market share in the Muslim market.

## MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

### Strategic Initiatives

During the year, a new brand of frame and sunglass, namely Aston Martin was brought in by the optical business. This high quality brand consists of the significance of "Power, Beauty and Soul". The art of living is Aston Martin spirit; it is a beautiful mix of design, technology and style to enhance life.

We opened our first "Whoosh" franchise outlet in Brunei on 26 January 2018. Whoosh outlet is now not only having its presence in Malaysia but also overseas, ie Brunei. We will continue to expand this house brand to cater for the needs of customers who are looking for "Fast, Fresh and Forward" concept.

To continuously improve our workforce, relevant programs have been provided internally and externally to further enhance the skills and knowledge of our optometrists and opticians, management team and operational staff. During the year, the Group has conducted the following training and seminar to its staff:-

- 2017 Focus Point National Sales Convention
- Trainee Manager Program
- 2017 Focus Point Optometrist Convention – Your Vision is Our Passion
- Dry Eyes Workshop
- Continue Education Program for Eyecare Practitioners

The Group has invested sufficient optometrists and opticians who are qualified to dispense spectacles and contact lenses in our optical outlets. We are proud to reveal that we have the highest number of optometrists and opticians within Malaysia providing professional customer service to the consumers.

To promote product loyalty and lessen the rising cost of living, attractive discount is also given to staff who purchase the Group's products.

The Group practises environmental conservation and strives to be environmental friendly in conducting its business. As part of our effort to conserve natural resources, staff are encouraged to conserve energy, re-use and recycle where possible. The Group has started to apply LED lightings to outlets progressively to achieve higher lifespan and electrical efficiency, and more importantly to be environmental friendly.

As far as sustainability is concerned, the focus would be to balance economic, environmental and social (EES) with the interests of various stakeholders. A copy of the Group's sustainability policy is available from the Company's website at [www.focus-point.com](http://www.focus-point.com).

The Group recognises diversity as an important part of the criteria that are used to determine board composition and to ensure that different perspectives are considered for board effectiveness and strength. Board diversity includes gender, ethnicity, age, business experience and personal skills.

## MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

### Human Resource Statistics

	2017	2016	2015
Female (%)	60	55	58
Male (%)	40	45	42
Age group (%)			
< 30	60	58	67
30 to < 40	33	32	26
40 to < 50	6	9	6
50 and above	1	1	1
Diversity (%)			
Malay	41	40	38
Chinese	55	58	58
Indian	3	1	2
Others	1	1	2
Total number of staff	615	703	774

### Prospect and Moving forward

The Malaysian economy in 2018 is forecasted to grow between 5% to 5.5% from a year earlier, driven by resilient domestic demand amid a favourable external factor, according to the Finance Ministry's real gross domestic product (GDP) estimates for the country. Rising cost of living and weak Ringgit Malaysia would continue to dampen the consumer sentiment which the Group is vigilant of and these factors might have an impact on the Group's operations.

As far as the optical business is concerned, the Group will stay focus as we grow, and much emphasis will be placed on branding and positioning for long-term sustainability as well as productivity. The Group shall selectively carry on marketing strategies to compete and enhance awareness of the "Focus Point" brands. That goes without saying, expanding our doors at the right locations and at the same time consolidating non-performing outlets would continue to be carried out. Importantly, cost containment exercise would also be carried out to maintain the profitability of the business. Consistent with previous years, the Group would like to maintain its good customer service level as well as impressive quality and selection of merchandises.

As far as the food & beverage business is concerned, we will continue to strengthen the operation, focus on franchise business and improve the results thereon.

Overall, the Group is positive of delivering a better performance in 2018 which is forecasted to be another challenging year.

## CORPORATE HIGHLIGHTS



### LIFE OF LOVE

In the spirit of giving, Focus Point Caring Hearts Foundation visited Pusat Penjagaan Kanak-Kanak Cacat Taman Megah ("PPKKCTM") on 15 December 2017 and organised clown show as well as lunch for the children who lived at the centre. RM5,000 in cash was donated to PPKKCTM.



### SAVING GRACE

For the 12th time and on humanitarian causes, Focus Point joined force with Focus Point Caring Hearts Charity Foundation, KPJ Healthcare and Lions Club of KL Bukit Kiara to organise blood donation drive at The Curve, Mutiara Damansara on 5 November 2017. This noble act was participated by staff of Focus Point and our customers. Health benefits of donating blood include reduced risk of cancer and hemochromatosis, reduced risk of damage to liver and pancreas, improved cardiovascular health as well as reduced chances of obesity. A total of 103 pints of blood were collected.



### BEAUTY WITH HEART

Whoosh Eyewear unveils a series of latest trendy glasses, showcased by Miss Tourism International World Pageant - a symbol of style, beauty and confidence - dovetailing the brand's persona.



CORPORATE HIGHLIGHTS (CONT'D)



**GIVING BACK**

As part of the Group's Corporate Social Responsibility (CSR), the Group has been undertaking good initiative by providing free eye screening to schools since 2012. During the year, eight (8) schools were visited, more than 13,000 students screened and some eyewear were sponsored to those who needed them. It has been always our intention to assist students in their growth and development into independent and healthy people.



**Make Vision Count**

In October 2017, Focus Point launched World Sight Day 2017 campaign - "Make Vision Count", a holistic Corporate Social Responsibility (CSR) campaign aimed at advocating eye and vision care amidst rising vision impairment and eye problem incidences in the country. This event offered a kaleidoscopic range of holistic activities to encourage Malaysians to care for their eyes and vision. Focus Point has donated 1,000 pairs of optical frames to the Lions Club of KL Bukit Kiara.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the "Board") of Focus Point Holdings Berhad (the "Company") is committed to uphold high standard of corporate governance. The Board acknowledges the importance of corporate governance in enhancing integrity and delivering long term sustainability as well as creating economic value for its shareholders.

This statement describes the extent of how the Company has applied and complied with principles and best practices of corporate governance established by ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance 2017 ("MCCG") issued by Securities Commission Malaysia.

Further details on the application of each Practice of MCCG are available in the Corporate Governance Report 2017 ("CG Report") which is available on the Group's website at [www.focus-point.com](http://www.focus-point.com). The key focus areas of the Group's Corporate Governance practices are further described below.

### **A) Board Leadership and Effectiveness**

#### **Board Responsibilities**

The Board assumes responsibility for leading and controlling the Group towards realising long term shareholders' value. The Board has overall responsibilities for corporate governance, formulating strategic direction, reviewing and approving business plan, formulation of policies, overseeing investments and conduct of the Company's businesses, risk management, succession planning, developing and implementing investor relations as well as reviewing the adequacy and integrity of internal controls.

In carrying out its functions, the Board has delegated specific responsibilities to three (3) Board Committees, namely Audit Committee, Nomination Committee and Remuneration Committee. All Board Committees have written terms of reference and procedures and the Board receives report of their proceedings and deliberations. These Board Committees have the authority to scrutinise particular issues and report back to the Board with their recommendations. However, the ultimate responsibility for final decisions on all matters is reserved with the entire Board.

#### **Board Balance**

Rules 15.02 of the ACE Market Listing Requirements ("Listing Requirements") of Bursa Securities states that at least two (2) directors or one third of the directors, whichever is higher, shall be Independent Non-Executive Directors. The Company has fully complied with this requirement as the Board currently has six (6) members, comprising a President/Chief Executive Officer, two (2) Executive Directors, one (1) Non-Independent Non-Executive Director, one (1) Independent Non-Executive Director and one (1) Independent Non-Executive Chairman. 33% of the Board are made up of Independent Non-Executive Directors. There are two (2) female directors which makes up of 33% of the Board.

The roles of the Chairman and the President/Chief Executive Officer are separated and clearly defined to ensure that there is a balance of power and authority. The Board is led by Mr Leow Ming Fong @ Leow Min Fong as Independent Non-Executive Chairman whilst the executive management of the Company is led by Dato' Liaw Choon Liang, the President/Chief Executive Officer.

The Independent Non-Executive Chairman leads strategic planning at the Board level whilst the President/Chief Executive Officer is generally responsible for the implementation of policies laid down and making executive and investment decisions including but not limited to the following:

- implementing Board's decisions relating to strategies and policy matters;
- overseeing management's performance; and
- supplying timely, accurate and clear information of business and financials to the Board.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### Board Balance (continued)

In discharging his duties, the Chief Executive Officer is supported by the heads of departments ("HODs") who are principally responsible for their own departments' activities. The HODs report directly to the Chief Executive Officer on day-to-day businesses and are given specific threshold of authority relating to their own departments' activities. Beyond that specific authority, Chief Executive Officer's approval is required.

As a whole, the Board's principal functions include the following:

- approves the Group Business plan and strategic plan;
- oversees the Group's business operation and financial performance against approved business plan;
- ensures that internal control system, risk management, financial control and operational control are in place and properly implemented; and
- undertakes various functions as directed by regulatory authorities from time to time.

The Board, as a whole, reviewed all the matters brought up to its attention during the Board meeting. Through reviewing the Board papers and seeking clarification from the management, the Board was satisfied that important issues relating to the Group were adequately dealt with. During the year, follow-up action, where appropriate, was carried out by the management pursuant to the Board meeting to address issues raised by the Board and the same were reported to the Board in the following meeting.

Independent Non-Executive Directors are of the calibre to provide independent judgement on issues relating to strategy, performance, resources allocation and standards of conducts.

The Board is of the opinion that its current composition is fairly balanced to ensure long-term interest of shareholders, employees, customers and other stakeholders are safeguarded. Mr Leow Ming Fong @ Leow Min Fong, the Independent Non-Executive Chairman of the Company will have served the Company for a cumulative term of nine (9) years on 31 March 2019. The Board had via the Nomination Committee conducted an annual performance evaluation and assessment of Mr Leow Ming Fong @ Leow Min Fong and concluded that he met the independence criteria as set out in the Listing Requirement of Bursa Securities. The Board resolved to seek shareholders' approval for Mr Leow Ming Fong @ Leow Min Fong to continue serving as an Independent Non-Executive Chairman of the Company based on the following justification:-

- a. He fulfills the criteria under the definition of "Independent Director" as stated in the Listing Requirements of Bursa Securities, and thus, he would be able to function as a check and balance, bring an element of objectivity to the Board;
- b. His tenure with the Company has neither impaired nor compromised his independent judgement and ability to act in the best interest of the Company. He continues to remain objective and is able to exercise his independence judgement in expressing his view and participating in deliberations and decision making of the Board and Board Committee in the best interest of the Company;
- c. He has vast experience in a diverse range of business and has good understanding of the Company's business operations;
- d. He continues to exercise due care during his tenure as an Independent Non-Executive Chairman of the Company and carried out his professional duties in the interest of the Company and shareholders;
- e. He has devoted sufficient time and commitment to discharge his responsibility and professional obligations as an Independent Non-Executive Chairman; and
- f. He does not have any business dealings with the Group.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### **Board Balance (continued)**

The Board recognises diversity as an important part of the criteria that are used to determine board composition and to ensure that different perspectives are considered for board effectiveness and strength. Board diversity includes gender, ethnicity, age, business experience and personal skills.

The Company's Board Diversity Policy has been developed and adopted by the Board on 22 August 2017, a copy of which is available from the Company's website at [www.focus-point.com](http://www.focus-point.com).

### **Board Charter**

The Board has adopted the Board Charter on 16 April 2013 and shall undertake periodic review on it and the latest review of which was done on 3 April 2017. It is available from the Company's website at [www.focus-point.com](http://www.focus-point.com).

The objectives of the Company's Board Charter are to ensure that all Board members are fully aware of their roles and responsibilities as Board members and the various regulations that may have an impact on the discharge of the Board's responsibilities. In pursuit of the principles set out in this Board Charter, the Board shall commit to employ the principles of integrity, transparency and professionalism to ensure that the principles of good corporate governance are applied in all of the Group's business dealings in respect of its shareholders and relevant stakeholders and that the shareholders' investment and value as well as the interests of stakeholders are safeguarded.

The succession planning for senior management positions is currently under review by the Board and management.

### **Code of Conduct and Ethics ("CCE") for Directors**

The Board is committed to adhere to the company directors' Code of Ethics established by the Companies Commission of Malaysia. With reference to the above, the Board has established a CCE for directors and senior management on 16 April 2013 with the objective to ensure high standards of business conduct and ethical behaviour which the directors and senior management should possess in discharging their duties and responsibilities, and to enhance their high standards of personal integrity and professionalism. The CCE is based on the following principles:

- Corporate Governance;
- Relationship with Shareholders, Employees, Creditors and Customers;
- Social Responsibilities and the Environment;
- Disclosures and Reporting;
- Compliance with Laws, Rules and Regulations;
- Insider Trading; and
- Maintaining Confidentiality.

The CCE for Directors and senior management in respect of their behaviour was adopted by the Company on 16 April 2013 and shall be reviewed by the Board periodically. This CCE is available from the Company's website at [www.focus-point.com](http://www.focus-point.com).

The Board will ensure implementation of internal system to support, promote and ensure compliance with the CCE.

During the year, the Board adopted a Whistleblowing Policy where directors or employees are able to report violations of laws, rules and regulations or the Company's CCE or potential ethic violations.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### Board Meetings and Supply of Information to the Board

The directors have full and timely access to all information pertaining to the Group's business and affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties.

Prior to the Board meetings, the agenda for every meeting together with a full set of Board papers containing information relevant to the business of the meetings are circulated to the directors in sufficient time for their perusal before the meeting date. This is to allow the directors have sufficient time to review and consider the agenda items before the meeting and to obtain further explanations or clarifications, where necessary.

The Board normally meets at least four (4) times a year at quarterly intervals, although additional meetings may be convened when important matters need to be deliberated and decided in between the scheduled quarterly meetings.

During the financial year, there were six (6) Board meetings held. The details of attendance of each director at the Board meetings held during the financial year are set out below.

Directors	Total number of meetings attended by directors
Dato' Liaw Choon Liang	5/6
Datin Goh Poi Eong	5/6
Leow Ming Fong @ Leow Min Fong	6/6
Datin Sim Swee Yoke	6/6
Dato' Syed Kamarulzaman bin Dato' Syed Zainol Khodki Shahabudin	6/6
Kelvin Liaw Kai Xuan *	N/A

\* Appointed with effective from 20 December 2017

During the Board meetings, the Board shall discuss and deliberate on issues being raised of which all proceedings and resolutions from the Board meetings will be documented by the company secretaries in the minutes of the Board meetings, which are kept at the registered office.

The Executive Directors, together with the Group's management, have regular meetings where operational details and other issues are discussed and considered. Board and Board Committee meetings are scheduled one (1) year in advance and an annual corporate calendar with an indication of meeting dates is circulated to the Board to facilitate their time planning.

Besides Board meetings, the Board exercises control on matters that requires the Board's approval through circulation of directors' resolutions. Similarly for circular resolutions, Board members will be provided with sufficient information for approvals.

All Board members have unhindered access to the advice and services of the company secretaries, and may seek external independent professional advice at the Company's expense, where necessary, in furtherance of their duties to make well-informed decisions. Before incurring such professional fees, the director concerned must consult with the Chairman of the Board.

The Board is supported by suitable qualified and competent company secretaries who provide sound governance advices and facilitate overall compliance with the Listing Requirements of Bursa Securities, Companies Act 2016 and other relevant laws and regulations. Both the company secretaries are qualified, suitable and capable of carrying out the duties required as they are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). The details of the roles and responsibilities of the company secretaries are disclosed in the CG Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### **Nomination Committee**

The Nomination Committee ("NC") comprises solely Non-Executive Directors of which majority are Independent Directors and its composition is as follows:

- Leow Ming Fong @ Leow Min Fong - Chairman
- Datin Sim Swee Yoke - Member
- Dato' Syed Kamarulzaman bin Dato' Syed Zainol Khodki Shahabudin - Member

The Chairman of the NC is the Senior Independent Non-Executive Director of the Company.

The NC meets twice a year. During the financial year, the NC held two (2) meetings to discuss the following matters:-

- Carried out assessment contribution and performance of the Board as a whole, the Committees of the Board and individual director including assessment on independence of the Independent Directors through self-assessment and peer-assessment practice. Appraisal forms which encompass a wide range of questionnaires, including but not limited to professionalism, availability, business knowledge, industry knowledge, meeting attendance, Board participation, composition, relevant skill and experience are distributed to the Directors for their input and completion. Based on the outcome of the assessment, the NC deliberates the scores obtained by individual director, Board Committee as well as the Board as a whole to determine if there is any further improvement to be made and relevant training to be recommended. The Board is satisfied with the contribution and performance of individual director. The Independent Directors also comply with the criteria of independence based on the Listing Requirements of Bursa Securities.
- Reviewed the proposal on re-election of Directors retired in accordance with the Company's Constitution.
- Recommended the appointment of Mr Kelvin Liaw Kai Xuan as Executive Director.

The NC also oversees the overall composition of the Board in terms of the appropriate size and skills as well as the balance between Executive Directors, Non-Executive Directors and Independent Directors, and mix of skills and other core competencies required to be deemed fit and proper to be appointed as directors in accordance with the Listing Requirements of Bursa Securities and MCCG issued by Securities Commission Malaysia through annual reviews.

The Board, assisted by the NC, considers the following aspects and processes for Board nomination and election.

- identification of candidate;
- evaluation of suitability of candidate;
- meeting up with candidate;
- final deliberation by NC; and
- recommendation to the Board.

The Directors are required to notify the Chairman on the Board before accepting any new directorship and to indicate the time expected to be spent by the new appointment. In this respect, Directors are at liberty to accept other board appointments (outside the Group) so long as the appointment is not in conflict with the business of the Group and that it would not detrimentally affect his or her performance as a board member of the Company. The Board is satisfied with the level of time committed by its members in discharging their duties and roles as directors of the Company for the time being.

The full details of the NC's Terms of Reference are published in the Company's website at [www.focus-point.com](http://www.focus-point.com).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### **Appointment to the Board**

The selection of new director is done via nomination by major shareholder or holding company or recommendations from management/existing directors prior to approval by the Board. New Board member is to be appointed by appropriate recommendation from the Nomination Committee, which oversees the selection and assessment of directors for the Board's consideration and decision of the full Board. The assessment on new Board member is based on gender, age, mix of skills, character, experience, integrity, competence and time commitment.

Newly appointed director is expected to declare his/her time commitment to the Board, and if he/she sits in other listed corporations as a director, and to notify the same to the Chairman.

Kelvin Liaw Kai Xuan was appointed during the year as Executive Director and the Board had through the Nomination Committee carried out assessment on his mix of skills, competence and experience based on his background and was satisfied that he has fulfilled the specific criteria for appointment of new director to the Company.

The number of directorships in listed corporations held by any Board member at any one time shall comply with the Listing Requirements of Bursa Securities. Currently all the directors of the Company hold not more than five (5) directorships in public listed corporations.

To facilitate the directors' time planning, a corporate calendar is prepared and circulated to all the directors in advance of each new year. The corporate calendar provides directors with the scheduled dates for meetings of the Board, Committees of the Board, the Annual General Meeting and the closed periods for dealings in securities by the directors based on the targeted dates of announcement of the Company's quarterly results.

### **Re-election of Directors**

In accordance with the Company's Constitution, one third (1/3) of the Board, including the President/Chief Executive Officer, shall retire from office and be eligible for re-election at each Annual General Meeting ("AGM") and all the directors including the President/Chief Executive Officer shall retire from office once in every three (3) years but shall be eligible for re-election.

The director appointed by the Board during the financial year shall be subject to retirement and re-election by shareholders in the next AGM held following his/her appointment.

The NC had assessed the performance of all the Directors particularly the Directors who are standing for re-election at the forthcoming 9<sup>th</sup> AGM. The NC found that they met the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors as prescribed by the Listing Requirements of Bursa Securities.

Based on the results of the assessment undertaken for the financial year, the NC (save for the members who had abstained from deliberations on their own re-election/reappointment) recommended to the Board that:

- Mr Leow Ming Fong @ Leow Min Fong and Dato' Liaw Choon Liang who are due for retirement by rotation pursuant to Article 85 of the Company's Constitution at the 9<sup>th</sup> AGM and be eligible for re-election; and
- Mr Kelvin Liaw Kai Xuan, who also retires pursuant to Article 92 of the Company's Constitution at the 9<sup>th</sup> AGM, be eligible for re-election.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### Directors' Training

The Board recognises the importance of continual education for its members to gain an insight into statutory and regulatory updates, as well as developments in the industry and business environment within which the Group operates, and is committed to ensure that its Directors are equipped with the appropriate knowledge and skills through formal and informal training/briefings to keep abreast with recent developments in laws, regulations and industry.

In consultation with the NC, the individual director is well aware of his or her own training needs and is committed to participate in relevant training program to further enhance his/her own knowledge.

The Board is notified of a series of training programmes or workshop conducted by Bursa Securities for its consideration of participation and the Board receives updates of the regulations and laws from his/her own sources or the company secretary from time to time.

Conferences, seminars and training programmes attended by directors during the year are set out below:

Director	Name of conferences, seminars and training programmes	Date
Leow Ming Fong @ Leow Min Fong	Effects of Companies Act 2016 on Accountants and Auditors	4 May 2017
	SDG Business Summit 2017	25 May 2017
	Shaping The IA Profession by Asian Confederation of Institutes of Internal Auditors (ACIIA)	12 June 2017
	Bursa CG Breakfast Series - Board Excellence: How to engage and enthuse Beyond Compliance with Sustainability?	17 July 2017
Dato' Liaw Choon Liang	Leading in a Volatile, Uncertain, Complex, Ambiguous (VUCA) World	13 October 2017
Datin Goh Poi Eong	Leading in a Volatile, Uncertain, Complex, Ambiguous (VUCA) World	13 October 2017
Datin Sim Swee Yoke	Bursa Malaysia's Sustainability Forum 2017: "The Velocity of Global Change & Sustainability – The New Business Model"	10 January 2017
	Securities Industry Development Corporation (SIDC) & International Institute for Management Development (IMD), the "Global Business Insights Series: Embracing Paradoxes"	2 March 2017
	Asian Institute of Finance's Distinguished Speaker Series 2017, "Bank 4.0: Banking everywhere, but not at a bank" by Brett King	18 May 2017
	Securities Industry Development Corporation (SIDC) and International Institute for Management Development (IMD), the "Global Business Insights Series: Innovation in the Financial Sector –Where the World Will Be, How To Get There" Talk by Professor Howard Yu	23 May 2017

CORPORATE GOVERNANCE  
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(CONT'D)

**Directors' Training (continued)**

Director	Name of conferences, seminars and training programmes	Date
Datin Sim Swee Yoke (cont'd)	Talent View Conference on "Employer Branding" held in Manila, Philippines	28 May 2017
	Securities Industry Development Corporation (SIDC) "Malaysian Code of Corporate Governance: A New Dimension"	5 June 2017
	Advocacy Session on Corporate Disclosure for Directors and Principal Officers of Listed Issuers conducted by Bursa Malaysia	29 September 2017
	Effective Internal Audit Function for Audit Committee (AC) Workshop by Mr Ranjit Singh	20 October 2017
	Bursa CG Breakfast Series: Integrating An Innovation Mindset with Effective Governance	7 November 2017
	The Future of Work by Talent Corp	27 November 2017
	Leading Change @ The Brain, Corporate Governance Series by Dr Thun Thamrongnawasat from ICLIF	5 December 2017
Dato' Syed Kamarulzaman bin Dato' Syed Zainol Khodki Shahabudin	1 <sup>st</sup> Members Breakfast Talk 2017 - Chief Governance Officer	6 February 2017
	MKD Directors Talk : Directors' Liability & Effectiveness at Kementerian Kewangan Malaysia	21 April 2017
	An Executive Afternoon with Tan Sri Abdul Wahid Omar - Investment	9 May 2017
	Brett King - "Augmented" OBA KL	18 May 2017
	MKD Directors Talk : Best Practice of Nomination and Remuneration Committee at Kementerian Kewangan Malaysia	8 September 2017
	MKD Directors Talk : Boardroom Language at Kementerian Kewangan Malaysia	3 November 2017
	National Integrity 2017 by Chief Secretary to The Government of Malaysia "Reinforcing Corporate Integrity : Top Down and All Around"	9 November 2017
	MINDA : Corporate Directors Advanced Programme 2017 - Mergers and Acquisitions	15 - 16 November 2017
13 <sup>th</sup> WIFE - Disruptive Change : Impact and Challenges	21 - 23 November 2017	

The directors shall continue to attend relevant seminars and courses annually to further enhance and update their skills and knowledge and to keep abreast with developments in the dynamic business environments.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### **Directors' Remuneration Policies and Procedures**

The Remuneration Committee ("RC") reviews the remuneration of directors annually and submits its recommendations to the Board, taking consideration their contributions throughout the year. The RC will also ensure that payments are competitive to attract and retain directors and in tandem with the Group's corporate objectives, culture and strategy. In the case of President/Chief Executive Director and Executive Directors, the component parts of remuneration are structured so as to link rewards to corporate and individual performance, and involve a balance between fixed and performance link elements. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular non-executive concerned.

The composition of the RC comprises exclusively Non-Executive Directors with a majority of whom must be independent is as follows:

- Datin Sim Swee Yoke - Chairman
- Leow Ming Fong @ Leow Min Fong - Member
- Dato' Syed Kamarulzaman bin Dato' Syed Zainol Khodki Shahabudin - Member

The functions of the RC shall:

- Establish formal and transparent Board remuneration policies and procedures; and
- Recommend to the Board, the remuneration of Executive Directors in all its forms, drawing from outside advice as necessary and Executive Directors shall play no part in decisions on their own remuneration.

Determination of remuneration packages of the Independent Non-Executive Directors shall be determined by the Board as a whole and the individuals concerned should abstain from discussing their own remuneration. The respective directors shall play no part in decisions on their own remuneration. The Directors who are shareholders should abstain from voting at general meetings to approve their fees.

The Directors' fees payable to the Independent Non-Executive Directors and any benefit payable to the Directors of the Company shall from time to time be determined and approved by the shareholders at the Annual General Meeting in accordance with Section 230 of Companies Act 2016.

### **Board Remuneration Package**

- Remuneration (inclusive of statutory employer contributions to the Employees Provident Fund) for Executive Directors is reviewed by the RC, taking into consideration the performance of individual director and by referencing to the rates for similar positions in selected group of comparable companies.
- Fees payable to Non-Executive Directors is based on the fixed sum as authorised by shareholders and the Board and by referencing to the level of responsibilities undertaken by individual director and comparable industry rates.
- Bonus scheme for Executive Directors is dependent primarily on the performance of the Group against previous year and budget, together with an assessment of individual director's performance. Bonus payable to Executive Directors is reviewed by the RC.
- Benefits-in-kind for Executive Directors includes but not limited to company assigned car, driver, medical and dental coverage.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### Details of Directors' Remuneration

The aggregate remuneration to directors for the financial year ended 31 December 2017 is summarised as follows:

	Salaries	Fees	Bonus	Other Remuneration	Benefits- in-kind	Total
	RM	RM	RM	RM	RM	RM
<b>Executive Directors</b>						
Dato' Liaw Choon Liang	1,836,000	-	350	250,487	117,311	2,204,148
Datin Goh Poi Eong	456,000	-	-	54,720	25,450	536,170
Kelvin Liaw Kai Xuan *	2,323	-	-	346	-	2,669
<b>Non-Executive Directors</b>						
Leow Ming Fong @ Leow Min Fong	-	48,000	-	-	2,000	50,000
Datin Sim Swee Yoke	-	42,000	-	-	2,000	44,000
Dato' Syed Kamarulzaman bin Dato' Syed Zainol Khodki Shahabudin	-	42,000	-	-	2,000	44,000
<b>Total</b>	<b>2,294,323</b>	<b>132,000</b>	<b>350</b>	<b>305,553</b>	<b>148,761</b>	<b>2,880,987</b>

\* Appointed with effect from 20 December 2017

### B) Effective Audit and Risk Management

#### Audit Committee

The financial reporting, risk management framework and internal control system are reviewed by the Audit Committee, which comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Chairman of the Audit Committee is not the Chairman of the Board so as not to impair the objective of the Board's view of the Audit Committee's findings and recommendation.

The Audit Committee is authorised by the Board to investigate any activities within its Terms of Reference and has unrestricted access to both the internal and external auditors and members of the senior management of the Company.

The Audit Committee has incorporated a policy in its Terms of Reference that a former key audit partner is required to observe a cooling-off period of at least two (2) years before being appointed as a member of the Audit Committee.

The Nomination Committee reviews the term of office and the performance of each Audit Committee member annually pursuant to Rule 15.20 of the Listing Requirements of Bursa Securities.

The internal auditor is invited to attend the Audit Committee meeting for the purpose of reporting the internal audit activities to the Audit Committee.

The Role of the Audit Committee, the number of meetings held during the financial year, the attendance record of each member, and the activities carried out by the Audit Committee are set out in the Audit Committee Report, page 41 of the Annual Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### **Financial Reporting**

The Board is responsible to ensure that the accounting records are properly kept and that the financial statements are prepared in accordance with applicable approved accounting standards and the provisions of Companies Act 2016.

The Board, assisted by the Audit Committee, oversees the financial reporting processes as well as the quality and reliability of the financial reporting by the Group. The Audit Committee reviews and ensures accuracy and integrity of the Group's quarterly financial results and annual financial statements and that comply with applicable financial reporting standards and Companies Act 2016. The Audit Committee also assists to review the appropriateness of accounting policies applied and changes to these policies.

The Chief Financial Officer presents analysis and components of Group balance sheet and Group income statement compared with corresponding period (ie quarter and year-to-date comparison) and explanations on major variances are given to the Audit Committee. The Chief Financial Officer also presents actual performance compared with budget, and explanations on major variances are given to the Audit Committee, in particular for non-achievement of revenue and profit budget. Action plans to recover from the shortfall are deliberated, where appropriate.

### **Risk Management**

The Board recognises the importance of an effective enterprise risk management in order to achieve a steady growth in profitability and strong assets base that in turn will optimise the Group's value to its shareholders. The Board, with the assistance of the Audit Committee and Risk Management Committee, oversees the Group's risk management activities. The benefits of enterprise risk management include timely reporting and transparency of risks across the whole organisation, increased effectiveness and coordination of risk management activities, and better alignment of its business strategies with its risk appetite and tolerance.

The risk scorecards of the three (3) businesses are presented to the Audit Committee and the Board for review and deliberation twice a year.

The details of the risk management activities are set out in the Statement of Risk Management and Internal Control as contained on pages 44 to 46 of this Annual Report.

### **Internal Control**

The Board acknowledges its overall responsibility for maintaining sound internal control and risk management practices towards maintaining reasonable assurance for effective and efficient operations, compliance with laws and regulations, as well as adherence with internal procedures and guidelines. The Group has established internal controls to ensure its operations are effective and efficient, and to safeguard its assets and shareholders' interest.

Nevertheless, the Board is of the view that the Group's system of internal control can only provide reasonable but not absolute assurance against material misstatement, operational failures, fraud or loss.

The effectiveness of the system of internal control is reviewed at least once every quarterly by the Audit Committee. The review covers financial, operational and compliance controls. The internal auditor monitors compliance with policies and standards and the effectiveness of internal control structure across the Group.

The details of the internal audit function and internal control are disclosed in the Statement of Risk Management and Internal Control as contained on pages 46 to 47 of the Annual Report.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### **Related Party Transaction**

Reviews are carried out on the nature of related party transactions within the Group to ascertain any conflict of interest situations that would raise questions of management integrity. The results of the reviews are tabled at the Audit Committee meetings and thereafter reported to the Board.

### **Relationship with External Auditors**

Through the Audit Committee of the Board, the Company has always established and maintained a transparent and appropriate relationship with its external auditors in seeking professional advice and ensuring compliance with accounting standards in Malaysia.

The Audit Committee meets with the Group's external auditors at least twice a year to review the scope of work and adequacy of audit process, their audit findings and annual financial statements. The Audit Committee also reviews audit fee and recommends to the Board for approval. In the review, the Audit Committee ensures that the independence and suitability of external auditors are not compromised.

The Audit Committee reviews and assesses suitability and independence of external auditors annually. The external auditors have confirmed their independence throughout the conduct of the audit engagement in accordance with relevant professional and regulatory requirements to the Board. The Chief Financial Officer also made presentation to the Audit Committee criteria in assessing suitability of external auditors and the Audit Committee was satisfied with the outcome of the criteria assessment. The Audit Committee then recommends to the Board on suitability and independence of external auditors. The Group has yet to establish policies and procedures in governing circumstances for contracts of non-audit services to be entered with external auditors.

## **C) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders**

### **Annual General Meeting**

The Annual General Meeting ("AGM") represents the principal forum for dialogue and interaction with all shareholders of the Company. At the AGM, the Board provides opportunities for shareholders to participate in the question and answer session where all directors, senior management and external auditors are present to respond to the shareholders' questions during the AGM. The Notice of 8<sup>th</sup> AGM was dispatched to the shareholders together with a copy of the Company's annual report at least twenty-four (24) days before the meeting, in advance of the 21 days requirement under Companies Act 2016. This would allow the shareholders to make the necessary arrangements to attend the AGM in person or through corporate representatives, proxies or attorneys.

The Notice of 9<sup>th</sup> AGM of the Company is circulated twenty-eight (28) days prior to the date of the meeting to allow the shareholders to have more ample time to go through the Annual Report.

The Board also ensures shareholders are given the opportunity to speak and seek clarification during the Company's AGM for effective and transparent communication with its stakeholders.

Pursuant to Rule 8.31A(1) of the Listing Requirements of Bursa Securities, any resolutions set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting of the Company will be subjected to poll voting by the shareholders. The votes cast at the general meeting will be validated by a scrutineer, who is independent of the person undertaking the polling process, not an officer of the Company and is not interested in the resolution to be passed at the general meeting.

Other than the forum at the AGM, investor relations activities such as meetings with substantial shareholder and potential shareholder are attended by the Chief Executive Officer and Chief Financial Officer and communications between the Company and shareholders and/or investors could also be made through the Company's website at [www.focus-point.com](http://www.focus-point.com).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### **Effective Communications with Stakeholders**

The Board values and recognises the importance of keeping the shareholders and investors informed of the Group's business and corporate developments. Press release and announcements for public dissemination would serve as a platform to communicate with shareholders and investors as and when there are significant corporate events. Bursa Securities also requires the Company to electronically publish all its announcements, including full versions of its quarterly financial results and Annual Report through Bursa Securities website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

The Board has appointed Mr Leow Ming Fong @ Leow Min Fong, the Chairman of the Board and Nomination Committee, as Senior Independent Non-Executive Director to whom any concerns pertaining to the Company may be conveyed to him. He can be reached via email at [leowjim2015@gmail.com](mailto:leowjim2015@gmail.com) or via letter stamped "Private & Confidential" to Unit 1, 3, 5 & 7, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

### **Corporate Disclosure Policies and Procedures**

Along with good corporate governance practices, the Company is committed to provide stakeholders with comprehensive, accurate and quality material information on a timely and even basis. In line with this commitment and in order to enhance transparency and accountability, the Board has established Corporate Disclosure Policies and Procedures ("CDPP") to facilitate the handling and disclosure of material information in a timely and accurate manner. The CDPP aims to ensure the Company's compliance with the disclosure requirements are set out in the Listing Requirements of Bursa Securities and other applicable laws.

The CDPP is based on the following principles:

- Transparency and accountability;
- Compliance with disclosure requirements; and
- Prompt and timely disclosure.

The Chief Financial Officer has been appointed by the Board to be the designated person to ensure compliance with the CDPP.

## AUDIT COMMITTEE REPORT

### Members of the Audit Committee

The members of the Audit Committee are:

Designation	Name	Directorship
Chairman	Datin Sim Swee Yoke	Independent Non-Executive Director
Member	Leow Ming Fong @ Leow Min Fong	Independent Non-Executive Chairman
Member	Dato' Syed Kamarulzaman bin Dato' Syed Zainol Khodki Shahabudin	Non-Independent Non-Executive Director

Mr Leow Ming Fong @ Leow Min Fong is a Fellow of Institute of Chartered Accountants in England and Wales as well as a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

### Terms and Reference of the Audit Committee

The full terms of reference of the Audit Committee outline the composition of the Audit Committee, Duties of the Committee, Rights of the Committee, Procedures of the Committee and Internal Audit. The terms of reference of the Audit Committee is accessible via the Company's website at [www.focus-point.com](http://www.focus-point.com).

### Attendance and Meetings of the Audit Committee

During the financial year, five (5) Audit Committee meetings were held and the details of attendance at the meetings are as follows:

Name	Total meetings attended by directors	Percentage of attendance (%)
Datin Sim Swee Yoke	5/5	100
Leow Ming Fong @ Leow Min Fong	5/5	100
Dato' Syed Kamarulzaman bin Dato' Syed Zainol Khodki Shahabudin	5/5	100

### Summary of Work of the Audit Committee

During the financial year, the Audit Committee (the "Committee") met at scheduled times, with due notices of meetings issued, and with agendas planned and itemised so that issues raised in respect of the financial statements and any audit related matters were deliberated and discussed in a focused and detailed manner.

The main activities and work undertaken by the Committee during the financial year were as follows:

- Reviewed external auditors' scope of work and audit plan of the Group and the Company. Prior to the audit, representatives from external auditors presented their audit strategy and plan to the Committee at the Committee meeting;
- Reviewed, with external auditors, results of the audit, management letter and the auditors' report of the Group and the Company for recommendation to the Board for approval;

## AUDIT COMMITTEE REPORT (CONT'D)

### Summary of Work of the Audit Committee (continued)

- Assessed the competency, independence and suitability of external auditors including adequacy of their resources, experience of the firm and staff strength, level of non-audit fee and rotation of partner. Having satisfied with the competency, independence and suitability of Messrs BDO, made recommendation to the Board for approval of the re-appointment of Messrs BDO as external auditors for the financial year ending 31 December 2018 at its meeting held on 12 April 2018;
- Reviewed the report of external auditors on statement of risk management and internal control;
- Met with external auditors once without executive Board members and management on 3 April 2017;
- Reviewed quarterly announcements of unaudited financial results and audited year-end financial statements of the Group and the Company before submitting to the Board for approval, focusing particularly:-
  - Any changes in accounting policies and practices;
  - Significant adjustment arising from the audit;
  - Significant matter including financial reporting issue;
  - Going-concern assumption; and
  - Compliance with applicable accounting standards and other legal requirements.
- Reviewed Annual Report which includes the Audited Financial Statements of the Group and the Company prior to the submission to the Board for their consideration and approval at the meeting held on 12 April 2018 so to ensure that the Audited Financial Statements were drawn up in accordance with the provisions of Companies Act 2016 and applicable accounting standards. Any significant issues arising from the audit of the Group financial statements by external auditors were deliberated upon;
- Reviewed significant audit issues brought up by the external auditors amongst others as follows:-
  - Valuation of inventories

The Committee took note of the audit response presented by the external auditors including audit work done carried out to arrive at an opinion, audit findings as well as audit conclusion and were satisfied that these issues were adequately dealt with and fairly stated.
- Reviewed with the internal auditors, internal audit reports which highlighted internal audit findings, recommendations and management's response. Discussed with management, actions taken to improve the system of internal control based on improvement opportunities identified in internal audit reports; and
- Reviewed related party transactions entered into by the Group and the Company to ensure that such transactions were undertaken in line with the Group's normal commercial terms and the internal control procedures with regards to such transactions are sufficient.

## AUDIT COMMITTEE REPORT (CONT'D)

### Internal Audit Function

In discharging its duties, the Committee is supported by an internal audit function which is outsourced to an independent internal audit service company ("Internal Auditor") who undertakes the necessary activities to enable the Committee to discharge its functions effectively. The Internal Auditor reports directly to the Committee. The Internal Auditor is independent of the activities audited by external auditors. The Committee regards the internal audit function as essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal control within the Group and the Company.

During the financial year, the Internal Auditor carried out, inter alia, the following activities:

- Formulated and agreed with the Committee on the audit plan, strategy and scope of work;
- Reviewed compliance with internal policies, procedures and standards, relevant external rules and regulations, as well as assessed the adequacy and effectiveness of the Group's internal control system;
- Analysed and assessed certain key business processes, reported findings, and made recommendations to improve their effectiveness and efficiency;
- Attended the Committee meeting to table and discuss the audit report; and
- Performed internal audit reviews on the following areas:
  - Review of inventory management of optical business;
  - Review of procurement function of food & beverage business and follow-up on previous audit performed on the same procurement function;
  - Review of capital expenditure/property, plant and equipment of optical business and follow-up on previous audit performed on customer service function of optical business; and
  - Review of central kitchen operation of food & beverage business and follow-up on previous audit performed on finance function – GST accounting for optical business.

The Internal Auditor's reports were deliberated by the Committee and recommendations were duly acted upon by the management. Follow-up reviews were also conducted by the Internal Auditor on previous audit performed to ensure that all matters arising from each audit are adequately and promptly addressed by the management.

The cost incurred by the Group on Internal Auditor and in-house internal auditors during the financial year ended 31 December 2017 were amounted to RM56,540 and RM276,256 respectively.

## STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (the "Board") is committed to maintain a sound risk management framework and internal control system and is pleased to provide the following statement which outlines the main features of risk management framework and internal control of the Group during the financial year.

The Board affirms its overall responsibility for maintaining sound risk management practices and internal control system towards maintaining good corporate governance. This includes reviewing the adequacy, effectiveness and integrity of these systems throughout the Group. However, the Board recognises that reviewing the effectiveness of the Group's system of internal control is a concerted and continuous process, designed to manage rather than to eliminate the risk of failure to achieve business objectives. Accordingly, the Board is of the view that the Group's system of internal control can only provide reasonable but not absolute assurance against material misstatement, operational failure, fraud or loss.

### Risk Management Framework

The main features of the risk management framework are as follows:-

- Heads of business units are responsible for identifying, mitigating and managing risks and ensuring day-to-day business activities are carried out in accordance with risk management methodology.
- Heads of business units are required to update Corporate Risk Scorecards.
- Through a systematic software, the processes of risk evaluation are as follows:-
  - Assessment of existing risk by updating its rating of probability and impact;
  - Identification of new risk, if any, and rating of its probability and impact;
  - Assessment/update of control and management action plan relating to each risk; and
  - Elimination of risk that is no longer relevant.

Corporate Risk Scorecards which would have incorporated the above update are subject for review half-yearly during risk management meeting chaired by the President/Chief Executive Officer to ensure they remain relevant and effective in managing the associated risks due to changes in marketplace and business environment. Major risk that has a major impact if it happens and with high probability of occurrence is made known to the management in particular to ensure that business is aligned to such risk identified.

The Group has three (3) core businesses, namely, optical retail, optical franchise and food & beverage. The top three (3) risks of each business are tabulated as follows:-

Business division	Key risk	Risk management approach
Optical retail	Increasing competitiveness to gain market presence	<ol style="list-style-type: none"> <li>1. Carry out more aggressive branding, advertising and promotional activities</li> <li>2. Review relevant industry market studies and capitalise on market intelligence</li> <li>3. Monitor market development, trend and pricing of competitors</li> <li>4. Review and evaluate current business model for local and regional competitiveness</li> <li>5. Establish different brand names/concept to cater for different markets' requirements</li> <li>6. Continue to enhance customer service quality</li> <li>7. Research on and develop potential new product, trend and package</li> </ol>

## STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### Risk Management Framework (continued)

Business division	Key risk	Risk management approach
Optical retail (Cont'd)	Adverse economic and market condition (which will affect high-end products)	<ol style="list-style-type: none"> <li>1. Keep abreast with business activity level / industry trend</li> <li>2. Improve overall efficiency, productivity and business processes</li> <li>3. Contain cost</li> </ol>
	Influx of fake products	<ol style="list-style-type: none"> <li>1. Work closely with suppliers</li> <li>2. Educate public and consumers to "Go Original" via campaigns, leaflets, facebook, etc</li> </ol>
Optical franchise	Increasing competitiveness to gain market presence	<ol style="list-style-type: none"> <li>1. Carry out more aggressive branding, advertisement and promotional activities</li> <li>2. Review relevant industry market studies and capitalise on market intelligence</li> <li>3. Monitor market development, trend and pricing of competitors</li> <li>4. Review and evaluate current business model for local and regional competitiveness</li> <li>5. Establish different brand names/concept to cater for different markets' requirements</li> <li>6. Continue to enhance customer service quality</li> <li>7. Explore and develop potential new product, trend and package</li> </ol>
	Inability to attract new franchisee	<ol style="list-style-type: none"> <li>1. Review continuously terms of franchise arrangement to enhance competitiveness and new business opportunities</li> <li>2. Innovate current mechanism of business model to increase attractiveness to potential investor</li> </ol>
	Credit risk	<ol style="list-style-type: none"> <li>1. Comply strictly to credit control policies and procedures and perform bi-annually review</li> <li>2. Monitor closely collections from franchisees</li> <li>3. Follow up on delinquent account and carry on discussion with the owner</li> </ol>
Food & beverage	Product wastage	<ol style="list-style-type: none"> <li>1. Execute more effective production planning</li> <li>2. Capitalise on information system and business process to capture data more accurately</li> </ol>

## STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### Risk Management Framework (continued)

Business division	Key risk	Risk management approach
Food & beverage (Cont'd)	Loss of key staff including chef	<ol style="list-style-type: none"> <li>1. Benchmark compensation and reward to industry standard</li> <li>2. Review current compensation and benefits scheme as well as measures to attract right candidates</li> <li>3. Track competitors' offers and benefits</li> <li>4. Identify and develop successors for senior categories and multitask key positions</li> <li>5. Implement performance based remuneration scheme</li> <li>6. Establish clear career development program</li> <li>7. Implement job rotation</li> </ol>
	Inadequate customer service level	<ol style="list-style-type: none"> <li>1. Train continuously</li> <li>2. Establish customer service charter</li> <li>3. Implement the use of customer feedback form</li> </ol>

The Board affirms that there is a systematic and continuous process to identify and manage significant risks of the Group. Key risks relating to the Group's operations are identified and communicated to the Audit Committee and the Board in terms of likelihood exposures and impact on the Group's businesses. Every half-yearly, there will be an update of the Corporate Risk Scorecards to the Board. The Chief Financial Officer has assumed the role of risk management facilitator.

The Board will continue to manage the risks of the Group continuously.

### Internal Audit Function

The internal audit function is in place to assist the Audit Committee to discharge its functions effectively. The in-house internal auditors and outsourced internal auditors (collectively known as the "internal audit teams") monitor compliance with policies and procedures and the effectiveness of the internal control system and highlight significant findings in respect of any non-compliance. The outsourced internal auditors report directly to the Audit Committee. Audits are carried out by the internal audit teams on head office, branches and franchisees, the frequency of which is determined by the level of risk assessed. The finding of the internal audit from the internal audit teams are tabled at the Audit Committee meetings for deliberation and appropriate corrective action plan will be communicated to the auditees. Follow-up audit will also be carried out to ensure that management has implemented improvement process as recommended in the internal audit report. The annual audit plan is reviewed and approved by the Audit Committee. A statement of the internal audit function is set out on page 43 of the Audit Committee Report.



## STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### Key Processes of Internal Control

The key processes that the Board has established in reviewing the adequacy, effectiveness, and integrity of the system of internal control, are as follows:-

- The Group has an organisational structure in place that is aligned to business and operational requirements with defined level of responsibility, lines of accountability and delegated authority with appropriate reporting procedures.
- There is active involvement by the President/Chief Executive Officer in the day-to-day business operations of the Group including periodical visit to the operating units and monthly dialogue with senior management. Scheduled operational and management meetings are held monthly to identify, discuss and resolve business and operational issues as well as significant risks faced. Significant matters identified during these meetings are highlighted to the Board on a timely basis.
- 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 and the internal audit function, 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.

The outsourced internal auditors, namely NGL Tricor Governance Sdn Bhd, carried out four (4) reviews on the Group's businesses and reported to the Audit Committee accordingly. Arising from the reviews, corrective actions were communicated to the management and the Board for subsequent implementation by the management. Follow up audits were also carried out by the outsourced internal auditors.

The Board is satisfied that the system of internal control was generally satisfactory. The Chief Executive Officer and Chief Financial Officer have also given assurance to the Board on the adequacy and effectiveness of the Group's risk management and internal control system.

As required by rule 15.23 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement of Risk Management & Internal Control. As set out in their terms of engagement, the procedures were performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group. Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that caused them to believe that this Statement is not prepared in all material respects, in accordance with the disclosures required by paragraphs 41 & 42 of the Guidelines, nor is it factually inaccurate.

Through the review of the risk management framework adopted by the Group and internal audits performed by the outsourced internal auditors, the Board is satisfied that the Risk Management and Internal Control system are in place.

The Statement is made in accordance with the resolution of the Board dated 12 April 2018.

## OTHER DISCLOSURE INFORMATION

### 1. Audit and Non-Audit fees

The audit and non-audit fees (inclusive of out-of-pocket expenses) of the Group and the Company were as follows:-

	Audit Fee RM	Non- audit Fee RM
Group	160,848	-
Company	74,909	-
Total	235,757	-

### 2. Material Contracts

There were no material contracts entered into by the Company and/or its subsidiaries involving directors and major shareholders of the Company either subsisting at the end of the financial year or entered into since the end of the previous financial year saved as disclosed below:-

- a) On 1 March 2017, Esprit Shoppe Sdn Bhd ("ESSB"), a wholly-owned subsidiary of Focus Point Vision Care Group Sdn Bhd ("FPVCGSB") which in turn is a wholly-owned subsidiary of the Company, entered into a Shares Sale and Purchase Agreement with Ng Weng Leong and Foo Tee Kheng for the disposal of ESSB's entire investment in Optolab Sdn Bhd ("OSB") comprising 30,000 ordinary issued shares, representing 60% of the equity shares in OSB, at a cash consideration of RM30,000. Since then, OSB ceased to be a subsidiary of ESSB, FPVCGSB and the Company.

## OTHER DISCLOSURE INFORMATION (CONT'D)

### 3. Recurrent Related Party Transactions of Revenue or Trading Nature ("RRPT")

The Company had at the 8<sup>th</sup> Annual General Meeting of the Company held on 23 May 2017 obtained shareholders' mandate for the Group to enter into RRPT, which are necessary for its day-to-day operations and are in the ordinary course of business with related parties. The shareholders' mandate shall lapse at the conclusion of the Company's forthcoming Annual General Meeting.

The details of the mandate RRPT transacted during the financial year are as follows:-

Transacting parties		Nature of relationship	Nature of transaction	Actual Value transacted RM'000
Focus Point Group	Related party			
Focus Point Vision Care Group Sdn Bhd ("Focus Point Vision Care")	Focus Point Vision Care (HP) Sdn Bhd ("Focus Point Vision Care (HP)")	Focus Point Vision Care (HP), in which Dato' Liaw Choon Liang's brother, Liaw Choon Kuan has substantial shareholdings, is a 35%-owned associate company of Focus Point Vision Care. Dato' Liaw Choon Liang and Liaw Choon Kuan are directors of Focus Point Vision Care (HP).	Sale of eyewear and eye care products to Focus Point Vision Care (HP)	1,268
Focus Point Management Sdn Bhd	Focus Point Vision Care (HP)	Focus Point Vision Care (HP), in which Dato' Liaw Choon Liang's brother, Liaw Choon Kuan has substantial shareholdings, is a 35%-owned associate company of Focus Point Vision Care. Dato' Liaw Choon Liang and Liaw Choon Kuan are directors of Focus Point Vision Care (HP).	Licensing fee received from Focus Point Vision Care (HP) for granting "Focus Point" licensed outlets	157
Multiple Reward Sdn Bhd	Sejati Serimas Sdn Bhd ("Sejati Serimas")	Datin Goh Poi Eong and Kelvin Liaw Kai Xuan are shareholders and directors of Sejati Serimas. They are also directors and shareholders of Focus Point Holdings Berhad.	Rental of detached factory from Sejati Serimas for central kitchen purpose	240

At the forthcoming 9<sup>th</sup> Annual General Meeting to be held on 24 May 2018, the Company intends to seek shareholders' mandate in respect of RRPT. The details of the general mandate to be sought are set out in the Circular to Shareholders dated 25 April 2018 attached together with the 2017 Annual Report.

## STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE ANNUAL FINANCIAL STATEMENTS

The Directors are required by Companies Act 2016 and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") to prepare the financial statements for each financial year and give a true and fair view of the financial position of the Group and of the Company and their financial performance and cash flows for the financial year.

In preparing the above financial statements, the Directors have carried out their responsibilities by:

- selecting suitable accounting policies and applied them consistently;
- making judgements and estimates that are prudent and reasonable; and
- ensuring that all applicable accounting standards have been complied with.

The Directors are responsible for ensuring that the Company keeps its accounting records which discloses the financial position of the Group and the Company with reasonable accuracy and to ensure that the financial statements comply with Companies Act 2016, Listing Requirements and applicable approved accounting standards. The Directors have overall responsibilities in taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.



# Financial Statements

# FOCUS POINT

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## DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2017.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### RESULTS

	Group RM'000	Company RM'000
(Loss)/Profit for the financial year	(457)	3,683
<hr/>		
Attributable to:		
Owners of the parent	(458)	3,683
Non-controlling interests	1	-
	<hr/>	<hr/>
	(457)	3,683
	<hr/>	

### DIVIDEND

No dividend has been proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend any dividend payment in respect of the financial year ended 31 December 2017.

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than the effects of adoption of Companies Act 2016 as disclosed in Note 23 to the financial statements.

### ISSUE OF SHARES AND DEBENTURES

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

### OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

## DIRECTORS' REPORT (CONT'D)

### DIRECTORS

The Directors who have held office during the financial year until the date of this report are as follows:

Dato' Liaw Choon Liang\*  
 Datin Goh Poi Eong\*  
 Leow Ming Fong @ Leow Min Fong  
 Datin Sim Swee Yoke  
 Dato' Syed Kamarulzaman bin Dato' Syed Zainol Khodki Shahabudin  
 Kelvin Liaw Kai Xuan (appointed on 20 December 2017)

\* *Directors of the Company and its subsidiaries*

### DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2017 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of Companies Act 2016 in Malaysia were as follows:

	← Number of ordinary shares →			
	Balance as at 1.1.2017	Bought	Sold	
<b>Shares in the Company</b>				
<b>Direct interests</b>				
Dato' Liaw Choon Liang	75,843,001	-	-	75,843,001
Datin Goh Poi Eong	22,464,699	-	-	22,464,699
Leow Ming Fong @ Leow Min Fong	500,000	-	-	500,000
Datin Sim Swee Yoke	10,000	-	(10,000)	-

Dato' Liaw Choon Liang is the spouse of Datin Goh Poi Eong. By virtue of their relationship, they are also deemed to have interests in shares held by each other, both direct and indirect.

By virtue of their interests in the ordinary shares of the Company, Dato' Liaw Choon Liang and Datin Goh Poi Eong are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

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

### DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remunerations received or due and receivable by the Directors as shown in the financial statements) 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 other than the transactions entered into in the ordinary course of business with companies in which certain Directors of the Company have substantial financial interests as disclosed in Note 35 to the financial statements.

## DIRECTORS' REPORT (CONT'D)

### **DIRECTORS' BENEFITS (continued)**

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### **DIRECTORS' REMUNERATION**

The details of Directors' remuneration are disclosed in Note 31 to the financial statements.

### **INDEMNITY AND INSURANCE FOR OFFICERS AND AUDITORS**

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

### **OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY**

#### **(I) AS AT THE END OF THE FINANCIAL YEAR**

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

#### **(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT**

- (c) The Directors are not aware of any circumstances:
  - (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.



DIRECTORS'  
REPORT  
(CONT'D)**OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)****(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (continued)**

- (d) In the opinion of the Directors:
- (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made; and
  - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) 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 as and when they fall due.

**(III) AS AT THE DATE OF THIS REPORT**

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

**AUDITORS**

The auditors, BDO, have expressed their willingness to continue in office.

The details of auditors' remuneration are disclosed in Note 30 to the financial statements.

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

.....  
**Dato' Liaw Choon Liang**  
Director

.....  
**Datin Goh Poi Eong**  
Director

Petaling Jaya  
12 April 2018

## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 61 to 116 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of 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 2017 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

.....  
**Dato' Liaw Choon Liang**  
Director

Petaling Jaya  
12 April 2018

.....  
**Datin Goh Poi Eong**  
Director

## STATUTORY DECLARATION

I, Chua Tian Pang, being the officer primarily responsible for the financial management of Focus Point Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 61 to 116 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly  
declared by the abovenamed  
at Petaling Jaya in Malaysia  
this 12 April 2018

**Chua Tian Pang**  
MIA 12361

Before me:

Commissioner for Oaths

**INDEPENDENT  
AUDITORS' REPORT**

**TO THE MEMBERS OF FOCUS POINT HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Focus Point Holdings Berhad, which comprise the statements of financial position as at 31 December 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 61 to 116.

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 of 31 December 2017, and of their financial performance and their cash flows for the financial 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 ('ISAs'). 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.

***Carrying amount of inventories at lower of cost and net realisable value***

As at 31 December 2017, inventories of the Group of RM45,098,000 comprised mainly optical and related products. Details of the inventories have been disclosed in Note 11 to the financial statements.

We have focused on the audit risk that the carrying amount of inventories may not be stated at the lower of cost and net realisable value.

Writing down of inventories to net realisable value is mainly based on management estimates, which has been derived from assessment by management with reference to ageing, specifications and design of inventories, coupled with market knowledge of the merchandising department.

**INDEPENDENT AUDITORS' REPORT**  
TO THE MEMBERS OF FOCUS POINT HOLDINGS BERHAD  
(Incorporated in Malaysia)  
(CONT'D)

**Key Audit Matters (continued)**

***Audit response***

Our procedures included the following:

- a) analysed the inventories turnover period by comparing that to the assessment of management on the identification of slow moving and obsolete inventories; and
- b) challenged the assessment prepared by management that the write down of inventories was appropriate by verifying actual margins and selling prices from sales invoices subsequent to the end of the reporting period.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

**Information other than the Financial Statements and Auditor's Report Thereon**

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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 ability of the Group and of the Company 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 or the Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT**  
TO THE MEMBERS OF FOCUS POINT HOLDINGS BERHAD  
(Incorporated in Malaysia)  
**(CONT'D)**

**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 ISAs 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 conducted in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) 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.
- (b) 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 internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (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 ability of the Group and of the Company 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 and the Company to cease to continue as a going concern.
- (e) 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.
- (f) 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.

**INDEPENDENT AUDITORS' REPORT**  
TO THE MEMBERS OF FOCUS POINT HOLDINGS BERHAD  
(Incorporated in Malaysia)  
(CONT'D)

**Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

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 financial 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.

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**BDO**  
AF : 0206  
Chartered Accountants

12 April 2018  
Kuala Lumpur

**Lee Ken Wai**  
03185/07/2019 J  
Chartered Accountant

## STATEMENTS OF FINANCIAL POSITION

As at 31 December 2017

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	6	48,530	48,470	-	-
Investments in subsidiaries	7	-	-	42,950	42,950
Investment in a joint venture	8	263	-	-	-
Investments in associates	9	632	696	-	-
Trade and other receivables	10	553	230	-	-
Deferred tax assets	21	250	306	-	-
		50,228	49,702	42,950	42,950
<b>Current assets</b>					
Inventories	11	45,098	46,412	-	-
Trade and other receivables	10	24,518	24,635	4,711	3,991
Cash and bank balances	12	9,900	12,485	11	11
Derivative assets	22	-	40	-	-
Current tax assets		74	70	1	1
		79,590	83,642	4,723	4,003
<b>TOTAL ASSETS</b>		<b>129,818</b>	<b>133,344</b>	<b>47,673</b>	<b>46,953</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	23	40,096	33,000	40,096	33,000
Reserves	24	12,248	19,802	6,538	9,951
		52,344	52,802	46,634	42,951
Non-controlling interests	7(f)	-	(6)	-	-
<b>TOTAL EQUITY</b>		<b>52,344</b>	<b>52,796</b>	<b>46,634</b>	<b>42,951</b>

STATEMENTS OF  
FINANCIAL POSITION  
As at 31 December 2017  
(CONT'D)

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	13	14,124	14,003	-	-
Deferred tax liabilities	21	2,042	2,006	-	-
Deferred income	20	1,390	1,062	-	-
		17,556	17,071	-	-
<b>Current liabilities</b>					
Borrowings	13	29,207	30,664	-	-
Trade and other payables	19	29,487	32,148	1,039	4,002
Deferred income	20	535	490	-	-
Current tax liabilities		687	174	-	-
Derivative liabilities	22	2	1	-	-
		59,918	63,477	1,039	4,002
<b>TOTAL LIABILITIES</b>		77,474	80,548	1,039	4,002
<b>TOTAL EQUITY AND LIABILITIES</b>		129,818	133,344	47,673	46,953

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



## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2017

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	27	165,121	161,946	4,000	-
Cost of sales	28	(67,193)	(66,856)	-	-
Gross profit		97,928	95,090	4,000	-
Other operating income		4,911	5,191	-	1
Selling and distribution costs		(33,832)	(32,656)	-	-
Administrative expenses		(64,701)	(64,970)	(317)	(339)
Finance costs	29	(2,714)	(2,408)	-	-
Share of profit in associates, net of tax		356	396	-	-
Share of loss in a joint venture, net of tax		(37)	-	-	-
Profit/(Loss) before tax	30	1,911	643	3,683	(338)
Taxation	32	(2,368)	(1,926)	-	-
(Loss)/Profit for the financial year		(457)	(1,283)	3,683	(338)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive (loss)/income		(457)	(1,283)	3,683	(338)
(Loss)/Profit attributable to:					
Owners of the parent		(458)	(1,198)	3,683	(338)
Non-controlling interests		1	(85)	-	-
		(457)	(1,283)	3,683	(338)
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(458)	(1,198)	3,683	(338)
Non-controlling interests		1	(85)	-	-
		(457)	(1,283)	3,683	(338)
Loss per ordinary share attributable to owners of the parent (sen):					
- Basic and diluted	33	(0.28)	(0.73)		

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2017

Group	Note	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 January 2016		33,000	7,096	13,987	54,083	(110)	53,973
Loss for the financial year		-	-	(1,198)	(1,198)	(85)	(1,283)
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive loss		-	-	(1,198)	(1,198)	(85)	(1,283)
<b>Transactions with owners</b>							
Acquisition of additional interest from a non-controlling interest	7(d)(ii)	-	-	(83)	(83)	54	(29)
Disposal of equity interest in a subsidiary	7(d)(i)	-	-	-	-	135	135
Total transactions with owners		-	-	(83)	(83)	189	106
Balance as at 31 December 2016		33,000	7,096	12,706	52,802	(6)	52,796
Loss for the financial year		-	-	(458)	(458)	1	(457)
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive loss		-	-	(458)	(458)	1	(457)
<b>Transaction with owners</b>							
Disposal of equity interest in a subsidiary	7(c)(i)	-	-	-	-	5	5
Total transaction with owners		-	-	-	-	5	5
Transfer pursuant to Companies Act 2016*		7,096	(7,096)	-	-	-	-
Balance as at 31 December 2017		40,096	-	12,248	52,344	-	52,344

\* Pursuant to the transitional provisions set out in Section 618(2) of Companies Act 2016 in Malaysia, the credit balance in the share premium account has been transferred to the share capital account.

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

## STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2017

Company	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2016	33,000	7,096	3,193	43,289
Loss for the financial year	-	-	(338)	(338)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss	-	-	(338)	(338)
Balance as at 31 December 2016	33,000	7,096	2,855	42,951
Profit for the financial year	-	-	3,683	3,683
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	3,683	3,683
Transfer pursuant to Companies Act 2016*	7,096	(7,096)	-	-
Balance as at 31 December 2017	40,096	-	6,538	46,634

\* Pursuant to the transitional provisions set out in Section 618(2) of Companies Act 2016 in Malaysia, the credit balance in the share premium account has been transferred to the share capital account.

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

## STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2017

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit/(Loss) before tax		1,911	643	3,683	(338)
Adjustments for:					
Depreciation of property, plant and equipment	6	8,069	7,651	-	-
Deposit written off		23	150	-	-
Dividend income from a subsidiary		-	-	(4,000)	-
Gain on disposal of property, plant and equipment		(162)	(4)	-	-
Impairment losses on:					
- investment in a subsidiary	7(e)	-	-	-	21
- property, plant and equipment	6(c)	698	250	-	-
- trade and other receivables	10(i)	333	306	-	-
Interest expense					
- hire-purchase		903	704	-	-
- term loans		531	460	-	-
- bankers' acceptances		611	706	-	-
- bank overdrafts		424	438	-	-
- revolving credits		136	15	-	-
- others		109	85	-	-
Interest income					
- fixed deposits		(179)	(275)	-	(1)
- others		(79)	(85)	-	-
Inventories written down	11(b)	437	542	-	-
Inventories written off	11(b)	380	434	-	-
Loss on disposal of property, plant and equipment		81	391	-	-
Net fair value loss/(gain) on derivative		41	(87)	-	-
Gain on disposal of investment in a subsidiary	7	(38)	(141)	-	-
Property, plant and equipment written off		778	1,551	-	-
Reversal of impairment loss on property, plant and equipment	6(c)	-	(1)	-	-
Reversal of impairment loss on other receivables	10(i)	(2)	(44)	-	-
Share of profit in associates		(356)	(396)	-	-
Share of loss in a joint venture		37	-	-	-
Operating profit/(loss) before changes in working capital		14,686	13,293	(317)	(318)

STATEMENTS OF  
CASH FLOWSFor the financial year ended 31 December 2017  
(CONT'D)

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES (continued)</b>					
Operating profit/(loss) before changes in working capital		14,686	13,293	(317)	(318)
Changes in working capital:					
Inventories		482	(1,261)	-	-
Trade and other receivables		(790)	(72)	-	-
Trade and other payables		(2,518)	(22)	5	(2)
Deferred income		373	(376)	-	-
Cash generated from/(used in) operations		12,233	11,562	(312)	(320)
Tax paid		(1,802)	(2,111)	(1)	(1)
Tax refunded		35	44	1	3
Net cash from/(used in) operating activities		10,466	9,495	(312)	(318)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Acquisition of additional interest in a subsidiary	7(d)(ii)	-	(29)	-	-
Acquisition of interest in a joint venture		(300)	-	-	-
Net cash inflow/(outflow) from disposal of a subsidiary	7	21	(28)	-	-
Net (advances to)/repayments from subsidiaries		-	-	(3,688)	310
Dividends received from an associate		420	385	-	-
Dividends received from a subsidiary		-	-	4,000	-
Interest received		179	275	-	1
Proceeds from disposal of property, plant and equipment		562	362	-	-
Purchase of property, plant and equipment	6(b)	(3,298)	(3,776)	-	-
Fixed deposits pledged to licensed banks with original maturity of twelve (12) months		3,231	(2,014)	-	-
Net cash from/(used in) investing activities		815	(4,825)	312	311

## STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2017  
(CONT'D)

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Net (repayments)/drawdowns of bankers' acceptances		(3,298)	1,270	-	-
Net drawdowns of revolving credits		2,370	1,015	-	-
Interest paid		(2,605)	(2,323)	-	-
Net repayments of term loans		(1,430)	(1,633)	-	-
Net repayments of hire-purchase liabilities		(5,447)	(5,052)	-	-
Net cash used in financing activities		(10,410)	(6,723)	-	-
Net increase/(decrease) in cash and cash equivalents		871	(2,053)	-	(7)
Cash and cash equivalents at beginning of the financial year		(2,230)	(177)	11	18
Cash and cash equivalents at end of the financial year	12(d)	(1,359)	(2,230)	11	11

### RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Term loans (Note 13) RM'000	Hire- Purchase (Note 13) RM'000	Group Bankers' Acceptances (Note 13) RM'000	Revolving credits (Note 13) RM'000
At 1 January 2017	10,104	11,114	16,392	1,015
Cash flows	(1,430)	(5,447)	(3,298)	2,370
Non-cash flows:				
- Acquisition of property, plant and equipment	2,158	4,536	-	-
At 31 December 2017	10,832	10,203	13,094	3,385

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

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

### 1. CORPORATE INFORMATION

Focus Point Holdings Berhad ('the Company') is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Unit 1, 3, 5 & 7, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan.

The consolidated financial statements for the financial year ended 31 December 2017 comprise the Company and its subsidiaries and the interest of the Group in a joint venture and associates. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 12 April 2018.

### 2. PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the provisions of Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 36(a) to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

NOTES TO THE  
FINANCIAL STATEMENTS  
31 December 2017  
(CONT'D)

**4. OPERATING SEGMENTS**

Focus Point Holdings Berhad and its subsidiaries are principally engaged in the operation of professional eye care centres, trading of eyewear and eye care products, management of franchised professional eye care centres, provision of medical eye care services, provision of food and beverages services, trading of hearing aid solutions and related accessories and investment holding.

The Group has arrived at three (3) reportable segments that are organised and managed separately according to the nature of the products and services, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable segments are summarised as follows:

**(i) Optical related products**

Retailing of optical related products.

**(ii) Franchise management**

Management of franchised professional eye care centres.

**(iii) Food and beverages**

Provision of food and beverages services.

Other operating segments comprise investment holding, laser eye surgery treatment activities as well as retailing of hearing solutions and related accessories.

The Group evaluates performance on the basis of profit or loss from operations before tax.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude tax assets and segment liabilities exclude tax liabilities. Details are provided in the reconciliations from segment assets and liabilities to the Group's position.



NOTES TO THE  
FINANCIAL STATEMENTS  
31 December 2017  
(CONT'D)

4. OPERATING SEGMENTS (continued)

2017	Optical related products RM'000	Franchise management RM'000	Food and beverages RM'000	Others RM'000	Total RM'000
<b>Revenue</b>					
Total revenue	145,307	3,105	15,609	5,170	169,191
Inter-segment revenue	(48)	-	(22)	(4,000)	(4,070)
Revenue from external customers	145,259	3,105	15,587	1,170	165,121
Finance income	196	1	49	12	258
Finance costs	(2,451)	-	(263)	-	(2,714)
Net finance (expense)/income	(2,255)	1	(214)	12	(2,456)
Depreciation	6,416	-	1,565	88	8,069
<b>Segment profit/(loss) before tax</b>	<b>5,883</b>	<b>317</b>	<b>(3,533)</b>	<b>3,858</b>	<b>6,525</b>
Share of profit of associates, net of tax	356	-	-	-	356
Share of loss of a joint venture, net of tax	-	-	(37)	-	(37)
Taxation	(2,234)	(106)	-	(28)	(2,368)
Other material non-cash items:					
Net fair value loss on derivative	41	-	-	-	41
Impairment losses on property, plant and equipment	662	-	36	-	698
Impairment losses on trade and other receivables	77	-	256	-	333
Inventories written down	437	-	-	-	437
Inventories written off	380	-	-	-	380
Property, plant and equipment written off	648	-	130	-	778
Net gain on disposal of property, plant and equipment	(38)	-	(43)	-	(81)
Investments in a joint venture	-	-	263	-	263
Investments in associates	632	-	-	-	632
Additions to non-current assets other than financial instruments and deferred tax assets	9,778	-	248	62	10,088
<b>Segment assets</b>	<b>116,568</b>	<b>1,279</b>	<b>10,264</b>	<b>1,383</b>	<b>129,494</b>
<b>Segment liabilities</b>	<b>67,004</b>	<b>2,295</b>	<b>5,300</b>	<b>146</b>	<b>74,745</b>

NOTES TO THE  
FINANCIAL STATEMENTS  
31 December 2017  
(CONT'D)

**4. OPERATING SEGMENTS (continued)**

<b>2016</b>	<b>Optical related products RM'000</b>	<b>Franchise management RM'000</b>	<b>Food and beverages RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>					
Total revenue	142,571	3,492	15,308	1,150	162,521
Inter-segment revenue	(538)	(18)	(19)	-	(575)
<hr/>					
Revenue from external customers	142,033	3,474	15,289	1,150	161,946
<hr/>					
Finance income	309	3	35	13	360
Finance costs	(2,133)	-	(273)	(2)	(2,408)
<hr/>					
Net finance (expense)/income	(1,824)	3	(238)	11	(2,048)
<hr/>					
Depreciation	5,756	-	1,788	107	7,651
<hr/>					
<b>Segment profit/(loss) before tax</b>	<b>7,196</b>	<b>(224)</b>	<b>(6,345)</b>	<b>(329)</b>	<b>298</b>
<hr/>					
Share of profit of associates, net of tax	396	-	-	-	396
Taxation	(2,016)	56	-	34	(1,926)
<hr/>					
Other material non-cash items:					
Net fair value gain on derivative	(87)	-	-	-	(87)
Impairment loss on property, plant and equipment	-	-	238	12	250
Impairment loss on other receivables	-	-	306	-	306
Reversal of impairment loss on deposits paid	-	-	(44)	-	(44)
Inventories written down	512	-	30	-	542
Inventories written off	427	-	7	-	434
Property, plant and equipment written off	580	-	971	-	1,551
Net loss on disposal of property, plant and equipment	57	-	330	-	387
Reversal of impairment loss on property, plant and equipment	(1)	-	-	-	(1)
Investments in associates	696	-	-	-	696
<hr/>					
Additions to non-current assets other than financial instruments and deferred tax assets	17,506	-	2,011	64	19,581
<hr/>					
<b>Segment assets</b>	<b>118,200</b>	<b>1,614</b>	<b>11,835</b>	<b>1,319</b>	<b>132,968</b>
<hr/>					
<b>Segment liabilities</b>	<b>69,698</b>	<b>2,235</b>	<b>6,219</b>	<b>216</b>	<b>78,368</b>

NOTES TO THE  
FINANCIAL STATEMENTS  
31 December 2017  
(CONT'D)

**4. OPERATING SEGMENTS (continued)**

Reconciliations of reportable segment profit or loss, assets and liabilities to the Group's corresponding amounts are as follows:

	<b>2017</b> <b>RM'000</b>	<b>2016</b> <b>RM'000</b>
<b>Loss for the financial year</b>		
Total profit or loss for reportable segments	6,525	298
Elimination of inter-segment results	(4,614)	345
Profit before tax	1,911	643
Taxation	(2,368)	(1,926)
Loss for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	(457)	(1,283)
<b>Assets</b>		
Total assets for reportable segments	129,494	132,968
Tax assets	324	376
Total assets of the Group per consolidated statement of financial position	129,818	133,344
<b>Liabilities</b>		
Total liabilities for reportable segments	74,745	78,368
Tax liabilities	2,729	2,180
Total liabilities of the Group per consolidated statement of financial position	77,474	80,548

**Geographical information**

The Group operates predominantly in Malaysia.

**Major customers**

There are no major customers with revenue equal or more than ten percent (10%) of the Group revenue. As such, information on major customers is not presented.

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**5. CAPITAL AND FINANCIAL RISK MANAGEMENT**

**(a) Capital management**

The primary objective of the Group's capital management is to ensure that it maintains healthy ratios in order to support its business operations and to provide fair returns for shareholders and benefits for other stakeholders. The overall strategy of the Group remains unchanged from the financial year ended 31 December 2016.

The Group manages its capital structure and makes adjustments to it, as deemed appropriate. In order to maintain or adjust the capital structure, the Group may, from time to time, adjust the dividend payout to shareholders, issue new shares and redeem debts, where necessary. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2017 and 31 December 2016.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt represents borrowings, trade and other payables, less cash and bank balances. Capital represents equity attributable to the owners of the parent.

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Borrowings	43,331	44,667	-	-
Trade and other payables	29,487	32,148	1,039	4,002
Total liabilities	72,818	76,815	1,039	4,002
Less: Cash and bank balances	(9,900)	(12,485)	(11)	(11)
Net debt	62,918	64,330	1,028	3,991
Total capital	52,344	52,802	46,634	42,951
Net debt	62,918	64,330	1,028	3,991
	115,262	117,132	47,662	46,942
Gearing ratio (%)	54.6	54.9	2.2	8.5

Pursuant to the requirements of Guidance Note No. 3/2006 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the twenty-five percent (25%) of the issued and paid-up capital. The Group has complied with this requirement during the financial year ended 31 December 2017.

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

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**5. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)**

**(b) Financial risk management objectives and policies**

The Group's financial risk management objective is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group is exposed mainly to foreign currency risk, interest rate risk, liquidity and cash flow risk and credit risk. Information on the management of the related exposures is detailed below.

**Foreign currency risk**

During the financial year, the Group had exposure of foreign exchange risk on purchases that are denominated in currencies other than Ringgit Malaysia ('RM'). The currencies that gives rise to this risk are primarily the United States Dollar ('USD') and European Euro ('EURO'). The Group monitors its foreign currency exposure on an ongoing basis.

During the financial year, the Group entered into foreign currency forward contracts to manage exposures to currency risk for payables which are denominated in currencies other than the functional currency of the Group.

The notional amount and maturity date of the forward currency contracts outstanding as at 31 December 2017 are as follows:

<b>Contract</b>	<b>Expiry date</b>	<b>Contract amount USD'000</b>	<b>RM'000 equivalent</b>
Contracts used to hedge anticipated payables	31 January 2018	63	256

Sensitivity analysis of RM against foreign currencies at the end of the reporting period is not presented as the effect is immaterial to the Group.

**Interest rate risk**

The Group's exposure to interest rate risk arises primarily from their fixed deposits with licensed banks and borrowings. The Group borrows at both fixed and floating rates of interest to generate the desired interest profile and to manage the Group's exposure to interest rate fluctuations. The Group's deposits are placed at fixed rates and management endeavours to obtain the best rate available in the market.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 12 and 13 to the financial statements.

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**5. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)**

**(b) Financial risk management objectives and policies (continued)**

**Liquidity and cash flow risk**

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

The Group is actively managing its operating cash flow to ensure all commitments and funding needs are met. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

The analysis of financial instruments by remaining contractual maturities have been disclosed in Notes 13 and 19 to the financial statements.

**Credit risk**

Cash deposits and trade receivables may give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. The major counter parties are major licensed financial institutions and reputable organisations. It is the Group's policy to monitor the financial standing of counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The exposure to credit risks of the Group and of the Company have been disclosed in Note 10 to the financial statements.

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**6. PROPERTY, PLANT AND EQUIPMENT**

Group	Balance as at 1.1.2017 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Disposal of a subsidiary RM'000	Balance as at 31.12.2017 RM'000
<b>At cost</b>						
Freehold land	5,072	-	-	-	-	5,072
Buildings	3,680	-	-	-	-	3,680
Alarm and security system	825	216	-	(98)	-	943
Computers	5,892	582	(3)	(718)	(3)	5,750
Furniture and fittings	23,307	2,978	(200)	(1,780)	(2)	24,303
Hearing equipment	30	-	-	-	-	30
Lab tools and equipment	2,722	11	-	-	-	2,733
Motor vehicles	4,580	465	(385)	-	-	4,660
Office equipment	1,427	128	(14)	(106)	-	1,435
Optical equipment	14,116	1,464	(1)	(265)	-	15,314
Renovation and electrical installations	14,328	1,775	(42)	(1,231)	-	14,830
Signboards	1,389	262	-	(82)	-	1,569
Bakery equipment	8,184	31	(561)	(31)	-	7,623
Construction work-in- progress	2,534	2,176	-	-	-	4,710
	88,086	10,088	(1,206)	(4,311)	(5)	92,652

Group	Balance as at 1.1.2017 RM'000	Charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Impairment loss RM'000	Disposal of a subsidiary RM'000	Balance as at 31.12.2017 RM'000
<b>Accumulated depreciation and impairment loss</b>							
Buildings	382	83	-	-	-	-	465
Alarm and security system	492	122	-	(101)	10	-	523
Computers	5,130	505	-	(717)	-	(2)	4,916
Furniture and fittings	8,429	2,840	(95)	(1,326)	-	(1)	9,847
Hearing equipment	30	-	-	-	-	-	30
Lab tools and equipment	2,294	80	-	-	-	-	2,374
Motor vehicles	4,036	320	(385)	-	-	-	3,971
Office equipment	951	158	(14)	(83)	-	-	1,012
Optical equipment	7,268	1,191	-	(245)	-	-	8,214
Renovation and electrical installations	6,957	1,809	(33)	(981)	616	-	8,368
Signboards	785	189	-	(76)	72	-	970
Bakery equipment	2,862	772	(198)	(4)	-	-	3,432
	39,616	8,069	(725)	(3,533)	698	(3)	44,122

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**6. PROPERTY, PLANT AND EQUIPMENT (continued)**

Group	Balance as at 1.1.2016 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Disposal of a subsidiary RM'000	Reclassi- fication RM'000	Balance as at 31.12.2016 RM'000
<b>At cost</b>							
Freehold land	2,522	2,550	-	-	-	-	5,072
Buildings	2,740	940	-	-	-	-	3,680
Alarm and security system	723	189	(10)	(77)	-	-	825
Computers	5,492	607	(33)	(136)	(38)	-	5,892
Furniture and fittings	19,364	6,180	(279)	(1,844)	(114)	-	23,307
Hearing equipment	30	-	-	-	-	-	30
Lab tools and equipment	2,659	63	-	-	-	-	2,722
Motor vehicles	4,580	-	-	-	-	-	4,580
Office equipment	1,240	276	(30)	(71)	(11)	23	1,427
Optical equipment	12,800	1,934	(66)	(552)	-	-	14,116
Renovation and electrical installations	14,376	3,525	(486)	(2,842)	(245)	-	14,328
Signboards	1,207	412	(5)	(215)	(10)	-	1,389
Restaurant equipment	508	-	(258)	-	(250)	-	-
Bakery equipment	8,305	371	(168)	(301)	-	(23)	8,184
Construction work-in-progress	-	2,534	-	-	-	-	2,534
	76,546	19,581	(1,335)	(6,038)	(668)	-	88,086

Group	Balance as at 1.1.2016 RM'000	Charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Impairment loss RM'000	Disposal of a subsidiary RM'000	Reclassi- fication RM'000	Balance as at 31.12.2016 RM'000
<b>Accumulated depreciation and impairment loss</b>								
Buildings	318	64	-	-	-	-	-	382
Alarm and security system	455	108	(5)	(73)	7	-	-	492
Computers	4,878	444	(28)	(134)	-	(30)	-	5,130
Furniture and fittings	7,182	2,581	(150)	(1,154)	-	(30)	-	8,429
Hearing equipment	16	2	-	-	12	-	-	30
Lab tools and equipment	2,194	100	-	-	-	-	-	2,294
Motor vehicles	3,739	297	-	-	-	-	-	4,036
Office equipment	888	145	(23)	(62)	-	(5)	8	951
Optical equipment	6,716	1,092	(51)	(489)	-	-	-	7,268
Renovation and electrical installations	7,449	1,835	(194)	(2,289)	228	(72)	-	6,957
Signboards	823	157	(3)	(190)	2	(4)	-	785
Restaurant equipment	115	19	(77)	-	-	(57)	-	-
Bakery equipment	2,214	807	(55)	(96)	-	-	(8)	2,862
	36,987	7,651	(586)	(4,487)	249	(198)	-	39,616



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**6. PROPERTY, PLANT AND EQUIPMENT (continued)**

	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>Group</b>
		<b>2016</b>
		<b>RM'000</b>
<b>Carrying amount</b>		
Freehold land	5,072	5,072
Buildings	3,215	3,298
Alarm and security system	420	333
Computers	834	762
Furniture and fittings	14,456	14,878
Hearing equipment	-	-
Lab tools and equipment	359	428
Motor vehicles	689	544
Office equipment	423	476
Optical equipment	7,100	6,848
Renovation and electrical installations	6,462	7,371
Signboards	599	604
Bakery equipment	4,191	5,322
Construction work-in-progress	4,710	2,534
	48,530	48,470

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the various business segments of the Group.

The principal annual depreciation rates are as follows:

Buildings	2%
Alarm and security system	20%
Computers	33.3%
Furniture and fittings	12.5%
Hearing equipment	10%
Lab tools and equipment	10%
Motor vehicles	10% - 20%
Office equipment	20%
Optical equipment	10%
Renovation and electrical installations	14.3%
Signboards	20%
Bakery equipment	10%

Freehold land has an unlimited useful life and is not depreciated. Construction work-in-progress is not depreciated until such time when the asset is available for use.

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**6. PROPERTY, PLANT AND EQUIPMENT (continued)**

- (b) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Additions of property, plant and equipment	10,088	19,581
Financed by hire-purchase arrangements	(4,536)	(8,425)
Financed by term-loan arrangements	(2,158)	(7,380)
Unsettled and remained as other payables	(96)	-
	<hr/>	
Cash payments on purchase of property, plant and equipment	3,298	3,776

- (c) The Group has carried out a review of the recoverable amount of its property, plant and equipment during the financial year and has recognised impairment losses on certain property, plant and equipment to reduce the carrying amounts of the assets to their recoverable amounts. The impairment losses included in profit or loss during the financial year are as follows:

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Impairment loss on property, plant and equipment	698	250
Reversal of impairment loss on property, plant and equipment	-	(1)
	<hr/>	
	698	249

- (d) The carrying amounts of property, plant and equipment of the Group pledged as securities for banking facilities granted to the Group (Notes 14, 17 and 26 to the financial statements) are as follows:

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Freehold land	5,072	5,072
Buildings	3,215	3,298
Construction work-in-progress	4,710	2,534
	<hr/>	
	12,997	10,904

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**6. PROPERTY, PLANT AND EQUIPMENT (continued)**

- (e) As at 31 December 2017, the carrying amounts of property, plant and equipment of the Group acquired under hire-purchase arrangements are as follows:

	Group	
	2017 RM'000	2016 RM'000
Alarm and security system	117	107
Furniture and fittings	9,232	8,246
Motor vehicles	644	522
Office equipment	153	124
Optical equipment	2,151	1,784
Renovation and electrical installations	4,899	3,978
Signboards	450	393
Bakery equipment	399	834
	18,045	15,988

Details of the terms and conditions of the hire-purchase arrangements are disclosed in Note 15 to the financial statements.

**7. INVESTMENTS IN SUBSIDIARIES**

	Company	
	2017 RM'000	2016 RM'000
<b>At cost</b>		
Unquoted shares	43,105	43,105
Less: Accumulated impairment losses	(155)	(155)
	42,950	42,950

- (a) Investment in subsidiary is stated in the separate financial statements at cost.

- (b) The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Effective interest in equity		Principal activities
		2017 %	2016 %	
Excelview Laser Eye Centre Sdn. Bhd.	Malaysia	100	100	Provision of medical eye care services
Focus Point Management Sdn. Bhd.	Malaysia	100	100	Management of franchised professional eye care centres

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**7. INVESTMENTS IN SUBSIDIARIES (continued)**

(b) The details of the subsidiaries are as follows (continued):

Name of company	Country of incorporation	Effective interest in equity		Principal activities
		2017 %	2016 %	
Focus Point Vision Care Group Sdn. Bhd.	Malaysia	100	100	Operation of professional eye care centres, trading of eyewear and eye care products and investment holding
Sound Point Hearing Solution Sdn. Bhd.	Malaysia	100	100	Trading of hearing aid solutions and related accessories
Multiple Reward Sdn. Bhd.	Malaysia	100	100	Provision of food and beverages services
Excellent Reward Japanese Restaurants Sdn. Bhd.	Malaysia	100	100	Dormant
<b>Subsidiaries of Focus Point Vision Care Group Sdn. Bhd.</b>				
Esprit Shoppe Sdn. Bhd.	Malaysia	100	100	Dormant
Focus Point Vision Care Group (OC) Sdn. Bhd.	Malaysia	100	100	Dormant
Opulence Optometry Sdn. Bhd.	Malaysia	100	100	Dormant
Radiant Attraction Sdn. Bhd.	Malaysia	100	100	Dormant
Eye-Zed Sdn. Bhd.	Malaysia	100	100	Dormant
Truesight Eyewear Optical Sdn. Bhd.	Malaysia	100	100	Retailing of optical and related products and ceased operation related products in April 2016
Care Point Optical Sdn. Bhd.	Malaysia	100	100	Dormant
<b>Subsidiary of Esprit Shoppe Sdn. Bhd.</b>				
Optolab Sdn. Bhd.	Malaysia	-	60	Trading of medical products including medical equipment and devices

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**7. INVESTMENTS IN SUBSIDIARIES (continued)**

(c) During the financial year:

- (i) On 1 March 2017, Esprit Shoppe Sdn. Bhd., a wholly-owned subsidiary of Focus Point Vision Care Group Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company disposed its entire investment in Optolab Sdn. Bhd. ('OSB') comprising 30,000 ordinary shares, representing 60% equity shares in OSB, for a total consideration of RM30,000.

The fair value of the identifiable assets and liabilities of OSB as at the date of disposal were as follows:

	<b>RM'000</b>
Property, plant and equipment	2
Inventories	15
Trade and other receivables	205
Cash and bank balances	9
Trade and other payables	(244)
<hr/>	
Total identifiable net liabilities	(13)
Less: Fair value of 40% equity interest held by non-controlling interest	5
<hr/>	
Total identifiable net liabilities disposed off (at 60%)	(8)
Disposal proceeds	(30)
<hr/>	
Gain on disposal of subsidiary	(38)
<hr/>	
Cash consideration received	30
Cash and bank balances of subsidiary disposed off	(9)
<hr/>	
Net cash inflow to the Group	21
<hr/>	

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**7. INVESTMENTS IN SUBSIDIARIES (continued)**

(d) In the previous financial year:

- (i) On 3 May 2016, a wholly-owned subsidiary, Multiple Reward Sdn. Bhd. disposed its entire investment in Original Reward Sdn. Bhd. ('ORSB') comprising 51,000 ordinary shares of RM1.00 each, representing 51% equity shares in ORSB, for a total consideration of RM1.00.

The fair value of the identifiable assets and liabilities of ORSB as at the date of disposal were as follows:

	<b>RM'000</b>
Plant, property and equipment	470
Inventories	14
Trade and other receivables	46
Cash and cash equivalents	28
Trade and other payables	(834)
<b>Total identifiable net liabilities</b>	<b>(276)</b>
Less: Fair value of 49% equity interest held by non-controlling interest	135
<b>Total identifiable net liabilities disposed off (at 51%)</b>	<b>(141)</b>
Disposal proceeds	*
<b>Gain on disposal of subsidiary</b>	<b>(141)</b>
Cash consideration received	*
Cash and bank balances of subsidiary disposed off	(28)
<b>Net cash outflow from the Group</b>	<b>(28)</b>

\* represented RM1

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**7. INVESTMENTS IN SUBSIDIARIES (continued)**

(d) In the previous financial year (continued):

- (ii) On 1 July 2016, a wholly-owned subsidiary, Focus Point Vision Care Group Sdn. Bhd., acquired the remaining 40% equity interest comprising 80,000 ordinary share of RM1.00 each in Truesight Eyewear Optical Sdn. Bhd. ('TEOSB') from the minority shareholder. The total cash consideration paid was RM29,000.

The fair value of the identifiable assets and liabilities of TEOSB as at the date of accretion were as follows:

	<b>RM'000</b>
Trade and other receivables	77
Cash and cash equivalents	38
Trade and other payables	(250)
<hr/>	
Total identifiable net liabilities	(135)
Less: Fair value of 60% equity interest held previously as subsidiary	81
<hr/>	
Total identifiable net liabilities acquired (at 40%)	(54)
Purchase consideration settled in cash	(29)
<hr/>	
	(83)
<hr/>	

The acquisition had no material impact to the financial statements of the Group.

- (e) In the previous financial year, an impairment loss on investment in a subsidiary amounting to RM21,000 had been recognised as the carrying amount of the investment was higher than its estimated recoverable amount.
- (f) The subsidiaries of the Group that have non-controlling interests ('NCI') are as follows:

<b>2017</b>	<b>Optolab Sdn. Bhd.</b>	<b>Total</b>
NCI percentage of ownership interest and voting interest	-	
Carrying amount of NCI (RM'000)	-	-
<hr/>		
Gain allocated to NCI (RM'000)	1	1
<hr/>		

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**7. INVESTMENTS IN SUBSIDIARIES (continued)**

- (f) The subsidiaries of the Group that have non-controlling interests ('NCI') are as follows (continued):

<b>2016</b>	<b>Truesight Eyewear Optical Sdn. Bhd.</b>	<b>Original Reward Sdn. Bhd.</b>	<b>Optolab Sdn. Bhd.</b>	<b>Total</b>
NCI percentage of ownership interest and voting interest	-	-	40%	
Carrying amount of NCI (RM'000)	-	-	(6)	(6)
Loss allocated to NCI (RM'000)	(36)	(28)	(21)	(85)

- (g) The summarised financial information before intra-group elimination of a subsidiary that have NCI as at the end of each reporting period are as follows:

<b>2016</b>	<b>Optolab Sdn. Bhd. RM'000</b>
<b>Assets and liabilities</b>	
Non-current assets	3
Current assets	115
Non-current liabilities	-
Current liabilities	(132)
Net liabilities	(14)
<b>Results</b>	
Revenue	448
Loss for the financial year	(53)
Total comprehensive loss	(53)
Cash flows used in operating activities	(14)
Cash flows used in investing activities	(1)
Cash flows from financing activities	-
Net decrease in cash and cash equivalents	(15)
Dividends paid to NCI	-



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**8. INVESTMENT IN A JOINT VENTURE**

	<b>2017</b>	<b>Group</b>
	<b>RM'000</b>	<b>2016</b>
		<b>RM'000</b>
<b>At cost</b>		
Unquoted equity shares	300	-
Share of post-acquisition losses, net of dividends received	(37)	-
	263	-

- (a) Investment in a joint venture is accounted for using the equity method in the consolidated financial statements.
- (b) The financial statements of joint venture are coterminous with those of the Group.
- (c) The details of the joint venture are as follows:

Name of company	Country of incorporation	Effective interest in equity		Principal activities
		2017	2016	
		%	%	
<b>Joint venture of Multiple Reward Sdn. Bhd.</b>				
Majestic Ring Sdn. Bhd.*	Malaysia	50	-	Provision of food and beverages services

\* Joint venture not audited by BDO

- (d) The joint venture, in which the Group participates, is an unlisted separate structured entity whose quoted market price is not available. The contractual arrangement stipulates unanimous consent of all parties over relevant activities of joint venture and provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for liabilities of the joint arrangement resting primarily with the joint venture. These joint arrangement has been classified as joint venture and has been included in the consolidated financial statements using the equity method.
- (e) The summarised financial information of the joint venture are as follows:

	<b>2017</b>
	<b>RM'000</b>
<b>Assets and liabilities</b>	
Current assets	291
Non-current assets	800
Total assets	1,091
Current liabilities	565
Non-current liabilities	-
Total liabilities	565

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**8. INVESTMENT IN A JOINT VENTURE (continued)**

(e) The summarised financial information of the joint venture are as follows (continued):

	<b>2017</b> <b>RM'000</b>
<b>Results</b>	
Revenue	2,077
Loss for the financial year	(74)

(f) The reconciliation of net assets of the joint venture to the carrying amount of the investment in joint venture are as follows:

	<b>2017</b> <b>RM'000</b>
Share of net assets	263
<b>Share of results for the financial year</b>	
Share of profit or loss	(37)
Share of other comprehensive income	-
Share of total comprehensive loss	(37)

**9. INVESTMENTS IN ASSOCIATES**

	<b>Group</b>	
	<b>2017</b> <b>RM'000</b>	<b>2016</b> <b>RM'000</b>
<b>At cost</b>		
Unquoted equity shares	107	107
Share of post-acquisition reserves, net of dividends received	604	668
Less: Accumulated impairment losses	(79)	(79)
	632	696

(a) Investments in associates are accounted for using the equity method in the consolidated financial statements.

(b) The financial statements of all associates are coterminous with those of the Group.

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**9. INVESTMENTS IN ASSOCIATES (continued)**

(c) The details of the associates are as follows:

Name of company	Country of incorporation	Effective interest in equity		Principal activities
		2017 %	2016 %	
<b>Associates of Focus Point Vision Care Group Sdn. Bhd.</b>				
Focus Point Vision Care Group (HP) Sdn. Bhd.*	Malaysia	35	35	Retailing of optical and related products
Green Ace Formation Sdn. Bhd.*	Malaysia	49	49	In the process of voluntary winding up
Zania (M) Sdn. Bhd.	Malaysia	20	20	Dormant

\* Associates not audited by BDO

(d) The summarised financial information of the associates are as follows:

	Individually immaterial associates	
	2017 RM'000	2016 RM'000
<b>Assets and liabilities</b>		
Current assets	2,228	2,457
Non-current assets	1,966	2,017
<b>Total assets</b>	<b>4,194</b>	<b>4,474</b>
Current liabilities	1,943	1,838
Non-current liabilities	31	232
<b>Total liabilities</b>	<b>1,974</b>	<b>2,070</b>
<b>Results</b>		
Revenue	8,037	8,056
Profit for the financial year	1,016	1,128

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**9. INVESTMENTS IN ASSOCIATES (continued)**

- (e) The reconciliation of net assets of the associates to the carrying amount of the investments in associates are as follows:

	Individually immaterial associates	
	2017 RM'000	2016 RM'000
Share of net assets	632	696
<b>Share of results of the financial year</b>		
Share of profit or loss	356	396
Share of other comprehensive income	-	-
Share of total comprehensive income	356	396
<b>Other information</b>		
Dividend received	420	385

**10. TRADE AND OTHER RECEIVABLES**

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<b>Non-current</b>				
<b>Trade receivables</b>				
Third parties	363	230	-	-
Amount owing by a joint venture	176	-	-	-
	539	230	-	-
<b>Other receivables</b>				
Third parties	116	102	-	-
Less: Impairment losses	(102)	(102)	-	-
	14	-	-	-
<b>Loans and receivables</b>	553	230	-	-

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**10. TRADE AND OTHER RECEIVABLES (continued)**

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<b>Current</b>				
<b>Trade receivables</b>				
Third parties	8,497	7,988	-	-
Amount owing by a joint venture	203	-	-	-
Amount owing by an associate	221	301	-	-
	8,921	8,289	-	-
Less: Impairment losses				
- Third parties	(1,050)	(794)	-	-
	7,871	7,495	-	-
<b>Other receivables</b>				
Third parties	2,208	2,556	-	-
Amount owing by a subsidiary	-	-	4,707	3,987
Amounts owing by associates	8	9	-	-
	2,216	2,565	4,707	3,987
Less: Impairment losses				
- Third parties	(91)	(399)	-	-
- Associates	(4)	(4)	-	-
	2,121	2,162	4,707	3,987
<b>Deposits</b>	11,845	12,008	4	4
Less: Impairment loss	(77)	-	-	-
	11,768	12,008	4	4
<b>Loans and receivables</b>	21,760	21,665	4,711	3,991
<b>Prepayments</b>	2,758	2,970	-	-
	24,518	24,635	4,711	3,991

- (a) Financial assets classified as loans and receivables are measured at amortised cost using the effective interest method.
- (b) The Group's and the Company's exposure to credit risks, or the risk of counterparties defaulting, arises mainly from third parties receivables and amounts owing by subsidiaries respectively. The Group's trading terms with its customers are mainly on credit except for walk-in customers at its branches. The credit period is generally for a period of 75 days (2016: 75 days). Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control officer to minimise credit risk. Overdue balances are reviewed regularly by senior management.

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**10. TRADE AND OTHER RECEIVABLES (continued)**

- (c) As at the end of the reporting period, other than the amounts owing by subsidiaries constituting approximately 100% (2016: 100%) of the total receivables of the Company, the Group does not have any significant concentration of credit risk related to any individual customer or counterparty.
- (d) Included in trade receivables of the Group are amounts owing by franchisees and a joint venture for the sales of initial stocks and fixed assets by the Group amounting to RM877,000 (2016: RM517,000) which are subject to interest ranging from Nil to 10% (2016: Nil to 10%); of which an amount of RM338,000 (2016: RM287,000) is current.
- (e) Included in other receivables of the Group are amounts owing by trade suppliers of RM1,530,000 (2016: RM1,487,000) after netting of purchase rebates receivable during the financial year which are unsecured, interest-free and repayable in cash and cash equivalents.
- (f) Amount owing by a subsidiary represents balances arising from non-trade transactions and payments made on behalf, which is unsecured, interest-free and repayable upon demand in cash and cash equivalents.
- (g) Amounts owing by associates and a joint venture represent balances arising from trade transactions and payments made on behalf, which are unsecured, interest-free and repayable upon demand in cash and cash equivalents. The trade transactions are subject to normal trade terms.
- (h) Included in deposits of the Group are tenant deposits amounting to RM11,697,000 (2016: RM11,851,000), which are in respect of the rental of business premises in accordance with rental agreements.
- (i) The ageing analysis of trade receivables of the Group is as follows:

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Neither past due nor impaired	7,347	5,715
Past due, not impaired		
76 to 105 days	122	200
106 to 135 days	359	379
More than 135 days	582	1,431
	1,063	2,010
Past due and impaired	1,050	794
	9,460	8,519

**Receivables that are neither past due nor impaired**

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

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**10. TRADE AND OTHER RECEIVABLES (continued)**

- (i) The ageing analysis of trade receivables of the Group is as follows (continued):

**Receivables that are past due but not impaired**

The Group has trade receivables amounting to RM1,063,000 (2016: RM2,010,000) that are past due but not impaired. Trade receivables that are past due but not impaired possess high creditworthiness and good payment records. The Group closely monitors the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

**Receivables that are past due and impaired**

Trade receivables of the Group that are past due and impaired at the end of the reporting period are as follows:

<b>Group</b>	<b>Individually impaired</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade receivables, gross	1,050	794
Less: Impairment losses	(1,050)	(794)
	-	-

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The reconciliation of movements in the impairment losses is as follows:

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Trade receivables</b>		
At 1 January	794	794
Charge for the financial year	256	-
At 31 December	1,050	794
<b>Other receivables</b>		
At 1 January	505	243
Charge for the financial year	-	306
Reversal of impairment loss	(2)	(44)
Written off	(306)	-
At 31 December	197	505
<b>Deposits</b>		
At 1 January	-	-
Charge for the financial year	77	-
At 31 December	77	-

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**10. TRADE AND OTHER RECEIVABLES (continued)**

- (j) The currency exposure profile of trade and other receivables excluding prepayments are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
United States Dollar	2	227	-	-
Singapore Dollar	1	1	-	-
Ringgit Malaysia	22,310	21,667	4,711	3,991
	22,313	21,895	4,711	3,991

- (k) The trade receivables of the Group as at the end of the reporting period carried at fair values are:

	Group	
	Carrying amount RM'000	Fair value RM'000
<b>2017</b>		
<b>Loans and receivables</b>		
Trade and other receivables - Level 3	553	553
<b>2016</b>		
<b>Loans and receivables</b>		
Trade and other receivables - Level 3	230	230

There is no transfer between levels in the hierarchy during the financial year.



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**11. INVENTORIES**

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At cost</b>		
Optical and related products	44,817	46,006
Food and beverages	251	352
Operation consumables	16	45
	45,084	46,403
 <b>At net realisable value</b>		
Optical and related products	14	9
Hearing aid and related accessories	*	*
	14	9
	45,098	46,412

\* Represents RM31 (2016: RM31)

- (a) Inventories are stated at the lower of cost and net realisable value. Cost of optical and related products and hearing aids and related accessories are determined using the weighted average cost method while cost of food and beverages and operation consumables are determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trends and current economic trends when making a judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

- (b) The Group has written off inventories which amounted to RM380,000 (2016: RM434,000) and has written down slow-moving inventories to their net realisable value which amounted to RM437,000 (2016: RM542,000) during the financial year and are included in cost of sales.

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**12. CASH AND BANK BALANCES**

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash and bank balances	3,778	3,262	11	11
Fixed deposits with licensed banks	6,122	9,223	-	-
	9,900	12,485	11	11

- (a) Fixed deposits with licensed banks of the Group and of the Company have maturity periods of 30 days to 365 days (2016: 30 days to 365 days) with interest rates ranging from 2.75% to 3.10% (2016: 2.75% to 3.30%) per annum respectively.
- (b) Certain fixed deposits with licensed banks of the Group are pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Notes 14, 16, 17, 18 and 26 to the financial statements.
- (c) All cash and bank balances are denominated in RM.
- (d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash and bank balances	9,900	12,485	11	11
Less:				
Bank overdrafts included in borrowings (Note 13)	(5,817)	(6,042)	-	-
Fixed deposits pledged to licensed banks with original maturity of twelve (12) months	(5,442)	(8,673)	-	-
	(1,359)	(2,230)	11	11

- (e) At the end of the reporting period, the interest rate profile of the cash and bank balances was:

	Group	
	2017 RM'000	2016 RM'000
Fixed rate	6,122	9,223

Sensitivity analysis for fixed rate cash and bank balances at the end of the reporting period is not presented as change in interest rates would not materially affect profit or loss.

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**13. BORROWINGS**

	Note	2017 RM'000	Group 2016 RM'000
<b>Non-current liabilities</b>			
Term loans - secured	14	9,448	8,668
Hire-purchase liabilities - secured	15	4,676	5,335
		14,124	14,003
<b>Current liabilities</b>			
Term loans - secured	14	1,384	1,436
Hire-purchase liabilities - secured	15	5,527	5,779
Bank overdrafts - secured	12(d),16	5,817	6,042
Bankers' acceptances - secured	17	13,094	16,392
Revolving credits - secured	18	3,385	1,015
		29,207	30,664
<b>Total borrowings</b>			
Term loans - secured	14	10,832	10,104
Hire-purchase liabilities - secured	15	10,203	11,114
Bank overdrafts - secured	16	5,817	6,042
Bankers' acceptances - secured	17	13,094	16,392
Revolving credits - secured	18	3,385	1,015
		43,331	44,667

(a) All borrowings are denominated in RM.

(b) The weighted average interest rates per annum of borrowings that were effective as at the end of the reporting period were as follows:

	2017 %	Group 2016 %
Term loans - secured	4.96	5.03
Hire-purchase liabilities - secured	7.88	7.89
Bank overdrafts - secured	7.64	7.82
Bankers' acceptances - secured	4.85	4.79
Revolving credits - secured	5.33	5.36

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**13. BORROWINGS (continued)**

(c) At the end of the reporting period, the interest rate profile of the borrowings was:

	Group	
	2017 RM'000	2016 RM'000
Fixed rate	10,203	11,114
Variable rate	33,128	33,553

Sensitivity analysis for fixed rate borrowings at the end of the reporting period is not presented as changes in interest rates would not materially affect profit or loss.

Sensitivity analysis of interest rate at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	2017 RM'000	2016 RM'000
<b>Effects of 100 basis points changes to loss after tax</b>		
Variable rate instruments	±252	±255

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) The table below summarises the maturity profile of the Group's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>2017</b>				
<b>Financial liabilities</b>				
Borrowings	30,502	10,030	8,327	48,859
<b>2016</b>				
<b>Financial liabilities</b>				
Borrowings	31,907	11,770	5,347	49,024

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### 13. BORROWINGS (continued)

- (e) The following tables set out the carrying amounts as at the end of the reporting period and the remaining maturities of the Group's borrowings that are exposed to interest rate risk:

Group	Note	Within one year RM'000	One to two years RM'000	Two to three years RM'000	Three to four years RM'000	Four to five years RM'000	More than five years RM'000	Total RM'000
<b>At 31 December 2017</b>								
<b>Fixed rates</b>								
Hire-purchase liabilities	15	(5,527)	(3,648)	(924)	(68)	(36)	-	(10,203)
<b>Floating rates</b>								
Term loans	14	(1,384)	(1,452)	(1,367)	(396)	(305)	(5,928)	(10,832)
Bank overdrafts	16	(5,817)	-	-	-	-	-	(5,817)
Bankers' acceptances	17	(13,094)	-	-	-	-	-	(13,094)
Revolving credits	18	(3,385)	-	-	-	-	-	(3,385)
<b>At 31 December 2016</b>								
<b>Fixed rates</b>								
Hire-purchase liabilities	15	(5,779)	(3,637)	(1,698)	-	-	-	(11,114)
<b>Floating rates</b>								
Term loans	14	(1,436)	(1,385)	(1,443)	(1,363)	(393)	(4,084)	(10,104)
Bank overdrafts	16	(6,042)	-	-	-	-	-	(6,042)
Bankers' acceptances	17	(16,392)	-	-	-	-	-	(16,392)
Revolving credits	18	(1,015)	-	-	-	-	-	(1,015)

### 14. TERM LOANS (SECURED)

- (a) Term loans of the Group are secured by:
- (i) a corporate guarantee from the Company;
  - (ii) a charge over the Group's freehold land, buildings and construction work-in-progress as disclosed in Note 6(d) to the financial statements; and
  - (iii) a charge over the Group's fixed deposits as disclosed in Note 12(b) to the financial statements.
- (b) The term loans of the Group bear interest ranging from 4.65% to 5.59% (2016: 4.65% to 5.44%) per annum respectively.
- (c) The term loans are repayable by equal monthly instalments ranging from 31 to 180 months (2016: 31 to 180 months).
- (d) A significant covenant for the secured term loans is that the gearing ratio of a subsidiary shall not exceed 3.0 times throughout the tenure of the facilities in relation to the term loans amounting to RM41,000 (2016: RM100,000) of the subsidiary.

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**15. HIRE-PURCHASE LIABILITIES (SECURED)**

	2017 RM'000	Group 2016 RM'000
Minimum hire-purchase payments		
- not later than one (1) year	6,239	6,532
- later than one (1) year and not later than five (5) years	5,278	6,022
Total minimum hire-purchase payments	11,517	12,554
Less: Future interest charges	(1,314)	(1,440)
Present value of hire-purchase liabilities	10,203	11,114
Repayable as follows:		
<b>Current liabilities:</b>		
- not later than one (1) year	5,527	5,779
<b>Non-current liabilities:</b>		
- later than one (1) year and not later than five (5) years	4,676	5,335
	10,203	11,114

- (a) Hire-purchase facilities of the Group are secured by:
- (i) a corporate guarantee from the Company; and
  - (ii) a charge over the Group's property, plant and equipment as disclosed in Note 6(e) to the financial statements.
- (b) Hire-purchase liabilities of the Group bear interest ranging from 4.44% to 8.37% (2016: 4.44% to 8.37%) per annum.
- (c) The carrying amounts of hire purchase liabilities of the Group as at the end of reporting period that do not approximate their fair values are:

	Group Carrying amount RM'000	Fair value RM'000
<b>At 31 December 2017</b>		
Hire purchase and lease creditors	10,203	10,175
<b>At 31 December 2016</b>		
Hire purchase and lease creditors	11,114	11,040

- (d) The fair value of hire purchase liabilities are estimated based on the future contractual cash flows discounted at current market interest rates available for similar financial instruments and of the same remaining maturities.

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**16. BANK OVERDRAFTS (SECURED)**

- (a) Bank overdrafts of the Group are secured by:
  - (i) a corporate guarantee from the Company; and
  - (ii) a charge over the Group's fixed deposits as disclosed in Note 12(b) to the financial statements.
- (b) The bank overdrafts of the Group bear interest ranging from 7.40% to 7.75% (2016: 7.65% to 7.75%) per annum.
- (c) A significant covenant for the secured bank overdrafts is that the gearing ratio of a subsidiary shall not at any time exceed 1.5 times throughout the tenure of the credit facilities granted in relation to the bank overdrafts amounting to RM2,327,000 (2016: RM3,083,000).

**17. BANKERS' ACCEPTANCES (SECURED)**

- (a) Bankers' acceptances of the Group are secured by:
  - (i) a corporate guarantee by the Company;
  - (ii) a charge over the Group's freehold land and buildings as disclosed in Note 6(d) to the financial statements; and
  - (iii) a charge over the Group's fixed deposits as disclosed in Note 12(b) to the financial statements.
- (b) The bankers' acceptances of the Group bear interest ranging from 4.22% to 6.42% (2016: 4.16% to 6.24%) per annum.

**18. REVOLVING CREDITS (SECURED)**

- (a) Revolving credits of the Group are secured by:
  - (i) a corporate guarantee by the Company; and
  - (ii) a charge over the Group's fixed deposits as disclosed in Note 12(b) to the financial statements.
- (b) The revolving credits of the Group bear interest ranging from 5.17% to 5.43% (2016: 5.36%) per annum.

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**19. TRADE AND OTHER PAYABLES**

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<b>Trade payables</b>				
Third parties	18,072	16,499	-	-
<b>Other payables</b>				
Third parties	2,883	5,017	-	-
Amounts owing to associates	24	24	-	-
Amounts owing to Directors	77	2,425	-	-
Amounts owing to subsidiaries	-	-	986	3,954
Deposits received	3,035	3,408	-	-
Accruals	5,396	4,775	53	48
	11,415	15,649	1,039	4,002
<b>Total financial liabilities</b>	<b>29,487</b>	<b>32,148</b>	<b>1,039</b>	<b>4,002</b>

- (a) Financial liabilities classified as other financial liabilities are measured at amortised cost using the effective interest method.
- (b) Trade payables are non-interest bearing and the normal credit terms granted to the Group by suppliers range from 30 to 90 days (2016: 30 to 90 days) from date of invoice.
- (c) Amounts owing to associates represent balances arising from payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.
- (d) Amounts owing to Directors represent advances, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.
- (e) Amounts owing to subsidiaries represent advances, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.
- (f) Included in deposits received of the Group are tenant deposits received from franchisees and retail customers amounting to RM1,786,000 (2016: RM2,226,000), which are in respect of the rental of business premises in accordance with rental agreements.
- (g) Included in deposits received of the Group are sinking funds amounting to RM956,000 (2016: RM1,008,000), which is in respect of funds received from the franchisees for the repair and maintenance of the franchise outlets.



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**19. TRADE AND OTHER PAYABLES (continued)**

(h) The currency exposure profile of payables is as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
European Euro	979	1,179	-	-
United States Dollar	810	1,408	-	-
Hong Kong Dollar	117	416	-	-
Japanese Yen	-	19	-	-
Singapore Dollar	500	326	-	-
Chinese Renminbi	240	207	-	-
Ringgit Malaysia	26,841	28,593	1,039	4,002
	29,487	32,148	1,039	4,002

(i) The maturity profile of the Group's trade and other payables at the end of reporting period based on contractual undiscounted repayment obligations is payable on demand or within one (1) year.

**20. DEFERRED INCOME**

	Group	
	2017 RM'000	2016 RM'000
Balance as at 1 January	1,552	1,928
Invoiced/Received during the financial year	878	164
Recognised as income during the financial year	(505)	(540)
Balance as at 31 December	1,925	1,552
Analysed as follows:		
<b>Current liabilities:</b>		
- not later than one (1) year	535	490
<b>Non-current liabilities:</b>		
- later than one (1) year and not later than five (5) years	1,390	1,062
	1,925	1,552

Deferred income of the Group mainly represents franchise and licensing fees received in advance upon signing of franchise and licensing agreements. It is recognised as revenue on a time apportionment basis over the remaining period of the respective agreements in line with the services to be rendered. The portion expected to be realised not more than twelve (12) months after the end of the reporting period is classified as current. All other portions shall be classified as non-current.

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**21. DEFERRED TAX**

- (a) The deferred tax assets and liabilities are made up of the following:

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 January	1,700	1,343
Recognised in profit or loss (Note 32)	92	357
<b>Balance as at 31 December</b>	<b>1,792</b>	<b>1,700</b>
Presented after appropriate offsetting:		
Deferred tax assets	(250)	(306)
Deferred tax liabilities	2,042	2,006
<b>Balance as at 31 December</b>	<b>1,792</b>	<b>1,700</b>

- (b) The components and movements of deferred tax assets and liabilities during the financial year are as follows:

	<b>Property, plant and equipment</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Deferred tax liabilities of the Group</b>		
Balance as at 1 January	2,006	1,576
Recognised in profit or loss	36	430
<b>Balance as at 31 December</b>	<b>2,042</b>	<b>2,006</b>

<b>Deferred tax assets of the Group</b>	<b>Deferred franchise fees RM'000</b>	<b>Unused tax losses RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
Balance as at 1 January 2017	(220)	(86)	-	(306)
Recognised in profit or loss	(30)	86	-	56
<b>Balance as at 31 December 2017</b>	<b>(250)</b>	<b>-</b>	<b>-</b>	<b>(250)</b>
Balance as at 1 January 2016	(228)	-	(5)	(233)
Recognised in profit or loss	8	(86)	5	(73)
<b>Balance as at 31 December 2016</b>	<b>(220)</b>	<b>(86)</b>	<b>-</b>	<b>(306)</b>

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**21. DEFERRED TAX (continued)**

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	<b>2017</b>	<b>Group</b>
	<b>RM'000</b>	<b>2016</b>
		<b>RM'000</b>
Unused tax losses	4,888	4,774
Unabsorbed capital allowances	11,563	9,923
Other temporary differences	(4,101)	(3,850)
	12,350	10,847

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that future taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The deductible temporary differences do not expire under the current tax legislation.

**22. DERIVATIVE ASSETS/(LIABILITIES)**

	<b>Contract/ Notional amount RM'000</b>	<b>Group</b>	
<b>31 December 2017</b>		<b>Assets RM'000</b>	<b>Liabilities RM'000</b>
Forward currency contracts	256	-	(2)
<b>31 December 2016</b>			
Forward currency contracts	843	40	(1)

- (a) Forward currency contracts have been entered into to operationally hedge forecast purchases denominated in foreign currencies that are expected to occur at various dates within three (3) months from the end of reporting period. The forward currency contracts have maturity dates that coincides with the expected occurrence of these transactions. The fair value of these components has been determined by reference to the difference between the contracted rate and the forward exchange rate as at the end of each reporting period applied to a contract of similar amount and maturity profile.
- (b) The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on Government bonds). The net gain/(loss) on fair value adjustments or derivative assets/(liabilities) of the Group is disclosed in Note 30 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

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### 23. SHARE CAPITAL

	Group and Company			
	2017		2016	
	Number of ordinary shares	RM'000	Number of ordinary shares	RM'000
<b>Issued and fully paid-up</b>				
Balance as at 1 January	165,000,000	33,000	165,000,000	33,000
Transfer from share premium account pursuant to Companies Act 2016	-	7,096	-	-
Balance as at 31 December	165,000,000	40,096	165,000,000	33,000

- (a) Owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.
- (b) With the introduction of Companies Act 2016 effective 31 January 2017, the concept of authorised share capital and par value of share capital have been abolished. Consequently, balance within the share premium account of RM7,096,000 has been transferred to the share capital account pursuant to the transitional provisions set out in Section 618(2) of Companies Act 2016. Notwithstanding this provision, the Company may utilise its share premium account for purposes stipulated in Section 618(3) of Companies Act 2016 for a transitional period of 24 months from 31 January 2017. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the member as a result of this transition.

### 24. RESERVES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-distributable:				
Share premium	-	7,096	-	7,096
Distributable:				
Retained earnings	12,248	12,706	6,538	2,855
	12,248	19,802	6,538	9,951

#### (a) Share premium

With the introduction of Companies Act 2016 effective 31 January 2017, the balance within the share premium account has been transferred to the share capital account as disclosed in Note 23 to the financial statements.

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**25. COMMITMENTS**

**(a) Operating lease commitments**

**The Group as lessee**

The Group has entered into non-cancellable lease agreements for business premises, resulting in future rental commitments which may, subject to certain terms in the agreements, be revised accordingly or upon its maturity based on prevailing market rates. The Group has aggregate future minimum lease commitments as at the end of the reporting period as follows:

	Group	
	2017 RM'000	2016 RM'000
<b>Branches</b>		
Not later than one (1) year	30,583	30,387
Later than one (1) year and not later than five (5) years	23,665	36,292
	54,248	66,679
<b>Franchisees</b>		
Not later than one (1) year	5,612	5,203
Later than one (1) year and not later than five (5) years	3,907	2,254
	9,519	7,457

Certain lease rentals are subject to contingent rental which are determined based on a percentage of sales generated from outlets.

**The Group as lessor**

The Group has back-to-back arrangements with its franchisees on the rental commitments. The Group enters into rental agreements for the business premises with third parties and subsequently, sub-leases these business premises to the franchisees. The rental expenses will be recharged to the franchisees.

**(b) Capital commitments**

	Group	
	2017 RM'000	2016 RM'000
Capital expenditure in respect of purchase of property, plant and equipment:		
Contracted but not provided for	1,622	4,045
	1,622	4,045

## NOTES TO THE FINANCIAL STATEMENTS

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### 26. CONTINGENT LIABILITIES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Unsecured corporate guarantees given to licensed banks for facilities granted to subsidiaries				
- Limit of guarantee	-	-	58,723	62,348
- Amount utilised	-	-	43,331	44,667
Secured financial guarantee given to landlord for rental of premises	1,976	1,341	-	-

The secured financial guarantee of the Group is secured by way of the pledge of the freehold land and buildings and fixed deposits of the Group as disclosed in Notes 6(d) and 12(b) to the financial statements.

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote. Accordingly, the fair values of the above corporate guarantees given to subsidiaries for banking facilities are negligible.

### 27. REVENUE

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Sale of goods	160,263	157,064	-	-
Services rendered	1,163	1,141	-	-
Franchise fees income	480	503	-	-
Licensing fees income	182	165	-	-
Royalty fees income	3,033	3,073	-	-
Dividend income from a subsidiary	-	-	4,000	-
	165,121	161,946	4,000	-

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**27. REVENUE (continued)**

**(a) Sale of goods**

Revenue from sale of goods represents the invoiced value arising from the sale of optical related products, hearing aid solutions and related accessories and food and beverages.

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the customers and where the Group retains no continuing managerial involvement over the goods, which coincides with delivery of goods and services and acceptance by customers.

**(b) Services**

Revenue from services represents the invoiced value arising from laser eye surgery treatment and is recognised upon performance of services.

**(c) Franchise fee income**

Franchise fee income is recognised on an accrual basis over the period of the respective franchise agreements, unless collectibility is in doubt, with the unrecognised portion being recorded as deferred income in the statement of financial position.

**(d) Licensing fee income**

Licensing fee income is recognised on an accrual basis over the period of the respective licensing agreements, unless collectibility is in doubt, with the unrecognised portion being recorded as deferred income in the statement of financial position.

**(e) Royalty fee income**

Royalty fee income is recognised on an accrual basis unless collectibility is in doubt.

**(f) Dividend income**

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

**28. COST OF SALES**

	<b>2017</b>	<b>Group</b>	<b>2016</b>
	<b>RM'000</b>		<b>RM'000</b>
Inventories sold	66,854		66,542
Services rendered	339		314
	<hr/>		<hr/>
	67,193		66,856
	<hr/>		<hr/>

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**29. FINANCE COSTS**

	Group	
	2017 RM'000	2016 RM'000
Interest expense on:		
- hire-purchase	903	704
- term loans	531	460
- bankers' acceptances	611	706
- bank overdrafts	424	438
- revolving credits	136	15
- others	109	85
	2,714	2,408

**30. PROFIT/(LOSS) BEFORE TAX**

Other than those disclosed elsewhere in the financial statements, the profit/(loss) before tax is arrived at:

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
After charging:					
Auditors' remuneration:					
- statutory audits		168	171	38	38
- other services		8	8	8	8
Deposit written off		23	150	-	-
Loss on disposal of property, plant and equipment		81	391	-	-
Property, plant and equipment written off		778	1,551	-	-
Realised loss on foreign currency transactions		391	180	-	-
Rental of premises		33,654	33,222	-	-
Net fair value loss on derivative	22(b)	41	-	-	-



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### 30. PROFIT/(LOSS) BEFORE TAX (continued)

Other than those disclosed elsewhere in the financial statements, the profit/(loss) before tax is arrived at (continued):

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
And crediting:					
Gain on disposal of property, plant and equipment		162	4	-	-
Dividends received from a subsidiary (unquoted)		-	-	4,000	-
Interest income received from:					
- fixed deposits		179	275	-	1
- others		79	85	-	-
Net fair value gain on derivative		-	87	-	-
Realised gain on foreign currency transactions		240	148	-	-
Rental income		74	156	-	-

(a) Interest income is recognised as it accrues, using the effective interest method.

(b) Rental income is recognised on a straight line basis over the lease term of an ongoing lease.

### 31. DIRECTORS' REMUNERATION

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Directors of the Company:				
<b>Executive:</b>				
Emoluments other than fees	2,600	2,598	-	-
<b>Non-Executive:</b>				
Fees	132	132	132	132
<b>Total</b>	<b>2,732</b>	<b>2,730</b>	<b>132</b>	<b>132</b>

Estimated monetary value of benefits-in-kind provided to the Executive Directors/Non-Executive Directors of the Company is RM149,000 (2016: RM139,000).

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**32. TAXATION**

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current tax expense	1,927	1,614	-	-
Under/(Over)-provision of tax in prior years	349	(45)	-	-
	2,276	1,569	-	-
Deferred tax (Note 21):				
Relating to origination and reversal of temporary differences	164	322	-	-
(Over)/Under-provision of tax in prior years	(72)	35	-	-
	92	357	-	-
	2,368	1,926	-	-

Malaysian income tax is calculated at the statutory tax rate of 24% (2016: 24%) of the estimated taxable profits for the fiscal year.

The numerical reconciliations between the tax expense and the product of accounting profit/(loss) multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit/(Loss) before tax	1,911	643	3,683	(338)
Taxation at Malaysian statutory tax rate of 24% (2016: 24%)	459	154	884	(81)
Tax effects in respect of:				
Non-allowable expenses	1,385	1,254	76	81
Non-taxable income	(114)	(122)	(960)	-
Deferred tax assets not recognised	361	650	-	-
	2,091	1,936	-	-
Under/(Over)-provision in prior years:				
- income tax	349	(45)	-	-
- deferred tax	(72)	35	-	-
	2,368	1,926	-	-

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### 33. LOSS PER ORDINARY SHARE

#### (a) Basic loss per ordinary share

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

	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Loss attributable to equity holders of the parent	(458)	(1,198)
<hr/>		
Weighted average number of ordinary shares in issue ('000)	165,000	165,000
<hr/>		
	<b>2017</b>	<b>2016</b>
	<b>Sen</b>	<b>Sen</b>
Basic loss per ordinary share	(0.28)	(0.73)

#### (b) Diluted loss per ordinary share

The diluted loss per ordinary share for the current and previous financial year is equal to the basic loss per ordinary share for the respective financial year as there were no outstanding dilutive potential ordinary shares at the end of each reporting period.

### 34. EMPLOYEE BENEFITS

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Wages, salaries and bonuses	27,896	29,503	132	132
Contributions to defined contribution plan	4,121	4,306	-	-
Social security contributions	423	433	-	-
Other benefits	5,315	5,312	-	-
<hr/>				
	37,755	39,554	132	132

### 35. RELATED PARTY DISCLOSURES

#### (a) Identities of 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 individuals or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

## NOTES TO THE FINANCIAL STATEMENTS

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### 35. RELATED PARTY DISCLOSURES (continued)

#### (a) Identities of related parties (continued)

Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 7 to the financial statements;
- (ii) Indirect joint venture and associates as disclosed in Notes 8 and 9 to the financial statements;
- (iii) Companies in which certain Directors of the Company have substantial financial interest; and
- (iv) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of the senior management of the Group.

#### (b) Significant related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<b>Subsidiaries:</b>				
Dividend received	-	-	4,000	-
Purchase of goods	-	-	-	(1)
<b>Joint venture:</b>				
Sale of goods	459	-	-	-
Royalty fees received/ receivables	83	-	-	-
Disposal of property, plant and equipment	382	-	-	-
<b>Associate:</b>				
Sale of goods	1,268	1,430	-	-
Licensing fee received/ receivable	157	163	-	-
Dividend received	420	385	-	-
<b>Companies in which certain Directors of the Company have substantial financial interests:</b>				
Purchase of goods	-	(3)	-	-
Transportation services paid/payable	-	(1)	-	-
Rental paid/payable	(240)	(276)	-	-

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**35. RELATED PARTY DISCLOSURES (continued)**

**(b) Significant related party transactions (continued)**

The related party transactions described above were carried out based on negotiated terms and conditions and mutually agreed with related parties. The licensing fee received/receivable from an associate was charged at 2% (2016: 2%) of monthly gross sales while other licensees of the Group were charged at 5% (2016: 5%) of monthly gross sales.

Information regarding outstanding balances arising from related party transactions as at 31 December 2017 is disclosed in Notes 10 and 19 to the financial statements.

**(c) Compensation of key management personnel**

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and of the Company.

The remuneration of Directors during the financial year are disclosed in Note 31 to the financial statements.

**(d) Material contracts**

There were no material contracts, which have been entered into by the Company or its subsidiaries which involved Directors' and major shareholders' interests subsisting at the end of the financial year ended 31 December 2017 or entered into since the end of the previous financial year except as disclosed elsewhere in the financial statements.

**36. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs**

**(a) New MFRSs adopted during the financial year**

The Group and the Company adopted the following Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year.

<b>Description</b>	<b>Effective Date</b>
Amendments to MFRS 12 <i>Annual Improvements to MFRS Standards 2014 - 2017 Cycle</i>	1 January 2017
Amendments to MFRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to MFRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017

Adoption of the above Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

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### 36. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (continued)

- (b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2018

The following are Standards and Amendments of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Description	Effective Date
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarification to MFRS 15	1 January 2018
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2017 Cycle</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48
MFRS 16 <i>Leases</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in future financial years.

## LIST OF PROPERTIES

As at 31 December 2017

Address	Description/ Existing use/ Tenure	Approx. age of building (years)	Build-up area (square feet)	Net carrying amount (RM'000)	Date of acquisition	Year of revaluation
Unit 1, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	5-storey shop office/ Head office/ Freehold	18	7,216	1,815	23.8.2001	2011
Unit 3, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	5-storey shop office/ Head office/ Freehold	18	7,216	1,755	1.8.2000	2016
Unit 5-1, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	Ground floor of a 5-storey shop office/ Head office/ Freehold	18	1,282	511	8.8.2007	2016
Unit 5-4, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	3rd floor of a 5-storey shop office/ Head office/ Freehold	18	1,480	320	11.12.2009	2011
Unit 5-5, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	4th floor of a 5-storey shop office/ Head office/ Freehold	18	1,487	415	15.9.2010	2010
Unit 7, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	5-storey shop office/ Head office/ Freehold	18	7,170	3,471	12.5.2016	2016

## ANALYSIS OF SHAREHOLDINGS

As at 29 March 2018

Total number of issued shares : 165,000,000 ordinary shares  
 Class of share : Ordinary shares  
 Voting right : One vote per ordinary share

### ANALYSIS BY SIZE OF HOLDINGS AS AT 29 MARCH 2018

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	11	1.884	300	0.000
100 - 1,000	129	22.089	75,000	0.045
1,001 - 10,000	202	34.589	1,148,600	0.696
10,001- 100,000	190	32.534	6,836,200	4.143
100,001 - 8,249,999 (*)	49	8.390	34,882,200	21.141
8,250,000 and above (**)	3	0.514	122,057,700	73.975
<b>TOTAL :</b>	<b>584</b>	<b>100.000</b>	<b>165,000,000</b>	<b>100.000</b>

Remark \* - Less than 5% of issued shares  
 \*\* - 5% and above of issued shares

### LIST OF TOP 30 HOLDERS AS AT 29 MARCH 2018

NO.	NAME	HOLDINGS	%
1	LIAW CHOON LIANG	75,843,001	45.965
2	PERBADANAN NASIONAL BERHAD	24,750,000	15.000
3	GOH POI EONG	21,464,699	13.009
4	TEO KWEE HOCK	4,069,300	2.466
5	WONG LEE SEONG	3,967,800	2.405
6	TAN YAN PIN	3,515,000	2.130
7	WAN SIEW TING	1,808,500	1.096
8	SIM AH HENG	1,538,400	0.932
9	HUNTERSVILLE (M) SDN BHD	1,471,600	0.892
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SUSY DING (471873)	1,139,000	0.690
11	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI	1,111,500	0.674
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD NOMURA SINGAPORE LIMITED FOR LIM LIAN HOCK (410242)	1,055,800	0.640
13	HAN LONG CHEN	1,030,900	0.625
14	HO LEE LING	1,000,000	0.606
15	KELVIN LIAW KAI XUAN	1,000,000	0.606
16	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI (KLC/KEN)	1,000,000	0.606
17	HOH HON BING	800,000	0.485
18	ONG HUNG HENG	760,000	0.461
19	ONG BOON SENG	630,000	0.382
20	WAN SIEW TING	610,000	0.370
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN BOON HOCK	600,000	0.364
22	TAN YAN PIN	518,000	0.314



## ANALYSIS OF SHAREHOLDINGS (CONT'D)

### LIST OF TOP 30 HOLDERS AS AT 29 MARCH 2018 (continued)

NO.	NAME	HOLDINGS	%
23	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR LEOW MING FONG @ LEOW MIN FONG (PBCL-OG0161)	500,000	0.303
24	LIM KIM SOW	500,000	0.303
25	WONG LAI HENG	463,000	0.281
26	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM LIAN HOCK (E-SPI)	424,100	0.257
27	VIVIEN LEE XIN RUI	405,400	0.246
28	GOH HOCK CHUAN	385,500	0.234
29	LIEW NGEK SIN	369,000	0.224
30	LUM SHEAU FEN	300,000	0.182
Total		153,030,500	92.748

### Directors' Shareholding as at 29 March 2018 based on the Register of Directors' Shareholdings

Name of Directors	No. of Shares held (Direct)	%	No. of Shares held (Indirect)	%
Dato' Liaw Choon Liang	75,843,001	45.965	22,464,699 *	13.615
Datin Goh Poi Eong	21,464,699	13.009	76,843,001 **	46.571
Kelvin Liaw Kai Xuan	1,000,000	0.606	-	-
Leow Ming Fong @ Leow Min Fong	500,000	0.303	-	-
Datin Sim Swee Yoke	-	-	-	-
Dato' Syed Kamarulzaman bin Dato' Syed Zainol Khodki Shahabudin	-	-	-	-

\* Deemed interest by virtue of the interest of his spouse, Datin Goh Poi Eong and his son, Kelvin Liaw Kai Xuan pursuant to Section 8 of Companies Act 2016.

\*\* Deemed interest by virtue of the interest of her spouse, Dato' Liaw Choon Liang and her son, Kelvin Liaw Kai Xuan pursuant to Section 8 of Companies Act 2016.

### Substantial Shareholders as at 29 March 2018 based on the Register of Substantial Shareholders

Name of Shareholders	No. of Shares held (Direct)	%	No. of Shares held (Indirect)	%
Dato' Liaw Choon Liang	75,843,001	45.965	22,464,699 *	13.615
Perbadanan Nasional Berhad	24,750,000	15.000	-	-
Datin Goh Poi Eong	21,464,699	13.009	76,843,001 **	46.571

\* Deemed interest by virtue of the interest of his spouse, Datin Goh Poi Eong and his son, Kelvin Liaw Kai Xuan pursuant to Section 8 of Companies Act 2016.

\*\* Deemed interest by virtue of the interest of her spouse, Dato' Liaw Choon Liang and her son, Kelvin Liaw Kai Xuan pursuant to Section 8 of Companies Act 2016.

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Ninth Annual General Meeting of Focus Point Holdings Berhad ("the Company") will be held at Greens II Function Room, Main Wing at Level 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 24 May 2018 at 10.00 a.m. to transact the following businesses :

### AGENDA

#### Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note 2)**
2. To approve the payment of Directors' fees and benefits of RM138,000 for the period from this 9th Annual General Meeting until the next Annual General Meeting of the Company. **(Resolution 1)**
3. To re-elect Mr Leow Ming Fong @ Leow Min Fong who retires pursuant to Article 85 of the Company's Constitution, as Director of the Company. **(Resolution 2)**
4. To re-elect Dato' Liaw Choon Liang who retires pursuant to Article 85 of the Company's Constitution, as Director of the Company. **(Resolution 3)**
5. To re-elect Mr Kelvin Liaw Kai Xuan who retires pursuant to Article 92 of the Company's Constitution, as Director of the Company. **(Resolution 4)**
6. To re-appoint Messrs BDO as the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

#### Special Business

To consider and, if thought fit, to pass the following resolutions, with or without modifications, as Ordinary Resolutions of the Company:-

7. **ORDINARY RESOLUTION I  
CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE  
CHAIRMAN – LEOW MING FONG @ LEOW MIN FONG**

"THAT subject to the passing of Resolution 2, authority be and is hereby given to Leow Ming Fong @ Leow Min Fong who will serve as an Independent Non-Executive Chairman of the Company for a cumulative term of nine years on 31 March 2019, to continue to act as Independent Non-Executive Chairman of the Company until the conclusion of the next Annual General Meeting."

**(Resolution 6)**

NOTICE OF  
ANNUAL GENERAL MEETING  
(CONT'D)

8. **ORDINARY RESOLUTION II  
AUTHORITY TO ALLOT SHARES**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors of the Company be and are hereby authorised to allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued from Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by the Company at a general meeting."

(Resolution 7)

9. **ORDINARY RESOLUTION III  
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR  
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR  
TRADING NATURE**

"THAT pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiaries be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.3 of the Circular to Shareholders dated 25 April 2018 ("Related Parties") provided that such transactions and/or arrangements are:-

- (a) necessary for the day-to-day operations;
- (b) are undertaken in the ordinary course of business at arm's length basis and are on normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public; and
- (c) are not detrimental to the minority shareholders of the Company,

(collectively known as "Proposed Shareholders' Mandate").

AND THAT such approval, shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by an ordinary resolution passed at such Annual General Meeting, the authority is renewed; or
- (b) the expiration of the period within which the next Annual General Meeting of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."

(Resolution 8)

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

10. To consider any other business of which due notice shall be given in accordance with the Companies Act 2016.

BY ORDER OF THE BOARD

**WONG WAI FOONG (MAICSA 7001358)**  
**WONG PEIR CHYUN (MAICSA 7018710)**  
Company Secretaries

Kuala Lumpur

Date: 25 April 2018

### NOTES:

#### 1. Notes on Appointment of Proxy

- (a) A member entitled to attend and vote at the Meeting is entitled to appoint proxy(ies) (or in case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy need not be a member of the Company.
- (b) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Seal or under the hand of an officer or attorney duly authorised.
- (c) A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meetings and that where the member appoints 2 proxies, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- (d) Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two(2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (e) Where a Member of the Company is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (f) Where the authorised nominee appoints two (2) proxies or an exempt authorised nominee appoints two (2) or more proxies, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (g) The instrument appointing a proxy must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd (11324-H) of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting. Provided that in the event the Member(s) duly executes the form of proxy but does not name any proxy, such Member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the Member(s).

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

- (h) Only the member whose names appear on the Record of Depositors as at 16 May 2018 shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend and vote on their behalf.

### **2. Audited Financial Statements for the financial year ended 31 December 2017**

The Audited Financial Statements in Agenda 1 is meant for discussion only as the approval of the shareholders is not required pursuant to the provisions of Sections 248(2) and 340(1) of the Companies Act 2016. Hence, this Agenda is not put forward for voting by shareholders.

### **3. Resolution 1 – Directors' Fees and Benefits**

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting.

The Proposed Resolution 1 for the Directors' fees and benefits proposed for the period from this 9th Annual General Meeting up to the date of next Annual General Meeting are calculated based on the current Board size and number of scheduled Board and Committee Meetings from the 9th Annual General Meeting until the next Annual General Meeting. This resolution is to facilitate payment of Directors' fees and benefits on a current financial year basis. In the event the proposed amount is insufficient, (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for the shortfall.

### **4. Resolution 2 – Re-election of Director**

Leow Ming Fong @ Leow Min Fong is standing for re-election as Director of the Company and being eligible, have offered himself for re-election at the 9th Annual General Meeting.

The Board had through the Nomination Committee carried out the assessment on the Directors and agreed that they meet the criteria as prescribed by Paragraph 2.20A of the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their role as Directors.

The Board had also through the Nomination Committee carried out assessment on the independence of Leow Ming Fong @ Leow Min Fong and is satisfied that he met the criteria of independence as prescribed in the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad.

### **5. Resolution 5 – Re-appointment of Auditors**

The Board has through the Audit Committee assessed the suitability and independence of the External Auditors, Messrs BDO and considered the re-appointment of Messrs BDO as Auditors of the Company. The Board and Audit Committee collectively agreed and satisfied that Messrs BDO has the relevant criteria prescribed by Rule 15.21 of the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad.

### **6. Explanatory Notes on Special Business**

#### **(i) Resolution 6 – Continuing in Office as Independent Non-Executive Chairman**

The Board had via the Nomination Committee conducted an annual performance evaluation and assessment of Leow Ming Fong @ Leow Min Fong as an Independent Non-Executive Chairman, who will serve for a cumulative term of nine years on 31 March 2019 and recommended him to continue act as an Independent Non-Executive Chairman based on the following justifications:-

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

- a. He fulfills the criteria under the definition of "Independent Director" as stated in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as a check and balance, bring an element of objectivity to the Board;
- b. His tenure with the Company have neither impaired nor compromise his independent judgement and ability to act in the best interest of the Company. He continues to remain objective and are able to exercise his independence judgement in expressing his view and participating in deliberations and decision making of the Board and Board Committee in the best interest of the Company;
- c. He has vast experience in a diverse range of business and has good understanding of the Company's business operations;
- d. He continues to exercise due care during his tenure as an Independent Non-Executive Chairman of the Company and carried out his professional duties in the interest of the Company and shareholders;
- e. He has devoted sufficient time and commitment to discharge his responsibility and professional obligations as an Independent Non-Executive Chairman; and
- f. He does not have any business dealings with the Group.

### **(ii) Resolution No. 7 – Authority to Allot Shares**

The proposed Resolution 7 is prepared for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors to allot shares in the Company up to an amount not exceeding in total per centum (10%) of the total number of issued share of the Company for such purposes as the Directors consider would be in the interest of the Company.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

The renewed general mandate is to provide flexibility to the Company to allot new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings acquisitions and/or for issuance of shares as settlement of purchase consideration.

As at the date of this notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Eighth Annual General Meeting because there were no investment(s), acquisition(s) or working capital that require fund raising activity.

### **(iii) Resolution No. 8 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature**

The Resolution 8, if passed, will allow the Group to enter into RRPT made on an arm's length basis and on normal commercial terms and which are not detrimental to the interest of the minority shareholders. Please refer to the Circular to Shareholders dated 25 April 2018 enclosed together with the Company's Annual Report 2017.

STATEMENT ACCOMPANYING NOTICE OF  
**ANNUAL GENERAL MEETING**

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

**Authority for Directors to Allot Shares Pursuant to Section 75 and 76 of Companies Act 2016**

Kindly refer to item (6)(ii) of the Explanatory Notes on Special Business on page 124.

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# FOCUS POINT

**FOCUS POINT HOLDINGS BERHAD** (884238-U)

(Incorporated in Malaysia)

## FORM OF PROXY

I/We ..... \*NRIC No./Passport No./Company No.....

of ..... being \*a member/members of

Focus Point Holdings Berhad hereby appoint.....

NRIC No./Passport No. .... of.....

or failing him/her, the Chairman of the Meeting as \*my/our proxy to vote for \*me/us and on \*my/our behalf at the Ninth Annual General Meeting of the Company to be held at Greens II Function Room, Main Wing at Level 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 24 May 2018 at 10.00 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below:

Item	Agenda			
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2017 and the Reports of Directors and Auditors thereon.			
		Resolution	For	Against
2.	To approve the payment of Directors' fees and benefits of RM138,000 from this 9th Annual General Meeting until the next Annual General Meeting of the Company.	1		
3.	To re-elect Mr Leow Ming Fong @ Leow Min Fong who retires pursuant to Article 85 of the Company's Constitution, as Director of the Company.	2		
4.	To re-elect Dato' Liaw Choon Liang who retires pursuant to Article 85 of the Company's Constitution, as Director of the Company.	3		
5.	To re-elect Mr Kelvin Liaw Kai Xuan who retires pursuant to Article 92 of the Company's Constitution, as Director of the Company.	4		
6.	Re-appointment of Messrs BDO as Auditors of the Company.	5		
Special Business				
7.	Approval on the continuation of office for Leow Ming Fong @ Leow Min Fong as an Independent Non-Executive Chairman of the Company.	6		
8.	Authority to allot shares Pursuant to Sections 75 and 76 of the Companies Act 2016.	7		
9.	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue of Trading Nature.	8		

Please indicate with an "X" in the appropriate space how you wish your proxy to vote. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit or, at his discretion, abstain from voting.

Dated this day ..... of ..... 2018

<b>Number of ordinary shares held</b>	
---------------------------------------	--

.....  
\* Signature/Common Seal of Shareholder

\* Delete if not applicable

### Notes:

- A member entitled to attend and vote at the Meeting is entitled to appoint proxy(ies) (or in case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy need not be a member of the Company.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Seal or under the hand of an officer or attorney duly authorised.
- A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meetings and that where the member appoints 2 proxies, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies 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 as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Where the authorised nominee appoints two (2) proxies or an exempt authorised nominee appoints two (2) or more proxies, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The instrument appointing a proxy must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd (11324-H) of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting. Provided that in the event the Member(s) duly executes the form of proxy but does not name any proxy, such Member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the Member(s).
- Only the member whose names appear on the Record of Depositors as at 16 May 2018 shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend and vote on their behalf.



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Stamp

The Share Registrar

Tricor Investor & Issuing House Services Sdn Bhd (11324-H)  
Unit 32-01, Level 32  
Tower A, Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

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**Focus Point Holdings Berhad** (884238-U)

Unit 1, 3, 5 & 7, Jalan PJU 1/37, Dataran Prima  
47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia

**Tel** : 03-7880 5520  
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