

# FOCUS POINT

## FOCUS POINT HOLDINGS BERHAD (Company No. : 884238-U)

### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual quarter		Cumulative quarter	
	31-12-17 RM'000	31-12-16 RM'000	31-12-17 RM'000	31-12-16 RM'000
Revenue	42,948	40,661	165,121	161,946
Cost of sales	(16,751)	(16,934)	(67,193)	(66,856)
Gross profit	26,197	23,727	97,928	95,090
Other income	1,246	1,328	4,516	4,735
Selling and distribution expenses	(8,571)	(6,734)	(33,832)	(32,656)
Administrative and general expenses	(16,346)	(15,761)	(64,701)	(64,970)
Interest expense	(792)	(800)	(2,714)	(2,408)
Interest income	136	167	395	456
Share of profit in associates	32	74	356	396
Share of profit/(loss) in joint venture	2	-	(37)	-
Profit before tax	1,904	2,001	1,911	643
Tax expense	(977)	(947)	(2,368)	(1,926)
Profit/(loss) for the period	927	1,054	(457)	(1,283)
<b>Profit/(loss) attributable to:</b>				
Owners of the Parent	927	1,053	(458)	(1,198)
Non-controlling interests	-	1	1	(85)
	927	1,054	(457)	(1,283)
<b>Total comprehensive profit/(loss) attributable to:</b>				
Owners of the Parent	927	1,053	(458)	(1,198)
Non-controlling interests	-	1	1	(85)
	927	1,054	(457)	(1,283)
<b>Earnings/(loss) per share attributable to owners of the Parent:</b>				
Basic (sen)	0.56	0.64	(0.28)	(0.73)
Diluted (sen)	N/A	N/A	N/A	N/A

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial report.

# FOCUS POINT

## FOCUS POINT HOLDINGS BERHAD (Company No. : 884238-U)

### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (The figures have not been audited)

	As at 31-12-17 RM'000 (Unaudited)	As at 31-12-16 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	48,530	48,470
Investment in associates	632	696
Investment in joint venture	263	-
Deferred tax assets	250	306
Trade and other receivables	553	230
	50,228	49,702
<b>Current assets</b>		
Inventories	45,098	46,412
Derivative assets	-	40
Trade and other receivables	24,518	24,635
Current tax assets	74	70
Cash and bank balances	9,900	12,485
	79,590	83,642
<b>TOTAL ASSETS</b>	129,818	133,344
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	40,096	33,000
Reserves	12,248	19,802
	52,344	52,802
<b>Non-controlling interests</b>	-	(6)
<b>TOTAL EQUITY</b>	52,344	52,796
<b>Non-current liabilities</b>		
Borrowings	14,124	14,003
Deferred income	1,390	1,062
Deferred tax liabilities	2,042	2,006
	17,556	17,071
<b>Current liabilities</b>		
Borrowings	29,207	30,664
Trade and other payables	29,487	32,148
Current tax liabilities	687	174
Deferred income	535	490
Derivative liabilities	2	1
	59,918	63,477
<b>TOTAL LIABILITIES</b>	77,474	80,548
<b>TOTAL EQUITY AND LIABILITIES</b>	129,818	133,344
<b>Net assets per share attributable to owners of the Parent (sen)</b>	31.72	32.00

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial report.

# FOCUS POINT

## FOCUS POINT HOLDINGS BERHAD (Company No. : 884238-U)

### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

	←— Attributable to owners of the Parent —→					
	← Non-distributable →			Distributable		
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2017	33,000	7,096	12,706	52,802	(6)	52,796
Effects of the adoption of Companies Act 2016	7,096	(7,096)	-	-	-	-
At 1 January 2017, as restated	40,096	-	12,706	52,802	(6)	52,796
(Loss)/profit for the period	-	-	(458)	(458)	1	(457)
Other comprehensive income/ (loss)	-	-	-	-	-	-
Total comprehensive (loss)/income	-	-	(458)	(458)	1	(457)
<b>Transaction with owners</b>						
Disposal of non-controlling interest of a subsidiary	-	-	-	-	5	5
Total transaction with owners	-	-	-	-	5	5
At 31 December 2017	40,096	-	12,248	52,344	-	52,344

	←— Attributable to owners of the Parent —→					
	← Non-distributable →			Distributable		
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2016	33,000	7,096	13,987	54,083	(110)	53,973
Loss for the period	-	-	(1,198)	(1,198)	(85)	(1,283)
Other comprehensive income/(loss)	-	-	-	-	-	-
Total comprehensive loss	-	-	(1,198)	(1,198)	(85)	(1,283)
<b>Transactions with owners</b>						
(Acquisition)/Disposal of non- controlling interest of subsidiaries	-	-	(83)	(83)	189	106
Total transactions with owners	-	-	(83)	(83)	189	106
At 31 December 2016	33,000	7,096	12,706	52,802	(6)	52,796

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial report.

# FOCUS POINT

## FOCUS POINT HOLDINGS BERHAD (Company No. : 884238-U)

### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(The figures have not been audited)

	For the 12 months ended 31 December 2017 RM'000	For the 12 months ended 31 December 2016 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,911	643
Adjustments for:		
Depreciation	8,067	7,651
Other non-cash items	4,325	4,999
Operating profit before working capital changes	14,303	13,293
Changes in inventories	482	(1,261)
Changes in trade and other receivables	(384)	(72)
Changes in trade and other payables	(2,041)	(398)
Cash generated from operations	12,360	11,562
Tax refunded	35	44
Income taxes paid	(1,802)	(2,111)
<b>Net cash generated from operating activities</b>	<b>10,593</b>	<b>9,495</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,395)	(3,776)
Proceeds from disposal of property, plant and equipment	562	362
Interest received	179	275
Dividend received from an associate	420	385
Net cash inflow/(outflow) from disposal of a subsidiary	21	(28)
Acquisition of non-controlling interest of a subsidiary	-	(29)
Investment in a joint venture	(300)	-
<b>Net cash used in investing activities</b>	<b>(2,513)</b>	<b>(2,811)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(2,635)	(2,323)
Uplift/(placement) of fixed deposits pledged to licensed banks	3,231	(2,014)
Net (repayment)/drawdown of banker's acceptance	(3,298)	1,270
Net repayment of hire purchase	(5,447)	(5,052)
Net repayment of term loan	(1,430)	(1,633)
Drawdown of revolving credit	2,370	1,015
<b>Net cash used in financing activities</b>	<b>(7,209)</b>	<b>(8,737)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>871</b>	<b>(2,053)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>(2,230)</b>	<b>(177)</b>
<b>Cash and cash equivalents at end of period</b>	<b>(1,359)</b>	<b>(2,230)</b>

# FOCUS POINT

## FOCUS POINT HOLDINGS BERHAD (Company No. : 884238-U)

### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (cont'd)

(The figures have not been audited)

	For the 12 months ended 31 December 2017 RM'000	For the 12 months ended 31 December 2016 RM'000
<i>Cash and cash equivalents comprise:</i>		
Cash and bank balances	3,778	3,262
Fixed deposits with licensed banks	6,122	9,223
	<hr/>	<hr/>
	9,900	12,485
Less : Bank overdraft included in borrowings	(5,817)	(6,042)
	<hr/>	<hr/>
	4,083	6,443
Less : Fixed deposits pledged to licensed banks	(5,442)	(8,673)
	<hr/>	<hr/>
	(1,359)	(2,230)

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial report.

# FOCUS POINT

## FOCUS POINT HOLDINGS BERHAD (Company No. : 884238-U)

### Notes to the Interim Financial Report for the fourth quarter ended 31 December 2017

#### Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 : Interim Financial Reporting

##### A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134 : *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2016.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 December 2016, except for the adoption of the following standards applicable to the Group's financial year beginning 1 January 2017.

Title	Effective Date
Amendments to MFRS 12 <i>Annual Improvements to MFRS Standards 2014 – 2016 Cycle</i>	1 January 2017
Amendments to MFRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to MFRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017

The initial application of the aforesaid applicable standards, amendments or interpretations are not expected to have any material financial impact to the current financial year upon their initial adoption.

The following are standards issued by MASB which are not yet effective and have not been early adopted by the Group:

Title	Effective Date
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS 9 as issued by IASB in July 2014)</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance contracts</i>	See MFRS 4 Paragraphs 46 and 48
MFRS 16 <i>Leases</i>	1 January 2019

## FOCUS POINT HOLDINGS BERHAD (Company No. : 884238-U)

Notes to the Interim Financial Report for the fourth quarter ended 31 December 2017

### Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 : Interim Financial Reporting

#### A1. Basis of preparation (cont'd)

The following are standards issued by MASB which are not yet effective and have not been early adopted by the Group (cont'd):

Title	Effective Date
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

The Group is in the process of assessing the impact of implementing these Standards since the effect would only be observable for future financial years.

#### A2. Auditors' reports

The auditors' report on the audited financial statements of the Group for the financial year ended 31 December 2016 was not subject to any qualification.

#### A3. Seasonal or cyclical factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

#### A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There was no unusual item because of its nature, size or incidence that has affected the assets, liabilities, equity, net income or cash flows of the Group during the current quarter.

#### A5. Material changes in estimates

There was no change in the estimates of amounts reported that have had a material effect in the current quarter.

#### A6. Changes in debts and equity securities

There were no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities, share buy-back, share cancellation, shares held as treasury shares and/or resale of treasury shares during the current quarter.

#### A7. Dividend paid

No dividend was paid during the quarter.

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## FOCUS POINT HOLDINGS BERHAD (Company No. : 884238-U)

### Notes to the Interim Financial Report for the fourth quarter ended 31 December 2017

#### Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 : Interim Financial Reporting

##### A8. Segmental reporting

The Group has three (3) reportable segments, as described below, are the Group's strategic business units.

The following summary described the operations of each of the reportable segment:

- **Optical and related products** : Retailing of optical and related products
- **Franchise management** : Management of franchised professional eye care centres
- **Food and beverage** : Provision of food and beverage services

Other operating segments that do not constitute reportable segments mainly comprise investment holding, laser eye surgery treatment activities as well as retailing of hearing solutions and related accessories.

The segmental information for the financial year ended 31 December 2017 is as follows:-

	Optical and related products RM'000	Franchise management RM'000	Food and beverage RM'000	Others RM'000	Total RM'000
<b>Revenue</b>					
Total revenue	145,307	3,105	15,609	5,170	169,191
Inter-segment revenue	(48)	-	(22)	(4,000)	(4,070)
External revenue	145,259	3,105	15,587	1,170	165,121
<b>Segment results</b>					
Segment results	6,492	158	(2,551)	(188)	3,911
Interest income	273	6	104	12	395
Interest expense	(2,451)	-	(263)	-	(2,714)
Share of profit in associates	356	-	-	-	356
Share of loss in joint venture	-	-	(37)	-	(37)
<b>Profit/(Loss) before tax</b>	<b>4,670</b>	<b>164</b>	<b>(2,747)</b>	<b>(176)</b>	<b>1,911</b>
<b>Assets</b>					
Segment assets	115,936	1,279	10,001	1,383	128,599
Investment in associates	632	-	-	-	632
Investment in joint venture	-	-	263	-	263
<b>Total assets</b>	<b>116,568</b>	<b>1,279</b>	<b>10,264</b>	<b>1,383</b>	<b>129,494</b>
<b>Liabilities</b>					
Segment liabilities	67,004	2,295	5,300	146	74,745
<b>Total liabilities</b>	<b>67,004</b>	<b>2,295</b>	<b>5,300</b>	<b>146</b>	<b>74,745</b>



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## FOCUS POINT HOLDINGS BERHAD (Company No. : 884238-U)

Notes to the Interim Financial Report for the fourth quarter ended 31 December 2017

Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 : Interim Financial Reporting

### A8. Segmental reporting (cont'd)

The segmental information for the financial year ended 31 December 2016 is as follows:-

	Optical and related products RM'000	Franchise management RM'000	Food and beverage RM'000	Others RM'000	Total RM'000
<b>Revenue</b>					
Total revenue	142,571	3,492	15,308	1,150	162,521
Inter-segment revenue	(538)	(18)	(19)	-	(575)
<b>External revenue</b>	<b>142,033</b>	<b>3,474</b>	<b>15,289</b>	<b>1,150</b>	<b>161,946</b>
<b>Segment results</b>					
Interest income	8,299	(414)	(5,312)	(374)	2,199
Interest expense	405	3	35	13	456
Share of profit in associates	(2,133)	-	(273)	(2)	(2,408)
Share of profit in associates	396	-	-	-	396
<b>Profit/(Loss) before tax</b>	<b>6,967</b>	<b>(411)</b>	<b>(5,550)</b>	<b>(363)</b>	<b>643</b>
<b>Assets</b>					
Segment assets	117,504	1,614	11,835	1,319	132,272
Investment in associates	696	-	-	-	696
<b>Total assets</b>	<b>118,200</b>	<b>1,614</b>	<b>11,835</b>	<b>1,319</b>	<b>132,968</b>
<b>Liabilities</b>					
Segment liabilities	69,698	2,235	6,219	216	78,368
<b>Total liabilities</b>	<b>69,698</b>	<b>2,235</b>	<b>6,219</b>	<b>216</b>	<b>78,368</b>

### Geographical information

The Group operates only in Malaysia.

### A9. Valuation of property, plant and equipment

There was no valuation of property, plant and equipment in the current quarter as the Group has not adopted a revaluation policy on its property, plant and equipment.

## FOCUS POINT HOLDINGS BERHAD (Company No. : 884238-U)

### Notes to the Interim Financial Report for the fourth quarter ended 31 December 2017

#### Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 : Interim Financial Reporting

##### A10. Commitment

###### (a) Operating lease commitment

The Group entered into non-cancellable lease agreements for business premises, hence resulting in future rental commitment. The Group has aggregate future minimum lease commitment as at the end of the current quarter as follows :-

	As at 31-12-17 RM'000	As at 31-12-16 RM'000
<b>Branches</b>		
Not later than one (1) year	30,583	30,387
Later than one (1) year and not later than five (5) years	23,665	36,292
	54,248	66,679
 <b>Franchisees</b>		
Not later than one (1) year	5,612	5,203
Later than one (1) year and not later than five (5) years	3,907	2,254
	9,519	7,457

The Group has back-to-back arrangements with its franchisees on the rented business premises whereby the Group enters into rental agreements with the respective landlords and thereafter sub-leases these business premises to its franchisees. The rental expense for these business premises are borne by its franchisees. Furthermore, it should be noted that in the event of any default in any rental payment by the Group's franchisees, the franchisees are bound and the Group's interests are protected by the terms and conditions stated in the respective franchise agreements.

###### (b) Capital commitment

	As at 31-12-17 RM'000	As at 31-12-16 RM'000
Capital expenditure in respect of purchase of property, plant and equipment		
- Contracted but not provided for	1,622	4,045
- Approved but not contracted for	-	-
	1,622	4,045

This represents capital commitment in respect of properties.

##### A11. Subsequent event

There was no material event subsequent to the end of the current quarter up to the date of this report that has not been reflected in the interim financial report.

##### A12. Change in composition of the Group

There was no change in composition of the Group during the current quarter.

##### A13. Change in contingent liability

There was no material change in contingent liability during the current quarter.

# FOCUS POINT

## FOCUS POINT HOLDINGS BERHAD (Company No. : 884238-U)

Notes to the Interim Financial Report for the fourth quarter ended 31 December 2017

Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 : Interim Financial Reporting

### A14. Related party transactions

The Group entered into the following transactions with related parties:-

	Individual quarter		Cumulative quarter	
	31-12-17 RM'000	31-12-16 RM'000	31-12-17 RM'000	31-12-16 RM'000
Sale of eyewear and eye care products	354	399	1,268	1,430
Licensing fee	38	45	157	163
Rental of premises	60	60	240	276
Purchase of beers and alcoholic drinks	-	-	-	3
Purchase of transportation service	-	-	-	1

The Directors of the Group are of the opinion that, other than the transactions disclosed above which were established on a negotiated basis, all the transactions have been entered into in the normal course of business and have been established at arm's length under terms no more favourable than those transacted with third parties.

## FOCUS POINT HOLDINGS BERHAD (Company No. : 884238-U)

Notes to the Interim Financial Report for the fourth quarter ended 31 December 2017

Part B - Explanatory notes pursuant to Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

### B1. Review of performance

#### Year ended 31 December 2017

Group revenue at RM165.12 million was 2% higher compared with RM161.95 million of the corresponding year. The Group recorded profit before tax ("PBT") at RM1.91 million compared with RM0.64 million of the corresponding year. The improved performance was mainly due to reduction in operating loss of the food and beverage segment. Consequently, the Group recorded lower loss after tax of RM0.46 million compared with RM1.28 million of the corresponding year.

#### **Optical and related products segment**

Optical and related products segment recorded revenue at RM145.3 million compared with RM142.0 million of the corresponding year, representing an increase of 2%. During the year, 13 outlets were opened (with closure of 6 outlets) giving rise to a total of 120 outlets (2016:113 outlets) at year end. Revenue contribution from the new outlets was 5% of total outlet retail revenue. On existing outlets, revenue was fairly consistent with corresponding year. Profit before tax ("PBT") at RM4.7 million was 33% lower compared with RM7.0 million of the corresponding year. The decrease in PBT was attributed to higher operating expenses incurred in line with the expansion of outlets.

#### **Franchise management segment**

Revenue at RM3.1 million was lower by 11% compared with RM3.5 million of the corresponding year. The decline in revenue was mainly attributed to lower royalty fee income as a result of lower retail sales attained by franchisees. The segment recorded profit before tax at RM0.2 million, 140% higher compared with loss before tax at RM0.4 million of the corresponding year due to lower management fee incurred.

#### **Food and beverage segment**

The segment recorded revenue at RM15.6 million, 2% higher compared with RM15.3 million of the corresponding year.

Owing to the restructuring of its business model henceforth savings in operating expenses, loss before tax at RM2.7 million was substantially lower by 51% compared with RM5.6 million of the corresponding year.

#### Quarter ended 31 December 2017

Group revenue at RM42.9 million was 6% higher than RM40.7 million of the corresponding quarter due mainly to higher revenue contributed by the optical and related products segment. However, Group profit before tax at RM1.9 million was 5% marginally lower compared with RM2.0 million of the corresponding quarter.

### B2. Comparison with immediate preceding quarter's results

Group revenue at RM42.9 million was higher by 5% compared with RM41.1 million of the immediate preceding quarter due mainly to higher revenue contributed by the optical and related products segment. Consequently, the Group registered profit before tax at RM1.9 million compared with loss before tax of RM0.4 million of the immediate preceding quarter due mainly to higher contribution from the optical and related products segment.

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## FOCUS POINT HOLDINGS BERHAD (Company No. : 884238-U)

Notes to the Interim Financial Report for the fourth quarter ended 31 December 2017

Part B - Explanatory notes pursuant to Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

### B3. Prospect

As far as the optical business is concerned, much emphasis will be placed on tactical branding and advertising & promotional activities for long-term sustainability as well as productivity. The Group shall selectively carry on certain marketing strategies to compete and enhance awareness of the "Focus Point" brands. Expanding our doors at the right locations and at the same time consolidating non-performing outlets would continue to be carried out. Coming out with different store concepts to compete is also a necessity to stay relevant. Importantly, cost containment exercise would be continued to maintain the profitability of the business.

As to the food & beverage business, much emphasis would be placed on strengthening its operation and cost saving to further improve its performance.

Premised upon the above, the Group expects a better performance for 2018.

### B4. Financial estimate, forecast, projection or internal target

This is not applicable to the Group.

### B5. Profit before tax

Profit before tax for the current quarter and current year is arrived at after charging/(crediting):-

	Individual quarter		Cumulative quarter	
	31-12-17 RM'000	31-12-16 RM'000	31-12-17 RM'000	31-12-16 RM'000
Depreciation	2,065	1,957	8,067	7,651
Bad debts written off	-	-	-	-
Impairment loss on trade and other receivables	256	306	256	306
Inventories written off	105	113	380	434
Inventories written down	104	144	437	542
Loss/(gain) on disposal of quoted or unquoted investments	-	-	-	-
Gain on disposal of a subsidiary	-	-	(38)	(141)
Loss/(gain) on disposal of property, plant and equipment	17	2	(81)	387
Impairment loss on property, plant and equipment	698	99	698	250
Property, plant and equipment written-off	170	551	778	1,550
Realised loss on foreign currency transactions (net)	23	7	151	32
Net fair value loss/(gain) on derivative	2	(34)	41	(87)
Exceptional items	-	-	-	-

### B6. Derivative

Type of derivative	Contract/Notional value as at	Fair value as at
	31-12-17 RM'000	31-12-17 RM'000
Forward currency contract		
- Less than 1 year	256	254

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## FOCUS POINT HOLDINGS BERHAD (Company No. : 884238-U)

Notes to the Interim Financial Report for the fourth quarter ended 31 December 2017

Part B - Explanatory notes pursuant to Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

### B6. Derivative (cont'd)

The Group entered into forward currency contract to manage exposures to currency risk for payables which are denominated in currencies other than Ringgit Malaysia (RM).

The Group will need to have sufficient cash flows to materialise the forward currency contract upon its maturity failing which a swap point will be added on by the financial institution to the existing contract resulting in the Group to pay for its payables applying a higher exchange rate. There is no cash requirement for entering into the contract.

There have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Since the previous financial year, there have been no changes to the Group's risk management objectives, policies and processes

The fair value of forward currency contract is estimated by using the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on Government bond). The net gain/(loss) on fair value adjustment or derivative asset or liability of the Group is disclosed in B5.

### B7. Income tax expense

	Individual quarter		Cumulative quarter	
	31-12-17 RM'000	31-12-16 RM'000	31-12-17 RM'000	31-12-16 RM'000
<b>Current tax:</b>				
Current	886	578	1,927	1,614
Prior year	(1)	17	349	(45)
	<u>885</u>	<u>595</u>	<u>2,276</u>	<u>1,569</u>
<b>Deferred tax:</b>				
Current	164	322	164	322
Prior year	(72)	30	(72)	35
	<u>92</u>	<u>352</u>	<u>92</u>	<u>357</u>
<b>Total</b>	<u>977</u>	<u>947</u>	<u>2,368</u>	<u>1,926</u>

The Group effective current tax rates for 2017 and 2016 were higher than prima facie tax rate due principally to absence of full group relief, certain capital expenditure not qualified for tax purpose and certain expenses non deductible for tax purpose.

### B8. Status of corporate proposals

There was no corporate proposal announced but not completed as at the date of this interim financial report.

# FOCUS POINT

## FOCUS POINT HOLDINGS BERHAD (Company No. : 884238-U)

Notes to the Interim Financial Report for the fourth quarter ended 31 December 2017

Part B - Explanatory notes pursuant to Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

### B9. Borrowings

	As at 31-12-17 RM'000	As at 31-12-16 RM'000
<b>Short term</b>		
Secured:		
Banker's acceptance	13,094	16,392
Bank overdraft	5,817	6,042
Term loan	1,384	1,436
Hire purchase	5,527	5,779
Revolving credit	3,385	1,015
	<u>29,207</u>	<u>30,664</u>
<b>Long term</b>		
Secured:		
Term loan	9,448	8,668
Hire purchase	4,676	5,335
	<u>14,124</u>	<u>14,003</u>
<b>Total borrowings</b>	<u>43,331</u>	<u>44,667</u>

The above borrowings were denominated in Ringgit Malaysia.

### B10. Material litigation

There was no material litigation (including any pending material litigation) as at the date of this interim financial report.

### B11. Dividend

No dividend was declared in the current quarter.

### B12. Earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing profit/loss for the quarter/year attributable to owners of the Parent by the weighted average number of ordinary shares in issue during the quarter/year.

	Individual quarter		Cumulative quarter	
	31-12-17	31-12-16	31-12-17	31-12-16
Profit/(loss) attributable to owners of the Parent (RM'000)	927	1,053	(458)	(1,198)
Weighted average number of ordinary shares in issue ('000)	165,000	165,000	165,000	165,000
Basic earnings/(loss) per share (sen)	<u>0.56</u>	<u>0.64</u>	<u>(0.28)</u>	<u>(0.73)</u>

# FOCUS POINT

## FOCUS POINT HOLDINGS BERHAD (Company No. : 884238-U)

### Notes to the Interim Financial Report for the fourth quarter ended 31 December 2017

#### Part B - Explanatory notes pursuant to Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

##### B13. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the Group as at 31 December 2017, into realised and unrealised profits/losses is as follows:-

	As at 31-12-17 RM'000	As at 31-12-16 RM'000
Total retained profits of the Group :		
- Realised	31,227	30,876
- Unrealised	(1,792)	(1,700)
	29,435	29,176
Total share of retained profits from associates/joint venture :		
- Realised	361	401
- Unrealised	(5)	(5)
	356	396
Total	29,791	29,572
Less : Consolidation adjustments	(17,543)	(16,866)
Total retained profits of the Group	12,248	12,706

The determination of realised and unrealised profits or losses is compiled based on Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Main Market Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

##### B14. Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors on 26 February 2018.