

FOCUS POINT



NEW *vision*
ANNUAL REPORT 2023 | **FOR THE FUTURE**

FOCUS POINT

CORPORATE 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 Bukit Raja	03-3341 4006
AEON Cheras Selatan	03-9075 3975
AEON Metro Prima Kepong	03-6259 0235
AEON Rawang	03-6092 0843
AEON Shah Alam	03-5523 8941
Alamanda Putrajaya	03-8889 3093
Ampang Point	03-4252 0758
Axis Atrium	03-4820 7117
Bukit Tinggi	03-3311 7306
Central I-City	03-5523 4589
EkoCheras Mall	03-9133 7797
Giant Batu Caves	03-6188 4799
Giant Kajang	03-8211 1717
Giant Klang	03-3323 5195
Giant Putra Heights	03-5191 5197
Giant Seri Kembangan	018-788 9908
Gombak	03-4021 1341
Hartamas Shopping Centre	03-6206 5799
IOI City Mall	03-8959 9346
IOI Mall Puchong	03-8075 7556
Kajang	03-8736 0220
Kelana Jaya	03-7804 3013
KL East Mall	03-4162 5879
Leisure Mall	03-2856 0510
Lotus's Ampang	03-9285 7767
Lotus's Extra Cheras	011-1133 0566
Lotus's Kepong	016-232 4012
Lotus's Kuala Selangor	03-3289 6418
Lotus's Rawang	03-6091 4809
Lotus's Shah Alam	03-5512 1686
Mid Valley Megamall	03-2287 3790
Mitsui Lalaport BBCC	03-9772 4652
MyTown Shopping Centre	03-2710 4980
Nu Sentral	03-2272 2073
One Utama	03-7732 4128
Paradigm Mall	03-7887 1078
PJ Old Town	03-7781 5341
Plaza Shah Alam	03-5510 0026
Rawang	03 6092 2599
Selayang Mall	03-6136 9566
Seksyen 14 PJ	03-7960 2726
Setapak Central	03-4131 8977
Setia City Mall	03-3345 6510
Setia City Mall UG	03-3358 2493
Sri Gombak	03-6186 7721
SS2	03-7865 6813
Subang Parade	03-5622 1458
Sungai Buloh	03-6141 0976
Sunway Pyramid	03-7494 0480
Sunway Pyramid GF	03-5611 0301
Sunway Putra Mall	03-4040 0759
Sunway Giza	03-6143 4472
Sunway Velocity	03-2725 9263
Taman Putra	03-4821 6158
The Curve	03-7727 9852
The Mines	03-8941 6158
USJ Taipan	03-5637 1536

SOUTHERN REGION

AEON Melaka	06-292 1107
AEON Bukit Indah	07-236 5681
AEON Kulai	07-660 6308
AEON Nilai	06-794 7114
AEON Permas Jaya	07-380 5790
AEON Seremban 2	06-601 5018
AEON Taman Universiti	07-520 1676
AEON Ayer Keroh	06-232 8634
Batu Pahat Taman Flora	07-438 5520
Batu Pahat Mall	07-435 2306
Batu Pahat Jalan Soga 21	07-431 3659
City Square	07-226 0130
Giant JB	07-358 3318
Giant Nilai 9 Avenue	06-794 0996
Giant Senawang	06-679 7696
Giant Tampoi	07-236 9588
Kluang	07-776 0303
Kluang Perdana	07-721 0685
Kota Tinggi	07-882 4967
Lotus's Masai	07-388 6231
Lotus's Desa Tebrau	07-353 9780
Lotus's Putra Nilai	06-799 8081
Lotus's Senawang	06-677 6672
Lotus's Seremban 2	06-6333 212
Masai	07-251 8778
Mahkota Parade	012-326 2612
Mydin Seremban 2	06-601 7910
NSK Muar	06-952 9619
Paradigm Mall JB	07-244 4263
Plaza Kota Tinggi	07-883 9689
Segamat	07-931 3408
Sutera Mall	07-562 3685
Terminal One	06-763 9193
Ulu Tiram	07-861 8363
Wetex Parade, Muar	06-951 4379

NORTHERN REGION

AEON Bukit Mertajam	04-548 5797
AEON Bukit Mertajam GF	04-548 9408
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
Bukit Jambul	04-642 5155
Central Square	04-422 1813
Gurney Plaza	04-228 0816
Gurney Paragon	04-226 1850
Ipoh Parade	05-243 5717
Lotus's Penang	04-659 5070
Lotus's Sungai Petani Mutiara	04-425 9858
Lotus's Sungai Petani Utara	04-425 8858
Lotus's Station 18, Ipoh	05-322 3509
Lotus's Extra Prai	04-383 0620
Queensbay Mall	04-641 1975
Sunway Carnival 1F	04-390 5520

Taiping Mall 05-804 8129

EASTERN REGION

AEON Kota Bharu 09-744 0988
 East Coast Mall 09-517 3136
 Giant Kuala Terengganu 09-622 6967
 KTCC Mall 09-628 5270
 KB Mall 1 09-747 7993
 KB Mall 2 09-743 2636
 Lotus's Kota Bharu 09-741 6520
 Mesra Mall 09-867 8608
 Mydin Tunjong 09-744 1828
 Sky Avenue Genting 03-6101 2039

EAST MALAYSIA

AEON Kuching Central 082-237 108
 1 Borneo 088-447 581
 Imago KK 088-274 800
 Suria Sabah 1F 088-210 772
 Vivacity Megamall 082-263 818
 Vivacity Megamall 2 082-263 828

BRUNEI

Aman Hill Brunei +673 2331013
 Freshco Mall +673 222 0099
 Kuala Belait +673 333 2299
 KB Sentral +673 334 3038
 One City +673 233 9920
 Times Square Brunei +673 2342 903
 The Mall, Gadong +673 242 8777

FOCUS POINT
CONCEPT STORE

CENTRAL REGION

AEON Bukit Tinggi 03-3319 8627
 AEON Taman Equine 03-8949 9479
 Dpulze Cyberjaya 03-8322 5376
 IOI City Mall 03-8959 2719
 IPC Shopping Centre 03-7731 1358
 Melawati Mall 03-4162 1445
 Pavilion Bukit Jalil 03-8080 0796
 Wangsa Walk 03-4142 7063

SOUTHERN REGION

AEON Bandar Dato'Onn 07-361 6713
 AEON Seremban 2 06-601 5018
 AEON Tebrau City 07-364 3145
 Johor Premium Outlets 07-598 3243
 The Mall, Mid Valley Southkey 07-336 5068

EAST MALAYSIA

Suria Sabah 088-487 787

FOCUS POINT
SIGNATURE

CENTRAL REGION

AEON Shah Alam 03-5524 5695
 Empire Subang 03-5632 4171
 Mid Valley Megamall 03-2282 0878

Pavilion Damansara Height 03-2011 4066

Pavilion KL 03-2141 4866
 Suria KLCC 03-2166 8318
 The Exchange TRX 03-4820 9636

NOTHERN REGION

Sunway Carnival 04-398 5520

FOCUS POINT
OUTLET

NOTHERN REGION

Design Village Penang 04-589 9014

EASTERN REGION

Genting Premium Outlets 03-6436 8171

FOCUS POINT *Lifestyle*

SOUTHERN REGION

AEON Nilai 06-794 7114

FOCUS POINT
SIGHTSAVERS

CENTRAL REGION

Puchong Utama 018-272 6093
 Sendayan 06-775 8080
 Subang Bestari 03-7859 8726

SOUTHERN REGION

Castle Walk, Muar 06-954 1525



CENTRAL REGION

One Utama 03-7724 1395

NOTHERN REGION

Gurney Plaza 04-229 6482



CENTRAL REGION

AEON Rawang 03-6092 4757
 IOI City Mall 03-8959 3587
 Melawati Mall 03-4162 6094
 Mid Valley Megamall 03-2201 1691

SOUTHERN REGION

AEON Tebrau City 07-364 1586

eyefont

CENTRAL REGION

Suria KLCC 03-2181 2397

iFocus

CENTRAL REGION

Mid Valley Megamall 03-2202 0944



CENTRAL REGION

Central I-City 03-5523 5461
 KLCC 03-2181 6386
 Mid Valley Megamall 03-2287 5520
 Nu Sentral 03-2260 1306
 Setia City Mall 03-3341 1625
 The Curve 03-7710 0426

SOUTHERN REGION

AEON Bukit Indah 07-236 9857
 City Square 07-278 7045
 Mydin Seremban 2 06-601 1138
 The Mall, Mid Valley Southkey 07-336 2367

NORTHERN REGION

Aman Central 04-730 0459
 Gurney Plaza 04-285 9291
 Queensbay Mall 04-641 0631

EAST MALAYSIA

Imago KK 088-274 248

BRUNEI

Aman Hill +673 233 4886
 Freshco Brunei +673 222 0099
 One City Brunei +673 233 9921
 Times Square +673 234 1135
 Tutong +673 422 0024



MALAYSIA

AEON Nilai 06 7953 202
 AEON Shah Alam 03 5524 1614
 Bandar Mahkota Cheras 03 9011 6017
 Kuchai Lama 03 7972 5013
 Mid Valley Megamall 03 2201 2846
 Main Place 03 8021 6093
 Melawati Mall 03 4162 2726
 1-Utama 03 7733 1622
 Pavilion KL 03 2110 5022
 Paradigm Mall PJ 03 7886 5611
 SS2 03 7865 2688
 Wisma Conlay 03 8604 0871



PHILIPPINES

Ayala Malls Manila Bay +63 916 690 7039
 Festival Mall Alabang +63 927 494 8716
 Gateway Mall +63 966 524 6908
 Landmark Makati, Makati City +63 917 656 9433
 Robinsons Galleria +63 917 178 3199
 Robinsons Place Manila +63 977 859 8803
 SM City Bacoar Mall +63 966 290 1743
 SM City Baguio +63 927 926 4880
 SM City Clark Mall +63 917 631 8430
 SM City Dasmaringas Mall +63 994 757 8547
 SM City Fairview Mall +63 995 955 8777
 SM City Grand Central +63 917 116 9637
 SM City Marilao +63 966 915 0399
 SM City North EDSA, Quezon City +63 977 837 3798
 SM City Rosales Mall +63 921 570 8721
 SM City Santa Rosa Mall +63 969 299 0880
 SM Makati Mall +63 917 656 9430
 SM Southmall +63 967 386 3628
 UP Town Center, Quezon City +63 917 671 8963



CENTRAL REGION

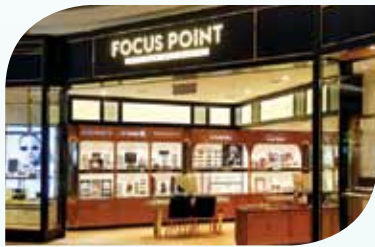
Mid Valley Megamall 03-2201 8142

OUTLET CONCEPT



FOCUS POINT

A professional eye care centre that caters for customers at all age groups.



FOCUS POINT SIGNATURE

Provides only the finest selection of products and brands.



FOCUS POINT OUTLET

For all bargain hunters, this is a store you should not miss! This store is always on sale for all products at up to 70%.



FOCUS POINT CONCEPT STORE

Created with the aim of becoming a one-stop solution for all customers by combining all key concepts of various Focus Point outlets & brands. It allows customers to get all the eyewear needs sort out in just one location conveniently and quickly.



FOCUS POINT *Lifestyle*

A new retail concept that houses Focus Point and homegrown KOMUGI bakery café under one roof.



FOCUS POINT SIGHTSAVERS

Focus Point SightSavers provides the best possible vision care and eyewear services at affordable prices.

OUTLET CONCEPT
(cont'd)



eyefont

A store that houses all major Luxottica brands under one roof.



Opulence® eyewear boutique

An exclusive optical centre for luxurious eyewear brands.



i-Focus

A store that provides comprehensive eye screening including screenings for eye related diseases such as hypertensive retinopathy and diabetic retinopathy that affects vision quality.



whosh eyewear

Fast. Fresh. Forward. With a wide range of design in 3 distinctive styles, 4 fixed and affordable prices and a great team of professional opticians, a style revolution is coming your way faster than you can think.



OPTOMETRIS ANGGUN

A one-stop destination for classy eyewear blended with elegance. It was built under the concept of immersion into Malay aesthetic art culture with a touch of simplicity. A comprehensive eye screening service offering with the latest technological equipment is also available in-store.

OUTLET CONCEPT
(cont'd)



IT'S JAPAN
BAKED DAILY
手作りの菓子工房

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 and internationally in Philippines and 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 and all its outlets have also obtained their Halal certification in August 2018 from there on Komugi expanded

beyond retail business by starting the supply of pastries business to large corporate customers. Komugi not only aspires to make all customers smile on the first bite but also satisfy with the Japanese culture customer service.



Where every
spoonful is a smile

At HAP&PI Frozen Yogurt, we believe that life's sweetest moments are meant to be celebrated with a smile. Our brand is more than just a name; it's a joyful duo "Hap" and "Pi", that embodies the essence of happiness and playfulness.



OUTLET CONCEPT
(cont'd)



EXCELVIEW LASER EYE CENTRE SDN. BHD.

Premier Lasik & Cataract Eye Centre

Mid Valley Megamall

| 03-2280 0087



The Group started ExcelView Laser Eye Centre Sdn. Bhd. in Mid Valley Megamall in year 2000 to provide private ophthalmology and optometric treatment services. Our core specialties are ReLEx SMILE treatment, Femto LASIK treatment, ICL surgery and CATARACT removal surgery with intraocular lens implantation. ExcelView has treated over 15,000 cases since it's humble inception. We have renewed the sights of patients from all walks of life, from near and far, such as USA, UK, Europe, China, Middle East, Japan, Singapore and Indonesia.



CONTENTS

CORPORATE AND BUSINESS REVIEW

- 09 Corporate Profile
- 10 Corporate Information
- 11 Corporate Structure
- 12 Financial Highlights
- 14 Profile of Directors
- 20 Profile of Key Senior Management
- 22 Chairman's Statement
- 23 Management Discussion & Analysis
- 30 Sustainability Statement

CORPORATE GOVERNANCE

- 55 Corporate Governance Overview Statement
- 70 Audit Committee Report
- 73 Statement on Risk Management and Internal Control
- 76 Other Disclosure Information
- 78 Statement of Directors' Responsibility for Preparing the Annual Financial Statements

FINANCIAL STATEMENTS

- 79 FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

- 159 List of Properties
- 160 Analysis of Shareholdings

ANNUAL GENERAL MEETING

- 163 Notice of 15th Annual General Meeting
- 170 Statement Accompanying Notice of 15th Annual General Meeting
- 171 Administrative Guide for the 15th Annual General Meeting
Form of Proxy



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 Vision Care Group 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 Petaling Jaya 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.

In 2012, we ventured to Food and Beverages business and started our first Japanese concept bakery store – “Komugi” in Kuala Lumpur. In 2019, we have expanded beyond the bakery retail business to include supply of pastry products to large corporate customers supported by our Halal certified central kitchen in Kota Damansara and expansion of our licenced Komugi outlets in oversea markets.

Listed in Bursa Malaysia's Ace Market in 2010, we successfully transferred our listing to the Main Market in 2023. We are now the largest optical retail chain in Malaysia with a growing Food and Beverages business in the market.

VISION

To become a leading brand name in Asia through:

- our focused approach in vision care and;
- delivering of high quality breads and pastries

MISSION

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

OUR CORE VALUES

- **Focused Professionalism**
Beyond products and services, our teams strive to deliver our best.
- **Focused Customer Service & Quality**
To provide the best quality in our industry, we keep ahead of trends and services.
- **Focused Human Capital Management**
Like our customers, our employees are and remain as our first customer.
- **Focused Integrity & Reliability**
Being reliable is the very essence of our integrity.
- **Focused Sustainability**
ESG is a way of life in how we operate.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Sri Suriani binti Dato' Ahmad
(Non-Independent Non-Executive Chairman)

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

Datin Goh Poi Eong
(Executive Director)

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

Dr. Haliza binti Abdul Mutalib
(Independent Non-Executive Director)

Lee Tuan Meng
(Independent Non-Executive Director)

AUDIT COMMITTEE

Lee Tuan Meng
(Chairman)

Datin Sim Swee Yoke
(Member)

Dr. Haliza binti Abdul Mutalib
(Member)

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Datin Sim Swee Yoke
Unit 1, 3, 5 & 7, Jalan PJU 1/37
Dataran Prima
47301 Petaling Jaya
Selangor Darul Ehsan
Email: 8nlssy@gmail.com

COMPANY SECRETARIES

Wong Peir Chyun (MAICSA 7018710)
SSM PC No. 202008001742

Ng Seng Hoo (MAICSA 7068810)
SSM PC No. 202008004089

NOMINATION COMMITTEE

Dr. Haliza binti Abdul Mutalib
(Chairperson)

Datin Sim Swee Yoke
(Member)

Lee Tuan Meng
(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

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
[197101000970 (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

REMUNERATION COMMITTEE

Datin Sim Swee Yoke
(Chairperson)

Dr. Haliza binti Abdul Mutalib
(Member)

Lee Tuan Meng
(Member)

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

AUDITORS

BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206)
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

SUSTAINABILITY COMMITTEE

Datin Sim Swee Yoke
(Chairperson)

Dato' Liaw Choon Liang
(Member)

Dr. Haliza binti Abdul Mutalib
(Member)

STOCK EXCHANGE LISTING

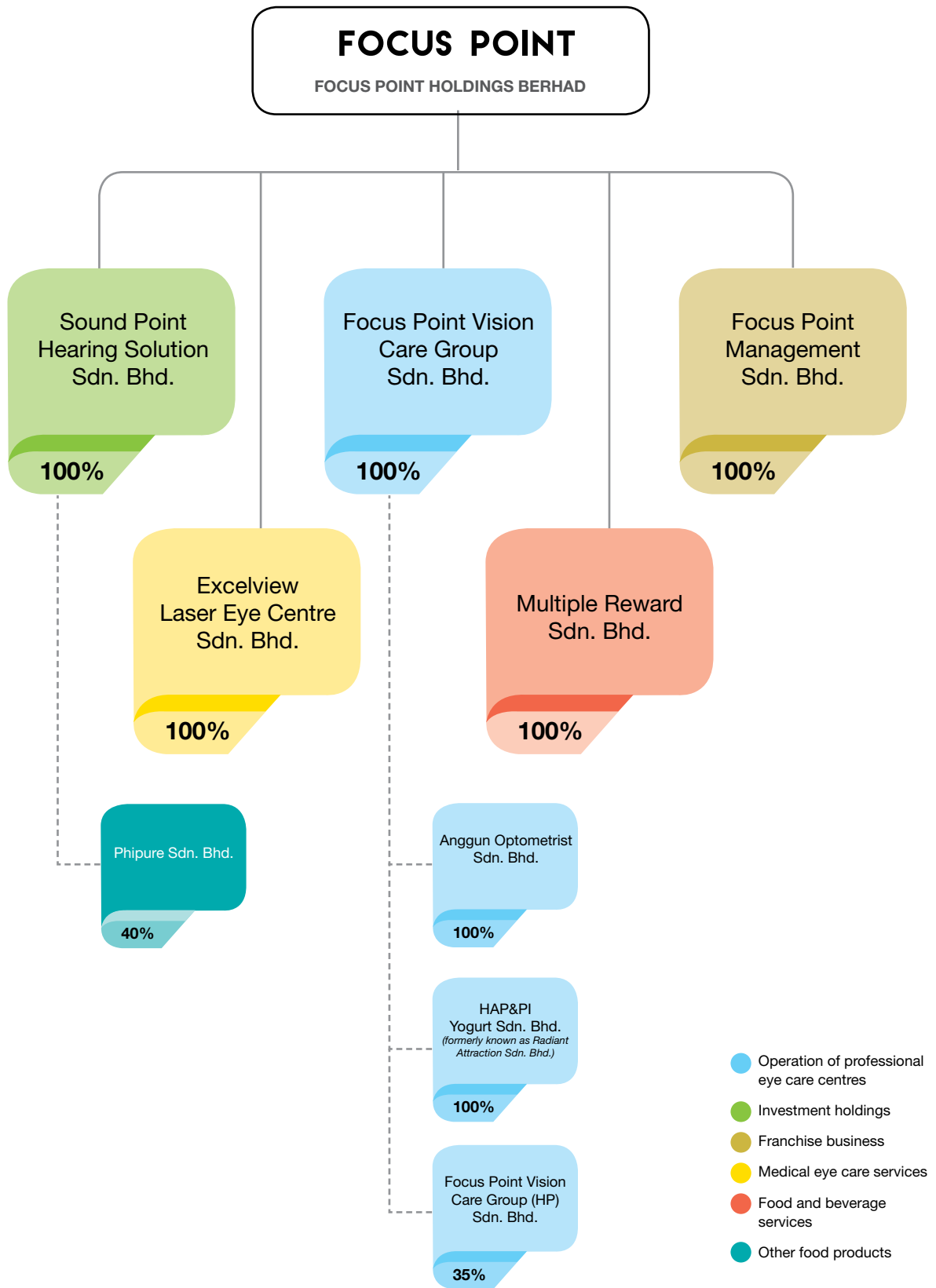
Bursa Malaysia Securities Berhad
Main Market
Stock Code : 0157

COMPANY WEBSITE

www.focus-point.com.my




CORPORATE STRUCTURE




FINANCIAL HIGHLIGHTS


2023 FINANCIAL SNAPSHOT



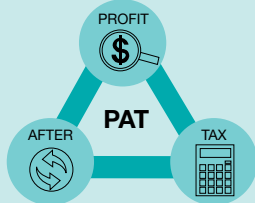
REVENUE:
RM260.9 million




REVENUE 5 YEAR COMPOUNDED ANNUAL GROWTH RATE
8%




PROFIT AFTER TAX:
RM30.2 million




PROFIT AFTER TAX 5 YEAR COMPOUNDED ANNUAL GROWTH RATE
34%




TOTAL ASSETS:
RM283.2 million




RETURN ON EQUITY:
26%



TOTAL EQUITY:
RM118.0 million



DIVIDEND PER SHARE
3 sen PER SHARE



EARNINGS PER SHARE
6.53 sen PER SHARE

FINANCIAL HIGHLIGHTS

5-YEAR FINANCIAL SUMMARY

	2023	2022	2021	2020	2019
Revenue (RM'000)	260,897	248,822	170,427	159,612	191,025
Earnings before interest, tax, depreciation and amortisation (EBITDA) (RM'000)	88,359	89,146	60,189	56,432	49,474
Profit before tax (RM'000)	39,888	47,859	20,703	15,622	15,205
Profit after tax (RM'000)	30,150	35,855	14,048	10,637	9,888
Net profit attributable to owners of the parent (RM'000)	30,150	35,855	14,048	10,637	9,888
Total assets (RM'000)	283,217	271,386	232,599	192,220	211,022
Total liabilities (RM'000)	165,218	169,677	156,845	123,914	148,953
Total borrowings (RM'000)	35,011	38,958	36,850	23,872	27,663
Total equity (RM'000)	117,999	101,709	75,754	68,306	62,069
Equity attributable to owners of the parent (RM'000)	117,999	101,709	75,754	68,306	62,069
Return on assets (%)	11	13	6	6	5
Return on equity (%)	26	35	19	16	16
Gearing ratio (%)	30	38	49	35	45
Net assets per share (sen)	25.54	22.01	22.96	20.70	18.81
Earnings per share (sen)	6.53	7.76	4.26	3.22	3.00
Dividend per share (sen)	3.00	3.00	2.00	2.00	2.50

PROFILE OF DIRECTORS

DATO' SRI SURIANI BINTI DATO' AHMAD (“DATO' SRI SURIANI”)

Non-Independent Non-Executive Chairman

Malaysian | Aged 55 | Female

Dato' Sri Suriani is our Non-Independent Non-Executive Chairman and was appointed to our Board on 22 July 2022.

Dato' Sri Suriani obtained her Bachelor of Communication from Universiti Sains Malaysia (“USM”) in 1993, and a Master’s degree in Arts, Strategy and Diplomacy from Universiti Kebangsaan Malaysia (“UKM”) in 2006. In addition to that, she holds a Diploma in Public Management (“DPA”) from the National Institute of Public Administration (“INTAN”), which she received in 1996.

Dato' Sri Suriani is the current Secretary-General of the Ministry of Entrepreneur and Cooperatives Development (“MECD”), a position she assumed in November 2020. Dato' Sri Suriani has a solid track record of leadership, having held many prominent positions at various ministries and honing her expertise in diverse areas of governance, international trade, policy-making, negotiation and administration, among others.

Testament to her calibre and competence, Dato' Sri Suriani also held Secretary-General positions at the Ministry of Communications and Multimedia Malaysia from 2019 – 2020 and the Ministry of Women, Family and Community Development in 2017. She was also the Deputy Secretary-General (Policy & Control) at the Ministry of Home Affairs in 2015 and Deputy Secretary General (Policy) at the Ministry of Defence in 2014.

Giving clarity and direction to organisations she helms would be one of her many strong points. This is evident in the role she undertook as Director of the INTAN in 2018, and also as Director of the Policy & Multilateral Consultation Division and the Policy Coordination Division & Negotiation of Free Trade Agreements at the Ministry of International Trade and Industry (“MITI”) in 2008. Dato' Sri Suriani’s more than 10 years stint at MITI (1996 – 2008) in various senior positions has allowed her to build up a wide repertoire of related skills and experience.

Professional versatility is another laudable quality Dato' Sri Suriani possesses, as seen in some of the sectors she had ventured into earlier in her career. From 1993 – 1994, she was Editorial Executive at BERNAMA PR, and from 2009 to 2010, she was Manager of the Corporate Planning Division, Proton Holdings (under the Public Sector & Private Sector Cross Fertilisation Programme).

She is currently a board member of Bank Rakyat, UDA Holdings and Perbadanan Nasional Berhad.

She attended three (3) out of five (5) Board of Directors’ Meetings held during the year.

PROFILE OF DIRECTORS
(CONT'D)**DATO' LIAW CHOON LIANG (“DATO' LIAW”)***President/ Chief Executive Officer*

Malaysian | Aged 56 | Male

Dato' Liaw is the President/Chief Executive Officer and was appointed to the Board on 30 December 2009. He is a member of the Sustainability Committee. 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.

Other than Focus Point Holdings Berhad, he does not hold any other directorships in other public companies and listed issuers in Malaysia.

He is the spouse of Datin Goh Poi Eong, an Executive Director, and also a major shareholder of the Company.

He attended all the five (5) Board of Directors' Meetings held during the year.

PROFILE OF DIRECTORS (CONT'D)

DATIN GOH POI EONG (“DATIN GOH”)

Executive Director

Malaysian | Aged 57 | 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.

Other than Focus Point Holdings Berhad, she does not hold any other directorships in other public companies and listed issuers in Malaysia.

She is the spouse of Dato' Liaw Choon Liang, the President/Chief Executive Officer, and also a major shareholder of the Company.

She attended four (4) out of five (5) Board of Directors' Meetings held during the year.

PROFILE OF DIRECTORS (CONT'D)

DATIN SIM SWEE YOKE (“DATIN SIM”)

Senior Independent Non-Executive Director

Malaysian | Aged 63 | Female

Datin Sim is our Senior Independent Non-Executive Director. She was appointed to our Board on 3rd August 2015. She is the Chairman of the Remuneration Committee and Sustainability Committee, as well as a member of both the Audit Committee and 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 37 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 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.

Datin Sim is skillfull 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 her appointment on the board, Datin Sim 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 as a Director of the Malaysian Employers Federation Academy (“MEFA”).

In her spare time, Datin Sim has dedicated her time as a Mentor Coach for up and coming women professionals. In 2018, she co-authored her first book titled, “Creating Winning Culture & Building Successful Supertalent, The Anthrophillic Way, A Toolkit Based Book”.

Other than Focus Point Holdings Berhad, she does not hold any other directorships in other public companies and listed issuers in Malaysia.

She attended all the five (5) Board of Directors’ Meetings held during the year.

PROFILE OF DIRECTORS (CONT'D)

DR. HALIZA BINTI ABDUL MUTALIB (“DR. HALIZA”)

Independent Non-Executive Director

Malaysian | Aged 53 | Female

Dr. Haliza is our Independent Non-Executive Director and was appointed to our Board on 1 August 2021. She is the Chairman of the Nomination Committee and a member of the Audit Committee, Remuneration Committee and Sustainability Committee.

Dr. Haliza is an Associate Professor in Centre for Community Health Studies, Faculty of Health Sciences, Universiti Kebangsaan Malaysia (“UKM”) since year 2008. Previously she was a Senior Lecturer (2005-2008) and a Lecturer (2000-2004). Dr. Haliza held her first administrative post as IACLE-UKM Coordinator (2003-2006) and was then appointed as the Head of Optometry Department (2006-2011). In 2003-2005 she was elected to be the member of Malaysian Optical Council (“MOC”) (representing the Optometrists), Ministry of Health Malaysia. She is also the Chairperson for MQA Panel of Assessors for Optometry courses for public and private universities (since 2007). In 2007 she was the Chief committee for building questions for Optician qualifying examination for MOC and was also the examiner for viva and practical examination. She has also actively involved in being the panel Doctor & You for an online forum by Today Publishing (since 2007). One of her biggest tasks was to develop the first curriculum for Diploma in Opticianry and Technology Optics Certificate for Institute Integrasi Utama Avicienna which has received its full accreditation in year 2016. In 2014 she was appointed to be the coordinator for CITRA (Entrepreneurship) for FSK, then a year later she took responsibility as Chairperson for KRA5 in FSK. In 2012 she was the key person in handling the endowment of a mobile clinic known as Klinik Optometri Bergerak UKM (“KOB”). Currently she holds the post of Deputy Dean (Industry and Community Partnerships) for Faculty of Health Sciences (2020-2023), UKM. She is currently an advisor and consultant to a few contact lens company and colleges.

Other than Focus Point Holdings Berhad, she does not hold any other directorships in other public companies and listed issuers in Malaysia.

She attended all the five (5) Board of Directors’ Meetings held during the year.

PROFILE OF DIRECTORS
(CONT'D)**LEE TUAN MENG (“MR LEE”)***Independent Non-Executive Director*

Malaysian | Aged 63 | Male

Mr Lee is our Independent Non-Executive Director and was appointed to our Board on 3 January 2022. He is the Chairman of the Audit Committee and a member of both the Nomination Committee and Remuneration Committee. Mr Lee is a Chartered Accountant and a member of the Malaysian Institute of Certified Public Accountants (“MICPA”) and Malaysian Institute of Accountants (“MIA”). He has more than thirty-five (35) years of experience in accounting, taxation, treasury, auditing as well as business information systems, operational strategy and project management. He has held various senior positions in multinational companies and acquired broad experience in managing the financial affairs of large companies with billion dollar revenue and net profits. Prior to his retirement in year 2021, he was the Group Chief Financial Officer of IOI Corporation Bhd Group.

Other than Focus Point Holdings Berhad, he does not hold any other directorships in other public companies and listed issuers in Malaysia.

He attended all the five (5) 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

VIVIEN LEE XIN RUI (“VIVIEN”)

Deputy Chief Executive Officer of Optical Segment

Malaysian | Aged 37 | Female

Vivien assumed the role of Deputy Chief Executive Officer of Optical Segment at Focus Point Holdings Berhad (“FPHB”) on 15 March 2024. In this capacity, she acts as the right hand to the Chief Executive Officer, overseeing daily operations and contributing to long-term strategic planning. Vivien’s primary focus remains on aligning the company’s strategic goals with its operational activities, ensuring a cohesive approach across all levels. She graduated from Twintech International University College of Technology with an Honours degree in Optometry and is pursuing an MBA at the University of Strathclyde. In addition to her experience with FPHB’s optical retail operations, she is also proficient in strategic human resource (“HR”) planning. This includes talent and performance management as well as implementing change management strategies to facilitate workforce transformation.

AARON LOKE KHY-MIN (“AARON”)

Chief Financial Officer

Malaysian | Aged 43 | Male

Aaron assumed the role of Chief Financial Officer (“CFO”) at FPHB on 1 April 2024. In his capacity as the CFO, he spearheads all aspects of finance of FPHB, leveraging on his two decades of work experience across various accounting and finance roles. He started his career in auditing and was attached with the big four accounting firms, KPMG and subsequently Ernst & Young, including being based in Luxembourg, one of the leading investment fund distribution capitals of the world. He had also previously served as the CFO of Privasia Technology Berhad and mTouche Technology Berhad, both listed on Bursa Malaysia. He is a Fellow Member of The Association of Chartered Certified Accountants, United Kingdom (“ACCA”) and a Member of the Malaysian Institute of Accountants.

CHEE KOK HUA (“MR CHEE”)

Chief Operating Officer of Optical Segment

Malaysian | Aged 49 | Male

Mr Chee holds an optician qualification of FBDO (UK) from the Association of British Dispensing Opticians. He started his career as an optician in 1997 before joining Focus Point Vision Care Group Sdn. Bhd. on 1 June 2011 as Head of Retail Sales & Operations. He subsequently served as the Vice President before assuming his position as Chief Operating Officer of Optical Segment on 1 April 2024. He has since then been given the responsibility to take charge of the operations of the optical retail chain for wholly-owned outlets nationwide. He was also assigned to head the corporate sales department in 2017 and the franchise development department in 2023. His main duty is to keep the optical business growing and profitable.

TENG KEE TEONG (“VINCENT”)

Chief Operating Officer of F&B Segment

Malaysian | Aged 41 | Male

Vincent holds a Postgraduate Certificate in Commerce specialising in Management from Lincoln University, New Zealand. He commenced his tenure with Focus Point Vision Care Group Sdn. Bhd. on 3 June 2013 as the Franchise Development Manager. Later, he was transferred to Multiple Reward Sdn. Bhd. and was subsequently promoted to the position of Chief Operations Officer (position currently renamed to Chief Operating Officer) of F&B Segment on 16 March 2015. In his capacity as the Chief Operating Officer of F&B Segment, he is responsible for overseeing the day-to-day operations of the F&B segment, implementing strategic initiatives to enhance efficiency and productivity, managing resources and budgets, and ensuring alignment with the Group’s goals and objectives.

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

CHUN SIOK LING (“JOEY”)

Chief Marketing Officer

Malaysian | Aged 33 | Female

Joey assumed the role of Chief Marketing Officer on 1 April 2024, where she leads the strategic direction of the company’s marketing initiatives. In her current role, she oversees all aspects of marketing, e-commerce, and graphic design. She is responsible for planning and executing marketing events, managing corporate social responsibility initiatives, implementing rewards programs and overseeing all marketing-related activities. She holds a Masters Degree in Business Administration majoring in Marketing and is a Certified Professional Marketer (“CPM”) Asia, reflecting her strong academic background and expertise in the field.

LOO YIK XIANG (“JAYDEN”)

Chief Sustainability Officer

Malaysian | Aged 35 | Male

Jayden assumed the role of Chief Sustainability Officer at FPHB on 3 April 2024. In this capacity, he leads the company’s Environment, Social, and Governance (“ESG”) initiatives, while also spearheading investor relations efforts. Armed with a degree in Business Administration with a specialisation in finance from Universiti Putra Malaysia, Jayden brings over a decade of experience in risk management and sustainability gained from his tenure in both Singapore and Malaysia.

None of the Key Senior Management:

- save for Vivien who is the niece of Dato’ Liaw and Datin Goh, has any family relationship with any Director and/or major shareholder of the Company;
- has 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
- has any conflict of interest with the Company and the Group.

CHAIRMAN'S STATEMENT



On behalf of the Board of Directors ("Board"), I am pleased to present to you the Focus Point Holdings Berhad ("Group") Annual Report for the financial year ended 31 December 2023.

Focus Point has reached a significant milestone as we celebrate 34 years since the opening of our first retail outlet in Muar. We have come a long way since then, and our journey is a testament to our dedication and commitment to serving our customers with excellence.

Today, Focus Point is indeed a household name, providing vast employment opportunities to many Malaysians and serving thousands of customers across the country.

In terms of our supply chain, we have also witnessed growth alongside our suppliers who have been instrumental in expanding our presence regionally in Philippines and Brunei.

GROUP'S KEY MILESTONE AND PERFORMANCE

2023 also marked a remarkable year of achievements for the Group, as we accomplished numerous milestones unprecedented in our corporate history and within our sector.

1. We became the first full-fledged vision care firm with 192 fully owned and franchised outlets to be listed on the Main Board of Bursa Malaysia after having been listed in the ACE market for 12 years, between 2010 till 2022, successfully transferring our listing status to the Main Board on 5 January 2023.
2. Bagging The Edge Malaysia Centurion Club Corporate Awards 2023 for highest return on equity ("ROE") over three years in the consumer products and services sector.
3. We achieved commendable financial performance in a competitive market with record high revenue for the 2nd consecutive year, increasing by 5% compared to 2022, mainly driven by the contributions from both our Optical and Food and Beverages segments.

DIVIDEND

During the year, the Group declared and paid two (2) interim dividends of 1.5 sen per ordinary share each, cumulating to total dividends declared and paid of 3.0 sen per ordinary share for the year. This resulted to an increase of total dividend payout to RM13.9 million, compared to RM9.9 million in 2022. The total dividend paid in 2023 translates to a dividend payout ratio of approximately 46% of our financial profits, surpassing our dividend policy of payout ratio of 30%, affirming our commitment in enhancing shareholder value.

OUTLOOK FOR THE GROUP

Meanwhile, while the global economy is gradually recovering post pandemic, we are also exposed to the on-going geopolitical tensions, tightening of monetary policy, and inflationary pressure which continue to pose concerns for us.

Malaysia's GDP is expected to grow by 4% to 5% in 2024¹ and we are very keen to be a part of this growth engine and play an integral role in the challenging Malaysian retail sector. We are also hopeful that the expected tourism arrivals and regional travel will enable us to enjoy higher revenue and increase our market share.

Both our home-grown brands, Focus Point and Komugi also offer many opportunities for future growth and thus helping with our bottomline. Nonetheless, we continue to remain vigilant on our rising operating costs.

To sustain our business in the medium to long term, we are also aware that much needs to be done and there is much more pressure and also compliance that needs to be adhered to being listed on the main board.

To sustain our financial performance targets, the Group will continue to focus on the following:

- Improving our growth strategy and balancing it with our cost structure;
- Identifying new locations in order to better serve our customers;
- Recruiting and training of our optometrists to serve our customers better and maintaining our position as the leading provider of eye healthcare for prescription wear;
- Investing in the latest artificial intelligence tools and equipment to help us provide higher quality advice to our consumers;
- Rotating our board members so that there is better succession planning;
- Rolling out Environmental, Social and Governance ("ESG") initiatives in line with our core values; and
- Strategically supporting our President/ Chief Executive Officer and his team to lay the foundation for solid expansion and increased revenues.

ACKNOWLEDGEMENT AND APPRECIATION

Finally, I would also like to extend my appreciation and gratitude to my fellow board members, the management team and employees for their active contribution and their great efforts in 2023.

Dato' Sri Suriani binti Dato' Ahmad
Non-Independent Non-Executive Chairman

MANAGEMENT DISCUSSION & ANALYSIS

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

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

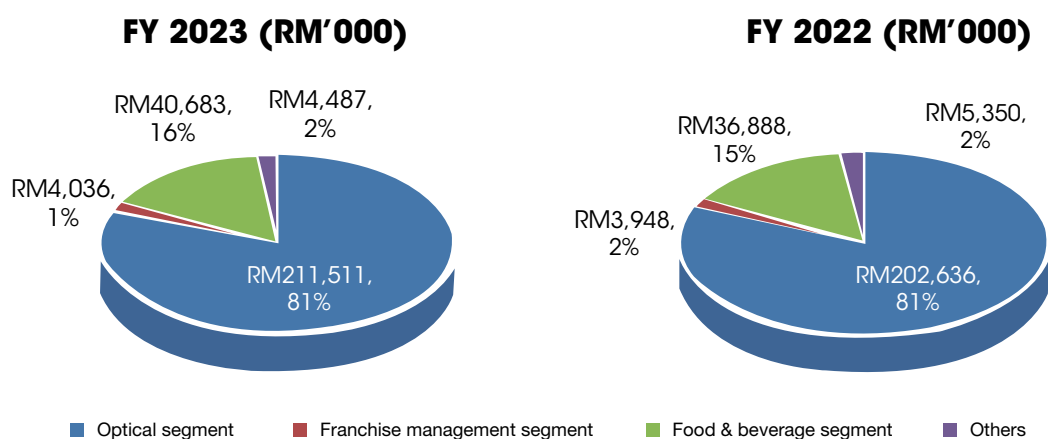
“2023 MARKED A SIGNIFICANT MILESTONE FOR THE GROUP AS WE SUCCESSFULLY TRANSFERRED OUR LISTING STATUS TO THE MAIN MARKET OF BURSA MALAYSIA ON 5 JANUARY 2023.”

DATO' LIAW CHOON LIANG
PRESIDENT/CHIEF
EXECUTIVE OFFICER

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

REVENUE REVIEW BY SEGMENT

	FYE 2023 (RM'000)	%	FYE 2022 (RM'000)	%
Optical	211,511	81	202,636	81
Franchise management	4,036	1	3,948	2
Food & beverage	40,863	16	36,888	15
Others	4,487	2	5,350	2
Total	260,897	100	248,822	100



The Group recorded revenue of RM260.9 million, reflecting a 4.9% increase compared to RM248.8 million in the previous year. This was another record year for the Group as once again, we achieved our highest record of revenue for the 2nd consecutive year.

This growth was attributed to higher sales contributed from our newly opened optical outlets in 2023 together with the full year sales effect of outlets opened in 2022 for the Optical segment, as well as strong sales growth achieved in the corporate sales of the Food & beverage segment.

With the normalisation of economic activities in 2023, the revenue contributions from Optical segment grew by RM8.9 million or 4.4% while the Food & beverage segment grew by a commendable RM4.0 million, achieving a double digit percentage growth of 10.8%. The franchise management business' revenue also saw a slight increase of 2.2% growth to RM4.0 million compared to RM3.9 million in previous year.

MANAGEMENT DISCUSSION & ANALYSIS
(CONT'D)

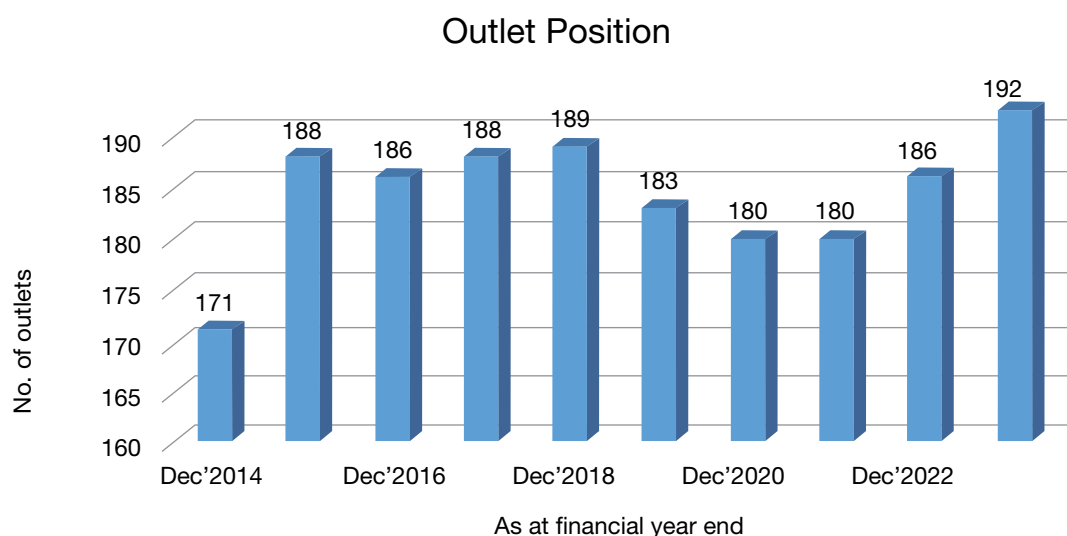
PROFIT/(LOSS) REVIEW BY SEGMENT

	FYE 2023 (RM'000)	FYE 2022 (RM'000)
Optical	38,612	43,451
Franchise management	3,398	2,791
Food & beverage	(1,019)	2,274
Others	(1,103)	(657)
Total	39,888	47,859

Profit before tax ("PBT") stood at RM39.9 million, as compared with RM47.9 million recorded in previous year.

Although the Optical segment achieved record breaking topline during financial year 2023 ("FY2023"), PBT reduced to RM38.6 million due to higher operating costs which included higher staff costs and rental from opening of new outlets which was necessary to sustain the growing business. The performance is still commendable given the fact that the profit margins are just slightly below the 20% mark.

TOTAL NUMBER OF RETAIL OUTLETS



We will continue to invest in new outlets at the right location to enhance our market share and we now have more concept stores than before to cater for the needs of consumers.

The contribution from Franchise management business was also higher by 21.7% in FY2023 as compared to FY2022 which attributed to the improved performance of our franchisees.

Our Food & Beverage division has incurred a loss before tax of RM1.0 million, in contrast with a profit before tax of RM2.3 million in the previous year. The decrease is mainly attributed to increased staff costs incurred while we were expanding the production capacity at our Central Kitchen. Nonetheless, the retail outlets have shown strong growth, driven by robust consumer spending, particularly during the year-end festive period.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

FINANCIAL POSITION REVIEW

Total assets of the Group stood at RM283.2 million (2022: RM271.4 million) and rose by 4.4% year-on-year mainly due to the additional capital expenditures of RM13.2 million mainly from opening of new outlets and refurbishments of existing outlets and head office during the current financial year.

The Group's net asset value (NAV) per share increased to 25.54 sen compared to 22.01 sen (adjusted to reflect the bonus issue in April 2023) in FY2022.

Total equity attributable to owners of the Company RM118.0 million (2022: RM101.7 million), increased by 16% from FY2022.

The Group continues to maintain a healthy cash flow position of which cash and deposits of the Group stood at RM37.6 million for FY2023 compared to RM48.9 million in FY2022. Net cash generated from operating activities was RM61.6 million in FY2023 which was sufficient to cater for investing and financing activities for the year. Total borrowings was reduced to RM35.0 million in FY2023 from RM39.0 million in FY2022, mainly due to the repayment of term loans aimed at minimising borrowing costs from the surplus of cash and deposits generated during FY2023.

The Group incurred approximately RM13.2 million of capital expenditure during FY2023 for opening and upgrading of outlets for both the Optical and Food & beverage segment. The additions were funded by internal generated funds and bank borrowings. The level of capital expenditure for 2023 was approved by the Board and the Group operated within the approved limit.

DIVIDENDS

For the financial year ended 2023, the Group paid two (2) interim dividends of 1.5 sen per ordinary share each, cumulating to total dividends declared and paid of 3.0 sen per ordinary share for the year. This resulted in the total dividend payout of 2023 of RM13.9 million, compared to RM9.9 million in 2022, which represents a payout ratio of approximately 46.0% of the profit attributable to the shareholders of the Group for 2023.

The Board adopted a dividend policy to pay out at least 30% of its audited consolidated profit after taxation which is subject to availability of distributable reserve, the cashflow requirement for working capital and projected level of investment. This represents our sheer commitment to deliver value to our shareholders every year.

RISKS RELATING TO BUSINESS AND MITIGATION PLAN

The Group's business activities, operations, financial performance and growth are subject to the economic and regulatory uncertainties and the unexpected global pandemic.

The following are the key risks faced by the Group:

(a) Competition Risk

The professional eye care industry is exposed to severe competition and low barriers of entry. Our competitors include chain operators and smaller single operator offering professional eye care products and services.

However, we believe that we can leverage on our strengths to mitigate the competition amongst existing and potential competitors, through:

- Our ability to achieve economies of scale attributed to the size of our operations;
- Our established brand name and market reputation; and
- Our experience in providing quality professional eye care services to our customers.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

(b) Economic Uncertainty

Adverse development in political, economic and regulatory conditions in Malaysia could also affect our financial and business prospects. The disruption of our business as a result of the pandemic has reshaped the way we do business and our way of life. In order to minimise the impact and disruption from any adverse developments, the Group will continue to:

- review and refine the group's operation strategies;
- focus on offering more affordable eyewear to all levels of income group (eye care is a necessity);
- work closely with all its stakeholders; and
- create stronger awareness of the importance of eye health and regular eye checks.

(c) Supply of Eyewear Products

The ability of the Group to provide an extensive range of eyewear, prescription lenses, contact lens and sunglasses brands at competitive price is also crucial to our business.

We rely on overseas sources for the supply of exclusive and non-exclusive brands of eyewear and eye care products. Interruption in the supply chain would adversely affect our outlets' operations and thereafter our profitability.

Nevertheless, there are numerous sources of supply of eyewear products overseas. As such, there is a low likelihood of a worldwide shortage of eyewear products to the extent that it may materially affect our operation. Beside maintaining good relationship with existing reliable suppliers and continuous sourcing of new suppliers will help to mitigate the supply shortage issues.

ECONOMIC & INDUSTRY OUTLOOK

The projected growth rate for Malaysia is expected to be moderate at 4%, following the below-expectation full-year growth of 3.7% in 2023¹. The retail industry is also expected to accelerate with a 4% year-on-year growth according to the Retail Group Malaysia². Despite the positive macro-economic data and the normalisation of economic activities post-pandemic, there are lingering concerns regarding consumer spending due to the rising cost of living attributed to inflation. Additionally, the recent increase in the service tax rate from six percent to eight percent from 1 March 2024 may further impact retail spending.

The Group is aware of the persistently uncertain and challenging trading conditions and remains committed to focusing on business planning to mitigate its associated risks. To enhance our financial position, we are undertaking the following steps:

- control and prioritise our inventory and improve cash flow management;
- managing effectively the operating and overhead cost;
- introduce attractive sale promotion;
- closely monitor our underperforming optical and food & beverage's outlets in order to maintain and improve our profitability; and
- invest in technology

Moving forward, we anticipate positive growth in the retail industry driven by the faster recovery in tourist arrivals in 2024 and a resilient consumer demand stemming from a healthy labor market and softening inflation pressures

¹ [Malaysia's 2023 economic growth misses expectations \(cnbc.com\)](https://www.cnn.com/2023/12/28/malaysia-gdp-growth-2023/index.html)

² [Malaysia's retail sales may rebound after unexpected 0.2% drop in 4Q – RGM \(theedgemalaysia.com\)](https://www.rgm.com.my/retail-sales-malaysia-2023)

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

SUSTAINING MOMENTUM FOR GROWTH

2023 marked a significant milestone for the Group as we successfully transferred our listing status to the Main Market of Bursa Malaysia on 5 January 2023.

As we embark on this new chapter of being listed in the Main Market, we are confident that we can leverage of the benefits of having greater visibility and access to a larger pool of investors, including foreign and institutional investors.

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 2023, the Optical segment opened a total of 10 new outlets and also rationalize the underperforming outlets. Currently, the Group has a total of 130 fully-owned outlets under three main brands: 110 Focus Point, 15 Whoosh Eyewear, and 5 Optometris Anggun. Additionally, the Group has a total of 62 franchise outlets. This brings us to a total of 192 operated outlets.

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 maintained our position as the largest retail chain of professional eye care center in Malaysia.

During the current financial year, sales from e-commerce for the optical segment have declined by 28.6% compared to 2022 which was attributed to a reduction in consumer spending through online platforms and also due to the prohibition on the sale of optical appliances and contact lenses through e-commerce platforms by the Malaysian Optical Council ("MOC"). Moving forward, the Group will continue to place more focus to the e-commerce business with different products offering that are in compliance with the guidelines issued by MOC.

In respect of the Food & beverage business, the total number of owned Komugi outlets stood at 12 (2022: 11) outlets with the opening of one high street Komugi outlet in Kuchai Lama, Kuala Lumpur in February 2023 and another one at Melawati Mall, Kuala Lumpur in November 2023. We have closed our outlet in Sunway Pyramid, Selangor due to the enhancement renovation by the mall.

Our sales to corporate clients registered a growth of 7.7% and sales in retail outlets grew by 13.8% compared to year 2022. Both our Komugi's central kitchen have also attained the ISO 22000 certification status and these accreditations will support us in our goals to increase the corporate client segment in the future. In addition to the above, products from both our central kitchen are halal certified by Jabatan Kemajuan Islam Malaysia ("JAKIM") which outlines our commitment to confidently provide quality products and the necessary assurance to our consumers.

In terms of the food & beverage licensing business, our overseas licensee was sustained at 22 overseas licensed outlets. We intend to expand the licensing business both locally and in overseas.

STRATEGIC INITIATIVES

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.

The pandemic has accelerated our growth towards digital learning, and we have successfully conducted trainings, workshops, and seminars online. Other initiatives include:

- Eye Care for You Virtual Convention for Branch Managers and Eyecare Practitioners;
- Upskilling workshops;
- Product trainings / webinars; and
- Continued Education Program for Eyecare Practitioners.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

The Group has employed sufficient optometrists and opticians who are qualified to dispense spectacles and contact lenses in our optical outlets. We are proud 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 will continue to invest in Primary Eye Care equipment to provide an entry point for patients to receive refraction and glasses or contact lenses, screenings for eye conditions or diseases, and refer them to our panel of specialists when necessary.

For our Optical segment, we launched the Focus Point SightSavers Franchise Programme ("SightSavers Programme") in 2023 and within a short time span of less than a year, we managed to open four (4) new outlets. The SightSavers Programme provides a platform for aspiring entrepreneurs to start an optical retail business in Tier 2 and Tier 3 cities with a low initial outlay as no investment is required on renovation of the outlet from the participants. With the support from Perbadanan Nasional Berhad ("PERNAS"), one of our substantial shareholders we entered into a Memorandum of Understanding ("MoU") with PERNAS in February 2024, to establish a framework to jointly explore the potential collaboration opportunities in providing Franchise Financing Schemes under the SightSavers Programme to potential Bumiputera entrepreneurs with optometrist qualification/ license. We are committed to play our role in the growth of the entrepreneur spirit of the country which in return, we expect this to contribute positively towards the financial performance of the Group.

For the continued expansion of our food & beverage business, we have launched a new frozen yogurt segment under our proprietary brand name, HAP&PI. Our first outlet had its inaugural opening at Mid Valley Megamall on 15 March 2024. For Komugi's targeted expansion, we will continue to look for new locations to open new outlets to better serve the local communities in the residential area.

With all the strategic initiatives implemented, the Group is expected to maintain its revenue growth momentum and operating results will remain satisfactory for year 2024.

SUSTAINABILITY STATEMENT

STATEMENT OVERVIEW

Focus Point Holdings Berhad ("The Group") is delighted to unveil our Annual Sustainability Statement ("The Statement"), which outlines the Group's sustainable growth and achievements for the financial year ended ("FYE") 31 December 2023.

DISCLOSURE REQUIREMENTS AND BENCHMARKS

We annually disclose our sustainability achievements, as mandated by Bursa Malaysia Securities Berhad's Listing Requirements and following the guidelines set forth in the Sustainability Reporting Guide (3rd Edition). Our reporting aligns with the Global Reporting Initiative ("GRI") Standards, Task Force on Climate- Related Financial Disclosures ("TCFD") Recommendations, and United Nations Sustainable Development Goals ("UN SGDs" or "SDGs"). It's important to review this Statement alongside our 2023 Annual Report and other sustainability disclosures available on our corporate website.

REPORTING PERIOD AND SCOPE [GRI 2-2, GRI 2-3]

The Sustainability Statement encompasses the timeframe from January 1, 2023, to December 31, 2023, and delves into the operations of Focus Point and its subsidiaries, referred to collectively as "the Group." Specifically, the Report focuses on our core activities in eye care and food and beverage ("F&B") services. While the Group also engages in Franchise Management, it is not within the purview of this Report as it constitutes small portion of total revenue and exerts minimal influence on overall performance.

PERFORMANCE DATA AND INDEPENDENT VERIFICATION [GRI 2-4, GRI 2-5]

The information provided in this Statement incorporates comparative data spanning the previous two years, unless otherwise specified. All data disclosed herein has undergone thorough review by the Group's Compliance Audit Department ("CAD"). In the future, the Group will explore the possibility of seeking external assurance for our sustainability performance data, contingent upon the maturity and availability of such data.

FEEDBACK

At the heart of our mission is the creation of sustainable value for every stakeholder we serve. Understanding and meeting your expectations is paramount to our success in this endeavour. Your input plays a crucial role in enhancing our sustainability efforts. We invite and encourage all stakeholders to share their suggestions and comments with us. Please feel free to reach out to us at sustainability@focus-point.com with any inquiries or feedback you may have.

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE [GRI 2-12, GRI 2-13, GRI 2-14]

Sustainability lies at the core of Focus Point's ethos, driving our pursuit of enduring growth and prosperity within a safe, compassionate, and sustainable framework. We understand that sustainability practices weigh significantly in investors' decision-making processes.

Embedded within our organisational fabric, sustainability is championed from the highest echelons. The Board of Directors assumes a pivotal role in steering and overseeing sustainability endeavours across the enterprise. The Sustainability Committee is represented by the President/CEO and two independent directors, operates under the Board's auspices, entrusted with supervising the implementation of our sustainability ethos and ensuring the attainment of key objectives. Chaired by our Senior Independent Non-Executive Director, the committee comprise of a majority of independent members to enhance transparency and impartiality in decision-making.

SUSTAINABILITY STATEMENT (CONT'D)

The Board’s mandate encompasses various facets crucial to promoting and embedding sustainability within the Group:

- Engaging stakeholders to understand and address their concerns;
- Conducting materiality assessments to identify pertinent sustainability risks and opportunities;
- Effectively managing these material sustainability factors; and
- Tracking and disseminating sustainability strategies, priorities, and performance against targets to both internal and external stakeholders.

Furthermore, the Board cascades sustainability imperatives down to respective teams through policy formulation, internal communications, and updates to our Standard Operating Procedures (“SOPs”), thereby ingraining sustainability principles into every facet of our daily operations. Additionally, stakeholders are kept abreast of our sustainability strategies, priorities, targets, and performance through engagements and disclosures within our Annual Report.

To gauge the Group’s performance, the Nomination and Remuneration Committee aids in tracking progress. Evaluation of both Board and Senior Management performance includes assessing how effectively sustainability risks and opportunities are addressed.

Our sustained success and creation of long-term shareholder value are influenced by an array of internal and external factors. Each material factor presents distinct risks and opportunities, shaping our strategic approaches and decisions, and significantly impacting stakeholder assessments. The Board routinely reviews these factors to gauge their implications on our business model across near, medium, and long-term horizons.

CREATING VALUE FOR OUR STAKEHOLDERS

Throughout the fiscal year, the Board remained dedicated to active engagement with our stakeholders, a vital component of our sustainability evaluation. This ongoing dialogue enables us to comprehensively grasp our material issues and concerns, while also capturing pivotal aspects and impacts of our sustainability endeavours. Please find below a summary table delineating our key stakeholder groups, their areas of interest, and the methodologies employed by the Board to engage with them:

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

SUSTAINABILITY STATEMENT
(CONT'D)

STAKEHOLDERS	ENGAGEMENT METHODS	ENGAGEMENT AREA
Employees	<ul style="list-style-type: none"> • Technical and skills trainings • Performance appraisal • Team building activities 	<ul style="list-style-type: none"> • Occupational safety & health • Remuneration policy • Career development • Performance review • Fair employment practices • Protection against COVID-19
Financial Institutions	<ul style="list-style-type: none"> • Bursa announcements • Quarterly report • Annual report • Timely update on corporate website 	<ul style="list-style-type: none"> • Financial and operational performance • Funding requirement
Customers	<ul style="list-style-type: none"> • Marketing campaigns • Education and social media awareness 	<ul style="list-style-type: none"> • Customer satisfactions • After-sales services • Quality assurance • Routine eye checks
Suppliers	<ul style="list-style-type: none"> • New supplier evaluation form • Regular meetings • Quality audit on products • Contract negotiation 	<ul style="list-style-type: none"> • Products' quality • Supply commitment
Communities	<ul style="list-style-type: none"> • Community events 	<ul style="list-style-type: none"> • Social contributions • Job opportunities • Donation and financial aids
Analyst/Media	<ul style="list-style-type: none"> • Annual & Extraordinary General Meetings • Press conferences and media releases 	<ul style="list-style-type: none"> • Financial and operational performance • General announcements

Table 1: Group's Stakeholder Engagement

This structured engagement approach ensures that we remain attuned to the diverse needs and expectations of our stakeholders while fostering transparency and accountability throughout our sustainability journey.

SUSTAINABILITY STATEMENT (CONT'D)

OUR APPROACH TO MATERIALITY

The Board undertook a materiality assessment, engaging stakeholders to gather insights on critical sustainability concerns that could significantly affect our business economically, environmentally, and socially, or substantially influence stakeholder evaluations and decisions.

This annual evaluation of our material sustainability concerns allows us to gain a thorough understanding of how to effectively address the associated risks and opportunities. By prioritising these issues, we ensure our efforts are focused on addressing matters that hold the greatest potential impact on the economy, society, and the environment.

Materiality Matrix

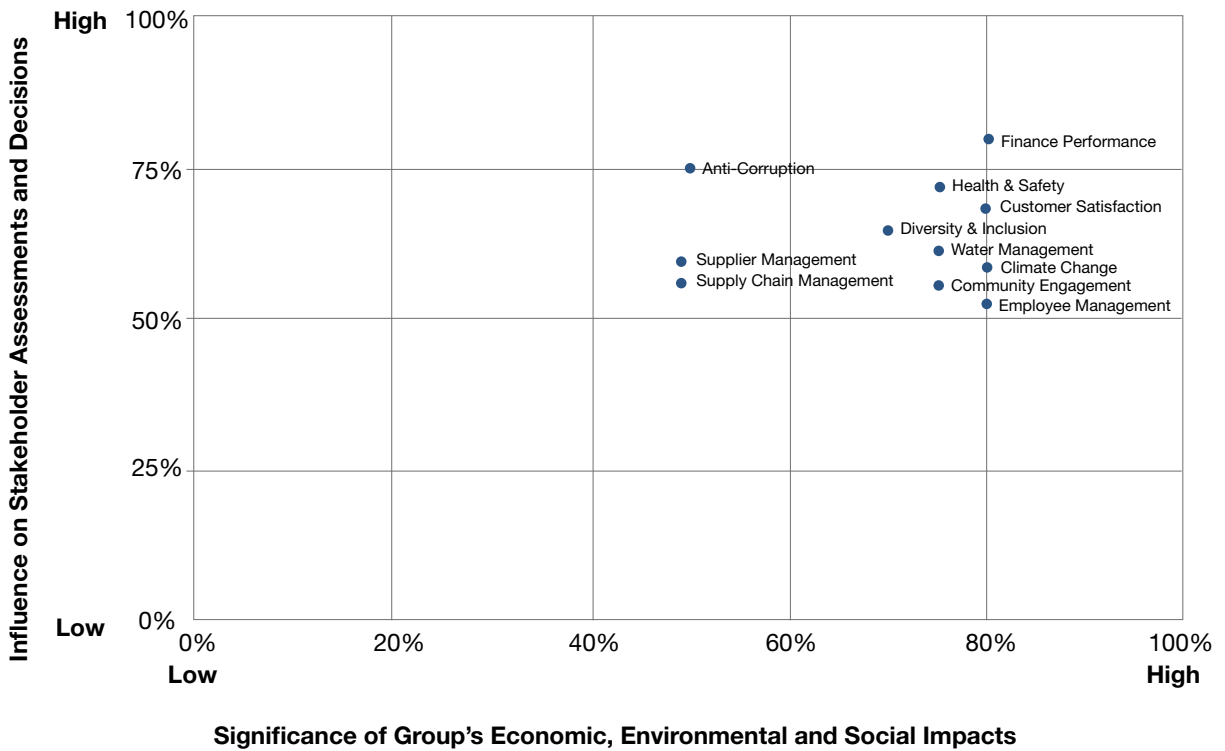


Figure 1: The Group's Materiality Matrix 2023

SUSTAINABILITY STATEMENT (CONT'D)

ALIGNING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations General Assembly ratified the Sustainable Development Goals (“SDGs”) to offer a worldwide framework for achieving the objectives outlined in the 2030 Agenda for Sustainable Development. The SDGs represent a universal appeal for concerted efforts to eradicate poverty, safeguard the environment, and guarantee universal peace and prosperity by 2030.

As a corporate entity, Focus Point is steadfastly committed to aligning its endeavours with the SDGs, which are elaborated below:

Ranking	Material Sustainability Matters	EES Pillars	Related SDGs
1.	Financial Performance	Economic	
2.	Employee Health & Safety	Social	 
3.	Customer Satisfaction	Economic	 
4.	Diversity & Inclusion	Social	  
5.	Community Engagement	Social	 
6.	Employee Management	Social	
7.	Anti-Corruption	Economic	
8.	Supplier Management	Economic	  
9.	Climate Change	Environmental	  
10.	Water Management	Environmental	  

Table 2: Group’s SDGs Alignment

SUSTAINABILITY STATEMENT (CONT'D)

OUR APPROACH TO SUSTAINABILITY RISK MANAGEMENT

The Board acknowledges the significance of integrating sustainability considerations into our strategic framework to fortify the Group's long-term viability and prosperity. Actively prioritising sustainability factors, the Board meticulously incorporates them into the Company's planning, performance evaluation, and overarching strategy. This strategic approach ensures the Company's resilience, facilitates the delivery of enduring and sustainable value, and upholds stakeholder confidence.

RISK	RISK ANALYSIS	RISK RESPONSES
Economic performance	The ongoing evolution of the retail landscape has sparked significant transformation, leading to profound shifts in consumer behaviours and preferences, as well as evolving customer demands and expectations.	With a diverse range of over 140 brands, Focus Point is well-positioned to cater to the varying needs of customers across different demographics. Our product development team collaborates closely with suppliers to stay updated on cutting-edge technological advancements in product offerings.
Anti-Corruption	Inadequate governance principles can undermine transparency, accountability, and integrity within the organisation	Implementing strong anti-corruption measures fosters trust and confidence among stakeholders, thereby bolstering the Group's reputation.
Health & Safety	Neglecting health and safety risks undermines the company's governance standards and corporate accountability.	Enhancing employee health and wellness can yield increased productivity, decreased absenteeism, and diminished turnover rates, presenting opportunities for long-term cost savings within the company.
Cybersecurity & Data Protection	A data breach resulting in the compromise of customers' or employees' personal information poses risks such as financial loss, reputational damage, and legal ramifications.	Strengthening cybersecurity measures and showcasing dedication to safeguarding data can present opportunities to bolster the company's reputation as a reliable and conscientious organisation.
Climate Change	Neglecting climate change risks or insufficiently addressing environmental challenges may result in reputational harm and erosion of stakeholder confidence.	Exploring research and development avenues for climate-friendly technologies presents an opportunity for the Company to distinguish itself from competitors and fortify business continuity measures.
Diversity & Inclusion	Engaging in discriminatory practices during the hiring process, promotions, or within the workplace culture can result in legal repercussions and harm the company's reputation	Harnessing diversity and inclusion initiatives can cultivate an environment ripe for innovation and creativity, fuelling problem-solving endeavours and product development. This can open doors to novel business prospects and confer competitive edges.
Community Investment	Failure to adhere to diversity and inclusion regulations may lead to legal consequences, financial penalties, and harm to reputation.	By prioritising community needs and engaging in collaborative efforts, companies have the opportunity to foster trust, cooperation, and empathy, resulting in beneficial social outcomes and sustained community backing.

SUSTAINABILITY STATEMENT (CONT'D)

RISK	RISK ANALYSIS	RISK RESPONSES
Employee management	Failure to adhere to diversity and inclusion regulations may lead to legal consequences, financial penalties, and harm to reputation.	By prioritising community needs and engaging in collaborative efforts, companies have the opportunity to foster trust, cooperation, and empathy, resulting in beneficial social outcomes and sustained community backing.
Employee management	Adapting our workforce to meet evolving demands and sustaining employment with limited resources presents a formidable challenge without sacrificing quality or integrity.	Building on the insights gained from our risk analysis, the Group remains committed to fostering a dynamic and diverse workforce through our high-performance culture, supported by comprehensive training and succession planning initiatives.
Water Management	Interruptions in water supply pose risks to production processes, leading to heightened operational expenses and potentially disrupting business continuity.	Implementing water conservation strategies and optimising water management protocols present opportunities for cost reduction and enhanced resource efficiency.

Table 3: Group's Risk and Opportunities

ECONOMIC PERFORMANCE [GRI 201-1]

Our shareholders, as the ultimate owners of our company, play a pivotal role in shaping our sustainability narrative. The Group places considerable emphasis on maintaining a sustainable financial performance and position, recognising it as a pivotal aspect of our broader sustainability agenda. Our commitment extends to fostering economic sustainability growth that benefits all stakeholders involved.

Our Approach

The Group recognises the paramount importance of prioritising financial sustainability. Our fundamental tenet is that the cultivation of long-term profitability and the enhancement of shareholder value are inherently tied to the conscientious consideration of stakeholders' interests, encompassing shareholders, employees, suppliers, and the broader community.

Our Performance

In 2023, the Group recorded a total revenue of RM260.9 million, with the Optical division accounting for 82% and the F&B division contributing 16%. Over the past three years, the Group has demonstrated a consistent track record of wealth creation for our stakeholders, as illustrated in the following table:

	2021 RM'000	2022 RM'000	2023 RM'000
Economic value generated			
• Revenue	170,427	248,822	260,897
Economic value distributed:			
• Employee wages and benefits	33,154	44,588	53,318
• Payment of dividend to shareholders	6,600	9,900	13,860
• Interest paid to financial institutions	1,120	1,522	1,749
• Payment of tax	5,942	6,744	12,614
Economic value retained	7,448	25,955	16,290

Note: The financial results presented in the table are derived from the audited financial statement and our Management Discussion and Analysis, which are available for reference in our Annual Report.

SUSTAINABILITY STATEMENT (CONT'D)

ANTI-CORRUPTION [GRI 205-2, GRI 205-3]

The Board acknowledges the paramount significance of upholding ethical business conduct throughout our operations to uphold the trust of our stakeholders. Our commitment to integrity is exemplified through stringent adherence to the principles outlined in the Group’s Code of Conduct and Ethics.

At the core of our operations lies a commitment to robust governance practices, guided by ethical standards and integrity. We have firmly entrenched the highest benchmarks of governance within our business, not merely to meet regulatory requirements, but to instill a culture that perpetually upholds these principles through established processes and directives.

Our Approach

The Group maintains a steadfast commitment to upholding the highest standards of ethics and corporate governance. Central to this commitment is the adoption of an Anti-Corruption and Anti-Bribery Policy, reflecting our unwavering stance on preventing corrupt practices. Our zero-tolerance approach extends across all facets of our operations, ensuring adherence to ethical conduct and compliance with relevant legislation.

This policy is applicable to all levels within the organisation, including the Board, employees, and Third Parties engaged with us. As part of our comprehensive approach, new employees undergo thorough orientation, familiarizing them with our Anti-Corruption and Anti-Bribery Policy, alongside our Code of Conduct and Ethics. We expect utmost integrity and responsibility from our employees, guided by established protocols to cultivate a corruption-free business environment.

Aligned with the Malaysian Anti-Corruption Commission (Amendment) Act 2018, we unequivocally condemn bribery and corruption. Our procurement practices adhere to principles of fairness and transparency, ensuring equitable treatment of all suppliers and fostering a level playing field. Open tendering processes are standard for applicable contractual services, upholding principles of fair competition.

To reinforce our commitment to integrity, all employees and directors are required to submit a Declaration Form affirming their adherence to our anti-bribery and corruption policy. Additionally, our Whistleblowing Policy provides a confidential platform for stakeholders to report concerns regarding policy breaches or questionable practices, free from fear of reprisals.

Our policies are readily accessible on our website and communicated extensively to employees and business partners, underlining our proactive approach to promoting ethical conduct and transparency throughout our operations.

Our Performance

Anti-Bribery Training Sessions at Group Headquarters

During the year, the Group organised anti-bribery training sessions for employees based at the Group’s headquarters office.

Employee Category	Training 2023
Management	69%
Executive	82%
Non-executive /Technical Staff	47%

Addressing Instances of Corruption

This year, in line with the past two years, the Group has upheld its record of zero reported cases of corruption throughout its business activities.

	2021	2022	2023
Number of confirmed corruption incidents	0	0	0

SUSTAINABILITY STATEMENT (CONT'D)

CYBERSECURITY & DATA PROTECTION [GRI 418-1]

Ensuring cybersecurity and safeguarding privacy are fundamental aspects of fostering customer trust. We adhere strictly to the regulations outlined in the Malaysian Personal Data Protection Act 2010 (“PDPA Act 2010”), which underscores our commitment to preserving the confidentiality of personal data belonging to our customers, employees, and business associates.

Our Approach

In alignment with the PDPA Act 2010, we adhere rigorously to guidelines governing the collection, usage, and disclosure of personal data. Our commitment to safeguarding confidential information extends beyond internal measures, as we engage external specialists to conduct network penetration testing, fortifying our defences against potential breaches.

Guided by our Cybersecurity Policy, we uphold stringent privacy and security controls, ensuring the safety of data belonging to our customers, employees, and business partners. Our proactive approach includes regular biannual network penetration tests by external consultants, evaluating the resilience of our firewalls against external cyber threats.

To enhance awareness and competence among our workforce, we conduct cybersecurity training sessions led by external experts throughout the year. Furthermore, in 2023, we introduced a Cybersecurity quiz for new employees, assessing their comprehension of key principles. This initiative guides our planning for additional external training to further augment their cybersecurity acumen.

Our Performance

In the fiscal year ending 2023, there were no instances reported of non-compliance with the PDPA Act 2010. We are committed to sustaining this record of zero reported cases of non-compliance with the PDPA Act 2010 in the future, safeguarding confidential information diligently.

	2021	2022	2023
Number of substantiated complaints concerning breaches in customer privacy or data loss	0	0	0

SUPPLY CHAIN MANAGEMENT [GRI 204-1]

The Group remains dedicated to mitigating the environmental and social ramifications associated with our operations and throughout our supply chain. We champion sustainability within our value chain, instilling a culture of corporate responsibility regarding resource management. Our belief in the importance of sustainable practices drives our mission to ensure longevity in serving our customers across generations.

With a robust network of over 190 retail stores in Malaysia, we recognise our capacity to leverage influence in fostering sustainable practices among our stakeholders. Through proactive engagement, we aim to promote the adoption of sustainable supply chain principles, thereby enhancing the resilience of our business and contributing to a more sustainable future.

Our Approach

In our commitment to sustainability, we have cultivated a robust network of suppliers distinguished by integrity, trustworthiness, and reliability. Through fostering enduring relationships, our existing suppliers have seamlessly aligned with our organisational culture, integrating sustainability practices into their operations and demonstrating a dedication to delivering exceptional quality and service.

SUSTAINABILITY STATEMENT (CONT'D)

We place great value on the long-standing partnerships we have forged, recognising their contribution to enhanced efficiency and the dependable delivery of products. Regular evaluations are undertaken to ensure that products and services consistently meet our stringent requirements and standards. New suppliers are rigorously assessed to ensure alignment with our quality expectations, reflecting our commitment to meeting customer needs.

As part of our commitment to sustainability, we actively collaborate with our suppliers to identify and mitigate risks, enhance productivity, and promote transparency throughout the supply chain. By fostering a culture of integrity and collaboration, we seek to create mutual value and share best practices.

Our supplier selection process involves thorough scrutiny to ensure alignment with our predefined criteria. Internal assessments, including Supplier/Vendor Evaluation Forms and Third-Party Declaration Forms, serve as mechanisms to verify supplier qualifications. Evaluation encompasses considerations such as quality management, environmental stewardship, social responsibility, and governance.

We encourage our suppliers to adopt responsible and sustainable practices aligned with our Code of Conduct and Ethics, prioritising environmental conservation, protection of labour rights, and the eradication of corrupt practices. Preference is given to suppliers demonstrating a commitment to these principles.

Continuous quality assurance is paramount, with daily inspections of received products and periodic performance evaluations of suppliers conducted against predetermined criteria. In instances where suppliers fall short, collaborative discussions are initiated to identify areas for improvement and ensure alignment with our sustainability objectives.

Our Performance

In 2023, the Optical & F&B divisions collectively sourced over 90% of the Group’s purchases from local suppliers. We aim to sustain this achievement, maintaining a target of over 90% local sourcing in the future.

Proportion of spending on local suppliers	2021	2022	2023
• F&B	99.19%	98.11%	98.44%
• Optical	96.18%	95.30%	93.16%

CLIMATE CHANGE [GRI 302-1, GRI 305-1, GRI 305-2]

The Group recognises the significant impact of our energy consumption on carbon emissions, thereby contributing to climate change and global warming. Embracing our corporate responsibility, we are committed to mitigating our carbon footprint. This commitment is particularly vital given the extensive reliance of our business operations, encompassing retail outlets, offices, and manufacturing plants, on electricity.

Our Approach

The Group proactively manages energy resources by implementing initiatives to reduce both energy consumption and greenhouse gas emissions, particularly within our Optical and F&B divisions. Energy usage is predominantly attributed to our F&B division’s manufacturing processes and operations within owned and leased office premises. Currently, our energy conservation endeavours encompass the following measures:

- Deployment of energy-efficient LED lighting systems in both office spaces and retail outlets; and
- Implementation of ongoing employee awareness campaigns to promote energy-saving practices, such as maintaining air conditioning settings at 24°C within office facilities.

In line with the GHG Protocol Corporate Accounting and Reporting Standard¹, the Group is committed to evaluating carbon emissions across two distinct scopes:

- Scope 1 : Direct GHG emissions originating from sources directly owned or controlled by the Group, including company vehicles².
- Scope 2 : Indirect GHG emissions arising from purchased energy sources³.

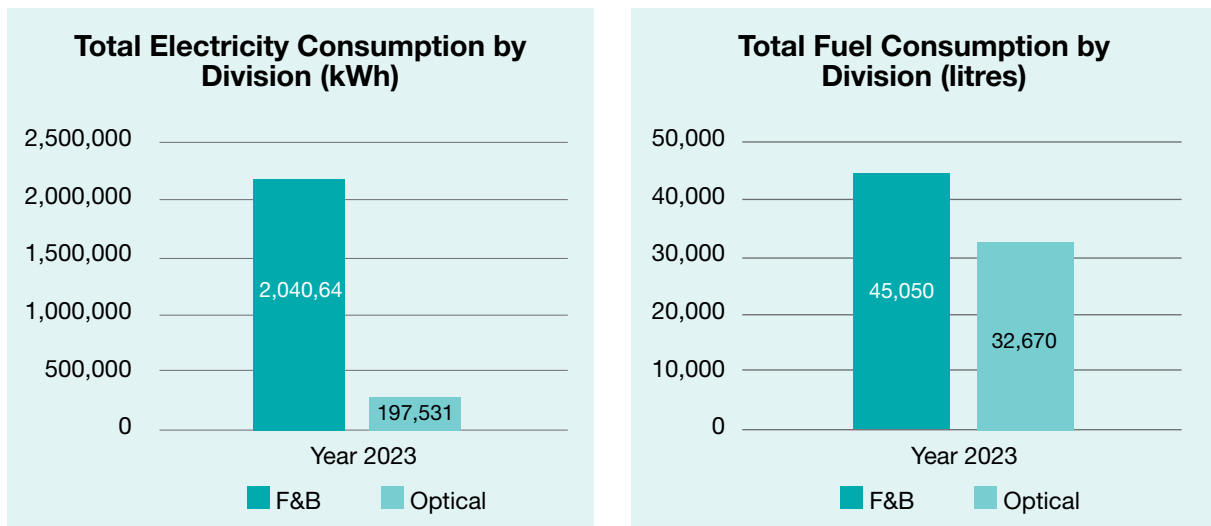
SUSTAINABILITY STATEMENT (CONT'D)

Our Performance

Energy Consumption

In 2023, we established it as the reference year for calculating the Group’s energy consumption, aligning with our dedication to fortifying an enhanced internal data tracking and reporting framework in line with established guidelines and standards. The energy consumption metrics encompass the Group’s operational activities within the Optical and F&B divisions in Malaysia exclusively.

The Group’s assessment of greenhouse gas emissions (“GHG”) stemming from energy consumption follows the operational control approach, wherein emissions are tallied solely from operations under our direct control. Energy consumption within rented outlets under the Optical division is excluded from this calculation due to regulatory constraints imposed by landlords, limiting our ability to influence energy reduction efforts in these premises. Nevertheless, our commitment persists in collaborating closely with landlords to explore energy-saving initiatives.



As of December 31, 2023, the Group’s energy consumption totalled 2,238,177 kWh, alongside 77,720 litres of fuel utilised in fully owned vehicles. We have set a target to reduce energy and fuel consumption by 5% by the year 2025.

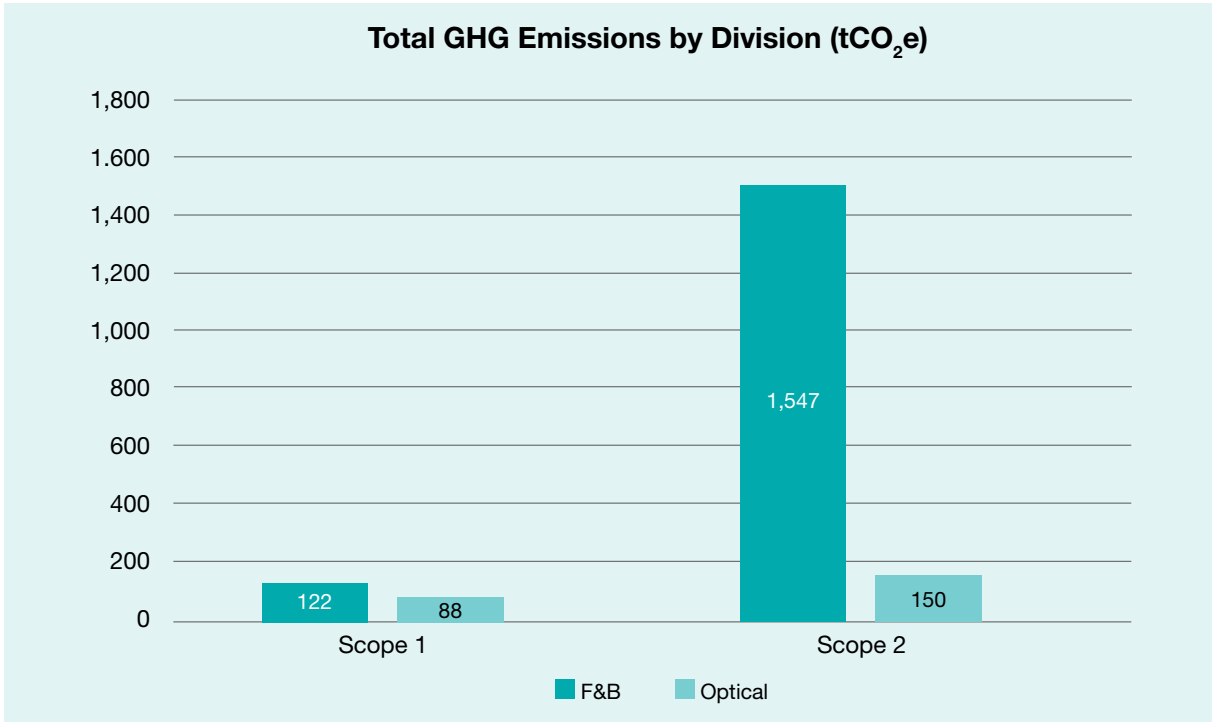
Methodology, boundary and assumptions:

- ¹ Our calculation methodology is based on the GHG Protocol Corporate Accounting and Reporting Standard, using the operational control consolidation approach
- ² Scope 1 emissions factors are sourced from the GHG Conversion Factors for Company Reporting version 1.0 (2022), published by the UK Department for Environment, Food & Rural Affairs (“DEFRA”)
- ³ Scope 2 emissions factors are sourced from the grid emissions published by the Energy Commission Malaysia (2022) for operation in Malaysia

SUSTAINABILITY STATEMENT
(CONT'D)

Carbon Emissions

The Group aims to achieve a 5% reduction in our absolute GHG emissions for both Scope 1 and Scope 2 by the year 2025, based on our 2023 baseline. In 2023, our total emissions for the year were 210 tCO₂e for Scope 1 and 1,697 tCO₂e for Scope 2.



In 2024, the Group will commence tracking and monitoring of Scope 3 emissions, focusing on business travel and employee commuting. We intend to set targets for Scope 3 emissions once we have enhanced our data tracking and recording processes, particularly for our Optical and F&B business operations.

WATER MANAGEMENT [GRI 303-3]

The Group acknowledges the critical global challenge of water scarcity, heightened by the persistent threats of climate change and drought. Recognising the potential impact on our business operations, we are committed to proactively identifying opportunities to optimise water consumption and implementing effective water management strategies to mitigate wastage and safeguard our water resources.

Our Approach

The Group has adopted a proactive approach to water management, striving to enhance water efficiency across our operations in line with industry-leading standards. Our objective is to achieve a 10% reduction in water consumption from our 2023 baseline by the year 2025.

Water is predominantly utilised within our F&B division’s manufacturing processes and across our owned and leased office spaces. To address this, we have implemented water conservation measures, including:

- Conducting regular maintenance checks on facilities such as toilets and pantries to minimise water wastage; and
- Promoting awareness among employees through regular reminders about adopting water-saving habits within our office premises.

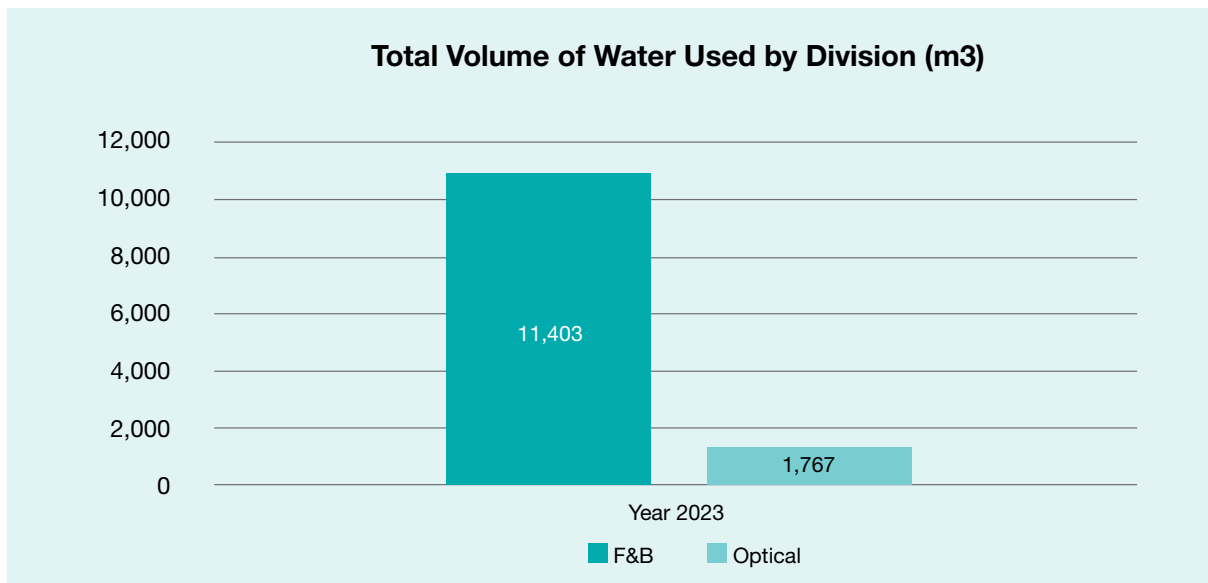
These initiatives underscore our commitment to sustainable water stewardship and align with our broader environmental objectives.

SUSTAINABILITY STATEMENT (CONT'D)

Our Performance

In 2023, we established it as the reference year for calculating the Group’s water usage, in accordance with our dedication to comprehensive internal data monitoring and reporting systems, as stipulated in GRI 303 guidelines. This performance data on water consumption encompasses our business activities within both the Optical and F&B divisions in Malaysia exclusively.

As of December 31, 2023, the Group’s water consumption stood at 13,170 m3. Furthermore, we have set a target to reduce water consumption by 10% by the year 2025.



DIVERSITY & INCLUSION

In our sustainability reporting, diversity encompasses variations in gender, age, ethnicity, and disability within our workforce. This aspect is evaluated holistically, encompassing all levels of the organisation, from the Board of Directors to management and staff.

Embracing diversity is fundamental to our ethos, as it fosters inclusive dialogue, expands our impact and outreach, facilitates knowledge exchange, and introduces fresh perspectives and approaches. Our workforce diversity, spanning across different age groups, genders, and industry backgrounds, enriches our organisational fabric, empowering us to effectively address challenges and seize opportunities.

We derive strength from the culture of diversity and inclusivity embedded within our workplace, underscoring our commitment to sustainable growth and prosperity.

Our Approach

In our appointment and recruitment procedures, we uphold principles of equality, striving to foster an inclusive workplace environment devoid of discrimination based on factors such as religious belief, age, marital status, gender, family status, or disability. This commitment extends across all aspects of employment, including resource allocation, terms, and conditions, ensuring fairness and equal opportunities for all employees to advance in their careers based on merit and dedication.

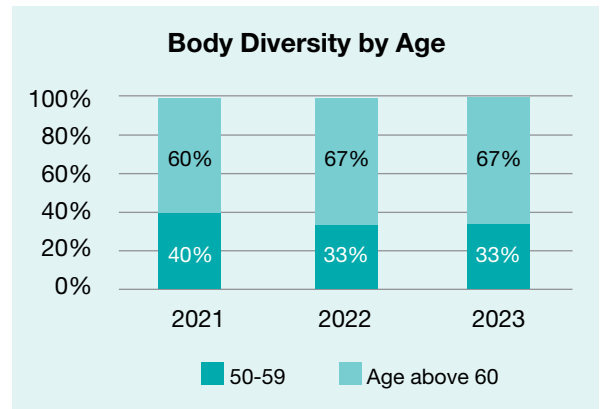
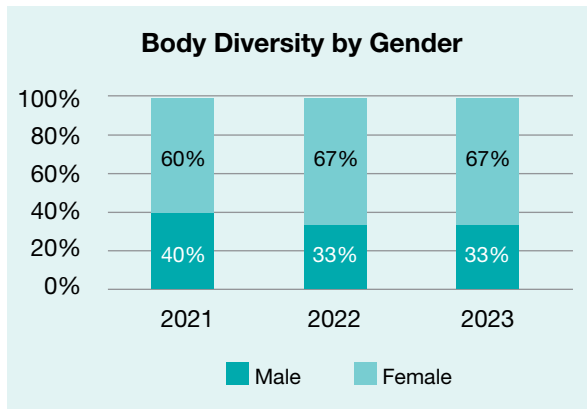
Recognising the importance of gender diversity in corporate governance, the Board acknowledges the imperative to enhance female representation in boardrooms. In line with this objective, we have instituted a Board Diversity Policy mandating a minimum of 30% female representation at the Board level, underscoring our commitment to fostering a diverse and inclusive leadership landscape.

SUSTAINABILITY STATEMENT (CONT'D)

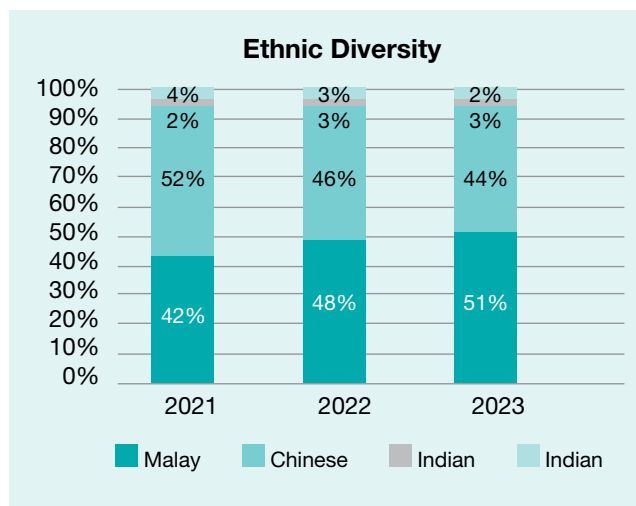
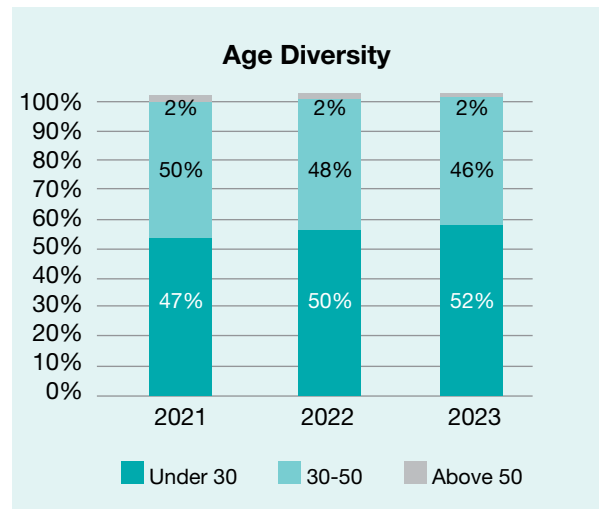
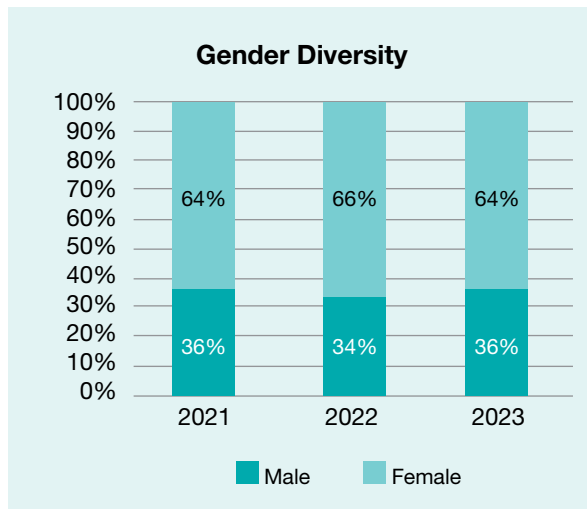
Our Performance

As of December 31, 2023, the board comprises six members, while the total employee count stands at 796.

Board Profile



Workforce Profile



SUSTAINABILITY STATEMENT (CONT'D)

EMPLOYEE MANAGEMENT [GRI 401-1, GRI 404-1, GRI 405-1]

The Group acknowledges the paramount importance of our workforce, considering employees as invaluable assets. We adopt a proactive approach by offering tailored development pathways and succession strategies to foster talent within the organisation. In line with our commitment to long-term sustainability, we prioritise investments in both internal and external recruitment, skill enhancement initiatives, employee engagement endeavours, and appropriate recognition and rewards for individuals contributing to the Group’s objectives.

Our Approach

Enhancing Focus Point’s human capital stands as a fundamental objective within our sustainability agenda. We are deeply committed to nurturing individuals dedicated to advancing the vision care industry, thereby ensuring exceptional service delivery to our customers while realising our vision and long-term business objectives. Our human capital development strategy revolves around four pivotal areas: talent acquisition, comprehensive employee training initiatives, equitable remuneration, and performance management, all underpinned by a commitment to upholding human rights principles.

Talent Acquisition

Talent acquisition stands as a cornerstone of Focus Point’s commitment to sustainability, resonating strongly with the social dimension of ESG principles. We recognise that attracting and retaining a diverse pool of talent is integral to fostering inclusive workplaces and championing diversity and equal opportunities. Moreover, talent acquisition plays a pivotal role in safeguarding employee well-being and satisfaction, thereby nurturing a positive corporate culture and bolstering employee engagement.

Throughout 2023, we actively engaged in numerous career talks held at local universities, aiming to attract promising optometry graduates to join our expanding team. These efforts underscore our dedication to nurturing talent and furthering our commitment to sustainable growth and development.



Figure 2: Empowering future optometrists: Focus Point conducts a dynamic career talk at UCSI in 2023.



Figure 3: Inspiring the next generation of talent! Focus Point’s Career Talk 2023 ignites motivation and opportunity for future optometry professionals.

SUSTAINABILITY STATEMENT (CONT'D)

Employee Training

We have robust learning and development initiatives in place to empower our staff to reach their full potential and serve with passion.

For our eye-care professionals, including optometrists and opticians, we are committed to providing ongoing training opportunities to earn Continuing Professional Development (“CPD”) points necessary for annual certificate renewal. Focus Point offers upskilling programs designed to support our professionals in obtaining professional qualifications within the vision care industry. Furthermore, we actively encourage our employees to pursue further education through study loans or scholarships, reinforcing our dedication to fostering continuous learning and professional growth.

Fair Remuneration and performance management

At Focus Point, we recognise that fair remuneration and performance management practices are essential components of our sustainability strategy. These practices provide a structured framework for aligning individual and organisational objectives, ensuring that employees’ efforts are directed towards achieving the Group’s strategic imperatives. Through the establishment of clear performance expectations and regular progress evaluations, our performance management system fosters accountability and concentration within the Company.

A robust evaluation process serves to facilitate employee development and growth by identifying both strengths and areas for improvement. This proactive approach not only supports individual advancement but also contributes to the overall enhancement of organisational effectiveness.

In 2023, we remained committed to upholding the latest employment regulations as outlined in the amended Employment Act 1955. This included initiatives such as reducing working hours to 45 hours per week, implementing paid paternal leave, and extending maternity leave to 98 days, demonstrating our dedication to ensuring fair and equitable workplace practices.

Furthermore, we continued to provide a comprehensive range of benefits to our employees, including annual leave, sick and hospitalisation leave, marriage leave, birthday leave, insurance coverage, dental care, health screening, parking allowances, and employee education assistance. These benefits reflect our commitment to promoting employee well-being and fostering a supportive work environment that encourages professional growth and development.

Human Rights

We remain steadfast in our commitment to uphold and respect fundamental human rights, safeguarding against any infringements. This commitment encompasses various aspects, including the elimination of forced and child labour, adherence to minimum wage standards, and ensuring fair compensation, as outlined in the amended Employment Act 1955. Additionally, we are dedicated to providing reasonable working hours in accordance with legal requirements.

In our workplace, we foster an environment that is anti-discriminatory and anti-harassment, prioritising safety, health, and ethical conduct. Employees are encouraged to exercise their rights to unionise, in line with local laws and practices, without fear of reprisal.

Currently, we are in the final stages of developing our Human Rights Policy, which will articulate our expectations for employees and stakeholders regarding human rights matters. This policy will outline our approach to labour rights and other pertinent human rights issues, reinforcing our commitment to ethical practices and social responsibility.

SUSTAINABILITY STATEMENT (CONT'D)

Our Performance

Employee Training Hours

In 2023, our commitment to employee development was evident, with an average of 367 training hours allocated to our Eye-Care Practitioners (“ECP”) and 219 hours for non-ECP staff. These hours encompassed a variety of learning modalities, including on-the-job training, utilisation of external learning platforms, and self-paced learning initiatives, all aimed at facilitating our employees’ continuous professional advancement.

Furthermore, 2023 served as the baseline year for tracking the Group’s total training attendance and calculating the average training hours per employee. On average, employees participated in 16 hours of training, reflecting our dedication to fostering a culture of continuous learning and development.

	2023
Total training attended by headcount	
• Optical	1,020
• F&B	535
Overall average training hours per employees	16

Moving forward, we remain committed to maintaining a minimum of 16 hours of training per employee annually, ensuring that our workforce remains equipped with the necessary skills and knowledge to thrive in an ever-evolving landscape.

Employee Retention and Attrition

In 2023, the Group attained a Retention Rate of 56.85%, indicative of our efforts to cultivate a sustainable and stable workforce. Looking ahead to 2024, we remain steadfast in our commitment to further enhance our retention rate, recognising the pivotal role it plays in fostering employee satisfaction, continuity, and organisational resilience.

	2021	2022	2023
Optical	15.55%	29.04%	35.08%
F&B	93.62%	94.08%	67.80%

Human Rights

In the fiscal year 2023, the company received no verified reports of human rights violations.

	2021	2022	2023
Optical	0	0	0
F&B	0	0	0

SUSTAINABILITY STATEMENT (CONT'D)

HEALTH AND SAFETY [GRI 403-1 TO GRI 403-7, GRI 403-9]

The Group recognises that the safety and well-being of its employees are paramount to its continued success. Consequently, we are dedicated to fostering a secure and healthy workplace environment, adhering to stringent safety protocols across all facets of our business operations.

Our Approach

In alignment with the Occupational Safety and Health Act 1994, our F&B division has established the Occupational Safety & Health Administration (“OSHA”) Committee. This committee comprises representatives from management and employees across relevant business departments. Its primary mandate is to convene regular meetings to deliberate upon and review all health and safety issues and performance indicators.

Underpinning our commitment to occupational safety and health, the Group has implemented a comprehensive policy. This policy underscores our dedication to:

- Ensuring strict compliance with pertinent laws and regulations governing occupational safety and health;
- Establishing clear targets and performance metrics to drive improvements in occupational safety and health standards throughout the organisation; and
- Cultivating a culture where every employee shares in the responsibility to safeguard the safety and well-being of our workforce, contractors, and the wider community.

Furthermore, the Group mandates annual mandatory health screening and surveillance for all employees, demonstrating our proactive approach to promoting employee well-being and ensuring a safe working environment.



Figure 4: Fostering employee well-being through participation in the Foodie Food Run 2023 - a testament to our commitment to health and wellness

SUSTAINABILITY STATEMENT (CONT'D)

Our Performance

Health & Safety Incident

In pursuit of our Health & Safety objectives for the fiscal year ending 2022, the Group aimed to achieve a zero-accident rate. Regrettably, we fell short of this key performance indicator, with one work-related injury reported during the period under review. Nonetheless, we have taken decisive steps to address the underlying factors and implement corrective measures to prevent any recurrence.

	2021	2022	2023
Number of work-related accidents			
• F&B	3	–	1
• Optical	–	–	–

Moving forward, our commitment to Health & Safety remains unwavering, and we will intensify our focus on preventive measures to mitigate the risk of accidents in the future. By reinforcing our safety protocols and fostering a culture of vigilance and responsibility, we aim to safeguard the well-being of our employees and uphold our commitment to sustainability.

Health & Safety Trainings

During the reporting period, the Group facilitated a range of health and safety training sessions, with 418 employees from the F&B division in attendance. This underscores our unwavering commitment to prioritising the well-being and safety of our workforce.

Looking ahead, we are dedicated to expanding our efforts in this regard by arranging additional health and safety training sessions conducted by external trainers for all employees. These proactive measures align with our sustainability objectives, ensuring a safe and healthy work environment for our entire workforce.

COMMUNITY [GRI 413-1]

Recognising the integral role of community engagement in our corporate citizenship, we acknowledge its significance beyond mere social responsibility. Our commitment to the community not only cultivates goodwill and trust among stakeholders but also serves as a catalyst for societal well-being and progress. Through strategic investments in community initiatives, we aim to enrich the social fabric within which we operate, fostering stronger connections with our customers, employees, and investors. Moreover, our community investment endeavours are aligned with addressing pressing social and environmental issues, thus propelling sustainable development forward.

Our Approach

Embedded within the fabric of our operational communities, we actively participate in outreach endeavours and initiatives, a testament to our unwavering commitment to social responsibility. We take great pride in our role as catalysts for positive change, serving diverse segments of society and fostering social empowerment. This commitment is exemplified through the establishment of the Focus Point Caring Hearts Charity Foundation (“Foundation”).

Since its inception in 2007, the Foundation has been a beacon of hope, extending its reach far beyond our immediate community. Guided by the ethos of “Together, We Make a Difference”, the Foundation has spearheaded numerous philanthropic endeavours and fundraising campaigns. These efforts include annual programs such as World Sight Day, eye screening initiatives for students, visits to charitable institutions, and more, all aimed at benefiting countless individuals each year.

SUSTAINABILITY STATEMENT (CONT'D)

Interest-Free Tertiary Education Initiative

In the reporting period, we initiated a new interest-free education loan program in partnership with UCSI University. Designed to support students from the B40 or M40 socioeconomic segments experiencing financial constraints, this program specifically targets individuals pursuing tertiary education in optometry.

As of 2023, we are pleased to report that four (4) tertiary students are benefiting from our interest-free education loan program, underscoring our commitment to fostering accessible education opportunities and promoting social inclusivity.



Figure 5: Introducing Our Groundbreaking Interest-Free Education Loan Program in Partnership with UCSI University, 2023.

Blood Donation Initiative

In 2023, the Foundation reaffirmed its commitment to community welfare by reinstating its annual blood donation drive, in collaboration with Pusat Darah Negara, Malaysia, following a two-year hiatus due to the challenges posed by the COVID-19 pandemic. Held at The Curve Mall in February 2023, this significant event marked a triumphant return to promoting life-saving contributions from the community, resulting in the collection of 72 bags of blood.



Figure 6: Renewing our pledge to community well-being, we resumed our annual blood donation drive in 2023, partnering with Pusat Darah Negara, Malaysia.

Beyond its immediate impact, the campaign served as a powerful platform to raise awareness about the enduring need for a steady and reliable supply of blood for those facing medical emergencies. By mobilising local support and fostering a culture of altruism, this initiative exemplified our ongoing dedication to making a tangible difference in the lives of others, embodying our core values of compassion and social responsibility.

SUSTAINABILITY STATEMENT (CONT'D)

Vision Screening Initiatives and Provision of Eyeglasses

We acknowledge the significance of optimal vision and healthy eyesight, particularly among school-aged children. Our commitment to sustainability extends to investing in programs that prioritize vision care services, ensuring ongoing and equitable access for those in underserved communities.



Figure 7: Partnering for Vision: Bringing Free Eye Screenings to Rural Communities in Kota Belud and Penampang with MEDAC and PERNAS.

In collaboration with the Ministry of Entrepreneur & Cooperatives Development (“MEDAC”) and PERNAS, we have conducted complimentary eye screenings in the rural areas of Kota Belud and Penampang. Additionally, we provided 200 prescription glasses to residents in both towns, underscoring our dedication to promoting eye health and enhancing quality of life within these communities.



Figure 8: Empowering Young Visionaries: Providing free screenings and 30 pairs of eyewear to students in collaboration with SJK (C) Kong Hoe.

Furthermore, we partnered with SJK (C) Kong Hoe to offer free screenings and distributed 30 pairs of eyewear to students, reaffirming our commitment to promoting healthy vision among the younger generation. These initiatives underscore our ongoing efforts to expand access to vision care services and contribute to the well-being of communities we serve.

SUSTAINABILITY STATEMENT (CONT'D)

The Lost Food Project

Our collaboration with The Lost Food Project (“TLFP”) represents a significant stride in our ongoing commitment to sustainability within our F&B operations. In 2023, we intensified our efforts by generously donating surplus bread and buns to TLFP, resulting in the rescue of approximately 8,582 kg of food. This substantial contribution translated into providing a staggering 24,520 meals to individuals and families in need, amplifying the positive impact of our actions within our community.

Moreover, beyond the immediate humanitarian benefits, our partnership with TLFP played a crucial role in mitigating environmental harm. By diverting food waste from landfills, we prevented the emission of 21,454 kgCO₂e, thus aligning our actions with broader sustainability goals and principles.



Figure 9: Turning waste into environmental impact: Diverting food waste from landfills prevented 21,454 kg of greenhouse gases, aligning with our sustainability goals.

	2022	2023
The Lost Food Project		
GHG Emissions Prevented from our food donation (kgCO ₂ e)	20,403	21,454

As we move forward, we remain steadfast in our commitment to enhancing our collaboration with TLFP and exploring additional avenues to minimise food waste, reduce our environmental footprint, and create lasting social value within our communities.

SUSTAINABILITY STATEMENT
(CONT'D)

GRI CONTENT INDEX

GRI Standard 2021 - Disclosure Title		Page Reference & Remarks
GRI 2: General Disclosures 2021		
ORGANISATIONAL PROFILE		
2-1	Organisational details	Annual Report 2023: Pg 9 Sustainability Statement 2023: Pg 30
2-2	Entities included in the organisation's sustainability reporting	Sustainability Statement 2023: Pg 30
2-3	Reporting period, frequency and contact point	Sustainability Statement 2023: Pg 30
2-4	Restatements of information	No restatement for the FYE 2023
2-5	External assurance	Not external assured. Data reported in this Sustainability Statement FYE 2023 has been verified internally by the Group's Compliance Audit Department ("CAD")
2-6	Activities, value chain and other business relationships	Annual Report 2023: Pg 9 Sustainability Statement 2023: Pg 30
2-7	Employees	Sustainability Statement 2023: Pg 42
2-8	Workers who are not employees	Not applicable
2-9	Governance structure and composition	Sustainability Statement 2023: Pg 30
2-10	Nomination and selection of the highest governance body	Sustainability Statement 2023: Pg 30
2-11	Chair of the highest governance body	Annual Report 2023: Pg 55 & 73
2-12	Role of the highest governance body in overseeing the management of impacts	Annual Report 2023: Pg 20
2-13	Delegation of responsibility for managing impacts	Sustainability Statement 2023: Pg 30
2-14	Role of the highest governance body in sustainability reporting	Sustainability Statement 2023: Pg 30
2-15	Conflicts of interest	Annual Report 2023: Pg 14 & 55
2-16	Communication of critical concerns	Annual Report 2023: Pg 73
2-17	Collective knowledge of the highest governance body	Annual Report 2023: Pg 55
2-18	Evaluation of the performance of the highest governance body	Annual Report 2023: Pg 55
2-19	Remuneration policies	Annual Report 2023: Pg 55
2-20	Process to determine remuneration	Annual Report 2023: Pg 55
2-21	Annual total compensation ratio	Information not available and step are being taken to include in future reports
2-22	Statement on sustainable development strategy	Sustainability Framework is work-in-progress and to be disclosed in future reports
2-23	Policy commitments	Sustainability Statement 2023: Pg 37
2-24	Embedding policy commitments	Sustainability Statement 2023: Pg 37
2-25	Processes to remediate negative impacts	Annual Report 2023: Pg 73 Sustainability Statement 2023: Pg 35

SUSTAINABILITY STATEMENT
(CONT'D)

GRI CONTENT INDEX (CONT'D)

GRI Standard 2021 - Disclosure Title		Page Reference & Remarks
GRI 2: General Disclosures 2021		
ORGANISATIONAL PROFILE		
2-26	Mechanisms for seeking advice and raising concerns	Annual Report 2023: Pg 73 Sustainability Statement 2023: Pg 37
2-27	Compliance with laws and regulations	Sustainability Statement 2023: Pg 37
2-28	Membership associations	1. Malaysia Retail Chain Association (MRCA) 2. Malaysia Franchise Association (MFA) 3. The Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor (KLSCCCI)
2-29	Approach to stakeholder engagement	Sustainability Statement 2023: Pg 31
2-30	Collective bargaining agreements	Not applicable

MATERIAL TOPICS

MATERIAL TOPICS		
GRI 201: ECONOMIC PERFORMANCE 2016		
201-1	Direct economic value generated and distributed	Annual Report 2023: Pg 79 Sustainability Statement 2023: Pg 36
GRI 204: PROCUREMENT PRACTICES 2016		
204-1	Proportion of spending on local suppliers	Sustainability Statement 2023: Pg 38
GRI 205: ANTI-CORRUPTION 2016		
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Statement 2023: Pg 37
205-3	Confirmed incidents of corruption and actions taken	Sustainability Statement 2023: Pg 37
GRI 302: ENERGY 2016		
302-1	Energy consumption within the organisation	Sustainability Statement 2023: Pg 40
GRI 303: WATER AND EFFLUENTS 2018		
303-3	Water withdrawal	Sustainability Statement 2023: Pg 41
GRI 305: EMISSIONS 2016		
305-1	Direct (Scope 1) GHG emissions	Sustainability Statement 2023: Pg 41
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Statement 2023: Pg 41
GRI 401: EMPLOYMENT 2016		
401-1	New employee hires and employee turnover	Sustainability Statement 2023: Pg 46

SUSTAINABILITY STATEMENT
(CONT'D)

MATERIAL TOPICS (CONT'D)

MATERIAL TOPICS		
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018		
403-1	Occupational health and safety management system	Sustainability Statement 2023: Pg 47
403-2	Hazard identification, risk assessment, and incident investigation	Sustainability Statement 2023: Pg 47
403-3	Occupational health services	Sustainability Statement 2023: Pg 47
403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability Statement 2023: Pg 47
403-5	Worker training on occupational health and safety	Sustainability Statement 2023: Pg 47
403-6	Promotion of worker health	Sustainability Statement 2023: Pg 47
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Statement 2023: Pg 47
403-9	Work-related injuries	Sustainability Statement 2023: Pg 47
GRI 404: TRAINING AND EDUCATION 2016		
404-1	Average hours of training per year per employee	Sustainability Statement 2023: Pg 46
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016		
405-1	Diversity of governance bodies and employees	Sustainability Statement 2023: Pg 42
GRI 413: LOCAL COMMUNITIES 2016		
413-1	Operations with local community Engagement, impact assessments, and development programs	Sustainability Statement 2023: Pg 48

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 Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Malaysian Code on Corporate Governance 2021 (“MCCG”) issued by Securities Commission Malaysia.

This Corporate Governance Overview Statement is prepared in compliance with Paragraph 15.25 of the Listing Requirements of Bursa Securities and it is to be read together with the Corporate Governance Report 2023 (“CG Report”) which details the application of each Practice of MCCG. The CG Report is available on the corporate website: www.focus-point.com.my. The key focus areas of the Company’s Corporate Governance practices are further described below.

The Board is of the opinion that for financial year ended 31 December 2023 (“FY 2023”), the Company complied with the principles and practices as set out in the MCCG, apart from departures on the following practices:-

- Practice 8.2 - The board discloses on a named basis the top five senior management’s remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000;
- Practice 13.2 - All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them; and
- Practice 13.3 – Listed companies should leverage technology to facilitate voting and remote shareholders’ participation at general meetings.

The Company has provided clear explanations for the departure of the Practices in the CG Report. The Board comprehends the Intended Outcome envisaged by the MCCG and has adopted alternative measures that would deliver similar outcomes. The Board will undertake an appropriateness assessment to evaluate the adoption of the departed Practices as it is the Board’s foremost priority to ensure corporate governance practices are aligned to the needs of the Company from time to time.

A) BOARD LEADERSHIP AND EFFECTIVENESS

PART I - BOARD RESPONSIBILITIES

1. Board’s Leadership on Objectives and Goals

1.1 Strategic Aims, Values and Standards

The Board has overall responsibility for the strategic direction of the Group. The Board meets regularly to review corporate strategies, operations and performance of business units within the Group. All Board members bring their independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The roles and responsibilities of the Board as set out in the Board Charter are clear and distinct from that of the President/Chief Executive Officer (“President/CEO”). The matters reserved for the deliberation and collective decision of the Board to ensure the direction and control of the Group’s businesses are listed in the Board Charter which is available on the corporate website: www.focus-point.com.my.

The Board has oversight on matters delegated to Management whereby updates are periodically reported. All Board authority conferred on Management is delegated through the President/CEO so that the authority and accountability of Management is considered to be the authority and accountability of the President/CEO so far as the Board is concerned.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

1. Board's Leadership on Objectives and Goals (cont'd)

1.1 Strategic Aims, Values and Standards (cont'd)

Other than the President/CEO, the Board also facilitates its principal responsibilities which include reviewing and adopting a strategic plan, overseeing the conduct of business, risk management, succession planning, developing and implementing investor relations and reviewing internal controls. Towards this, the Board has delegated specific responsibilities to the following Board Committees:-

- i. Audit Committee ("AC");
- ii. Nomination Committee ("NC");
- iii. Remuneration Committee ("RC"); and
- iv. Sustainability Committee ("SC")

The powers delegated to the Board Committees are set out in the Terms of Reference ("TOR") of the respective Committees approved by the Board.

The Board Committees review matters within their TORs and make recommendations to the Board for approval. The Board is kept apprised of the activities of the Board Committees through circulation of meeting minutes of the Board Committees and updates on meeting deliberations and outcomes by the respective chairman and/or chairpersons of the Board Committees at meetings. The ultimate responsibility for the final decision on the recommendations lies with the entire Board.

The Board owes the fiduciary duties to the Company and, while discharging its duties and responsibilities, shall individually and collectively exercise reasonable care, skill and diligence at all times. Aside from the key responsibilities as delineated in the Board Charter, each Board member is also expected to demonstrate and adhere with the following:

a. Time commitment

i. Attendance of meetings

Notwithstanding that no specific quantum of time has been fixed, each member of the Board is expected to devote sufficient time and attention to the affairs of the Company. Any Director is, while holding office, at liberty to accept other Board appointment(s) in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his/her duty as a Director of the Company.

The Board ordinarily schedules at least five (5) meetings a year. Board and Board Committee meetings are scheduled well in advance. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings.

To facilitate the Directors' time planning, an annual meeting calendar will be prepared and circulated to them before the beginning of each year. It will provide the scheduled dates for meetings of the Board and Board Committees, the Annual General Meeting ("AGM"), major briefings to be conducted by the Company, as well as the closed periods for dealings in securities by Directors based on the targeted dates of announcements of the Company's quarterly results.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

1. Board's Leadership on Objectives and Goals (cont'd)

1.1 Strategic Aims, Values and Standards (cont'd)

a. Time commitment (cont'd)

i. Attendance of meetings (cont'd)

For FY 2023, the Board and Board Committees met to approve, amongst others, the quarterly and annual financial results, to review business performance of the Company and to ensure that the proper internal control systems are in place.

The details of attendance of each Director at the Board and Board Committees meetings held during the FY 2023 were set out below.

Name of Director	Attendance at Meetings (Attended/Held)			
	Board	AC	NC	RC
Dato' Sri Suriani binti Dato' Ahmad	3/5	–	–	–
Dato' Liaw Choon Liang	5/5	–	–	–
Datin Goh Poi Eong	4/5	–	–	–
Datin Sim Swee Yoke	5/5	5/5	1/1	1/1
Dr. Haliza binti Abdul Mutalib	5/5	5/5	1/1	1/1
Lee Tuan Meng	5/5	5/5	1/1	1/1

ii. New Directorships

Prior to the acceptance of new board appointment(s) in other public listed companies ("PLC"), the Directors are required to notify the Chairman and/or the Company Secretaries in writing which includes an indication of time that will be spent on 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/her performance as a board member of the Company.

To ensure the Directors have devoted sufficient time to focus and fulfil their roles and responsibilities effectively, the Directors must not hold directorships at more than five (5) PLCs as prescribed in the Listing Requirements of Bursa Securities. As at the date of this Statement, none of the Directors of the Company has held more than 5 PLCs' directorships.

b. Training

The Board takes a strong view of the importance of continuing education for the Directors and through the NC, to review the training needs of each Director annually as to ensure they are equipped with the necessary skills and knowledge to meet the challenges of the Board. Although the Board does not have a policy requiring each Director to attend a specific number and types of training sessions each year to keep abreast of industry developments and trends, each Director shall determine the areas of training that he/ she may require for personal development as a Director or as a member of a Board Committee.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

1. Board's Leadership on Objectives and Goals (cont'd)

1.1 Strategic Aims, Values and Standards (cont'd)

b. Training (cont'd)

Any Director appointed to the Board is required to complete the Mandatory Accreditation Programme ("MAP") within 4 months from the date of appointment. The Mandatory Accreditation Programme Part II: Leading for Impact ("MAP II"), an extension to the existing MAP was introduced during FY 2023. All Directors are required to complete MAP II within 24 months from 1 August 2023.

The External Auditors brief the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during a particular year. In addition, the Board is updated or briefed at Board meetings on any significant changes in laws and regulations that are relevant by the Company Secretaries. The Directors are also encouraged to attend appropriate external trainings on subject matter that aid the Directors in discharging their duties as Directors, either at the Company's expenses or through self-reading.

All the Directors have attended the MAP and attendance of MAP II is disclosed below.

During the FY 2023, the external training program attended by the Directors were as follows:

Director	Name of conferences, seminars and training programmes	Date
Dato' Sri Suriani binti Dato' Ahmad	Program Wacana Membangun Negara Madani Dan Amanat Perdana Menteri Untuk Malaysia	19 January 2023
	ADFIM International CEO Forum	9 March 2023
	Bengkel Pemukiman KSU / KP	28 May 2023
	Program Kepimpinan Dan Tadbir Urus Baik Lembaga Pengarah Syarikat Menteri Kewangan (Diperbadankan) Dan Badan Berkanun Persekutuan	20 July 2023
	BNM Composite Risk Rating (CRR) 2022 Board Communication	1 August 2023
	Kursus Financial Statement Analysis For MOF Inc.'s Director	6 September 2023
	The Implementation Of AML/CFT Programme For Board Of Directors / Members Of Management Committee ("MANCO") 2023	13 September 2023
	Persidangan Pemeriksaan Integriti Bersama KPPA, KAN Dan Pengerusi PAC Parlimen	27 September 2023
	Corporate Liability Section 17a MACC Act	13 October 2023
	Kursus Kecemerlangan Organisasi Ahli Mesyuarat Pengurusan Tertinggi, Kementerian Pembangunan Usahawan Dan Koperasi (KUSKOP)	20 – 22 October 2023
	Sesi Amanat YAB PM Dan Peluncuran Arahan YAB PM No. 1 Tahun 2023 : Gerakan Pemantapan Tata Kelola Nasional	27 November 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

1. Board's Leadership on Objectives and Goals (cont'd)

1.1 Strategic Aims, Values and Standards (cont'd)

b. Training (cont'd)

Director	Name of conferences, seminars and training programmes	Date
Dato' Liaw Choon Liang	ESG Auditing Techniques : Sustainability Statement Audit & Assurance	17 November 2023
	Bursa Malaysia Corruption and Bribery via Bursa Sustain	4 December 2023
Datin Goh Poi Eong	Asia School of Business: Board Oversight of Climate Risks and Opportunities	10 October 2023
	ESG Auditing Techniques : Sustainability Statement Audit & Assurance	17 November 2023
Datin Sim Swee Yoke	ICDM's Navigating the ESG Risks In the Supply Chain	11 April 2023
	Malaysian Institute of Corporate Governance's Breakfast Talk – Stepping up to the role: Objective Assurance & Advisory on ESG	13 July 2023
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	19 & 20 October 2023
	ESG Auditing Techniques : Sustainability Statement Audit & Assurance	17 November 2023
	Bursa Malaysia Reporting under The Taskforce for Climate- related Financial Disclosures (TCFD) Climate Governance Malaysia (CGM) Masterclass	4 December 2023
Lee Tuan Meng	ESG Auditing Techniques : Sustainability Statement Audit & Assurance	17 November 2023
Dr. Haliza binti Abdul Mutalib	ESG Auditing Techniques : Sustainability Statement Audit & Assurance	17 November 2023

c. Conflict of interest and related party transactions

To assure accountability and prevent conflict of interest in relation to issues that come before the Board, Directors are reminded by the Company Secretaries of their statutory duties and responsibilities and are provided with updates on any changes thereon. Hence, all related party transactions (if any) will be submitted to the AC for review on a quarterly basis.

The Directors further acknowledge that they are also required to abstain from deliberation and voting on relevant resolutions in which they have an interest at the Board or any general meeting convened. In the event a corporate proposal is required to be approved by shareholders, the interested Directors will abstain from voting in respect of their shareholdings and will further undertake to ensure that persons connected to them will similarly abstain from voting on the resolutions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

1. Board's Leadership on Objectives and Goals (cont'd)

1.2 The Chairman of the Board

The Chairman of the Board is primarily responsible for matters pertaining to the Board and the overall conduct of the Board. She is committed to good corporate governance practices and to lead the Board towards a high performing culture.

The Chairman will act as facilitator at meetings of the Board and ensure that no Board member, whether Executive or Non-Executive, dominates the discussion, and that appropriate discussion takes place and that the relevant opinions among the members of the Board are forthcoming. Together with the other Non-Executive and Independent Directors, She leads the discussion on the Group's strategies and policies as recommended by the Management. She also chairs the meetings of the Board and the shareholders.

Dato' Sri Suriani binti Dato' Ahmad, the Chairman of the Board is not a member of the AC, NC and RC and she does not attend the meetings of the AC, NC and RC.

1.3 Chairman and President/CEO

The positions of Chairman and President/CEO are held by two different individuals. The distinct and separate roles of the Chairman and President/CEO, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making. The President/CEO oversees the day-to-day management and running of the Group and the implementation of the Board's decisions and policies.

The key roles and accountabilities of the Chairman and President/CEO are set out in the Board Charter which is available on the corporate website: www.focus-point.com.my.

1.4 Qualified and competent Company Secretaries

The Company Secretaries of the Company have the requisite credentials, and are suitably qualified to act as company secretaries under Section 235(2) of the Companies Act 2016 ("the Act"). The Company Secretaries play a significant role in supporting the Board to ensure that all governance matters and Board procedures are followed and that the applicable laws and regulations and the MCCG are complied with. These include the obligations of Directors relating to disclosure of interests and disclosure of any conflicts of interest in transactions with the Group. The details of the role and responsibilities of the Company Secretaries are disclosed in the CG Report.

1.5 Access to information and advice

The Directors have individual and independent access to the advice and dedicated support services of the Company Secretaries as well as to all information within the Group. Senior Management provides Directors with the required information or updates either personally or at meetings. All Directors are furnished with a comprehensive Board paper including the meeting agenda usually five (5) business day before each Board meeting.

Sufficient time is given to enable the Directors to solicit further explanations and/or information, where necessary, so that deliberations at the meeting are focused and constructive. The Board papers includes, amongst others, financial results and forecasts, status of major projects (if any), minutes of meetings of the Board and of the Board Committees and other major operational, financial, compliance and legal issues. In addition, there is a schedule of matters reserved specifically for the Board's decision.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

1. Board's Leadership on Objectives and Goals (cont'd)

1.5 Access to information and advice (cont'd)

In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, approvals will be obtained via written resolutions which are supported with information necessary for an informed decision.

Individual Directors may also obtain independent professional or other advice in furtherance of their duties at the Company's expense on specific issues, subject to approval by the Chairman or the Board, depending on the quantum of the fees involved. Wherever necessary, consultants and experts will be invited to brief the Board on their areas of expertise or their reports.

2. Demarcation of Responsibilities

2.1 Board Charter

The Board has adopted the Board Charter since 16 April 2013 and undertakes periodic review with the last review conducted on 14 April 2023. Apart from setting out the roles and responsibilities, authorities, procedures, evaluations and structures of the Board and Board Committees, the Board Charter also outlines the Board membership guidelines, procedures for Board Meetings, Directors' remuneration, Board and member assessment and Investors Relation and Effective Communication.

The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter is available on the corporate website: www.focus-point.com.my.

3. Good Business Conduct and Corporate Structure

3.1 Code of Conduct and Ethics for Directors and Senior Management

The Board is committed to maintain a corporate culture which engenders ethical conduct. A Code of Ethics is formalised through the Company's Code of Conduct, which summarises what the Company must endeavour to do proactively in order to increase corporate value, and which describes the areas in daily activities that require caution in order to minimise any risks that may occur. The Code of Conduct and Ethics will be reviewed periodically.

The Code of Conduct and Ethics for the Directors and Senior Management is available on the corporate website: www.focus-point.com.my.

3.2 Formalised policies and procedures on Whistleblowing

The Board also has a separate Whistleblowing Policy detailing the appropriate communication and feedback channels to facilitate whistleblowing. The implementation of such policy is in line with Section 587 of the Act where provisions have been made to protect the Company's officers or stakeholders who make disclosures on breach or non-observance of any requirement or provision of the Act or on any serious offence involving fraud and dishonesty.

The Whistleblowing Policy is available on the corporate website: www.focus-point.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION

4. Board's Objectivity

4.1 Composition of the Board

As at 31 December 2023, the composition of the Board comprised:

- 1) Dato' Sri Suriani binti Dato' Ahmad – *Non-Independent Non-Executive Chairman*
- 2) Dato' Liaw Choon Liang – *President/Chief Executive Officer*
- 3) Datin Goh Poi Eong – *Executive Director*
- 4) Datin Sim Swee Yoke – *Senior Independent Non-Executive Director*
- 5) Dr. Haliza binti Abdul Mutalib – *Independent Non-Executive Director*
- 6) Lee Tuan Meng – *Independent Non-Executive Director*

The Company also complies with MCCG whereby 50% of the Board members are Independent Directors and the Listing Requirements of Bursa Securities on one-third (1/3) of the Board of Directors are Independent Directors. This fairly reflects the investment by minority shareholders through Independent Directors.

The Board comprises members from various professions with individual personalised quality, expertise, skills and relevant market and industry knowledge and ensures at all times that necessary financial and human resources are in place for the Company to meet its strategic objectives. With the age of the Directors ranging from 53 to 63, the Board believes that this creates an environment where each generation brings different skills, experience and talents to the Board. The Board will continue to monitor and review the Board's size and composition as may be needed.

The Board has appointed Datin Sim Swee Yoke as the Senior Independent Non-Executive Director to whom any concerns pertaining to the Company may be conveyed to her. She can be reached via email at 8nlssy@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.

4.2 Independent Director's Tenure

The Board Charter stipulates that the tenure of an Independent Non-Executive Directors shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. In the event such Director is to be retained as an Independent Director beyond nine (9) years, the Board should provide justification and seek annual shareholders' approval through a two-tier voting.

As at 31 December 2023, none of the Independent Directors have exceeded the nine (9) years term of service.

4.3 Diverse Board and Senior Management Team

The appointment of Board and Senior Management is based on objective criteria, merit and in addition to gender diversity, due regard is placed for diversity in skills, experience, age and cultural background. The Profile of Directors and Profile of Key Senior Management are disclosed in the Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

4. Board's Objectivity (cont'd)

4.4 Gender Diversity

The Board is supportive of the gender boardroom diversity recommended by the MCCG. The Board currently has 4 female Directors, which represents 67% of the Board members. The Board, through the NC will continuously review the proportion of the female and male Board members during the annual assessment of the Board, Board Committees and Directors' performance by taking into consideration the appropriate skills, experience and characteristics required by the members of the Board, in the context of the needs of the Company.

The Board shall be responsible for recommending its members for election by the shareholders. The Board Diversity Policy is available on the corporate website: www.focus-point.com.my.

4.5 New Candidates for Board Appointment and Re-election of Directors

The screening and evaluation process for potential candidates to be nominated as Directors are delegated to the NC.

The process involves the NC's consideration and submission to the Board of its recommendation of suitable candidates from either the Management, the existing Board member(s) or major shareholder(s) for the proposed appointment as Directors of the Company. The NC may also obtain and rely upon independent sources such as a directors' registry, open advertisement or use of independent search firms in furtherance of their duties at the Company's expense, subject to approval by the Chairman or the Board, depending on the quantum of the fees involved. If the selection of candidates was solely based on the recommendations made by the Management, the existing Board member(s) or major shareholder(s), the NC will explain the reason other sources were not used.

The criteria to be used in the appointment process to the Board of Directors largely focuses on ensuring a good mix of skills, experience and strength in the qualities that are relevant for the Board to discharge its responsibilities in an effective and competent manner.

The other factors considered by the NC in its review include the candidates' ability to spend sufficient time and commitment on the Company's matters, the ability to satisfy the test of independence taking into account the candidate's character, integrity and professionalism, as well as having a balanced mix of age and diversity of Directors on the Board. The Board diversity factor as reviewed by the NC includes experience, skills, competence, race, gender, culture and nationality, to facilitate optimal decision-making by harnessing different insights and perspectives.

The shortlisted candidates who are not known to the existing Board members, will be interviewed by the NC and thereafter, will meet with the Board of Directors for endorsement of appointment.

In accordance with the Clause 76(3) of the Company's Constitution, one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of the Annual General Meeting ("AGM") in every year provided always that all Directors shall retire from office once at least in each three years, but shall be eligible for re-election.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

4. Board's Objectivity (cont'd)

4.5 New Candidates for Board Appointment and Re-election of Directors (cont'd)

A Director newly appointed by the Board during the financial year shall hold office only until the next AGM, and shall then be eligible for re-election.

The Board had through the NC carried out the assessment on all the Directors particularly the Directors who stood for re-election at the 14th AGM. The NC concluded that they meet the criteria as prescribed by the Listing Requirements of Bursa Securities on character, experience, integrity, competence and time to effectively discharge their role as Directors. A fit and proper review is also carried out as part of the assessment.

4.6 NC

The NC was established with clearly defined TOR and comprises three (3) Independent Non-Executive Directors. The TOR of the NC is set out in the Board Charter and is available on the corporate website: www.focus-point.com.my.

The NC's key activities during the FY 2023 were as follows:

- Carried out the assessment on 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 for FY 2023; and
- Reviewed and recommended to the Board on the proposal for re-election of Directors at the AGM in accordance with the Company's Constitution.

5. Overall Board Effectiveness

5.1 Annual Evaluation

The Board's effectiveness will be assessed based on the composition, administration and process, accountability and responsibility, Board conduct, communication and relationship with Management, performance of the Chairman and President/CEO, time commitment in discharging their role and responsibilities through attendance at their respective meetings as well as the application of good governance principles to create sustainable shareholder's value.

The Board will undertake an annual assessment of Independent Directors as to justify whether they continue to bring independent and objective judgement to board deliberations. Peer and self-assessment will be carried out by the Directors and the Board Committee members once every year. The results, in particular the key strengths and weaknesses identified from the evaluation, will be shared with the Board to allow enhancements to be undertaken.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

5. Overall Board Effectiveness (cont'd)

5.1 Annual Evaluation (cont'd)

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 Company Secretaries will facilitate the NC in carrying out the annual assessment exercise. The evaluation and annual assessment exercise will be extensively conducted via the AC Evaluation Form, Individual Director Evaluation Form and Performance Evaluation Form of the Board and Board Committees.

Based on the annual assessment conducted, the NC was satisfied that the existing Board composition and each Director possess requisite competence and capability to serve on the Board. The NC viewed that all the Directors have good personal attributes and possess sufficient experience and knowledge in various fields that are vital to the Company's industry.

As for the Board evaluation, the NC agreed that all the Directors have discharged their stewardship duties and responsibilities towards the Company as a Director effectively.

PART III - REMUNERATION

6. Level and Composition of Remuneration

The RC was established with clearly defined TOR and comprises three (3) Independent Non-Executive Directors. The TOR of the RC is set out in the Board Charter and is available on the corporate website: www.focus-point.com.my.

The 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/CEO and Executive Director, the component parts of remuneration are structured so as to link rewards to corporate and individual performance, and involved 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 Director concerned.

The RC evaluates the board remuneration package (which amongst other, include the salary, statutory employees provident fund contribution, bonus and benefit in kind). To uphold the corporate governance and public confidence in the Company, Executive Directors should not be involved in deciding their own remuneration. In addition, Directors who are also shareholders, should abstain from voting at general meetings to approve their fees.

The remuneration payable to Non-Executive Directors are fixed Directors' fee and shall be determined by the Board as a whole with the Director concerned, shall abstain from deliberations and voting on decisions in respect of his/her fee.

The RC had reviewed the Remuneration Policy for Directors and Senior Management and recommended to the Board for approval on 22 November 2022. A copy of the Remuneration Policy for Directors and Senior Management is available at the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III - REMUNERATION (CONT'D)

7. Remuneration of Directors

7.1 Details of Directors' Fees and Benefit

The Directors' fees payable to the Independent Non-Executive Directors and any benefit payable to the Directors of the Company are to be approved by the shareholders of the Company. The Company had obtained approval from the shareholders for the payment of Directors' fees and benefits from the 14th AGM until the forthcoming 15th AGM on 25 May 2023.

7.2 Remuneration of Directors

The aggregate remuneration of directors for the financial year ended 31 December 2023 was summarised as follows:

	Salaries and bonus^^	Fees^	Other Remuneration	Benefits- in-kind^^	Total
	RM	RM	RM	RM	RM
Executive Directors					
Dato' Liaw Choon Liang	2,445,000	-	421,200	206,645	3,072,845
Datin Goh Poi Eong	608,000	-	97,280	27,755	733,035
Non-Executive Directors					
Dato' Sri Suriani binti Dato' Ahmad	-	48,000	750	-	48,750
Datin Sim Swee Yoke	-	48,000	1,500	4,569	54,069
Dr. Haliza binti Abdul Mutalib		48,000	1,250	599	49,849
Lee Tuan Meng		48,000	1,250	2,915	52,165
Total	3,053,000	192,000	523,230	242,483	4,010,713

^ Received and receivable from the Company

^^ Received and receivable on Group basis.

Benefits in kind for Non-Executive Directors include training expenses.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

B) EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AC

8. Effective and Independent AC

The Board had established the AC which is governed by its TOR. The AC comprise of members who have a wide range of necessary skills to discharge their duties.

The AC has incorporated a clause in its TOR that any former audit partner of the external auditors' firm is required to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. This shall apply to all former partners of the external audit firm and/or the affiliate firm (including those providing advisory services, tax consulting, etc.).

For details on the composition, the attendance record, and the activities carried out by the AC are set out in the Audit Committee Report of this Annual Report 2023.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

9. Effective Risk Management and Internal Control Framework

9.1 Sound framework to manage risks

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 AC, 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 AC and the Board for review and deliberation twice a year.

Details of the main features of the Company's risk management and internal controls framework are further elaborated in the Audit Committee Report and the Statement on Risk Management and Internal Control of the Annual Report 2023.

9.2 Implementation of mitigating measures

The responsibilities of identifying and managing risks are delegated to the head of department. The AC is responsible to review the effectiveness of the processes. Any material risk identified will be discussed and appropriate actions or controls will be implemented. This is to ensure the risk is properly monitored and managed to an acceptable level.

The AC will assist the Board in implementing and overseeing the risk management framework of the Group and reviewing the risk management policies formulated by Management and to make relevant recommendations to the Board for approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

B) EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (cont'd)

10. Internal Audit Function

The Board of Directors has always placed significant emphasis on sound internal controls which are necessary to safeguard the Group's assets and shareholders' investment. To this end, the Board affirms its overall responsibility to the AC for the Group's internal controls system which encompasses risk management practices as well as financial, operational and compliance controls. However, it should be noted that such system, by its nature, manages but not eliminates risks and therefore can provide only reasonable and not absolute assurance against material misstatement, loss or fraud.

On-going reviews will be performed by AC throughout the year to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. The Company also outsources the internal audit function to an independent assurance provider ("Internal Auditors") to provide an independent appraisal over the system of internal control of the Group to the AC.

To ensure that the responsibilities of Internal Auditors are fully discharged, the AC shall review the adequacy of the scope, functions and resources of the internal audit function as well as the competency i.e., qualification and experience of the Internal Auditors on a yearly basis.

An overview of the state of internal controls function within the Group, which includes the risk and key internal control structures, are set out in the AC Report and the Statement on Risk Management and Internal Control of the Annual Report 2023.

C) INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I – COMMUNICATION WITH STAKEHOLDERS

11. Continuous Communication between Company and Stakeholders

11.1 Effective, transparent and regular communication with its stakeholders

The Board recognises the importance of an effective communication channel between the Board, shareholders and general public, and at the same time, full compliance with the disclosure requirements as set out in the Listing Requirements of Bursa Securities. The annual reports, press releases, quarterly results, annual audited financial statements and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance.

The President/ CEO is the designated spokesperson for all matters related to the Group and dedicated personnel are tasked to prepare and verify material information for timely disclosure upon approval by the Board. The Group maintains a corporate website: www.focus-point.com.my for shareholders and the public to access information on, amongst others, the Group's background and products, financial performance, frequently-asked questions (FAQs) and updates on its various sponsorships and promotions. Stakeholders can at any time seek clarification or raise queries through the corporate website, by email or phone. Primary contact details are set out at the Group's corporate website.

11.2 Other reporting information

The Company has provided concise information in relation to its strategy, performance, governance and prospects through the Management Discussion and Analysis and Sustainability Statement of the Annual Report 2023 respectively. This is to ensure that the stakeholders are well informed of the business and performance of the Company and to promote transparency and accountability of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

C) INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

PART II – CONDUCT OF GENERAL MEETINGS

12. Strengthen Relationship between the Company and Shareholders

12. Encourage shareholder participation at general meetings

The AGM represents the principal forum for dialogue and interaction with shareholders. Shareholders are encouraged to participate in the subsequent Question & Answer (“Q&A”) session wherein the Directors, Company Secretaries, as well as the Group’s External Auditors are available to respond to the queries raised. In the event that an answer cannot be readily given at the meeting, the Chairman will undertake to provide a written reply to the shareholder. Each item of special business included in the notice of AGM will be accompanied by a full explanation on the effects of a proposed resolution.

The Company dispatched its notice of AGM to shareholders at least 28 days before the AGM in 2023, in advance of the 21 days requirement under the Act. The Board believes the current practice would allow the shareholders to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney.

At the commencement of all general meetings, the Chairman will inform the shareholders of their rights in voting. Separate resolutions are proposed for substantially separate issues at the meeting. The outcome of a general meeting will be announced to Bursa Securities on the same meeting day.

12.2 Effective communication and proactive engagements

All the Directors shall endeavor to present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company at the AGM.

The Chairman will invite shareholders to raise questions pertaining to the Company’s financial statements and other items for adoption at the meeting before putting a resolution to vote. 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.

12.3 Facilitate greater shareholder participation at general meetings

Under Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities, a PLC must, among others, ensure that any resolution set out in the notice of any general meeting, is voted by poll. For this purpose, the share registrar was appointed as the Poll Administrator and an independent scrutineer was appointed to validate the votes cast at the 14th AGM.

The Company will always make sure that its general meeting is to be held at an accessible location and not in remote areas in order to encourage shareholders to attend and participate in the meeting. Having considered that the shareholder base of the Company is not that large, the Board is of the view that there is no immediate need for the Company to leverage on technology to facilitate electronic poll voting and remote shareholder participation at this juncture of time. The Company would consider introducing electronic voting (e-voting) facilities and make available such facilities in the meetings in the future if the number of attendees at general meeting increase. This is to ensure that the mandatory poll voting process at all general meetings are carried out efficiently.

Nonetheless, the Company had amended its Constitution to allow the Company to leverage on technology to enhance the communication with the shareholders of the Company and the conduct of the general meetings in future.

AUDIT COMMITTEE REPORT

The Audit Committee (“AC”) was established to assist the Board to ensure timely and accurate financial reporting, proper implementation of risk management policies and internal control, and compliance with legal and regulatory requirements by the Company and its subsidiaries.

Composition of the AC

As at 31 December 2023, the composition of the AC comprised the following:

Name	Designation	Directorship
Lee Tuan Meng	Chairman	Independent Non-Executive Director
Datin Sim Swee Yoke	Member	Senior Independent Non-Executive Director
Dr. Haliza binti Abdul Mutalib	Member	Independent Non-Executive Director

All the AC members are financially literate. Mr Lee Tuan Meng is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

Accordingly, the Company had complied with Paragraph 15.09 of Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and Practice 9.4 of the Malaysian Code on Corporate Governance 2021 (“MCCG”).

The AC Chairman is not the Chairman of the Board which is in compliance with Practice 9.1 of the MCCG.

In compliance with Paragraph 15.20 of the MMLR of Bursa Securities, the term of office and performance of the AC and each of its members are being assessed by the Nomination Committee prior to recommending to the Board for notation. During the financial year 2023, the Board through the Nomination Committee assessed the performance of AC as part of the Board and Board Committee Effectiveness assessment. The Board is satisfied that the AC has discharged its function, duties and responsibilities in accordance with the terms of reference of the AC.

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 AC

During the financial year 2023, five (5) AC meetings were held and the details of attendance of the AC at the meetings were as follows:

Name	Total meetings attended	Percentage of attendance (%)
Lee Tuan Meng	5/5	100
Datin Sim Swee Yoke	5/5	100
Dr. Haliza binti Abdul Mutalib	5/5	100

The representatives of the External Auditors, Internal Auditors and Management of the Company were invited to attend and brief the AC on specific issues during the AC meetings.

AUDIT COMMITTEE REPORT (cont'd)

Summary of Work of the AC

During the financial year 2023, the AC 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 AC during the financial year 2023 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 AC at its 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;
- 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 PLT, AC at its meeting held on 14 April 2023 made recommendation to the Board for approval on the re-appointment of Messrs BDO PLT as external auditors for the financial year ended 31 December 2023;
- Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report 2022 at the AC meeting held on 14 April 2023;
- Met with external auditors twice without the presence of the Executive Directors and Management on 14 April 2023 and 23 November 2023;
- 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 or implementation of major accounting policies and practices;
 - significant adjustments made by the Management;
 - significant matters highlighted including financial reporting issues;
 - significant or unusual events or transactions;
 - going-concern assumption; and
 - compliance with applicable accounting standards and other legal requirements.
- Reviewed 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 14 April 2023 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 at the meeting;
- Reviewed significant audit issue brought up by the external auditor on the impairment assessment of property, plant and equipment and trade receivables, valuation of inventories and on the recognition of Right-of-Use Assets and lease liabilities. The AC 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;
- Reviewed the Enterprise Risk Management Scorecards and Report which covers the risks relating the Group's operation and mitigations plans implemented by Management twice a year;

AUDIT COMMITTEE REPORT (cont'd)

Summary of Work of the AC (cont'd)

- Reviewed the circular/statement to shareholders in relation to the renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature and shareholders' mandate for the authority to the Company to purchase its own shares;
- Reviewed the updates relating to any bribery or corruption incidents within the Company and the corresponding mitigating activities, if any;
- 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;
- Reviewed the 2023 Business Plan and Budget for the Group and recommended to the Board for approval;
- Reviewed the Internal Audit Plan 2024 by the outsourced Internal Auditors; and
- Reviewed the effectiveness of the outsourced Internal Auditors and evaluate the fee, scope of work before deciding on the appointment of the outsourced Internal Auditors for the financial year 2024.

Internal Audit Function

In discharging its duties, the AC is supported by an in-house internal audit function and an outsourced independent internal audit service company, Tricor Axcelasia Sdn. Bhd. who undertakes the necessary activities to enable the AC to discharge its functions effectively. The outsourced Internal Auditors reports directly to the AC. The Internal Auditors are independent of the activities audited by external auditors. The AC 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 2023, the Internal Auditors carried out, inter alia, the following activities:

- Formulated and agreed with the AC 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 AC meeting to table and discuss the audit report; and
- Performed internal audit reviews by the outsourced internal auditors on the following areas:
 - Review of Human Resources Management Department of Focus Point Vision Care Group Sdn. Bhd. and Multiple Reward Sdn. Bhd.
 - Review of Sales, Cash and Inventories Management of Multiple Reward Sdn. Bhd.
 - Review of Information Technology General Controls - Data Security of Focus Point Vision Care Group Sdn. Bhd.
 - Review of retail operation of Focus Point Vision Care Group Sdn. Bhd.

The Internal Auditor's reports were deliberated by the AC 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.

During the financial year 2023, the AC has met four (4) times with the Internal Auditors to carry out its responsibilities in reviewing the internal audit function and to assure itself on the soundness of internal control system.

The costs incurred by the Group on the outsourced Internal Auditors and in-house internal audit functions during the financial year ended 31 December 2023 were RM54,000 and RM332,868 respectively (FY2022: RM56,731 and RM350,735 respectively).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“Board”) is pleased to present herewith the Statement on Risk Management and Internal Control (“SORMIC”) which outlines the nature and scope of internal controls and risk management of the Company and its subsidiaries (“Group”) during the financial year ended 31 December 2023. This SORMIC is prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

BOARD RESPONSIBILITY

The Board recognises the importance of good risk management practices and sound internal controls as a platform to good corporate governance.

The Board acknowledges that its overall responsibility for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and integrity. The Board has also received assurance from the President/ Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) that the Group’s risk management and internal control system are operating adequately and effectively, in all material aspects.

Due to inherent limitations in any risk management and internal control system, such systems put into effect by Management are designed to manage rather than eliminate risks that may impede the achievement of the Group’s business objectives.

Therefore, the risk management and internal control system can only provide reasonable and not absolute assurance against material misstatement, operational failure, fraud or loss.

KEY FEATURES OF THE GROUP’S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Key elements of the Group’s risk management and internal control system that have been established to facilitate the proper conduct of the Group’s businesses are described below:

1. Risk Management System

The Board is dedicated to strengthen the Group’s risk management by managing its key business risks within the Group and to implement appropriate controls to manage these risks. Whilst the Board maintains ultimate control over risk and control issues, it has been delegated to the senior management the implementation of the system of risk management and internal control within an established framework. Key management staff and heads of department are delegated with the responsibility to manage identified risks within defined parameters and standards.

During the year, the senior management reviewed the existence of new risks and assessed the relevance of the Group’s existing risks profile. Significant risks that may affect the Group’s business objectives have been continually monitored and any new significant risks identified are subsequently evaluated and managed.

The Board affirms that there is a systematic and continuous process to identify and manage significant risks of the Group. Every half-yearly, 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. The CFO has assumed the role of risk management facilitator.

With Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) (“MACC Act 2009”) that has come into force on 1 June 2020, the Group has also undertaken the assessment of bribery and corruption risks and identified areas of improvements required to be put in place in compliance with the Guideline on Adequate Procedures issued by MACC.

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

1. Risk Management System (cont'd)

The Group conducted corruption risk assessment according to the 5 principles of the Guidelines on Adequate Procedures (“GAP”), pursuant to Section 17A(5) of the MACC Act 2009 and any of its amendments or re-enactments.

The Group’s management has developed and implemented a Business Continuity Plan (“BCP”) within the Group. The objective of the BCP is to mitigate risk impacts that could pose barriers to the sustainability of the Group and to resume key business functions in the event of a crisis or emergency.

It has also been suggested at the Audit Committee level that all core policies be reviewed annually to ensure that they reflect the latest best practices, regulatory requirements, and risk considerations.

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

2. Internal Control System

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/CEO 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 Tricor Axcelasia 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.

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 72 of the Audit Committee Report.

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

Anti-Bribery and Corruption

The Group's Anti-Bribery and Corruption Policy was approved by the Board on 27 May 2020. The policy has been designed to provide the Group with a framework to establish the necessary measures to prevent corruption and bribery from happening, and to provide a defence against corporate liability as introduced by the MACC Act 2009.

The policy states the Group's commitment to conduct business ethically and in full compliance with all applicable laws and regulations in every jurisdiction that the Group of companies operates. The policy was communicated to the operating companies' level for adoption.

CONCLUSION

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement of Risk Management and 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 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is it factually inaccurate.

Through the review of the risk management system 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.

This Statement is made in accordance with the resolution of the Board dated 22 April 2024.

OTHER DISCLOSURE INFORMATION

1. Audit and Non-Audit fees

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

	Audit Fee RM	Non- audit Fee RM	Total RM
Group	192,700	7,300	200,000
Company	44,200	7,300	51,500

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.

3. Utilisation of Proceeds

There were no proceeds raised from any corporate proposal during the financial year ended 31 December 2023.

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

The Company had at the 14th Annual General Meeting of the Company held on 25 May 2023 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 Company intends to seek shareholders' mandate in respect of RRPT of the Group at the forthcoming AGM of the Company.

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, eye care products and others to Focus Point Vision Care (HP).	781

OTHER DISCLOSURE INFORMATION (cont'd)

4. Recurrent Related Party Transactions of Revenue or Trading Nature ("RRPT") (cont'd)

The details of the mandate RRPT transacted during the financial year are as follows:- (cont'd)

Transacting parties		Nature of relationship	Nature of transaction	Actual Value transacted RM'000
Focus Point Group	Related party			
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.	127
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.	252

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE ANNUAL FINANCIAL STATEMENTS

The Directors are required by Companies Act 2016 and the Main 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.

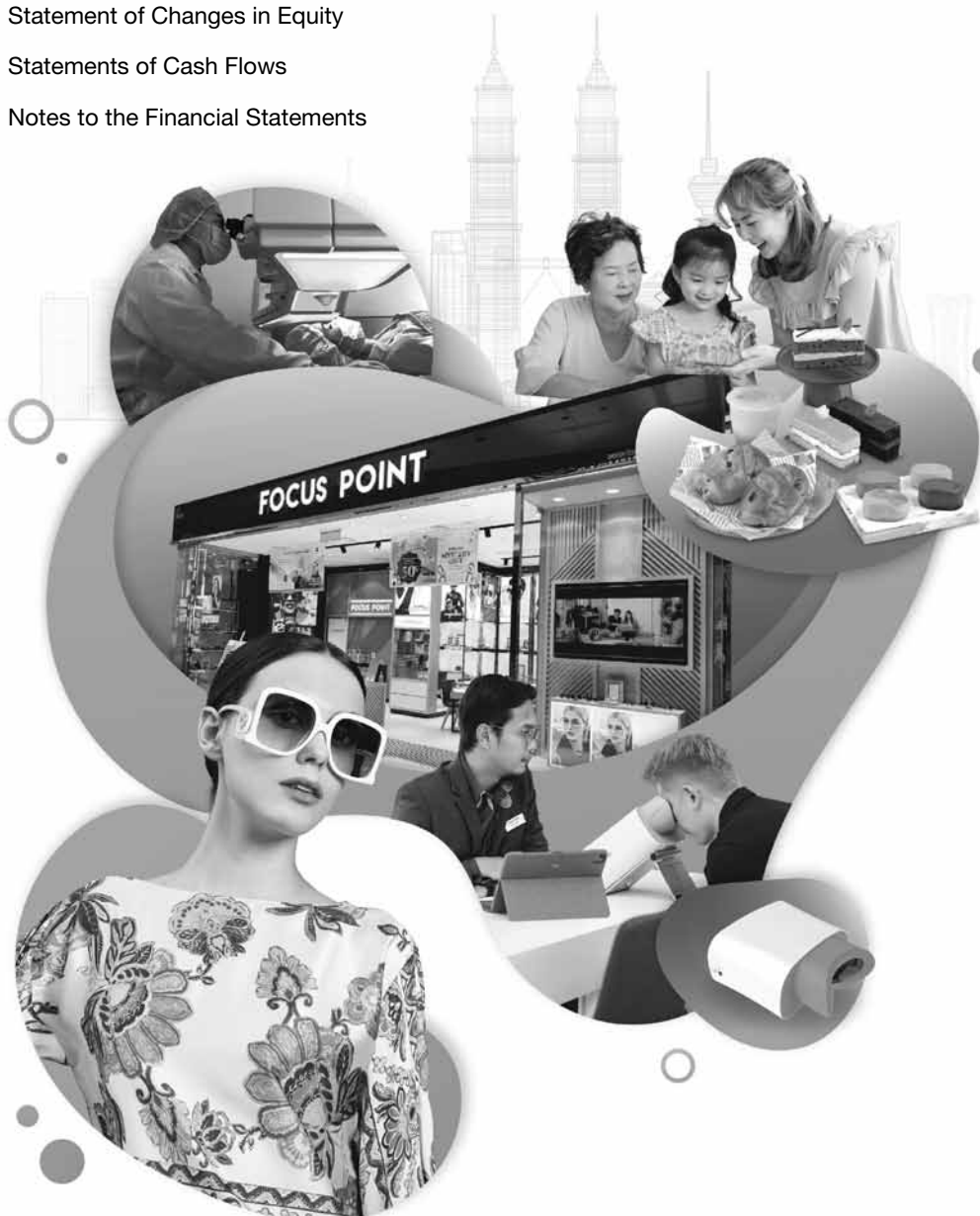
The Directors are responsible for ensuring that the Company keeps its accounting records which discloses the financial position of the Group and the Company with reasonable accuracy and to ensure that the financial statements comply with Companies Act 2016, Listing Requirements and applicable approved 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 STATEMENT



80	Directors' Report
86	Statement by Directors
86	Statutory Declaration
87	Independent Auditors' Report
93	Statements of Financial Position
95	Statements of Profit or Loss and Other Comprehensive Income
96	Consolidated Statement of Changes in Equity
97	Statement of Changes in Equity
98	Statements of Cash Flows
102	Notes to the Financial Statements



DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are mainly operation of professional eye care centres, trading of eyewear and eye care products, retail sale of other food products, management of franchised professional eye care centres, provision of medical eye care services and operation of food and beverages business. Further details of the subsidiaries are set out in Note 8 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	30,150	16,015
<hr/>		
Attributable to: Owners of the parent	30,150	16,015
<hr/>		

DIVIDENDS

Dividends paid, declared or proposed by the Company since the end of the previous financial year were as follows:

	RM'000
In respect of the financial year ended 31 December 2023:	
First interim single tier dividend of 1.5 sen per ordinary share, paid on 30 June 2023	6,930
Second interim single tier dividend of 1.5 sen per ordinary share, paid on 29 December 2023	6,930
<hr/>	
	13,860
<hr/>	

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2023.

DIRECTORS' REPORT (cont'd)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up share capital of the Company was increased from 329,999,477 to 461,999,041 by way of issuance of 131,999,564 new ordinary shares pursuant to the bonus issue exercise undertaken by the Company on the basis of two (2) new ordinary shares for every five (5) existing ordinary shares held by the shareholders of the Company.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

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

Dato' Sri Suriani binti Dato' Ahmad
Dato' Liaw Choon Liang*
Datin Goh Poi Eong*
Datin Sim Swee Yoke
Dr. Haliza binti Abdul Mutalib
Lee Tuan Meng

* *Directors of the Company and its subsidiaries*

DIRECTORS' REPORT (cont'd)

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 2023 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	[----- Number of ordinary shares -----]				Balance as at 31.12.2023
	Balance as at 1.1.2023	Bonus Issue [#]	Addition	Sold	
Shares in the Company					
Direct interests:					
Dato' Liaw Choon Liang	133,648,501	49,819,400	–	(10,100,000)	173,367,901
Datin Goh Poi Eong	44,429,397	16,971,758	–	(2,000,000)	59,401,155
Indirect interests:					
Dato' Liaw Choon Liang [^]	46,429,396	17,771,757	–	(2,000,000)	62,201,153
Datin Goh Poi Eong [*]	135,648,500	50,619,399	–	(10,100,000)	176,167,899

Issuance of new ordinary shares in the Company ("Bonus Shares") following the bonus issue exercise undertaken by the Company on the basis of two (2) new ordinary shares for every five (5) existing ordinary shares held by the shareholders of the Company ("Bonus Issue").

[^] 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 the 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 the Companies Act 2016.

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 and 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 remuneration received or due and receivable by the Directors) 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 a company in which a Director of the Company has substantial interest as disclosed in Note 34 to the financial statements; and
- the remuneration received by certain Directors from subsidiaries as Directors of the subsidiaries.

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' REPORT (cont'd)

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2023 were as follows:

	Group RM'000	Company RM'000
Executive:		
Emoluments other than fees	3,571	–
Non-Executive:		
Fees	197	197
	3,768	197

Estimated monetary value of benefits-in-kind provided to the Executive and Non-Executive Directors of the Group was RM243,000.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' and officers' liability insurance during the financial year to protect the Directors and officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and officers. The amount of insurance premium paid by the Group and the Company for the financial year ended 31 December 2023 was RM3,800.

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 the 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.

DIRECTORS' REPORT (cont'd)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)

(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.
- (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 the 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 would 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.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 6 May 2022, the Company proposed to undertake the transfer of the listing and quotation of the entire issued share capital of Focus Point Holdings Berhad ("Focus Point") from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Proposed Transfer").

The application in relation to the Proposed Transfer was submitted to the Securities Commission Malaysia on 5 August 2022 and 20 December 2022 respectively.

Bursa Securities had approved the Proposed Transfer, under the "Consumer Products & Services" sector, via its letter dated 27 December 2022.

On 5 January 2023, the listing and quotation of the entire issued share capital of the Company was transferred from the ACE Market to the Main Market of Bursa Securities, marking the completion of the Proposed Transfer.

DIRECTORS' REPORT (cont'd)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (b) On 21 February 2023, the Group announced to Bursa Securities the proposed issuance of up to 131,999,790 new ordinary shares in Focus Point ("Focus Point Shares") (Bonus Shares") on the basis of two (2) Bonus Shares for every five (5) existing Focus Point Shares held on the Entitlement Date ("Proposed Bonus Issue of Shares").

Subsequently on 9 March 2023, the Group announced that Bursa Securities had vide its letter dated 8 March 2023, approved the listing and quotation of up to 131,999,790 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares on the Main Market of Bursa Securities, subject to the conditions set out by Bursa Securities.

The Proposed Bonus Issue of Shares were approved by the shareholders during the Extraordinary General Meeting held on 4 April 2023, and 131,999,564 Focus Point Shares were listed and quoted on the Main Market of Bursa Securities on 20 April 2023, marking the completion of the Proposed Bonus Issue of Shares.

- (c) On 13 February 2023, a subsidiary of the Group, Sound Point Hearing Solution Sdn. Bhd. entered into a subscription agreement with third parties in respect of the subscription of 560,000 new ordinary shares, representing 40% shareholding in the share capital of Phipure Sdn. Bhd. for a total cash consideration of RM1,680,000.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2023 were as follows:

	Group RM'000	Company RM'000
Statutory audit	193	44
Other services	7	7
	200	51

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

.....
Dato' Liaw Choon Liang
Director

.....
Datin Goh Poi Eong
Director

22 April 2024

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 93 to 158 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 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

.....
Datin Goh Poi Eong
 Director

22 April 2024

STATUTORY DECLARATION

I, Aaron Loke Khy-Min (CA 35111), 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 93 to 158 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 the state of)
 Selangor Darul Ehsan this)
 22 April 2024)

Aaron Loke Khy-Min

Before me:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FOCUS POINT HOLDINGS BERHAD

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 2023 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 material accounting policy information, as set out on pages 93 to 158.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial 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.

Group

(a) Carrying amount of inventories at lower of cost and net realisable value

As at 31 December 2023, the carrying amount of inventories of the Group was RM60,698,000, which comprised mainly optical and related products, as disclosed in Note 13 to the financial statements.

INDEPENDENT AUDITORS' REPORT (cont'd)

Key Audit Matters (cont'd)

Group (cont'd)

(a) Carrying amount of inventories at lower of cost and net realisable value (cont'd)

We determined this to be a key audit matter because it requires management to exercise significant judgements in writing down inventories to their net realisable values, which involve significant management estimates, which are derived from assessment by management with reference to ageing, specifications and design of inventories, coupled with market knowledge of merchandising department.

Audit response

Our audit procedures included the following:

- (i) obtained an understanding of the procedures and controls in relation to the assessment by the management on the identification and write down of slow moving and obsolete inventories;
- (ii) analysed the inventories turnover period and assessed the appropriateness of the write down of inventories by the management through verifications to the latest sales invoices for selected samples from inventory ageing;
- (iii) performed computer-assisted audit techniques on the lower of cost and net realisable value of inventories;
- (iv) analysed inventories ageing by brands, seasons or periods and compared that to the assessment of management in determining slow moving and obsolete inventories, which have been derived from ageing, specifications and design of inventories, coupled with market knowledge of the merchandising department; and
- (v) evaluated assessment of management that write down of inventories were appropriate by verifying actual margins and testing the selling prices sold from sales invoices subsequent to the end of the reporting period.

(b) Recognition of right-of-use assets and lease liabilities

As at 31 December 2023, the carrying amounts of right-of-use assets and lease liabilities of the Group were RM83,476,000 and RM86,936,000 respectively, as disclosed in Note 7 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgements for specific assumptions applied in determining right-of-use assets and lease liabilities as well as lease reassessments and modifications. The specific assumptions include the determination of appropriate discount rates, variable lease payments and assessment of lease terms, including renewal and termination options of the leases.

INDEPENDENT AUDITORS' REPORT (cont'd)

Key Audit Matters (cont'd)

Group (cont'd)

(b) Recognition of right-of-use assets and lease liabilities (cont'd)

Audit response

Our audit procedures included the following:

- (i) obtained an understanding of the design and implementation of key controls pertaining to the recognition of leases;
- (ii) assessed the appropriateness of the assumptions applied in determining variable lease payments, lease reassessments and modifications based on the lease contracts and relevant inputs, including the effect of increasing overnight policy rate ("OPR");
- (iii) assessed the appropriateness of the discount rates applied in determining lease liabilities based on the lease contracts and relevant inputs, including the effect of increasing OPR;
- (iv) assessed the appropriateness of the assumptions applied in determining the lease terms of the lease liabilities, including renewal and termination options of the leases; and
- (v) verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contracts or other supporting information.

Company

(a) Impairment assessment of the carrying amount of investment in a subsidiary

As at 31 December 2023, the carrying amount of investments in subsidiaries of the Company was RM66,165,000 as disclosed in Note 8 to the financial statements. Management considered losses in a subsidiary operating in the food and beverages segment with a carrying amount of cost of investment amounted to RM38,721,000 as an impairment indication.

We determined this to be a key audit matter because it requires management to exercise significant judgement and estimates about the future results and key assumptions applied to cash flow projections of the subsidiary. In this instance, the recoverable amount is based on value-in-use. These key assumptions include forecast growth in future revenue and budgeted gross margins, terminal value as well as determining an appropriate pre-tax discount rate used for the subsidiary.

Audit response

Our audit procedures included the following:

- (i) compared cash flow projections against recent performance and assessed the key assumptions used in the projections by comparing to actual gross margins and growth rates to assess reliability of management forecasting process;

INDEPENDENT AUDITORS' REPORT (cont'd)

Key Audit Matters (cont'd)

Company (cont'd)

(a) *Impairment assessment of the carrying amount of investment in a subsidiary (cont'd)*

Audit response (cont'd)

Our audit procedures included the following: (cont'd)

- (ii) verified budgeted gross margins, revenue growth rates and terminal value by assessing evidence available to support these key assumptions used in the cash flow projections;
- (iii) verified pre-tax discount rate used by the management for the subsidiary by comparing to weighted average cost of capital of the Group and its relevant risk factors, taking into consideration the effect of increasing OPR on the discount rate; and
- (iv) performed sensitivity analysis of our own to stress test the key assumptions in the impairment model.

Information Other than the Financial Statements and Auditors' 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 MFRSs, IFRS Accounting 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 (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 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 or 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 or 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.

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, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITORS' REPORT (cont'd)

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

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 PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Tang Seng Choon
02011/12/2025 J
Chartered Accountant

Kuala Lumpur
22 April 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	6	53,609	47,803	-	-
Right-of-use assets	7	83,476	76,053	-	-
Investments in subsidiaries	8	-	-	66,165	64,465
Investments in associates	9	2,595	992	-	-
Other investment	10	210	210	-	-
Trade and other receivables	11	3,266	4,431	-	-
Deferred tax assets	12	14	-	-	-
		143,170	129,519	66,165	64,465
Current assets					
Inventories	13	60,698	52,671	-	-
Trade and other receivables	11	39,644	35,001	711	588
Current tax assets		303	214	-	-
Short term fund	14	2,009	-	-	-
Cash and bank balances	15	37,393	53,981	437	469
		140,047	141,867	1,148	1,057
TOTAL ASSETS		283,217	271,386	67,313	65,522
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	16	40,096	40,096	40,096	40,096
Retained earnings		77,903	61,613	26,560	24,405
TOTAL EQUITY		117,999	101,709	66,656	64,501

STATEMENTS OF FINANCIAL POSITION (cont'd)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
LIABILITIES					
Non-current liabilities					
Borrowings	17	17,207	17,106	-	-
Lease liabilities	7	51,358	48,117	-	-
Provision for restoration costs	21	1,999	349	-	-
Deferred income	22	762	924	-	-
Deferred tax liabilities	12	521	1,692	-	-
		71,847	68,188	-	-
Current liabilities					
Trade and other payables	23	33,104	36,732	656	1,021
Borrowings	17	17,804	21,852	-	-
Lease liabilities	7	35,578	34,905	-	-
Provision for restoration costs	21	978	758	-	-
Deferred income	22	1,709	1,413	-	-
Current tax liabilities		4,198	5,829	1	-
		93,371	101,489	657	1,021
TOTAL LIABILITIES		165,218	169,677	657	1,021
TOTAL EQUITY AND LIABILITIES		283,217	271,386	67,313	65,522

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 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	25	260,897	248,822	16,600	31,300
Cost of sales	26	(91,501)	(86,285)	–	–
Gross profit		169,396	162,537	16,600	31,300
Other operating income		3,173	2,220	10	7
Selling and distribution costs		(46,365)	(41,478)	–	–
Administrative expenses		(79,469)	(70,350)	(750)	(4,637)
Finance costs	27	(6,144)	(5,352)	–	–
Net (impairment losses)/ reversals of impairment losses on financial assets	28(b)	(801)	–	157	–
Share of results of associates, net of tax	9(f)	98	282	–	–
Profit before tax	28	39,888	47,859	16,017	26,670
Tax expense	30	(9,738)	(12,004)	(2)	(2)
Profit for the financial year		30,150	35,855	16,015	26,668
Other comprehensive income, net of tax		–	–	–	–
Total comprehensive income		30,150	35,855	16,015	26,668
Profit for the financial year, attributable to owners of the parent		30,150	35,855	16,015	26,668
Total comprehensive income, attributable to owners of the parent		30,150	35,855	16,015	26,668
Earnings per ordinary share attributable to owners of the parent (sen):					
Basic and diluted*	31	6.53	7.76		

* The total weighted average number of ordinary shares in issue as at 31 December 2022 had been adjusted retrospectively to reflect the Bonus Issue, which was completed on 20 April 2023 as disclosed in Note 16 to the financial statements.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Note	Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2022		40,096	35,658	75,754
Profit for the financial year		-	35,855	35,855
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	35,855	35,855
Transactions with owners				
Dividends paid	32	-	(9,900)	(9,900)
Total transactions with owners		-	(9,900)	(9,900)
Balance as at 31 December 2022		40,096	61,613	101,709
Profit for the financial year		-	30,150	30,150
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	30,150	30,150
Transactions with owners				
Dividends paid	32	-	(13,860)	(13,860)
Total transactions with owners		-	(13,860)	(13,860)
Balance as at 31 December 2023		40,096	77,903	117,999

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Company	Note	Share capital RM'000	<i>Distributable</i> Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2022		40,096	7,637	47,733
Profit for the financial year		-	26,668	26,668
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	26,668	26,668
Transactions with owners				
Dividends paid	32	-	(9,900)	(9,900)
Total transactions with owners		-	(9,900)	(9,900)
Balance as at 31 December 2022		40,096	24,405	64,501
Profit for the financial year		-	16,015	16,015
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	16,015	16,015
Transactions with owners				
Dividends paid	32	-	(13,860)	(13,860)
Total transactions with owners		-	(13,860)	(13,860)
Balance as at 31 December 2023		40,096	26,560	66,656

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		39,888	47,859	16,017	26,670
Adjustments for:					
Accretion of discount from deposits for leases	28(a)	(810)	-	-	-
Deposits written off	28(a)	44	-	-	-
Depreciation of property, plant and equipment	6	8,905	8,138	-	-
Depreciation of right-of-use assets	7	34,921	29,120	-	-
Dividend income from subsidiaries	25	-	-	(16,600)	(31,300)
(Gain)/Loss on disposal of property, plant and equipment	28(a)	(134)	16	-	-
Impairment losses on:					
- investment in a subsidiary	8(c)	-	-	-	3,316
- trade receivables	28(b)	804	-	-	-
Interest expense	27	5,943	5,352	-	-
Interest income	28(a)	(1,499)	(1,323)	(10)	(7)
Inventories written down	13(d)	500	500	-	-
Inventories written off	13(d)	583	467	-	-
Loss/(Gain) on lease reassessments and modifications	28(a)	295	(405)	-	-
Property, plant and equipment written off	28(a)	140	540	-	-
Reversal of provision for restoration costs	21	(18)	(37)	-	-
Reversal of impairment losses on:					
- amount owing by an associate	28(b)	(3)	-	-	-
- amount owing by a subsidiary	28(b)	-	-	(157)	-
- property, plant and equipment	6(c)	(104)	(140)	-	-
Share of results of associates	9(f)	(98)	(282)	-	-
Unwinding of discount on provision for restoration costs	27	201	-	-	-
Operating profit/(loss) before changes in working capital carried forward		89,558	89,805	(750)	(1,321)

STATEMENTS OF CASH FLOWS (cont'd)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (cont'd)					
Operating profit/(loss) before changes in working capital brought forward		89,558	89,805	(750)	(1,321)
Changes in working capital:					
Inventories		(9,110)	(7,350)	-	-
Trade and other receivables		(2,989)	(349)	20	(15)
Trade and other payables		(5,454)	(1,502)	(222)	165
Provision for restoration costs		1,687	41	-	-
Deferred income		134	243	-	-
Cash generated from/(used in) operations		73,826	80,888	(952)	(1,171)
Interest received		364	408	-	-
Tax paid		(12,614)	(6,744)	(1)	(3)
Tax refunded		1	4	-	-
Net cash from/(used in) operating activities		61,577	74,556	(953)	(1,174)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of an associate	9(d)	(1,680)	-	-	-
Advances/Repayments from subsidiaries		-	-	14	127
Advances/Repayments to subsidiaries		-	-	(143)	(14)
Dividends received from subsidiaries		-	-	16,600	31,300
Dividend received from an associate	9(f)	175	-	-	-
Interest received		1,135	915	10	7
Proceeds from disposal of property, plant and equipment		153	65	-	-
Purchases of property, plant and equipment	6(b)	(13,211)	(14,421)	-	-
Repayments from an associate		2	111	-	-
Withdrawals of fixed deposits pledged with licensed banks		3,280	2,035	-	-
Withdrawals/(Placements) of fixed deposits with maturity period more than three (3) months		11,265	(36,133)	-	-
Net cash from/(used in) investing activities		1,119	(47,428)	16,481	31,420

STATEMENTS OF CASH FLOWS (cont'd)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Acquisition of additional interest in a subsidiary	8	-	-	(1,700)	(20,250)
Dividends paid	32	(13,860)	(9,900)	(13,860)	(9,900)
Interest paid		(1,749)	(1,522)	-	-
Drawdown of bankers' acceptances		52,569	47,267	-	-
Repayments of bankers' acceptances		(50,393)	(45,349)	-	-
Drawdown of revolving credit		502	-	-	-
Drawdown of term loans		5,523	9,347	-	-
Repayments of term loans		(12,148)	(8,093)	-	-
Payments of lease liabilities	7(d)	(38,980)	(37,102)	-	-
Payments of lease interest	7(d)	(4,194)	(3,830)	-	-
Net cash used in financing activities		(62,730)	(49,182)	(15,560)	(30,150)
Net (decrease)/increase in cash and cash equivalents		(34)	(22,054)	(32)	96
Cash and cash equivalents at beginning of the financial year		12,743	34,797	469	373
Cash and cash equivalents at end of the financial year	15(d)	12,709	12,743	437	469

STATEMENTS OF CASH FLOWS (cont'd)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Bankers' acceptances (Note 17) RM'000	Revolving credit (Note 17) RM'000	Term loans (Note 17) RM'000	Lease liabilities (Note 7) RM'000
At 1 January 2023	12,842	–	26,116	83,022
Cash flows:				
- Payments of lease liabilities	–	–	–	(38,980)
- Payments of lease interest	–	–	–	(4,194)
- Net drawdowns/(repayments) of borrowings	2,176	502	(6,625)	–
Non-cash flows:				
- Additions	–	–	–	33,574
- Lease reassessments and modifications	–	–	–	9,320
- Interest expense charged	–	–	–	4,194
At 31 December 2023	15,018	502	19,491	86,936
At 1 January 2022	10,924	–	24,862	75,789
Cash flows:				
- Payments of lease liabilities	–	–	–	(37,102)
- Payments of lease interest	–	–	–	(3,830)
- Net drawdown of borrowings	1,918	–	1,254	–
Non-cash flows:				
- Additions	–	–	–	42,982
- Lease reassessments and modifications	–	–	–	1,353
- Interest expense charged	–	–	–	3,830
At 31 December 2022	12,842	–	26,116	83,022

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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 Main Market of Bursa Malaysia Securities Berhad. On 5 January 2023, the Company transferred the listing of and quotation for its entire issued share capital from the ACE Market to the Main 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 2023 comprise the Company and its subsidiaries and the interests of the Group in 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 (“RM’000”), unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 22 April 2024.

2. PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are mainly operation of professional eye care centres, trading of eyewear and eye care products, retail sale of other food products, management of franchised professional eye care centres, provision of medical eye care services and operation of food and beverages business. Further details of the subsidiaries are set out in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries 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”), IFRS Accounting Standards and the provisions of the 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 MFRS and Amendments to MFRSs adopted during the financial year are disclosed in Note 36.1 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 (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, operation of food and beverages business 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 require 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 and food and beverage outlets.

(iii) Food and beverages

Operation of food and beverages business.

Other operating segments comprise investment holding and laser eye surgery treatment activities.

The chief operating decision maker, who is the Chief Executive Officer of 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 (cont'd)

4. OPERATING SEGMENTS (CONT'D)

2023	Optical related products RM'000	Franchise management RM'000	Food and beverages RM'000	Others RM'000	Total RM'000
Revenue					
Total revenue	211,511	4,036	40,870	4,487	260,904
Inter-segment revenue	-	-	(7)	-	(7)
Revenue from external customers	211,511	4,036	40,863	4,487	260,897
Interest income	1,480	-	2	17	1,499
Finance costs	(5,087)	-	(814)	(243)	(6,144)
Net finance expense	(3,607)	-	(812)	(226)	(4,645)
Depreciation of property, plant and equipment	7,424	-	901	580	8,905
Depreciation of right-of-use assets	30,327	-	4,264	330	34,921
Segment profit/(loss) before tax	38,435	3,607	(1,012)	(698)	40,332
Share of results of associates, net of tax	345	-	-	(247)	98
Tax expense	(9,616)	(18)	8	(112)	(9,738)
Other material non-cash items:					
Inventories written down	500	-	-	-	500
Inventories written off	583	-	-	-	583
Loss/(Gain) on lease reassessments and modifications	319	-	(20)	(4)	295
Property, plant and equipment written off	94	-	46	-	140
Reversal of impairment losses on property, plant and equipment	(104)	-	-	-	(104)
Investments in associates	1,162	-	-	1,433	2,595
Additions to non-current assets:					
- property, plant and equipment	11,144	-	2,053	124	13,321
- right-of-use assets	30,850	-	5,556	18	36,424
Segment assets	244,933	181	30,094	7,692	282,900
Segment liabilities	132,547	1,988	21,553	4,411	160,499

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

4. OPERATING SEGMENTS (CONT'D)

2022	Optical related products RM'000	Franchise management RM'000	Food and beverages RM'000	Others RM'000	Total RM'000
Revenue					
Total revenue	202,632	3,948	36,900	5,350	248,830
Inter-segment revenue	4	-	(12)	-	(8)
Revenue from external customers	202,636	3,948	36,888	5,350	248,822
Interest income	1,301	-	10	12	1,323
Finance costs	(4,531)	-	(626)	(195)	(5,352)
Net finance expense	(3,230)	-	(616)	(183)	(4,029)
Depreciation of property, plant and equipment	6,462	-	1,116	560	8,138
Depreciation of right-of-use assets	25,359	-	3,438	323	29,120
Segment profit/(loss) before tax	44,561	2,923	1,559	(3,968)	45,075
Share of profit of an associate, net of tax	282	-	-	-	282
Tax expense	(11,860)	(100)	(4)	(40)	(12,004)
Other material non-cash items:					
Gain on lease reassessments and modifications	(405)	-	-	-	(405)
Inventories written down	500	-	-	-	500
Inventories written off	467	-	-	-	467
Property, plant and equipment written off	486	-	53	1	540
Reversal of impairment losses on property, plant and equipment	(140)	-	-	-	(140)
Investment in an associate	992	-	-	-	992
Additions to non-current assets:					
- property, plant and equipment	13,375	-	1,040	6	14,421
- right-of-use assets	29,553	-	6,839	9	36,401
Segment assets	236,962	293	26,500	7,387	271,142
Segment liabilities	136,739	2,247	17,889	5,281	162,156

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

4. OPERATING SEGMENTS (CONT'D)

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

	2023 RM'000	2022 RM'000
Profit or Loss		
Segment profit before tax	40,332	45,075
(Elimination)/Adjustments of inter-segment results	(444)	2,784
Profit before tax	39,888	47,859
Tax expense	(9,738)	(12,004)
Profit for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	30,150	35,855
Assets		
Segment assets	282,900	271,142
Tax assets	317	244
Total assets of the Group per consolidated statement of financial position	283,217	271,386
Liabilities		
Segment liabilities	160,499	162,156
Tax liabilities	4,719	7,521
Total liabilities of the Group per consolidated statement of financial position	165,218	169,677

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

5. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the capital management of the Group 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 2022.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may, from time to time, adjust the dividend payment to shareholders, return capital to shareholders or issue new shares, where necessary. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2023 and 31 December 2022.

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Borrowings	35,011	38,958	–	–
Lease liabilities	86,936	83,022	–	–
Trade and other payables	33,104	36,732	656	1,021
Total liabilities	155,051	158,712	656	1,021
Less:				
Cash and bank balances	(37,393)	(53,981)	(437)	(469)
Short term fund	(2,009)	–	–	–
Net debt	115,649	104,731	219	552
Total capital	117,999	101,709	66,656	64,501
Net debt	115,649	104,731	219	552
	233,648	206,440	66,875	65,053
Gearing ratio (%)	49.5	50.7	0.3	0.8

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40,000,000. The Company has complied with this requirement during the financial year ended 31 December 2023.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

5. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management objectives and policies

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from foreign currency risk, interest rate risk, liquidity and cash flow risk, credit risk and market risk.

The following sections provide details regarding the exposure of the Group to the abovementioned financial risks and the objectives, policies and procedures for the management of these risks.

Foreign currency risk

Foreign currency is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk when the Company or its subsidiaries enter into transactions that are not denominated in their functional currencies. The Group's foreign currency exposure as at the end of the reporting period mainly relate to receivables denominated in United States Dollar ("USD") and payables denominated in USD and European Euro ("EURO"). Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The foreign currency profile and sensitivity analysis of foreign currency risk have been disclosed in Notes 11 and 23 to the financial statements.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market interest rates.

The exposure of the Group to interest rate risk arises primarily from fixed deposits with licensed banks, short term fund, finance lease receivables, borrowings and lease liabilities. The Group borrows at both fixed and floating rates of interest to generate the desired interest profile and to manage the exposure of the Group to interest rate fluctuations. Fixed deposits and short term fund of the Group 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 7, 11, 14, 15 and 17 to the financial statements.

Liquidity and cash flow risk

Liquidity and cash flow risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets as and when they fall due.

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 activities of the Group.

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 has been disclosed in Notes 7, 17 and 23 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

5. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

Credit risk

Credit risk is the risk that a counterparty would default on its contractual obligations resulting in financial loss to the Group.

Cash deposits, trade and other receivables and financial guarantees given to banks for banking facilities granted to subsidiaries may give rise to credit risk, which requires the loss to be recognised if a counterparty fails to perform as contracted. It is the policy of the Group to monitor the financial standing of counterparties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade and other receivables. The trading terms of the Group with its customers are mainly on credit, except for walk-in customers at its outlets. The credit period is generally for a period of 75 days (2022: 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 department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

The credit risk concentration profile has been disclosed in Note 11 to the financial statements.

The maximum exposure to credit risk in relation to financial guarantee contracts provided as credit enhancements to the secured borrowings of subsidiaries amounted to RM35,011,000 represents the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

Recognition and measurement of impairment loss of financial guarantee contracts

The Company assumes that there is a significant increase in credit risk when the financial positions of the subsidiaries deteriorate significantly. The Company considers a financial guarantee to be credit impaired when:

- (a) the subsidiaries are unlikely to repay their credit obligations to the banks in full; or
- (b) the subsidiaries are continuously loss making and are having deficit shareholder's fund.

The Company determines the probability of default by subsidiaries on the guaranteed borrowings using available internal information. No impairment loss is recognised arising from financial guarantees as it is negligible.

Market price risk

Market price risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to market price risk arising from its investment in short term fund.

The sensitivity analysis of market price risk has been disclosed in Note 14 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

6. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.1.2023 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Reclassi- fications RM'000	Balance as at 31.12.2023 RM'000
2023						
At cost						
Freehold land	5,072	-	-	-	-	5,072
Buildings	11,859	-	-	-	-	11,859
Alarm and security system	1,235	160	-	(34)	12*	1,373
Bakery equipment	7,740	1,114	-	(922)	325*	8,257
Computers	7,620	655	(19)	(306)	779	8,729
Furniture and fittings	29,319	4,459	-	(974)	660*	33,464
Lab tools and equipment	4,925	109	-	-	185*	5,219
Motor vehicles	2,452	99	(395)	-	974*	3,130
Office equipment	1,580	213	-	(66)	85*	1,812
Optical equipment	21,053	3,015	(5)	(1,461)	272*	22,874
Renovation and electrical installations	17,792	3,181	-	(342)	581*	21,212
Signboards	2,045	232	-	(119)	84*	2,242
Capital work-in-progress	779	84	-	-	(779)	84
	113,471	13,321	(419)	(4,224)	3,178	125,327

* The assets previously acquired under hire purchase arrangements were reclassified from right-of-use assets as the lease liabilities for those assets have been fully settled during the financial year.

Group	Balance as at 1.1.2023 RM'000	Charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Reversal of impairment losses RM'000	Reclassi- fications* RM'000	Balance as at 31.12.2023 RM'000
2023							
Accumulated depreciation and impairment losses							
Buildings	1,332	216	-	-	-	-	1,548
Alarm and security system	1,036	101	-	(32)	-	11	1,116
Bakery equipment	5,954	424	-	(899)	-	118	5,597
Computers	6,337	830	(3)	(306)	-	-	6,858
Furniture and fittings	19,337	2,898	-	(939)	(101)	357	21,552
Lab tools and equipment	729	498	-	-	-	54	1,281
Motor vehicles	2,442	143	(392)	-	-	672	2,865
Office equipment	1,328	122	-	(61)	-	57	1,446
Optical equipment	13,438	1,600	(5)	(1,413)	-	75	13,695
Renovation and electrical installations	12,070	1,850	-	(323)	(1)	321	13,917
Signboards	1,665	223	-	(111)	(2)	68	1,843
	65,668	8,905	(400)	(4,084)	(104)	1,733	71,718

* The assets previously acquired under hire purchase arrangements were reclassified from right-of-use assets as the lease liabilities for those assets have been fully settled during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

Group	Balance as at 1.1.2022 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Reclassi- fications RM'000	Balance as at 31.12.2022 RM'000
2022						
At cost						
Freehold land	5,072	-	-	-	-	5,072
Buildings	9,879	1,980	-	-	-	11,859
Alarm and security system	1,100	141	-	(73)	67*	1,235
Bakery equipment	7,963	702	(29)	(588)	(308)**	7,740
Computers	6,679	1,168	(20)	(207)	-	7,620
Furniture and fittings	22,810	4,159	(82)	(1,272)	3,704*	29,319
Lab tools and equipment	4,924	1	-	-	-	4,925
Motor vehicles	2,126	-	(103)	-	429*	2,452
Office equipment	1,657	149	-	(239)	13*	1,580
Optical equipment	17,031	2,580	(3)	(2)	1,447*	21,053
Renovation and electrical installations	14,044	2,883	(89)	(1,659)	2,613*	17,792
Signboards	1,564	183	-	(93)	391*	2,045
Capital work-in-progress	304	475	-	-	-	779
	95,153	14,421	(326)	(4,133)	8,356	113,471

* The assets previously acquired under hire purchase arrangements were reclassified from right-of-use assets as the lease liabilities for those assets have been fully settled during the financial year.

** The assets previously acquired were reclassified to right-of-use assets as the assets were subsequently financed under hire purchase agreements.

Group	Balance as at 1.1.2022 RM'000	Charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Reversal of impairment losses RM'000	Reclassi- fications* RM'000	Balance as at 31.12.2022 RM'000
2022							
Accumulated depreciation and impairment losses							
Buildings	1,147	185	-	-	-	-	1,332
Alarm and security system	955	120	-	(73)	-	34	1,036
Bakery equipment	5,804	737	(27)	(560)	-	-	5,954
Computers	6,021	540	(17)	(207)	-	-	6,337
Furniture and fittings	16,632	2,660	(50)	(948)	(135)	1,178	19,337
Lab tools and equipment	252	477	-	-	-	-	729
Motor vehicles	2,112	171	(103)	-	-	262	2,442
Office equipment	1,450	109	-	(238)	-	7	1,328
Optical equipment	11,765	1,309	(2)	(1)	-	367	13,438
Renovation and electrical installations	10,998	1,639	(46)	(1,488)	(1)	968	12,070
Signboards	1,363	191	-	(78)	(4)	193	1,665
	58,499	8,138	(245)	(3,593)	(140)	3,009	65,668

* The assets previously acquired under hire purchase arrangements were reclassified from right-of-use assets as the lease liabilities for those assets have been fully settled during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

	Group	
	2023 RM'000	2022 RM'000
Carrying amount		
Freehold land	5,072	5,072
Buildings	10,311	10,527
Alarm and security system	257	199
Bakery equipment	2,660	1,786
Computers	1,871	1,283
Furniture and fittings	11,912	9,982
Lab tools and equipment	3,938	4,196
Motor vehicles	265	10
Office equipment	366	252
Optical equipment	9,179	7,615
Renovation and electrical installations	7,295	5,722
Signboards	399	380
Capital work-in-progress	84	779
	53,609	47,803

- (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 off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal depreciation annual rates are as follows:

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

Freehold land has an unlimited useful life and is not depreciated.

Capital work-in-progress is not depreciated until such time when the asset is available for use.

The useful lives and residual values of property, plant and equipment are estimated based on common life expectancies and commercial factors applied in the various respective industries.

Changes in expected level of usage and economic development could impact the economic useful lives and the residual values of these assets, and hence future depreciation charges on such assets could be revised.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

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

	Group	
	2023	2022
	RM'000	RM'000
Purchase of property, plant and equipment	13,321	14,421
Unsettled and remained as other payables	(110)	-
Cash payments on purchase of property, plant and equipment	13,211	14,421

- (c) The Group assessed whether there are any indications of impairment of property, plant and equipment during the financial year. In doing this, management considered the current environment and performance of the Cash Generating Units ("CGUs"). Management considered consecutive losses in certain outlets for two (2) financial years as one of the impairment indications.

The recoverable amounts of the CGUs are determined based on value-in-use calculations using cash flows projections derived from financial budgets approved by management.

Management has made estimates about the future results and key assumptions applied to cash flow projections of the CGUs. These key assumptions are applied to cash flow projections of the CGUs and include forecast growth in future revenues, as well as determining an appropriate pre-tax discount rate, taking into consideration the effect of increasing overnight policy rate ("OPR").

During the financial year, management has determined that the recoverable amounts of certain property, plant and equipment of the loss-making outlets are higher than their carrying amounts due to improving business operations. Accordingly, the Group has recognised a reversal of impairment losses on certain property, plant and equipment amounted to RM104,000 (2022: RM140,000) within other operating income in the statements of profit or loss and other comprehensive income.

- (d) The carrying amounts of property, plant and equipment of the Group charged as securities for banking facilities granted to the Group as disclosed in Notes 18 and 20 to the financial statements are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Freehold land	4,698	4,698
Buildings	9,839	10,042
	14,537	14,740

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. LEASES

The Group as lessee

Right-of-use assets	Balance as at 1.1.2023 RM'000	Additions RM'000	Reassessments and modifications RM'000	Depreciation RM'000	Reclassi- fications* RM'000	Balance as at 31.12.2023 RM'000
2023						
Carrying amount						
Retail spaces	65,821	31,888	7,335	(32,501)	-	72,543
Warehouses and hostels	1,944	587	30	(715)	-	1,846
Alarm and security system	56	17	-	(18)	(1)	54
Bakery equipment	1,779	1,496	-	(336)	(207)	2,732
Furniture and fittings	1,490	508	-	(219)	(303)	1,476
Lab tools and equipment	131	-	-	-	(131)	-
Motor vehicles	1,131	962	-	(396)	(302)	1,395
Office equipment	518	101	-	(182)	(28)	409
Optical equipment	597	-	-	(48)	(197)	352
Renovation and electrical installations	2,496	849	-	(485)	(260)	2,600
Signboards	90	16	-	(21)	(16)	69
	76,053	36,424	7,365	(34,921)	(1,445)	83,476

* The assets previously acquired under hire purchase arrangements were reclassified to property, plant and equipment as the lease liabilities for those assets have been fully settled during the financial year.

Right-of-use assets	Balance as at 1.1.2022 RM'000	Additions RM'000	Reassessments and modifications RM'000	Depreciation RM'000	Reclassi- fications RM'000	Balance as at 31.12.2022 RM'000
2022						
Carrying amount						
Retail spaces	57,562	33,697	1,395	(26,833)	-	65,821
Warehouses and hostels	1,595	923	-	(574)	-	1,944
Alarm and security system	93	16	-	(20)	(33)*	56
Bakery equipment	1,342	345	-	(216)	308**	1,779
Furniture and fittings	3,718	608	-	(310)	(2,526)*	1,490
Lab tools and equipment	149	-	-	(18)	-	131
Motor vehicles	1,399	200	-	(301)	(167)*	1,131
Office equipment	642	48	-	(166)	(6)*	518
Optical equipment	1,753	-	-	(76)	(1,080)*	597
Renovation and electrical installations	4,163	534	-	(556)	(1,645)*	2,496
Signboards	308	30	-	(50)	(198)*	90
	72,724	36,401	1,395	(29,120)	(5,347)	76,053

* The assets previously acquired under hire purchase arrangements were reclassified to property, plant and equipment as the lease liabilities for those assets have been fully settled during the financial year.

** The assets previously acquired were reclassified from property, plant and equipment as the assets were subsequently financed under hire purchase agreements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. LEASES (CONT'D)

The Group as lessee (cont'd)

Lease liabilities	Balance as at 1.1.2023 RM'000	Additions RM'000	Reassessments and modifications RM'000	Lease payments RM'000	Interest expense RM'000	Balance as at 31.12.2023 RM'000
2023						
Carrying amount						
Retail spaces	75,683	29,258	9,290	(38,049)	3,626	79,808
Warehouses and hostels	2,013	396	30	(725)	90	1,804
Alarm and security system	47	17	-	(34)	4	34
Bakery equipment	1,109	1,496	-	(1,196)	129	1,538
Furniture and fittings	1,100	508	-	(902)	100	806
Lab tools and equipment	12	-	-	(12)	-	-
Motor vehicles	653	933	-	(455)	53	1,184
Office equipment	356	101	-	(214)	23	266
Optical equipment	383	-	-	(290)	27	120
Renovation and electrical installations	1,606	849	-	(1,253)	137	1,339
Signboards	60	16	-	(44)	5	37
	83,022	33,574	9,320	(43,174)	4,194	86,936
Represented by:						2023 RM'000
Current liabilities						35,578
Non-current liabilities						51,358
						86,936
Lease liabilities owing to financial institutions						5,324
Lease liabilities owing to non-financial institutions						81,612
						86,936

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. LEASES (CONT'D)

The Group as lessee (cont'd)

Lease liabilities	Balance as at 1.1.2022 RM'000	Additions RM'000	Reassessments and modifications RM'000	Lease payments RM'000	Interest expense RM'000	Balance as at 31.12.2022 RM'000
2022						
Carrying amount						
Retail spaces	65,919	39,675	1,353	(34,390)	3,126	75,683
Warehouses and hostels	1,656	923	-	(635)	69	2,013
Alarm and security system	69	22	-	(49)	5	47
Bakery equipment	1,087	653	-	(708)	77	1,109
Furniture and fittings	1,682	836	-	(1,583)	165	1,100
Lab tools and equipment	77	-	-	(68)	3	12
Motor vehicles	1,063	74	-	(538)	54	653
Office equipment	588	49	-	(317)	36	356
Optical equipment	973	-	-	(665)	75	383
Renovation and electrical installations	2,532	701	-	(1,831)	204	1,606
Signboards	143	49	-	(148)	16	60
	75,789	42,982	1,353	(40,932)	3,830	83,022
Represented by:						2022 RM'000
Current liabilities						34,905
Non-current liabilities						48,117
						83,022
Lease liabilities owing to financial institutions						5,326
Lease liabilities owing to non-financial institutions						77,696
						83,022

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. LEASES (CONT'D)

The Group as lessee (cont'd)

- (a) The right-of-use assets represent non-cancellable operating lease agreements entered into by the Group for the use of retail spaces, warehouses, hostels and other assets, which are acquired under hire purchase agreements.

The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Retail spaces	1 - 6 years
Warehouses and hostels	1 - 5 years
Alarm and security system	3 years
Bakery equipment	3 years
Furniture and fittings	3 years
Lab tools and equipment	3 years
Motor vehicles	5 years
Office equipment	3 years
Optical equipment	3 years
Renovation and electrical installations	3 years
Signboards	3 years

- (b) The Group has certain leases of retail spaces with lease term of 12 months or less and low value leases of office equipment of RM20,000 and below. The Group applies the “short-term lease” and “lease of low-value assets” exemptions for these leases.

- (c) The following are amounts recognised in profit or loss:

	Group	
	2023	2022
	RM'000	RM'000
Depreciation charge of right-of-use assets (included in administrative expenses)	34,921	29,120
Interest expense on lease liabilities (included in finance costs)	4,194	3,830
Loss/(Gain) on lease reassessments and modifications (included in administrative expenses and other operating income respectively)	295	(405)
Expense relating to short-term leases and leases of low-value assets (included in administrative expenses)	312	174
Variable lease payments (included in administrative expenses)	7,279	6,711
	47,001	39,430

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. LEASES (CONT'D)

The Group as lessee (cont'd)

- (c) The following are amounts recognised in profit or loss: (cont'd)

Certain lease rentals are subject to variable lease payments, which are determined based on a percentage of sales generated from outlets.

The Group has entered into tenancy agreements for the lease of outlets, which contain variable lease payments based on predetermined revenue thresholds. The Group has determined that these contingent rental features are not embedded derivatives to be separately accounted for due to the economic characteristics and risk of these contingent rental features are closely related to the economic characteristics and risk of the underlying tenancy agreements. There are no leverage features contained within these contingent rental features.

- (d) The following are total cash outflows for leases as a lessee:

	Group	
	2023	2022
	RM'000	RM'000
Included in net cash from operating activities:		
Payments relating to short-term leases and leases of low value assets	312	174
Payments relating to variable lease payments not included in the measurement of lease liabilities	7,279	6,711
Included in net cash from financing activities:		
Payments of lease liabilities	38,980	37,102
Payments of lease interest	4,194	3,830
	50,765	47,817

- (e) The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group.

Management exercises significant judgement in determining the incremental borrowing rate whenever the implicit rate of interest in a lease is not readily determinable as well as the lease term. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment, after taking into consideration the effect of the increasing OPR.

- (f) The Group has lease contracts that include extension and termination options. These options are negotiated by the Group to provide flexibility in managing the leased-asset portfolio and align with the business needs of the Group.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. LEASES (CONT'D)

The Group as lessee (cont'd)

- (g) The following are the undiscounted potential future rental payments that are not included in the lease term:

Group	Within five years RM'000	More than five years RM'000	Total RM'000
31 December 2023			
Extension options expected not to be exercised	13,233	894	14,127
31 December 2022			
Extension options expected not to be exercised	8,155	1,972	10,127

- (h) The possibility for the Group to exercise the termination options is unlikely after taking into consideration of relevant facts and circumstances including past experience, cost and economic incentive that will be involved to exercise the termination options.

- (i) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Group that are exposed to interest rate risk:

Group	Weighted average incremental borrowing rate per annum %	Within one year RM'000	One to two years RM'000	Two to five years RM'000	More than five years RM'000	Total RM'000
31 December 2023						
Lease liabilities owing to financial institutions	6.3 - 7.3	2,736	1,908	680	-	5,324
Lease liabilities owing to non-financial institutions (retail spaces, warehouses and hostels)	4.4 - 6.0	32,842	21,788	24,575	2,407	81,612

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. LEASES (CONT'D)

The Group as lessee (cont'd)

- (i) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Group that are exposed to interest rate risk: (cont'd)

Group	Weighted average incremental borrowing rate per annum %	Within one year RM'000	One to two years RM'000	Two to five years RM'000	More than five years RM'000	Total RM'000
31 December 2022						
Lease liabilities owing to financial institutions	7.2 - 7.5	3,331	1,587	408	–	5,326
Lease liabilities owing to non-financial institutions (retail spaces, warehouses and hostels)	4.4 - 6.0	31,574	24,823	20,458	841	77,696

- (j) The table below summarises the maturity profile of the lease liabilities of the Group 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
31 December 2023				
Lease liabilities	39,278	50,390	5,573	95,241
31 December 2022				
Lease liabilities	38,176	49,722	1,152	89,050

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
At cost		
Unquoted shares	69,755	68,055
Less: Impairment losses	(3,590)	(3,590)
	66,165	64,465

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements at cost less impairment losses.
- (b) The Company and/or its subsidiaries assessed whether there are any indications of impairment of investments in subsidiaries during the financial year. In doing this, management considered the current environment and performance of the subsidiaries. Management considered losses in a subsidiary operating in the food and beverages segment with a carrying amount of cost of investment amounted to RM38,721,000 as an impairment indication.

The recoverable amount of the subsidiary is determined based on value-in-use calculation using cash flow projections derived from financial budgets approved by management covering a five-year period and with terminal value.

Management has exercised significant judgement and made significant estimates about the future results and key assumptions applied to cash flow projections of the subsidiary. The key assumptions used for value-in-use calculation of the subsidiary are as follows:

	Food and beverages	
	2023 %	2022 %
Budgeted gross margin	46.0 - 48.0	45.0 - 47.0
Revenue growth rate	5.2 - 20.5	3.0 - 31.0
Pre-tax discount rate	7.6	6.8

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of the subsidiary:

- (i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year adjusted for expected efficiency improvements or deficiency.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) (continued)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of the subsidiary: (cont'd)

(ii) Revenue growth rate

The revenue growth rate used is determined using a forecast growth rate obtained from financial budgets approved by management. The financial budgets cover a period of five years with no growth rate thereafter.

(iii) Pre-tax discount rate

The discount rate used is pre-tax relating to the relevant segment, taking into consideration the effect of increasing OPR.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use, the management is not aware of any reasonably possible change in the above key assumptions that would cause the carrying amount of investment in the subsidiary to materially exceed its recoverable amount.

(c) In the previous financial year, impairment loss on cost of investment in a subsidiary amounted to RM3,316,000 was recognised within administrative expenses in the statements of profit or loss and other comprehensive income due to declining operations of the subsidiary.

(d) The details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective equity interest		Principal activities
		2023 %	2022 %	
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
Focus Point Vision Care Group Sdn. Bhd. ("Focus Point Vision Care Group")	Malaysia	100	100	Operation of professional eye care centres, trading of eyewear and eye care products, investment holding and retail sale of other food products

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of company	Country of incorporation/ Principal place of business	Effective equity interest		Principal activities
		2023 %	2022 %	
Sound Point Hearing Solution Sdn. Bhd.	Malaysia	100	100	Investment holding
Multiple Reward Sdn. Bhd.	Malaysia	100	100	Operation of food and beverages business
Subsidiaries of Focus Point Vision Care Group				
Anggun Optometrist Sdn. Bhd.	Malaysia	100	100	Dormant
HAP&PI Yogurt Sdn. Bhd. (formerly known as Radiant Attraction Sdn. Bhd.)	Malaysia	100	100	Dormant

(e) During the financial year, the Company subscribed for additional 1,700,000 ordinary shares of RM1.00 each in Sound Point Hearing Solution Sdn. Bhd. ("SPHSB") for a total cash consideration of RM1,700,000. Consequently, there was no change in the effective equity interest held by the Company in SPHSB.

(f) In the previous financial year, the Company subscribed for additional 20,250,000 ordinary shares of RM1.00 each in Multiple Reward Sdn. Bhd. ("MRSB") for a total cash consideration of RM20,250,000. Consequently, there was no change in the effective equity interest held by the Company in MRSB.

9. INVESTMENTS IN ASSOCIATES

	Group	
	2023 RM'000	2022 RM'000
At cost		
Unquoted equity shares	1,708	28
Share of post-acquisition reserves, net of dividends received	887	964
	2,595	992

(a) Investments in associates are measured at cost less impairment losses in the separate financial statements and accounted for using the equity method in the consolidated financial statements.

(b) The financial year end of the associates is coterminous with those of the Group. The most recent available financial statements of the associates are used by the Group in applying the equity method of accounting. The share of results of the associates of the Group for the financial years ended 31 December 2023 and 31 December 2022 are based on the audited and unaudited financial statements of the associates.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

9. INVESTMENTS IN ASSOCIATES (CONT'D)

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

Name of company	Country of incorporation/ Principal place of business	Effective equity interest		Principal activities
		2023 %	2022 %	
Associate of Focus Point Vision Care Group Sdn. Bhd.				
Focus Point Vision Care Group (HP) Sdn. Bhd. ("Focus Point Vision Care (HP)")*	Malaysia	35	35	Retailing of optical related products
Associate of Sound Point Hearing Solution Sdn. Bhd.				
Phipure Sdn. Bhd. ("Phipure")*	Malaysia	40	–	Sales of health and beauty products

* Associates not audited by BDO PLT

(d) During the financial year, Sound Point Hearing Solution Sdn. Bhd., a wholly owned subsidiary of the Company, acquired 560,000 ordinary shares in Phipure for a total cash consideration of RM1,680,000.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

9. INVESTMENTS IN ASSOCIATES (CONT'D)

(e) The summarised financial information of the associates is as follows:

	Focus Point Vision Care (HP)		Phipure		Total	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Assets and liabilities						
Current assets	3,128	2,528	1,399	–	4,527	2,528
Non-current assets	2,030	1,852	142	–	2,172	1,852
Total assets	5,158	4,380	1,541	–	6,699	4,380
Current liabilities	(1,161)	(1,066)	(54)	–	(1,215)	(1,066)
Non-current liabilities	(256)	(56)	(130)	–	(386)	(56)
Total liabilities	(1,417)	(1,122)	(184)	–	(1,601)	(1,122)
Net assets	3,741	3,258	1,357	–	5,098	3,258
Results						
Revenue	6,309	5,339	98	–	6,407	5,339
Profit/(Loss) for the financial year	985	805	(617)	–	368	805
Total comprehensive income/(loss)	985	805	(617)	–	368	805
Cash flows from/(used in) operating activities	1,190	1,193	(777)	–	413	1,193
Cash flows used in investing activities	–	(28)	(7)	–	(7)	(28)
Cash flows (used in)/from financing activities	(693)	(294)	1,810	–	1,117	(294)
Net increase in cash and cash equivalents	497	871	1,026	–	1,523	871

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

9. INVESTMENTS IN ASSOCIATES (CONT'D)

- (f) The reconciliation of net assets of the associates to the carrying amounts of the investments in associates is as follows:

	Focus Point Vision Care (HP)		Phipure		Total	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Share of net assets	1,162	992	543	–	1,705	992
Goodwill	–	–	890	–	890	–
Carrying amount in the statement of financial position	1,162	992	1,433	–	2,595	992
Share of results of the Group for the financial year						
Share of profit/(loss) of the Group	345	282	(247)	–	98	282
Share of other comprehensive income of the Group	–	–	–	–	–	–
Share of total comprehensive income/(loss) of the Group	345	282	(247)	–	98	282
Other information						
Dividend received	175	–	–	–	175	–

- (g) The Group assessed whether there are any indications of impairment of investments in associates during the financial year. In doing this, management considered the current environment and the performance of CGUs. Management considered loss-making CGU as an impairment indication.

The recoverable amount of the CGU is determined based on value-in-use calculation using cash flow projections derived from financial budgets approved by management covering a five-year period and with terminal value.

Management has made estimates about future results and key assumptions applied to cash flow projections of the CGU. These key assumptions are applied to cash flow projections of the CGU and include forecast growth in future revenues, as well as determining an appropriate pre-tax discount rate, taking into consideration the effect of increasing OPR.

Phipure reported a loss for the financial year ended 31 December 2023 and its net assets as at 31 December 2023 are below the carrying amount of the Group's interest in the associate. Management has determined the recoverable amount of the associate based on value-in-use calculation exceeds its carrying amount. The pre-tax discount rate applied on the cash flow projections in determining the recoverable amount is 7.7%.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

10. OTHER INVESTMENT

	Group	
	2023	2022
	RM'000	RM'000
Corporate golf club membership, unquoted	210	210

- (a) The corporate golf club membership is classified as financial asset at fair value through profit or loss pursuant to MFRS 9 *Financial Instruments*.
- (b) The fair value of corporate golf club membership of the Group is categorised as Level 2 in the fair value hierarchy. The fair value of corporate golf club membership is determined by reference to the prevailing offer price of the golf club membership price. There was no transfer between levels in the hierarchy during the financial year.
- (c) Other investment is denominated in RM.

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Non-current				
Trade receivables				
Third parties	296	221	-	-
Less: Impairment losses	(212)	-	-	-
	84	221	-	-
Other receivables				
Finance lease receivables	3,182	4,210	-	-
Total non-current receivables	3,266	4,431	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
Trade receivables				
Third parties	15,304	10,300	-	-
Amount owing by an associate	248	214	-	-
	15,552	10,514	-	-
Less: Impairment losses				
- Third parties	(1,404)	(812)	-	-
- Associate	-	(3)	-	-
	14,148	9,699	-	-
Other receivables				
Third parties	5,728	4,780	-	-
Finance lease receivables	3,214	4,023	-	-
Amount owing by a subsidiary	-	-	707	721
Amount owing by an associate	4	6	-	-
	8,946	8,809	707	721
Less: Impairment losses				
- Subsidiary	-	-	-	(157)
	8,946	8,809	707	564
Deposits				
Less: Impairment losses	13,032	13,638	4	4
	(77)	(77)	-	-
	12,955	13,561	4	4
Total current receivables	36,049	32,069	711	568
Prepayments	3,595	2,932	-	20
	39,644	35,001	711	588

- (a) Trade and other receivables, net of prepayments are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group are 75 days (2022: 75 days), except for amounts owing by franchisees included in trade receivables of the Group for the initial investments and trade transactions amounting to RM681,000 (2022: RM543,000), which bear interest at rates ranging from Nil to 10.0% (2022: Nil to 10.0%). They are recognised at their original invoice amounts, which represent their face values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

- (c) Included in other receivables of the Group are amounts owing by trade suppliers of RM4,809,000 (2022: RM2,075,000) after netting of purchase rebates receivable during the financial year, which are unsecured, interest-free and payable within next twelve (12) months in cash and cash equivalents.
- (d) Amount owing by a subsidiary represents balances arising from non-trade transactions, advances and payments made on behalf, which are unsecured, interest-free and payable within next twelve (12) months in cash and cash equivalents.
- (e) Amounts owing by an associate represent balances arising from trade transactions, advances and payments made on behalf, which are unsecured, interest-free and payable within next twelve (12) months in cash and cash equivalents. The trade transactions are subject to normal trade terms.
- (f) Included in deposits of the Group are security and utility deposits on leases of RM10,913,000, which are amortised through accretion of discount at annual rates of 4.4% to 6.0% over the lease terms.
- (g) The repayment terms of finance lease receivables are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Finance lease receivables:		
Less than one (1) year	3,464	4,383
One (1) to two (2) years	1,797	2,710
Two (2) to three (3) years	822	1,037
Three (3) to four (4) years	527	429
Four (4) to five (5) years	287	183
More than five (5) years	216	123
	7,113	8,865
Less: Unearned interest	(717)	(632)
	6,396	8,233
 Representing finance lease receivables:		
Less than one (1) year	3,214	4,023
One (1) to two (2) years	1,469	2,548
Two (2) to three (3) years	748	971
Three (3) to four (4) years	488	400
Four (4) to five (5) years	268	172
More than five (5) years	209	119
	6,396	8,233

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

- (h) The reconciliation of movements in the carrying amount of finance lease receivables is as follows:

	Group	
	2023 RM'000	2022 RM'000
Finance lease receivables:		
At beginning of financial year	8,233	6,265
Additions	901	5,987
Reassessments and modifications	1,660	363
Lease payments received	(4,762)	(4,790)
Interest income	364	408
At end of financial year	6,396	8,233

- (i) The finance lease receivables are in relation to the back-to-back arrangements with its franchisees on the rental of retail spaces, whereby the Group has entered into rental agreements for the retail spaces with third parties and subsequently, sub-leased to franchisees over the entire lease period. These receivables were recognised at an amount equal to the net investment in the lease and were measured at the present value of the lease payments over the sub-lease periods, discounted at 4.4% to 6.0% (2022: 4.4% to 6.0%) based on the discount rates used for the head leases.

The tenancy agreements for certain sublease of outlets contain variable lease payments based on predetermined revenue thresholds. The Group has determined that these contingent rental features are not embedded derivatives to be separately accounted for due to the economic characteristics and risk of these contingent rental features are closely related to the economic characteristics and risk of the underlying tenancy agreements. There are no leverage features contained within these contingent rental features.

- (j) Impairment for trade receivables that do not contain a significant financing component is recognised based on the simplified approach by using the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group uses a provision matrix to measure the expected credit losses of trade receivables using the flow rate method based on grouping of customers sharing similar credit risk characteristics, historical credit loss experience and observable data such as current changes and future forecasts in economic conditions.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. The Group has identified the Gross Domestic Product, unemployment rate, inflation rate and consumer price index as the key macroeconomic factors of the forward looking information. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectible, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise judgement in determining the probability of default by trade receivables and appropriate forward looking information.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(k) Lifetime expected loss provision for trade receivables of the Group are as follows:

Group	Gross carrying amount RM'000	Lifetime expected credit losses RM'000	Net carrying amount RM'000
31 December 2023			
Collective assessment			
Current	13,203	(141)	13,062
Past due:			
1 to 30 days	1,101	(85)	1,016
31 to 60 days	302	(175)	127
More than 61 days	471	(444)	27
	1,874	(704)	1,170
Individual assessment	771	(771)	-
	15,848	(1,616)	14,232
31 December 2022			
Collective assessment			
Current	8,197	-*	8,197
Past due:			
1 to 30 days	1,557	-*	1,557
31 to 60 days	29	-*	29
More than 61 days	821	(684)	137
	2,407	(684)	1,723
Individual assessment	131	(131)	-
	10,735	(815)	9,920

* The effects of expected credit losses are insignificant.

Trade receivables are not secured by any collateral or credit enhancement. The collective assessment of impairment of trade receivables shares similar credit risk characteristics, industries and geographical location. The individual assessment of impairment of trade receivables is separately assessed when it is probable that cash due will not be received in full.

(l) The credit risk exposures relating to trade receivables of the Group at the end of the reporting period are summarised as follows:

	Group	
	2023 RM'000	2022 RM'000
Maximum exposure	14,232	9,920

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

- (m) The reconciliation of movements in the impairment losses accounts for trade receivables is as follows:

Group	Lifetime expected credit losses RM'000	Credit impaired RM'000	Total allowance RM'000
At 1 January 2023	684	131	815
Charge for the year	164	640	804
Reversal of impairment losses	(3)	–	(3)
At 31 December 2023	845	771	1,616
At 1 January 2022/ 31 December 2022	684	131	815

Credit impaired refers to individually determined debtors who are in significant financial difficulties as at the end of the reporting period.

- (n) Impairment for other receivables and deposits are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month (“12-month”) expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve (12) months after the end of the reporting period. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment trends and past due information.

The probabilities of non-payment by other receivables and deposits are adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the 12-month or lifetime expected credit loss for other receivables and deposits. The Group has identified the Gross Domestic Product, unemployment rate, inflation rate and consumer price index as the key macroeconomic factors of the forward looking information.

It requires management to exercise judgement in determining the probabilities of default by other receivables and deposits, appropriate forward looking information and significant increase in credit risk.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

- (o) The reconciliation of movements in the impairment losses accounts for other receivables is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Amount owing by a subsidiary				
12-month expected credit loss:				
At 1 January	-	-	157	157
Reversal of impairment loss	-	-	(157)	-
At 31 December	-	-	-	157
Deposits				
12-month expected credit loss:				
At 1 January/31 December	77	77	-	-

- (p) No expected credit loss is recognised arising from other receivables, excluding deposits of the Group as it is negligible.
- (q) The currency exposure profile of trade and other receivables, excluding prepayments are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Ringgit Malaysia	39,179	35,918	711	568
Australian Dollar	-	30	-	-
Chinese Renminbi	2	-	-	-
Hong Kong Dollar	-	25	-	-
Japanese Yen	-	2	-	-
Singapore Dollar	1	2	-	-
United States Dollar	133	523	-	-
	39,315	36,500	711	568

Sensitivity analysis for foreign currency risk at the end of the reporting period is not presented as changes in exchange rates would not materially affect the profit or loss of the Group.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

- (r) The interest rate profile of the trade and other receivables at the end of the reporting period is as follows:

	Group	
	2023 RM'000	2022 RM'000
Fixed rate	7,077	8,776

Sensitivity analysis for fixed rate trade and other receivables at the end of the reporting period is not presented as fixed rate instruments are not affected by changes in interest rates.

- (s) At the end of the reporting period, the Group and the Company do not have any significant concentration of credit risk related to any individual customer or counterparty other than the amount owing by a subsidiary of RM707,000 (2022: RM721,000).
- (t) The trade and other receivables of the Group as at the end of the reporting period approximately carried at fair values are:

	Group	
	Carrying amount RM'000	Fair value RM'000
31 December 2023		
Total receivables		
Third parties (Trade receivables)	84	77
Finance lease receivables (Other receivables)	3,182	3,136
31 December 2022		
Total receivables		
Third parties (Trade receivables)	221	143
Finance lease receivables (Other receivables)	4,210	4,072

The fair value of receivables are categorised as Level 2 in the fair value hierarchy, which is estimated based on expected future cash flows discounted at the market interest rate at the end of the reporting period. There was no transfer between levels in the hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12. DEFERRED TAX

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

	2023	Group	2022
	RM'000		RM'000
Balance as at 1 January	1,662		1,094
Recognised in profit or loss (Note 30)	(1,155)		568
<hr/>			
Balance as at 31 December	507		1,662
<hr/>			
Presented as:			
Deferred tax assets, net*	(14)		(30)
Deferred tax liabilities, net*	521		1,692
<hr/>			
	507		1,662
<hr/>			

* The amount of set-off between deferred tax assets and deferred tax liabilities was RM6,118,000 (2022: RM5,517,000) for the Group.

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

	Property, plant and equipment RM'000
Deferred tax liabilities of the Group	
Balance as at 1 January 2023	7,209
Recognised in profit or loss	(570)
<hr/>	
Balance as at 31 December 2023	6,639
<hr/>	
Balance as at 1 January 2022	5,795
Recognised in profit or loss	1,414
<hr/>	
Balance as at 31 December 2022	7,209
<hr/>	

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12. DEFERRED TAX (CONT'D)

- (b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows: (cont'd)

Deferred tax assets of the Group	Unabsorbed capital allowances RM'000	Provisions RM'000	Lease liabilities RM'000	Deferred franchise fees RM'000	Total RM'000
Balance as at 1 January 2023	(3,818)	(1,313)	(386)	(30)	(5,547)
Recognised in profit or loss	108	(455)	(254)	16	(585)
Balance as at 31 December 2023	(3,710)	(1,768)	(640)	(14)	(6,132)
Balance as at 1 January 2022	(3,833)	(297)	(507)	(64)	(4,701)
Recognised in profit or loss	15	(1,016)	121	34	(846)
Balance as at 31 December 2022	(3,818)	(1,313)	(386)	(30)	(5,547)

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

	Group 2023 RM'000	2022 RM'000
Unused tax losses		
- Expires by 31 December 2028	4,770	4,770
- Expires by 31 December 2029	4	4
- Expires by 31 December 2033	6	-
Unabsorbed capital allowances	3,586	5,928
Other temporary differences	1,135	1,161
	9,501	11,863

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 amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the local tax authority. Unutilised tax losses of the subsidiaries incorporated in Malaysia can be carried forward up to ten (10) consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

13. INVENTORIES

	Group	
	2023	2022
	RM'000	RM'000
At cost		
Optical and related products	58,215	50,758
Food and beverages	2,391	1,761
Operation consumables	79	135
	60,685	52,654
At net realisable value		
Optical and related products	13	17
	60,698	52,671

- (a) Inventories are stated at the lower of cost and net realisable value. Cost of inventories consists of purchase costs of direct materials. Cost of optical and related products is determined using the weighted average cost method while cost of food and beverages and operation consumables is 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.
- (b) During the financial year, inventories of the Group recognised as cost of sales amounted to RM85,952,000 (2022: RM82,278,000).
- (c) Inventories are written down to net realisable value when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management exercises significant judgements and made significant estimates in writing down inventories to their net realisable values, which involve management specifically analyses ageing, specifications and design of inventories, coupled with market knowledge of the merchandising department to evaluate the adequacy of write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.
- (d) The amounts of inventories written down and inventories written off recognised as cost of sales during the financial year are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Inventories written down	500	500
Inventories written off	583	467
	583	467

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

14. SHORT TERM FUND

	Group	
	2023 RM'000	2022 RM'000
Fair value through profit or loss		
Investment in fixed income trust fund	2,009	–

- (a) Short term fund is classified as financial asset at fair value through profit or loss pursuant to MFRS 9 *Financial Instruments*.
- (b) Short term fund of the Group represents investment in highly liquid money market instrument, which is readily convertible to known amount of cash and is subject to an insignificant risk of change in value.
- (c) The fair value of short term fund of the Group is categorised as Level 1 in the fair value hierarchy. The fair value of short term fund is determined by reference to the quoted prices at the close of business at the end of each reporting period. There was no transfer between levels in the fair value hierarchy during the financial year.
- (d) The interest rate profile of the short term fund at the end of the reporting period is as follows:

	Group	
	2023 RM'000	2022 RM'000
Fixed rate	2,009	–

Sensitivity analysis for fixed rate short term fund at the end of the reporting period is not presented as fixed rate instrument is not affected by changes in interest rate.

- (e) Sensitivity analysis of market price risk for short term fund is not presented as the market price volatility of the short term fund is low.
- (f) Short term fund is denominated in RM.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

15. CASH AND BANK BALANCES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash at banks and on hand	10,039	12,090	55	96
Fixed deposits with licensed banks	27,354	41,891	382	373
	37,393	53,981	437	469

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) Fixed deposits with licensed banks of the Group and of the Company have maturity periods of 30 days to 365 days (2022: 30 days to 365 days) and 30 days (2022: 30 days) respectively, with interest at rates ranging from 2.6% to 4.3% (2022: 1.8% to 3.6%) per annum and 2.6% (2022: 2.3%) per annum respectively.
- (c) 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 18 and 20 to the financial statements.
- (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:

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash at banks and on hand		10,039	12,090	55	96
Fixed deposits with licensed banks		27,354	41,891	382	373
Short term fund	14	2,009	-	-	-
As reported in statements of financial position		39,402	53,981	437	469
Less:					
Fixed deposits pledged with licensed banks		(1,825)	(5,105)	-	-
Fixed deposits with maturity period more than three (3) months		(24,868)	(36,133)	-	-
As reported in statements of cash flows		12,709	12,743	437	469

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

15. CASH AND BANK BALANCES (CONT'D)

- (e) The interest rate profile of the cash and bank balances at the end of the reporting period is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fixed rate	27,354	41,891	382	373

Sensitivity analysis for fixed rate cash and bank balances at the end of the reporting period is not presented as fixed rate instruments are not affected by changes in interest rates.

- (f) No expected credit loss is recognised arising from cash at banks and fixed deposits with licensed banks because the probability of default by these financial institutions is negligible.
- (g) Cash and bank balances are denominated in RM.

16. SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of shares	RM'000	Number of shares	RM'000
Ordinary shares				
Issued and fully paid with no par value				
Balance as at 1 January	329,999,477	40,096	329,999,477	40,096
Issued during the financial year pursuant to:				
- Bonus issue	131,999,564	-	-	-
Balance as at 31 December	461,999,041	40,096	329,999,477	40,096

- (a) The 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) During the financial year, the issued and paid-up share capital of the Company was increased from 329,999,477 to 461,999,041 by way of issuance of 131,999,564 new ordinary shares pursuant to the bonus issue exercise undertaken by the Company on the basis of two (2) new ordinary shares for every five (5) existing ordinary shares held by the shareholders of the Company.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

17. BORROWINGS

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current					
Secured					
Term loans		17,207	17,106	–	–
Current					
Unsecured					
Financial guarantee contracts		–	–	–*	–
Secured					
Bankers' acceptances		15,018	12,842	–	–
Revolving credit		502	–	–	–
Term loans		2,284	9,010	–	–
		17,804	21,852	–	–
Total borrowings					
Bankers' acceptances	18	15,018	12,842	–	–
Revolving credit	19	502	–	–	–
Term loans	20	19,491	26,116	–	–
Financial guarantee contracts		–	–	–*	–
		35,011	38,958	–	–

* Amount is negligible.

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) Financial guarantee contracts issued are initially measured at fair value. Subsequently, they are measured at higher of:
- (i) the amount of the loss allowance; and
 - (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15 Revenue from *Contracts with Customers*.

The financial guarantee contracts have not been recognised since the fair value on initial recognition was not material as the guarantees are provided as credit enhancements to the secured borrowings of the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

17. BORROWINGS (CONT'D)

- (c) The weighted average interest rates per annum of the borrowings at the end of the reporting period are as follows:

	Group	
	2023 %	2022 %
Bankers' acceptances	5.7	4.9
Revolving credit	5.8	–
Term loans	4.7	3.8

- (d) The interest rate profile of the borrowings at the end of the reporting period is as follows:

	Group	
	2023 RM'000	2022 RM'000
Floating rate	35,011	38,958

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

	Group			
	2023		2022	
	Profit after tax RM'000	Equity RM'000	Profit after tax RM'000	Equity RM'000
Effects of 100 basis points changes				
100 basis points higher	(266)	–	(296)	–
100 basis points lower	266	–	296	–

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

17. BORROWINGS (CONT'D)

- (e) The table below summarises the maturity profile of the borrowings of the Group 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
31 December 2023				
Bankers' acceptances	15,018	–	–	15,018
Term loans	3,241	14,372	6,699	24,312
Revolving credit	502	–	–	502
	18,761	14,372	6,699	39,832

31 December 2022				
Bankers' acceptances	12,842	–	–	12,842
Term loans	9,905	16,121	4,611	30,637
	22,747	16,121	4,611	43,479

Company	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
31 December 2023				
Financial guarantee contracts	35,011	–	–	35,011

- (f) The following table sets out the remaining maturities of the borrowings of the Group:

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
31 December 2023								
Floating rates								
Bankers' acceptances	18	(15,018)	–	–	–	–	–	(15,018)
Revolving credits	19	(502)	–	–	–	–	–	(502)
Term loans	20	(2,284)	(2,489)	(2,620)	(5,566)	(1,155)	(5,377)	(19,491)
31 December 2022								
Floating rates								
Bankers' acceptances	18	(12,842)	–	–	–	–	–	(12,842)
Term loans	20	(9,010)	(5,833)	(2,428)	(2,536)	(1,816)	(4,493)	(26,116)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

17. BORROWINGS (CONT'D)

- (g) The carrying amounts of the current portion of borrowings are reasonable approximation of fair value due to the insignificant impact of discounting.

The fair values of non-current borrowings that carry floating interest rates approximate their carrying amounts as they are repriced to market interest rates on or near the reporting date.

The fair value of borrowings is categorised as Level 2 in the fair value hierarchy. There was no transfer between levels in the hierarchy during the financial year.

- (h) Borrowings are denominated in RM.

18. BANKERS' ACCEPTANCES

- (a) Bankers' acceptances of the Group are secured by:

- (i) a corporate guarantee by the Company;
- (ii) a charge over the freehold land and buildings of the Group as disclosed in Note 6(d) to the financial statements; and
- (iii) a pledge over the fixed deposits with licensed banks of the Group as disclosed in Note 15(c) to the financial statements.

- (b) The bankers' acceptances of the Group bear interest at rates ranging from 3.3% to 6.7% (2022: 3.0% to 6.5%) per annum.

19. REVOLVING CREDIT

- (a) Revolving credit of the Group is secured by a corporate guarantee by the Company.
- (b) The revolving credit of the Group bears interest at rate of 5.8% per annum.

20. TERM LOANS

- (a) Term loans of the Group are secured by:

- (i) a corporate guarantee from the Company;
- (ii) a charge over the freehold land and buildings of the Group as disclosed in Note 6(d) to the financial statements; and
- (iii) a pledge over the fixed deposits with licensed banks of the Group as disclosed in Note 15(c) to the financial statements.

- (b) The term loans of the Group bear interest at rates ranging from 3.6% to 5.8% (2022: 3.3% to 6.2%) per annum.

- (c) The term loans are repayable by equal monthly instalments ranging from 60 to 240 months (2022: 36 to 215 months).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

21. PROVISION FOR RESTORATION COSTS

	2023 RM'000	Group 2022 RM'000
Non-current		
Provision for restoration costs	1,999	349
Current		
Provision for restoration costs	978	758
	2,977	1,107

- (a) Provision for restoration costs of the Group is in respect of the obligation to dismantle and remove refurbishments on the outlets and restore them at the end of the lease term to an acceptable condition. The liabilities for restoration are recognised at present value of the compounded future expenditure estimated using current price and discounted using discount rate of 5.7% (2022: 4.4%).
- (b) The reconciliation of movements in the carrying amount of the provision for restoration costs is as follows:

	2023 RM'000	Group 2022 RM'000
Balance as at 1 January	1,107	1,102
Recognised in right-of-use assets	1,687	41
Recognised in profit or loss	201	1
Reversal of provision for restoration costs	(18)	(37)
Balance as at 31 December	2,977	1,107

- (c) The Group estimates provision for restoration costs based on historical costs incurred per square feet of rent area. The estimated provision for restoration costs is reviewed periodically and is updated if expectations differ from previous estimates due to changes in cost factors. Where expectations differ from the original estimates, the differences would impact the carrying amount of provision for restoration costs of the Group.

22. DEFERRED INCOME

	2023 RM'000	Group 2022 RM'000
Unfulfilled performance obligations in respect of:		
- Franchise and licensing fees	1,270	1,376
- Rebate and cash vouchers	909	961
- Sale of goods	292	-
	2,471	2,337

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

22. DEFERRED INCOME (CONT'D)

	Group	
	2023 RM'000	2022 RM'000
Represented by:		
Current liabilities	1,709	1,413
Non-current liabilities	762	924
	2,471	2,337

(a) Deferred income is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. Deferred income is recognised as revenue when performance obligations are satisfied.

(b) The movements of deferred income at the end of the reporting period are as follows:

	Group	
	2023 RM'000	2022 RM'000
Balance as at 1 January	2,337	2,094
Invoiced during the financial year	2,392	2,286
Recognised as revenue during the financial year	(2,258)	(2,043)
Balance as at 31 December	2,471	2,337

(c) The following are the amounts of revenue recognised from:

	Group	
	2023 RM'000	2022 RM'000
Amounts included in deferred income at the beginning of the financial year	1,413	1,094

(d) Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period is as follows:

Group	Within 1 year RM'000	One to two years RM'000	Two to five years RM'000	More than five years RM'000	Total RM'000
31 December 2023	1,709	259	462	41	2,471
31 December 2022	1,413	378	405	141	2,337

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade payables				
Third parties	11,011	19,663	-	-
Other payables				
Third parties	9,075	5,078	9	37
Amounts owing to subsidiaries	-	-	614	757
Deposits	2,332	1,440	-	-
Accruals	10,686	10,551	33	227
	22,093	17,069	656	1,021
	33,104	36,732	656	1,021

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal credit terms granted to the Group by suppliers ranged from 30 to 90 days (2022: 30 to 90 days) from date of invoice.
- (c) Amounts owing to subsidiaries represent advances, which are unsecured, interest-free and payable within the next twelve (12) months in cash and cash equivalents.
- (d) Included in deposits of the Group are tenant deposits received from franchisees of RM1,529,000 (2022: RM463,000), which are in respect of the rental of business premises in accordance with rental agreements.
- (e) Included in deposits of the Group are sinking funds of RM597,000 (2022: RM764,000), which are in respect of funds received from the franchisees for the repair and maintenance of the franchise outlets.
- (f) The currency exposure profile of trade and other payables is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Ringgit Malaysia	31,506	35,431	656	1,021
Chinese Renminbi	1	1	-	-
European Euro	532	499	-	-
Hong Kong Dollar	134	2	-	-
Japanese Yen	113	-	-	-
United States Dollar	818	799	-	-
	33,104	36,732	656	1,021

Sensitivity analysis for foreign currency risk at the end of the reporting period is not presented as changes in exchange rates would not materially affect the profit or loss of the Group.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

23. TRADE AND OTHER PAYABLES (CONT'D)

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

24. CAPITAL COMMITMENTS

Capital commitments not provided for in the financial statements are as follows:

	Group	
	2023 RM'000	2022 RM'000
In respect of purchase of property, plant and equipment:		
- Contracted but not provided for	558	1,665
- Approved but not contracted for	19,305	17,794

25. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<i>Revenue from contracts with customers:</i>				
Sale of goods	252,374	239,524	-	-
Services rendered	4,487	5,350	-	-
Franchise fee income	496	491	-	-
Licensing fee income	127	108	-	-
Royalty fee income	3,413	3,349	-	-
<i>Other revenue:</i>				
Dividend income from subsidiaries	-	-	16,600	31,300
	260,897	248,822	16,600	31,300
<i>Timing of revenue recognition:</i>				
- Transferred over time	623	599	-	-
- Transferred at a point in time	260,274	248,223	-	-
	260,897	248,822	-	-

- (a) Sale of goods and services rendered

Revenue from sale of goods represents the invoiced value arising from the sale of optical related products and related accessories and food and beverages. Revenue from services rendered represents the invoiced value arising from laser eye surgery treatment.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

25. REVENUE (CONT'D)

(a) Sale of goods and services rendered (cont'd)

Revenue from sale of goods and services rendered is recognised at a point in time when the goods have been transferred or the services have been rendered to the customers and coincide with the delivery of goods and services and acceptance by customers.

There is no material right of return and warranty provided to the customers on the sale of goods and services rendered.

There is no significant financing component in the revenue arising from sale of goods and services rendered as the sales or services are made on the normal credit terms not exceeding twelve (12) months.

(b) Franchise fee income

Franchise fee income is recognised over the period of the respective franchise agreements with the unrecognised portion being recorded as deferred income in the statements of financial position.

(c) Licensing fee income

Licensing fee income is recognised over the period of the respective licensing agreements with the unrecognised portion being recorded as deferred income in the statements of financial position.

(d) Royalty fee income

Royalty fee income is recognised at a point in time when the right to receive payment is established.

(e) Dividend income

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

(f) Disaggregation of revenue from contracts with customers has been presented in the operating segments as disclosed in Note 4 to the financial statements, which has been organised into business units based on their products and services from which the sales transactions originated.

26. COST OF SALES

	Group	
	2023	2022
	RM'000	RM'000
Inventories sold	89,353	83,818
Services rendered	2,148	2,467
	91,501	86,285

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

27. FINANCE COSTS

	Group	
	2023 RM'000	2022 RM'000
Interest expense on:		
- bankers' acceptances	680	497
- bank overdrafts	-	42
- lease liabilities	4,194	3,830
- revolving credit	2	-
- term loans	1,067	983
Unwinding of discount on provision for restoration costs	201	-
	6,144	5,352

28. PROFIT BEFORE TAX

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

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
After charging:					
Auditors' remuneration:					
- statutory audit					
- current year		193	174	44	40
- other services					
- current year		7	7	7	7
Deposits written off		44	-	-	-
Loss on lease reassessments and modifications		295	-	-	-
Loss on disposal of property, plant and equipment		-	16	-	-
Realised loss on foreign exchange		172	143	-	-
Property, plant and equipment written off		140	540	-	-
Rental expense on:					
- low-value assets	7(c)	312	174	-	-
- short-term leases	7(c)	7,279	6,711	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

28. PROFIT BEFORE TAX (CONT'D)

- (a) Other than those disclosed elsewhere in the financial statements, the profit before tax is arrived at:
(cont'd)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
And crediting:					
Accretion of discount from deposits for leases		810	–	–	–
Gain on disposal of property, plant and equipment		134	–	–	–
Gain on lease reassessments and modifications		–	405	–	–
Dividends received from subsidiaries		–	–	16,600	31,300
<hr/>					
Interest income received from:					
- fixed deposits with licensed banks		1,115	915	10	7
- finance lease receivables	11(h)	364	408	–	–
- short term fund		13	–	–	–
- others		7	–	–	–
Realised gain on foreign exchange		80	67	–	–
Rental income		124	83	–	–

- (i) Interest income is recognised as it accrues, using the effective interest method.
- (ii) Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

28. PROFIT BEFORE TAX (CONT'D)

- (b) Net (impairment losses)/reversals of impairment losses on financial assets recognised in profit or loss were as follows:

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Impairment losses on trade receivables	11(m)	(804)	–	–	–
Reversals of impairment losses on:					
- amount owing by an associate	11(m)	3	–	–	–
- amount owing by a subsidiary	11(o)	–	–	157	–
		3	–	157	–
Net (impairment losses)/reversals of impairment losses on financial assets		(801)	–	157	–

29. DIRECTORS' REMUNERATION

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Executive:				
Emoluments other than fees	3,571	3,351	–	–
Non-Executive:				
Fees	197	213	197	213
	3,768	3,564	197	213

Estimated monetary value of benefits-in-kind provided to the Executive and Non-Executive Directors of the Group was RM243,000 (2022: RM209,000).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30. TAX EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax expense based on profit for the financial year:				
Current year	10,746	11,309	2	2
Under provision in prior years	147	127	-	-
	10,893	11,436	2	2
Deferred tax (Note 12):				
Relating to origination and reversal of temporary differences	(91)	786	-	-
Over provision in prior years	(1,064)	(218)	-	-
	(1,155)	568	-	-
	9,738	12,004	2	2

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated taxable profits for the fiscal year.
- (b) The numerical reconciliations between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax	39,888	47,859	16,017	26,670
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	9,573	11,486	3,844	6,401
Tax effects in respect of:				
Non-allowable expenses	1,803	1,512	142	1,113
Non-taxable income	(154)	(90)	(3,984)	(7,512)
Utilisation of previously unrecognised tax losses, capital allowances and other temporary differences	(567)	(813)	-	-
	10,655	12,095	2	2
Under/(Over) provision in prior years:				
- income tax	147	127	-	-
- deferred tax	(1,064)	(218)	-	-
	9,738	12,004	2	2

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2023	2022
Profit for the financial year attributable to owners of the parent (RM'000)	30,150	35,855
Weighted average number of ordinary shares in issue ('000)*	461,999	461,999
Basic earnings per ordinary share (sen)	6.53	7.76

* The total weighted average number of ordinary shares in issue as at 31 December 2022 had been adjusted retrospectively to reflect the Bonus Issue, which was completed on 20 April 2023 as disclosed in Note 16 to the financial statements.

(b) Diluted

The diluted earnings per ordinary share for the current and previous financial years equal to the basic earnings per ordinary share as there were no potential dilutive ordinary shares as at the end of the reporting period.

32. DIVIDENDS

	Group and Company			
	2023		2022	
	Single tier dividend per share sen	Amount of dividend RM'000	Single tier dividend per share sen	Amount of dividend RM'000
First interim dividend paid	1.50	6,930	1.50	4,950
Second interim dividend paid	1.50	6,930	1.50	4,950
	3.00	13,860	3.00	9,900

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

33. EMPLOYEE BENEFITS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Wages, salaries and bonuses	39,275	32,429	197	213
Defined contribution plan	5,636	4,838	-	-
Social security contributions	700	533	-	-
Other benefits	7,707	6,788	-	-
	53,318	44,588	197	213

34. 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 could be individuals or other parties.

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

Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 8 to the financial statements;
- (ii) Indirect associates as disclosed in Note 9 to the financial statements;
- (iii) Company in which a Director of the Company has 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 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Subsidiaries:				
Dividends received	-	-	16,600	31,300
Associate:				
Dividend received	175	-	-	-
Sale of goods	781	676	-	-
Licensing fee received/ receivable	127	108	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

34. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related party transactions (cont'd)

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: (cont'd)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
A company in which a Director of the Company has substantial financial interest:				
Rental paid/payable	(252)	(243)	–	–

The related party transactions described above were carried out in the ordinary course of business and have been established under mutually agreed terms. The licensing fee received/receivable from an associate was charged at 2.0% (2022: 2.0%) of monthly gross sales while other licensees of the Group were charged at 5.0% (2022: 5.0%) of monthly gross sales.

Information regarding outstanding balances arising from related party transactions as at 31 December 2023 and 2022 is disclosed in Notes 11 and 23 to the financial statements.

(c) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly and indirectly.

The remuneration of Directors during the financial year are disclosed in Note 29 to the financial statements.

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 6 May 2022, the Company proposed to undertake the transfer of the listing and quotation of the entire issued share capital of Focus Point Holdings Berhad (“Focus Point”) from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Proposed Transfer”).

The application in relation to the Proposed Transfer was submitted to the Securities Commission Malaysia on 5 August 2022 and 20 December 2022 respectively.

Bursa Securities had approved the Proposed Transfer, under the “Consumer Products & Services” sector, via its letter dated 27 December 2022.

On 5 January 2023, the listing and quotation of the entire issued share capital of the Company was transferred from the ACE Market to the Main Market of Bursa Securities, marking the completion of the Proposed Transfer.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (b) On 21 February 2023, the Group announced to Bursa Securities the proposed issuance of up to 131,999,790 new ordinary shares in Focus Point ("Focus Point Shares")("Bonus Shares") on the basis of two (2) Bonus Shares for every five (5) existing Focus Point Shares held on the Entitlement Date ("Proposed Bonus Issue of Shares").

Subsequently on 9 March 2023, the Group announced that Bursa Securities had vide its letter dated 8 March 2023, approved the listing and quotation of up to 131,999,790 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares on the Main Market of Bursa Securities, subject to the conditions set out by Bursa Securities.

The Proposed Bonus Issue of Shares were approved by the shareholders during the Extraordinary General Meeting held on 4 April 2023, and 131,999,564 Focus Point Shares were listed and quoted on the Main Market of Bursa Securities on 20 April 2023, marking the completion of the Proposed Bonus Issue of Shares.

- (c) On 13 February 2023, a subsidiary of the Group, Sound Point Hearing Solution Sdn. Bhd. entered into a subscription agreement with third parties in respect of the subscription of 560,000 new ordinary shares, representing 40% shareholding in the share capital of Phipure Sdn. Bhd. for a total cash consideration of RM1,680,000.

36. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

36.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standard and Amendments to MFRSs of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	Refer paragraph 98M of MFRS 112

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

36. ADOPTION OF NEW MFRSS AND AMENDMENTS TO MFRSS (CONT'D)

36.2 New MFRSSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
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 Amendments to MFRSSs, since the effects would only be observable for the future financial years.

LIST OF PROPERTIES

AS AT 31 DECEMBER 2023

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	24	7,216	1,671	23.8.2001	2011
Unit 3, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	5-storey shop office/ Head office/ Freehold	24	7,216	1,619	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	24	1,282	461	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	24	1,480	303	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	24	1,487	385	15.9.2010	2010
Unit 7, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	5-storey shop office/ Head office/ Freehold	24	7,170	3,359	12.5.2016	2016
E-06, Sunsuria Forum, No. 1, Jln Setia Dagang AL U13/AL, Seksyen U13, Setia Alam 40170 Shah Alam	2-storey shop/ Vacant/ Freehold	5	2,460	2,873	12.5.2015 (Vacant Possession : 25.6.2018)	-
R31, Bell Avenue, Jalan Sunsuria Bandar Sunsuria 43900 Sepang	2-storey shop/ Vacant/ Freehold	5	2,110	1,738	25.3.2016 (Vacant Possession : 18.9.2018)	-
Windmill Upon Hills No. WB29-01, Block B, Jalan Permai, Genting Permai Avenue 69000 Genting Highlands, Pahang	Condominium/ Staff quarter/ Freehold	4	1,268	1,054	10.6.2019 (Vacant Possession : 31.12.2019)	-
City of Dreams No. 1A-13-10 Jalan Peter Paul Dason Bandar Tanjung Pinang Daerah Timor Laut 10470 Pulau Pinang	Condominium/ Freehold	4	1,335	1,956	27.06.2022 (Vacant Possession : 15.12.2022)	-

ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2024

Total number of issued shares	:	461,999,041 ordinary shares
Class of share	:	Ordinary shares
Voting right	:	One vote per ordinary share

ANALYSIS BY SIZE OF HOLDINGS AS AT 29 MARCH 2024

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	270	9.333	14,875	0.003
100 - 1,000	421	14.552	180,429	0.039
1,001 - 10,000	1,206	41.687	6,222,941	1.347
10,001 - 100,000	810	27.999	25,734,523	5.570
100,001 - 23,099,951 (*)	183	6.325	135,204,217	29.265
23,099,952 - and above (**)	3	0.104	294,642,056	63.775
TOTAL :	2,893	100.000	461,999,041	100.000

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

LIST OF TOP 30 HOLDERS AS AT 29 MARCH 2024

NO.	NAME	HOLDINGS	%
1	LIAW CHOON LIANG	173,367,901	37.525
2	PERBADANAN NASIONAL BERHAD	61,873,000	13.392
3	GOH POI EONG	59,401,155	12.857
4	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DIVIDEND FUND	9,520,000	2.06
5	AMANAHRAYA TRUSTEES BERHAD PUBLIC SELECT TREASURES EQUITY FUND	9,359,830	2.025
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (EASTSPRINGESG)	6,704,600	1.451
7	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NG PAIK PHENG (PB)	6,085,880	1.317
8	HSBC NOMINEES (ASING) SDN BHD HSBC-FS I FOR ASEAN GROWTH FUND (MANUFACTURERS L)	5,227,900	1.131
9	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD LEMBAGA TABUNG HAJI (AL-WARA')	5,022,600	1.087
10	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DANA MAKMUR	4,331,340	0.937
11	HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR MANULIFE ASEAN SMALL CAP EQUITY MOTHERFUND (CBJ SMTB)	4,008,800	0.867

ANALYSIS OF SHAREHOLDINGS (cont'd)

LIST OF TOP 30 HOLDERS AS AT 29 MARCH 2024 (CONT'D)

NO.	NAME	HOLDINGS	%
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ESPRING ABSR EQ)	3,787,120	0.819
13	AMANAHRAYA TRUSTEES BERHAD PUBLIC E-ISLAMIC FLEXI ALLOCATION FUND	3,414,400	0.739
14	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL-CAP FUND	3,000,000	0.649
15	KELVIN LIAW KAI XUAN	2,799,998	0.606
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW KOK YONG	2,700,000	0.584
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR PHILLIP PEARL FUND (UT-PM-PPF) (419471)	2,545,230	0.55
18	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ZURICH LIFE INSURANCE MALAYSIA BERHAD (VULTURE FUND)	2,506,000	0.542
19	CHUAH THEONG YEE	2,503,300	0.541
20	LIM KIM YEW	1,912,600	0.413
21	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DANA MAA'ROF	1,844,600	0.399
22	AMANAHRAYA TRUSTEES BERHAD PB ASIA EMERGING GROWTH FUND	1,808,100	0.391
23	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD TABUNG WARISAN NEGERI SELANGOR (AL-WARA')	1,729,100	0.374
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (AM INV)	1,700,000	0.367
25	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (PET-KENANGA-EQET)	1,601,200	0.346
26	CITIGROUP NOMINEES (ASING) SDN BHD CEP FOR MANULIFE GLOBAL FUND (SICAV)	1,441,800	0.312
27	HOH HON BING	1,439,998	0.311
28	SOON YOKE KENG	1,373,938	0.297
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD TAN YAN PIN	1,333,638	0.288
30	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG STRATEGIC FUND	1,300,000	0.281
Total		385,644,028	83.472

ANALYSIS OF SHAREHOLDINGS (cont'd)

DIRECTORS' SHAREHOLDING AS AT 29 MARCH 2024 BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Name of Directors	No. of Shares held (Direct)	%	No. of Shares held (Indirect)	%
Dato' Liaw Choon Liang	173,367,901	37.526	62,201,153	13.463
Datin Goh Poi Eong	59,401,155	12.857	176,167,899	38.132
Datin Sim Swee Yoke	–	–	–	–
Dr. Haliza binti Abdul Mutalib	–	–	–	–
Lee Tuan Meng	–	–	–	–
Dato' Sri Suriani binti Dato' Ahmad	–	–	–	–

* 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 2024 BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	No. of Shares held (Direct)	%	No. of Shares held (Indirect)	%
Dato' Liaw Choon Liang	173,367,901	37.526	62,201,153	13.463
Perbadanan Nasional Berhad	61,873,000	13.392	–	–
Datin Goh Poi Eong	59,401,155	12.857	176,167,899	38.132

* 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 FIFTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifteenth (“15th”) Annual General Meeting (“AGM”) of Focus Point Holdings Berhad (“the Company”) will be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 23 May 2024 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 2023 together with the Reports of the Directors and Auditors thereon. | <i>[Please refer to Note II(1)]</i> |
| 2. | To approve the payment of Directors’ fees of up to RM246,000 and Directors’ benefits of up to RM17,000 for the period from this 15th Annual General Meeting until the next Annual General Meeting of the Company. | <i>Resolution 1</i> |
| 3. | To re-elect Datin Goh Poi Eong who retires pursuant to Clause 76(3) of the Company’s Constitution, as Director of the Company. | <i>Resolution 2</i> |
| 4. | To re-elect Dr. Haliza binti Abdul Mutalib who retires pursuant to Clause 76(3) of the Company’s Constitution, as Director of the Company. | <i>Resolution 3</i> |
| 5. | To re-appoint Messrs BDO PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration. | <i>Resolution 4</i> |

Special Business

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

- | | | |
|----|---|---------------------|
| 6. | <p>ORDINARY RESOLUTION
 AUTHORITY FOR DATIN SIM SWEE YOKE TO CONTINUE IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR</p> <p>“THAT authority be and is hereby given to Datin Sim Swee Yoke who will have served as the Independent Non-Executive Director of the Company for a term of nine (9) years, to continue to serve as the Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting.”</p> | <i>Resolution 5</i> |
| 7. | <p>ORDINARY RESOLUTION
 PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR THE RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE</p> <p>“THAT pursuant to Paragraph 10.09 of the Main 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 Part A of the Circular/Statement to Shareholders dated 24 April 2024 (“Related Parties”) provided that such transactions and/or arrangements are:-</p> <p>(a) necessary for the day-to-day operations;</p> <p>(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</p> <p>(c) are not detrimental to the minority shareholders of the Company,</p> <p>(collectively known as “Proposed Shareholders’ Mandate”).</p> | <i>Resolution 6</i> |

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING (cont'd)

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 resolution 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.”

8. **ORDINARY RESOLUTION**
PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR THE AUTHORITY TO THE COMPANY TO PURCHASE ITS OWN SHARES UP TO TEN PER CENTUM (10%) OF THE TOTAL NUMBER OF ISSUED SHARES

Resolution 7

“THAT subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

- (i) the aggregate number of issued shares in the Company (“Shares”) purchased (“Purchased Shares”) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

(“Proposed Share Buy-Back”).

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING (cont'd)

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which such resolution is passed, at which it will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or;
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:-

- (i) To cancel all or part of the Purchased Shares;
- (ii) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- (iii) To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- (iv) To resell all or part of the treasury shares;
- (v) To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- (vi) To transfer all or part of the treasury shares as purchase consideration;
- (vii) To sell, transfer or otherwise use the shares for such other purposes as the Minister charged with responsibility for companies may by order prescribe; and/or
- (viii) To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities.”

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING (cont'd)

9. 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 PEIR CHYUN (MAICSA 7018710)

(SSM PC NO. 202008001742)

NG SENG HOO (MAICSA 7068810)

(SSM PC NO. 202008004089)

Company Secretaries

Kuala Lumpur

Date: 24 April 2024

NOTES:

I Notes on Appointment of Proxy

- (1) For the purpose of determining who shall be entitled to attend this 15th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 15 May 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend this AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
- (2) A member entitled to attend and vote at this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- (3) A member of the Company who is entitled to attend and vote at this AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the general meeting.
- (4) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").
- (5) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (6) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (7) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING (cont'd)

NOTES: (cont'd)

I Notes on Appointment of Proxy (cont'd)

- (8) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:
- (i) **In hard copy form**
- In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. [Registration No. 197101000970 (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.
- (ii) **By electronic means**
- The proxy form can be electronically lodged with the Company's Share Registrar via TIIH Online at <https://tiih.online>.
- Please refer to the Administrative Guide for the 15th AGM on the procedures for electronic lodgement of proxy form via TIIH Online.
- (9) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. [Registration No. 197101000970 (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 appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (10) Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
- (11) Last date and time for lodging this proxy form is Tuesday, 21 May 2024 at 10:00 a.m.
- (12) Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
- a. Identity card (NRIC) (Malaysian); or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian); or
 - c. Passport (Foreigner).
- (13) For a corporate member who has appointed a representative instead of a proxy to attend this AGM, please deposit the ORIGINAL certificate of appointment of authorised representative executed in the manner as stated in the proxy form with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. [Registration No. 197101000970 (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. Alternatively, please bring the ORIGINAL certificate of appointment of authorised representative if it has not been lodged at the Company's Share Registrar earlier.

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING (cont'd)

II Explanatory Notes on Ordinary Business

1. Agenda item 1 - Audited Financial Statements for the financial year ended 31 December 2023

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.

2. Resolution 1 – Proposed Payment of 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 of a listed company and its subsidiaries shall be approved at a general meeting.

Resolution 1 is to seek shareholders' approval to allow the Company to pay Directors' fees and benefits on a current financial year basis and calculated based on the current Board size and number of scheduled Board and Board Committee meetings for the period from this 15th Annual General Meeting ("AGM") until the next AGM. In the event the proposed amount is insufficient (e.g. due to enlarged Board size or increased responsibility), approval will be sought at the next AGM for the shortfall.

3. Resolutions 2 and 3 – Re-election of Directors

Datin Goh Poi Eong and Dr. Haliza binti Abdul Mutalib are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at this 15th AGM.

Please refer to the Statement Accompanying Notice of the 15th AGM for further details.

4. Resolution 4 – Re-appointment of Auditors

The Board has through the Audit Committee assessed the suitability and independence of the External Auditors, Messrs BDO PLT and considered the re-appointment of Messrs BDO PLT as Auditors of the Company. The Board and Audit Committee collectively agreed and satisfied that Messrs BDO PLT has the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board approved the Audit Committee's recommendation to seek the shareholders' approval for the re-appointment of Messrs BDO PLT as Auditors of the Company.

III Explanatory Notes on Special Business

1. Resolution 5 – Ordinary Resolution: Continuing in Office as Independent Non-Executive Director

The Board had via the Nomination Committee conducted an annual performance evaluation and assessment of Datin Sim Swee Yoke, who will have served the Board as an Independent Non-Executive Director ("INED") for a cumulative term of nine (9) years. The Board recommended that she shall continue to act as INED based on the following justifications:-

- a. She fulfils the criteria under the definition of "independent Director" as stated in the Main Market listing Requirements of Bursa Malaysia Securities Berhad, and thus, she would be able to function as a check and balance, bringing an element of objectivity to the Board;
- b. Her tenure with the Company has neither impaired nor compromised her independent judgement and ability to act in the best interest of the Company. She continues to remain objective and is able to exercise her independent judgement in expressing her view and participating in deliberations and decision-making of the Board and Board Committee in the best interest of the Company;

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING (cont'd)

III Explanatory Notes on Special Business (cont'd)

1. Resolution 5 – Ordinary Resolution: Continuing in Office as Independent Non-Executive Director (cont'd)

- c. She has vast experience in a diverse range of businesses and have a good understanding of the Company's business operations;
- d. She continues to exercise due care during her tenure as INED of the Company and carry out her professional duties in the interest of the Company and shareholders;
- e. She has devoted sufficient time and commitment to discharge her responsibility and professional obligations as INED; and
- f. She does not have any business dealings with the Company.

2. Resolution 6 – Ordinary Resolution: Proposed Renewal of Existing Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature

This resolution, if passed, will authorise the Company and each of its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business.

Please refer to the Circular/Statement to Shareholders dated 24 April 2024 for further information.

3. Resolution 7 – Ordinary Resolution: Proposed Renewal of Share Buy-Back Mandate

This resolution, if passed, will give the Company the authority to purchase up to ten per centum (10%) of the total number of issued shares of the Company through Bursa Malaysia Securities Berhad.

Please refer to the Circular/ Statement to Shareholders dated 24 April 2024 for further information.

STATEMENT ACCOMPANYING NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Directors Standing for Election/Re-election (Resolutions 3 and 4)

As of the date of this notice, there are no individuals who are standing for election or appointment as Directors at this 15th Annual General Meeting (“AGM”).

The Directors who are seeking for re-election at the 15th AGM are as follows:-

Name	Directorship	Date of Appointment
Datin Goh Poi Eong	Executive Director	30 December 2009
Dr. Haliza binti Abdul Mutalib	Independent Non-Executive Director	1 August 2021

(Collectively referred to as the “Retiring Directors”)

The Retiring Directors being eligible, have offered themselves for re-election at the 15th AGM. The full profiles of the Retiring Directors can be found on pages 16 and 18 of the Annual Report 2023. The details of the Retiring Directors’ interest in the securities of the Company, if any, can be found on page 162 of the Annual Report 2023.

The Board through its Nomination Committee (“NC”) had considered the following:

- Fit and proper criteria as guided by the Directors’ Fit and Proper Policy and the Director’s Declaration Form executed by each of the Retiring Directors;
- Skills, knowledge, expertise and experience, time, commitment, character, professionalism and integrity (including that the Retiring Directors are not active politicians);
- Outcome of the Board and Individual Director Effectiveness Evaluation conducted for the financial year ended 31 December 2023;
- Disclosures of any interest, position or relationship that may result in a conflict of interest or might influence, or reasonably be perceived to influence in a material respect the capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of the Company as a whole; and
- Criteria for independence pursuant to the Main Market Listing Requirements of Bursa Securities Malaysia Berhad (for Independent Director being re-elected).

Based on the outcome of the assessment, the Board and the NC agreed that the Retiring Directors meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their role as Directors and that they met the criteria prescribed by the Directors’ Fit and Proper Policy.

The Board (save for the Retiring Directors who have abstained from deliberation on discussions relating to their own re-election at the Board meeting) approved and supported the re-election of the Retiring Directors. The Board believes that the Retiring Directors have discharged their duties and responsibilities effectively, demonstrated commitment to their role, and will continue to make a strong contribution to the work of the Board and to the long-term sustainable success of the Company.

ADMINISTRATIVE GUIDE

FOR THE 15TH ANNUAL GENERAL MEETING (“AGM”)

Day and Date	:	Thursday, 23 May 2024
Time	:	10.00 a.m.
Venue	:	Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan

1. ELIGIBILITY TO ATTEND BASED ON THE RECORD OF DEPOSITORS

Only a member whose name appears on the Record of Depositors as at **Wednesday, 15 May 2024** shall be entitled to attend or appoint proxy(ies) to attend and/or vote on his/her/its behalf.

2. PRE-REGISTRATION TO ATTEND THE AGM

Shareholders are required to register ahead of the 15th Annual General Meeting (“AGM”) to allow the Company to make the necessary arrangements in relation to the meeting i.e. infrastructure, logistics and meeting venue(s) to accommodate the meeting participants.

Please do read and follow the following procedures to pre-register your physical attendance at the AGM via the TIIH Online website at <https://tiih.online>:-

- Login in to TIIH Online website with your user name (i.e. e-mail address) and password under the “e-Services”. If you have not registered as a user of TIIH Online, please refer to the tutorial guide posted on the homepage for assistance to sign up.
- Select the corporate event: “**(REGISTRATION) FOCUSP 15TH AGM**”.
- Read and agree to the Terms & Conditions and confirm the Declaration.
- Select “**Register for Physical Attendance at Meeting Venue**”.
- Review your registration and proceed to register.
- System will send an e-mail to notify that your registration for physical attendance at meeting venue is received and will be verified.
- After verification of your registration against the General Meeting Record of Depositors, the system will send you an e-mail after Tuesday, 21 May 2024 to approve or reject your registration to attend physically at the meeting venue.

Please note that only a depositor whose name appears on the Record of Depositors as at 15 May 2024 shall be entitled to attend or appoint proxies to attend and/or vote on his/her behalf at the AGM.

ADMINISTRATIVE GUIDE

FOR THE 15TH ANNUAL GENERAL MEETING ("AGM")
(cont'd)

3. REGISTRATION ON THE DAY OF THE AGM

Registration will start on **Thursday, 23 May 2024** at 9.00 am. at Ballroom V, Main Wing, Tropicana Golf & Country Resort Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan.

Original MyKad or passport is required to be presented during registration for verification. You will not be allowed to register on behalf of another person even with the original MyKad or passport of that person.

Upon verification of your MyKad or passport and signing of attendance list, you will be given an identification wristband to enter the meeting room. There will be no replacement of wristband in the event that it is lost or misplaced.

Please note that you will only be allowed to enter the meeting hall if you are wearing the identification wristband.

All Attendees will be required to wear face mask prior to entering the meeting venue. All Attendees must practice proper hygiene including the use of hand sanitisers provided at the meeting venue and are required to **wear a face mask at all times**.

Please vacate the registration area immediately after registration to prevent congestion.

4. POLL VOTING

The voting at the AGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

5. APPOINTMENT OF PROXY

The appointment of proxy may be made in hard copy form or by electronic form. In case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at 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.

You may also submit the proxy form electronically via TIIH Online website at <https://tiih.online>, not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof, otherwise the proxy form shall not be treated as valid. Please do read and follow the procedures below to submit proxy form electronically.

ADMINISTRATIVE GUIDE
FOR THE 15TH ANNUAL GENERAL MEETING (“AGM”)
(cont’d)

6. ELECTRONIC LODGMENT OF PROXY FORM

The procedures to lodge your proxy form electronically via Tricor’s TIIH Online website are summarised below:-

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online. Register as a user under the “e-Services”. Please refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIIH Online, you are not required to register again.
Proceed with Submission of Proxy Form	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password. Select the corporate event “FOCUSP 15TH AGM - Submission of Proxy Form”. Read and agree to the Terms & Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy(ies) will decide on your votes. Review and confirm your proxy(ies) appointment. Print the proxy form for your record.
ii. Steps for Corporation or Institutional Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Access TIIH Online at https://tiih.online. Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects “Create Account by Representative of Corporate Holder”. Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the email and re-set your own password. <p>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</p>
Proceed with Submission of Proxy Form	<ul style="list-style-type: none"> Login to TIIH Online at https://tiih.online. Select the corporate exercise name “FOCUSP 15TH AGM - Submission of Proxy Form”. Agree to the Terms & Conditions and Declaration. Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxy(ies) by inserting the required data. Login to TIIH Online, select corporate exercise name “FOCUSP 15TH AGM - Submission of Proxy Form”. Proceed to upload the duly completed proxy appointment file. Select “Submit” to complete your submission. Print the confirmation report of your submission for your record.

ADMINISTRATIVE GUIDE

FOR THE 15TH ANNUAL GENERAL MEETING ("AGM")
(cont'd)

7. NO RECORDING OR PHOTOGRAPHY

No recording or photography of the AGM proceedings is allowed without prior written permission of the Company.

8. FURTHER ANNOUNCEMENT

Shareholders are advised to check the Company's website at www.focus-point.com.my and Announcements from time to time for any changes to the administration of the AGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities.

We thank you for your continuous support to the Company.

9. ENQUIRY

If you have any enquiry on the above, please contact the following person-in charge during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General /Fax No. : +603-2783 9299 / +603-2783 9222
Email : is.enquiry@my.tricorglobal.com
Cik Dina Qistina : +603 - 2783 9165 / Dina.Qistina@my.tricorglobal.com
Pn Zakiah Wardi : +603 - 2783 9287 / Zakiah@my.tricorglobal.com
Mr Allen Sii : +603 - 2783 9263 / Allen.Sii@my.tricorglobal.com

FOCUS POINT

FOCUS POINT HOLDINGS BERHAD

[Registration No. 200901041088 (884238-U)]
(Incorporated in Malaysia)

CDS Account No.

No. of Shares held

PROXY FORM

I/We Tel:.....
[Full name in block, NRIC/Passport/Company No.]

of
[Address]

being member(s) of **Focus Point Holdings Berhad**, hereby appoint:-

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or* (*delete as appropriate)

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairman of the Meeting, as ^my/our proxy to vote for ^me/us and on ^my/our behalf at the Fifteenth ("15th") Annual General Meeting ("AGM") of the Company to be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 23 May 2024 at 10:00 a.m. or any adjournment thereof, and to vote as indicated below:-

Ordinary Resolution	For	Against
1. Payment of Directors' fees of up to RM246,000 and Directors' benefits of up to RM17,000 for the period from this 15th Annual General Meeting until the next Annual General Meeting of the Company.		
2. Re-election of Datin Goh Poi Eong as Director of the Company.		
3. Re-election of Dr. Haliza binti Abdul Mutalib as Director of the Company.		
4. Re-appointment of Messrs BDO PLT as Auditors of the Company.		
5. Authority for Datin Sim Swee Yoke to continue in Office as Independent Non-Executive Director.		
6. Proposed Renewal of Existing Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue of Trading Nature.		
7. Proposed Renewal of Shareholders' Mandate for the Authority to the Company to Purchase its Own Shares up to Ten Per Centum (10%) of the Total Number of Issued Shares		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this day of 2024

.....
Signature*
Member

^ Delete whichever is not applicable.

* Manner of execution:

- If you are an individual member, please sign where indicated.
- If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - at least two (2) authorised officers, of whom one shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

- For the purpose of determining who shall be entitled to attend this 15th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 15 May 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend this AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
- A member entitled to attend and vote at this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- A member of the Company who is entitled to attend and vote at this AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the general meeting.
- If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").



Notes: (cont'd)

5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:
 - (i) **In hard copy form**
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. [Registration No. 197101000970 (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.
 - (ii) **By electronic means**
The proxy form can be electronically lodged with the Company's Share Registrar via TIIH Online at <https://tiah.online>. Please refer to the Administrative Guide for the 15th AGM on the procedures for electronic lodgement of proxy form via TIIH Online.
9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. [Registration No. 197101000970 (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 appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
11. Last date and time for lodging this proxy form is Tuesday, 21 May 2024 at 10:00 a.m.
12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. Identity card (NRIC) (Malaysian); or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian); or
 - c. Passport (Foreigner).
13. For a corporate member who has appointed a representative instead of a proxy to attend this AGM, please deposit the **ORIGINAL** certificate of appointment of authorised representative executed in the manner as stated in the proxy form with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. [Registration No. 197101000970 (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. Alternatively, please bring the **ORIGINAL** certificate of appointment of authorised representative if it has not been lodged at the Company's Share Registrar earlier.

Please fold along this line (1)

AFFIX
STAMP

FOCUS POINT HOLDINGS BERHAD
[Registration No. 200901041088 (884238-U)]

The Share Registrar
TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
[Registration No. 197101000970 (11324-H)]
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

Please fold along this line (2)



www.focus-point.com.my

Focus Point Holdings Berhad

200901041088 (884238-U)

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

Tel : +603-7880 5520 Fax : +603-7880 5530

