FOCUS POINT

annual report 2015

FOCUS POINT

MANAGEMENT OFFICE
Unit 1, 3 & 5 Jln PJU 1/37, Dataran Prima,
47301 Petaling Jaya, Selangor, Malaysia.
Tel: 03-7880 5520 Fax: 03-7880 5530

WILAYAH PERSEKUTUAN

KL Metro

AEON BIG Mid Valley Megamall (Lot 3A)	03 2287 3790
Fahrenheit 88 (Lot G-30,GF)	03-2141 0527
Nu Sentral (LG-06)	03-2272 2073
Pavilion KL (Lot 5.28.00, Level 5)	03-2141 4866
Sunway Putra Mall (LG-7)	03-4040 0759
Suria KLCC (C43A)	03-2166 8318

Cheras

AEON Cheras Selatan (Lot F33)	03-9075 3975
Giant Batu 9 Cheras (Lot G38)	03-9076 0125
IKON Connaught (Lot No. 1-09)	03-9108 3293
Leisure Mall (Lot L2-55)	03-2856 0510
Plaza 393 (Lot No.7 LGF)	03-9285 6568
Tesco Extra Cheras (Lot 11)	03-9133 5130

Gombak

Medan Idaman (26, Jln 2/21D)	03-4021 1341
Sri Gombak (Lot G-38, Jln Prima SG2)	03-6186 7721

Kepong

AEON BIG Kepong (Lot 19, Level 2)	03-6259 3403
Tesco Kepong (Lot SB 27)	03-6273 4010

Pandan Indah

Pandan Kapital (35 & 35A, GF)	03-4285 3500

Putrajaya

Alamanda (G11)	03-8889 3093
IOI City Mall (LG-3B)	03-8959 9346

Setapak

Setapak Central (G-28, GF)	03-4131 8977

Sri Hartamas

Hartamas Shopping Centre (P29, GF)	03-6143 8828

Sri Petaling

No.6, Jalan Radin Bagus 8	03-9054 0470

Wangsa Maju

AEON Alpha Angle (G20, GF)	03-4142 0478
AEON Big Wangsa Maju (Lot F1.32)	03-4149 6437
Seksyen 1 (No.6, GF)	03-4143 0162
Wangsa Walk Mall (G-23A, GF)	03-4142 7063

SELANGOR

Ampang

Ampang Point Shopping Centre (F33)	03-4252 0758
Axis Atrium (Lot G-37, GF)	03-9281 2449
Taman Putra (25, GF, Jln Tanjung Bunga 9C)	03-4295 2310
Tesco Ampang (Lot 18)	03-9285 7767

Bandar Sunway

Sunway Pyramid (LL2.06A)	03-7494 0480

Batu Caves

Giant Batu Caves (B4)	03-6188 4799
Selayang Mall (G44, GF)	03-6136 9566

Damansara

1 Utama (New Wing) (LG316D)	03-7722 1266
AEON BIG Kota Damansara (F1.01 & F1.02)	03-6142 3988
Encorp Strand Mall (F-18)	03-6143 5822
Sunway Giza (F.16, 1st Flr)	03-6148 1808
The Curve (Lot 174, 1st Flr)	03-7727 9852

Kajang

59, Jln Tun Abdul Aziz	03-8736 0220
Giant Superstore Kajang (Lot A3)	03-8733 3714
Metro Point Kajang (Lot G17)	03-8737 0970

Klang

AEON Bukit Raja (G06)	03-3344 5155
Giant Hypermarket Klang (A21)	03-3323 5195
Klang Parade (G39, GF)	03-3343 5850

Kuala Selangor

Tesco Kuala Selangor (Lot 7)	03-3289 6418

Petaling Jaya

Damansara Utama (33, GF, Jln SS21/37)	03-7729 6268
Kelana Jaya (20, Jln SS6/3)	03-7804 3013
Paradigm Mall (UG09)	03-7887 1078
PJ Old Town (98, GF, Jalan Othman 1/14)	03-7781 5341
Section 14 PJ (3, Jln SS14/20)	03-7960 2726
SS2 PJ (54, GF, Jln SS2/67)	03-7873 6220
Tropicana City Mall (Lot LG-35)	03-7710 6630

Puchong

IOI Mall (FK01, 1st Flr)	03-5882 1652

Rawang

9, Jln Bandar Rawang 2	03-6092 2599
AEON Rawang (Lot G-25, GF)	03-6092 0843
Tesco Rawang (Lot G24)	03-6091 4809

Shah Alam

AEON BIG Bukit Rimau (F1.29)	03-5121 7415
Gamuda Walk (L1-09)	03-5131 7223
Plaza Shah Alam (G-6A)	03-5891 0535
SACC (1F-10, 1st Flr)	03-5510 9593
Seksyen 7 Shah Alam (29 Jln Plumbum R7/R)	03-5510 2292
Setia City Mall (Lot 1-40)	03-3345 6510
Tesco Shah Alam (No. 15)	03-5512 1686

Sri Kembangan

Giant Seri Kembangan (Lot F23)	03-8938 2784
The Mines (L3-22 (P))	03-8941 6158

Subang Jaya

AEON Big Subang Jaya (F1-02)	03-5637 4318
Empire Subang Gallery (Lot G-28A,GF)	03-5632 4171
Giant Subang Jaya (Lot No. G21)	03-8022 1206
Giant Putra Heights (Lot F39)	03-5191 5197
USJ Taipan I (10-G, Jln USJ 10/1)	03-5637 1536
USJ Taipan II (20-G, Jln USJ 10/1)	03-5631 0801

Sungai Buloh

Sungai Buloh Complex (Lot No G-19A)	03-6141 0976

JOHOR

Batu Pahat

21, Jln Soga	07-432 8964
Batu Pahat Mall (Lot G30)	07-435 2306
Taman Flora (No.23, Jln Flora)	07-438 5520

Johor Bahru

AEON Permas Jaya (Lot G21)	07-386 1790
AEON Taman University (LG33)	07-520 1676
Giant Plentong (Lot No. R35)	07-358 3318
Giant Tampoi (Lot B12)	07-238 8589
Holiday Plaza (LG 25)	07-333 2018
Holiday Plaza (LG 83)	07-333 0257
Johor Bahru City Square (M3-20 & 21, Level 3)	07-226 0130
Plaza Sentosa (Lot 2, GF, Block G)	07-331 5370
Skudai Parade (Lot 02, 1st Flr)	07-554 9784
Sutera Mall (L1-247, L1-265)	07-554 4587
Tesco Desa Tebrau (Lot P9)	07-353 9780

Kluang

8, GF, Jln Syed Abdul Hamid Sagaff	07-776 0303

Kota Tinggi

26, Jln Niaga 1	07-882 4967
Plaza Kota Tinggi (GL-14)	07-883 9689

Kulai

AEON Kulaijaya (F62)	07-660 6308

Masai

1A, Jln Bayan,Taman Bunga Raya	07-251 8778
Tesco Masai (G15A, GF)	07-388 6231

Muar

Astaka Shopping Centre	06-952 3012
Giant Hypermarket Muar (G24 & G25)	06-952 9619
Wetex Parade (Lot 1-01 & 02)	06-951 4379

Ulu Tiram

97-E, Jln Durian, Taman Tiram Baru	07-861 8363

Yong Peng

184, Jln Besar, Taman Sembrong Baru	07-467 5278

KEDAH

Alor Setar

AEON Big Alor Setar (G-12)	04-735 0520
Alor Setar Mall (G-03)	04-771 2150
Aman Central (Lot G-43A)	04-733 5520
Tesco Mergong (G11)	04-733 5894

Sungai Petani

Tesco Sungai Petani Mutiara (F42 & F43)	04-425 9858
Tesco Sungai Petani Utara (Lot 8, GF)	04-425 8858

KELANTAN

Kota Bharu

KB Mall (G16, GF)	09-747 7993
KB Mall II (G36,GF)	09-743 2636
Kota Bharu Trade Center (LG-01,LG)	09-746 2112
Tesco Kota Bharu (F23,1F)	09-741 6520

MALACCA

Ayer Keroh

AEON Ayer Keroh (F12)	06-232 8634
Freeport A'Famosa (Unit 34A)	06-552 0258
The Shore (GF-05)	06-292 1292

NEGERI SEMBILAN

Nilai

Giant Nilai (Lot G21)	06-7940 996
Tesco Putra Nilai (G28)	06-7998 081

Seremban

Palm Mall (Lot UG-40)	06-765 6120
Terminal One (UG25)	06-763 9193
Pasaraya Rapid (Unit G-28)	06-762 7910

Senawang

Giant Hypermarket Senawang (B10 & B11)	06-679 7696
Tesco Senawang (F15,1st Flr)	06-677 6672

PAHANG

Kuantan

East Coast Mall (L1-33)	09-517 3136
Giant Kuantan (Lot A2)	09-515 8279

Subsidiary brands of: FOCUS POINT

Optical City	IPC (Lot F6, 1st Flr)	03-7725 8766
	Ipoh Parade (105, Jalan Sultan Abdul Jalil)	05-243 5717
	Segamat (Lot 19 & 21, GF)	07-9313 408
Opulence	1 Utama (Old Wing) (Lot G127,GF)	03-7724 1395
	Alamanda Putrajaya (LG62)	03-8881 0544
	IOI Mall (Lot EG17, GF)	03-8075 7556
	Subang Parade (Lot LG C09)	03-5622 1458
	Gurney Plaza Phase II (170-G-73A,GF)	04-2296 482
	Sunway Carnival Mall (UG-06A, UGF)	04-398 5520
	AEON Seremban 2 (Lot G30)	06-6015 018
	Holiday Plaza (Lot LG28)	07-3354 121
FOCUS POINT	AEON Shah Alam (G56, GF)	03-5524 5695
	Mid Valley Megamall (G-016)	03-2282 0878
	Komtar JBCC (Lot 120, 1st Flr)	07-295 5150
	Quill City Mall (G-19, GF)	03-2602 2292
EXCELVIEW	AEON Metro Prima (Lot G20)	03-6259 0235
	Mid Valley Megamall (S-068, 2nd Flr)	03-2282 0007
	AEON Bandaraya Melaka (Lot F52)	06-2921 107
Solariz	Pavilion KL (P5.02.00)	03-2141 8586
whoosh	1 Borneo (C-201C, Concourse)	088-448 205
	AEON Kota Bahru (F15, 1st Flr)	opening soon
	AEON Shah Alam (S39, 2nd Flr)	03-5523 8941
	Gurney Plaza (No. 170-03-49/50, lvl 3)	04-218 9624
	Imago KK (Lot 2-57)	opening soon
	IOI Mall Puchong (F07-F08, 1st Flr)	opening soon
	Mid Valley Megamall (LG-030-031)	03-2287 5520
	Nu Sentral (LG 05)	03-2260 1306
	Subang Parade (Unit G13C, GF)	03-5621 0140
	Suria Sabah (Lot 1-55, 1st Flr)	088-20 4187
	Suria KLCC (C63, Concourse Floor)	03-2181 6386
	Setia City Mall (UG-14, UG Floor)	03-334 11625
	Sutera Mall (L2-020)	07-5545 753
	Queensbay Mall (Lot 2F-90 & 91)	opening soon
	The Curve (G117A, Ground Floor)	03-7710 0426
	The Mines (L1-51, lvl 1)	opening soon
	Vivacity (L1-065, First Floor)	082-263 828
eyefont	Suria KLCC (Concourse)	03-2181 2397
Ray-Ban	Gurney Plaza (No. 170-03-49/50, lvl 3)	04-218 9624

Komugi Café	Main Place Mall	Lot GK-01, Ground Floor, Jln USJ 21/10 Persiaran Kewajipan 47630 Subang Jaya, Selangor 03-8021 6093
	Pavilion	P6.24.1A, Level 6, Tokyo Street. 168 Jln Bukit Bintang 55100 Kuala Lumpur 03-2148 0369
	Paradigm Mall	Lot CF55, Concourse Floor. No. 1, Jln SS7/26A, Kelana Jaya 47301 Petaling Jaya, Selangor 03-7887 5530
	Subang Parade	LG20L, Lower Ground Floor. No. 5, Jln SS16/1, 47500 Subang Jaya, Selangor 03-56335520
	Sunway Giza Mall	No. G-03, Lower Ground Floor. No. 2, Jln PJU 5/14. PJU5 Kota Damansara 47810 Petaling Jaya, Selangor 03-6140 6174
Komugi Bakery	Mid Valley Megamall	LG078, Lower Ground. Lingkaran Syed Putra 59200 Kuala Lumpur 03-2282 1994
	Sunway Pyramid	LG2.47, Lower Ground Two. No. 3, Jln PJS 11/15, Bdr Sunway 46150 Petaling Jaya, Selangor 03-5636 9951
Komugi Deli	Pavilion Deli	LG 030–031, Lower Ground. 168 Jln Bukit Bintang 55100 Kuala Lumpur 03-2142 5530
	Leisure Mall	G18, Cheras Leisure Mall, 8, Jalan Manis 2, Taman Segar, 56100 Cheras 03-2858 5603
	1 Utama	LGK1A, Lower Ground Floor, Lebuh Bandar Utama, Bandar Utama, 47800 Petaling Jaya 03-7728 5520
	The Mines	L3–77(2), Level 3, The Mines, Jalan Dulang, Mines Resort City, 43300 Seri Kembangan, Selangor 03-8958 5520
	Aeon Shah Alam	Lot KG5, Aeon Mall Shah Alam, Lot 2437, No. 1, Jln Akuatik 13/64, D' Kayangan, Seksyen 13, 40100 Shah Alam 03-5523 8796
	IOI City Mall	Opening Soon
	Subang Parade	Opening Soon
	Sunway Pyramid	Opening Soon
	Pavilion	Opening Soon

OUTLET CONCEPT

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

Opulence

An exclusive optical centre for luxurious eyewear brands

Whoosh

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

Focus Point Signature

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

Focus Point

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

Excelview

More than just an optical store specialising in professional eye care

Eyefont

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

Ray-Ban

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

Optical City

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

Komugi Bakery

At Komugi bakery, we offer a deliciously variety of authentic Japanese breads and pastries. Unlike traditional bakeries, Komugi outlets are designed with an open showcase that allow consumers a smoother shopping experience. Our outlets are also equipped with latest baking technology that allow our products to be made on location, thus ensuring that whatever customers buy is always fresh from the oven

Komugi Café

Komugi café not only offers a wide range of Japanese breads and pastries, but also a separate menu of speciality beverages and foods. In addition, our carefully crafted interiors and tasteful lighting combine to create a warm, inviting ambience perfect for all dining occasions

Komugi Deli

Inspired by the concept of 'grab and go', Komugi Deli is kiosk-like outlet designed for a speedy purchasing experience. While relatively small at less than 500 square feet, the outlet still offers a tantalising selection of goodies to satisfy consumers' cravings. Besides that, the kiosk is usually located at a prominent and strategic spot at the shopping mall

CONTENTS

BOARD OF DIRECTORS

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

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

Datin Goh Poi Eong
(Executive Director)

Datin Sim Swee Yoke
(Independent Non-Executive Director)

Datuk Idris bin Hashim
(Non-Independent Non-Executive Director)

NOMINATION COMMITTEE

Leow Ming Fong @ Leow Min Fong
(Chairman)

Datin Sim Swee Yoke
(Member)

Datuk Idris bin Hashim
(Member)

REMUNERATION COMMITTEE

Datin Sim Swee Yoke
(Chairman)

Leow Ming Fong @ Leow Min Fong
(Member)

Dato' Liaw Choon Liang
(Member)

AUDIT COMMITTEE

Leow Ming Fong @ Leow Min Fong
(Chairman)

Datin Sim Swee Yoke
(Member)

Datuk Idris bin Hashim
(Member)

CORPORATE OFFICE

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

REGISTERED OFFICE

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

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
ACE Market
Stock Code : 0157

COMPANY SECRETARIES

Wong Wai Foong
(MAICSA 7001358)

Wong Peir Chyun
(MAICSA 7018710)

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

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

REGISTRAR

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Unit 32-01, Level 32
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No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel No. : 03-2783 9299
Fax No. : 03-2783 9222

AUDITORS

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

COMPANY WEBSITE

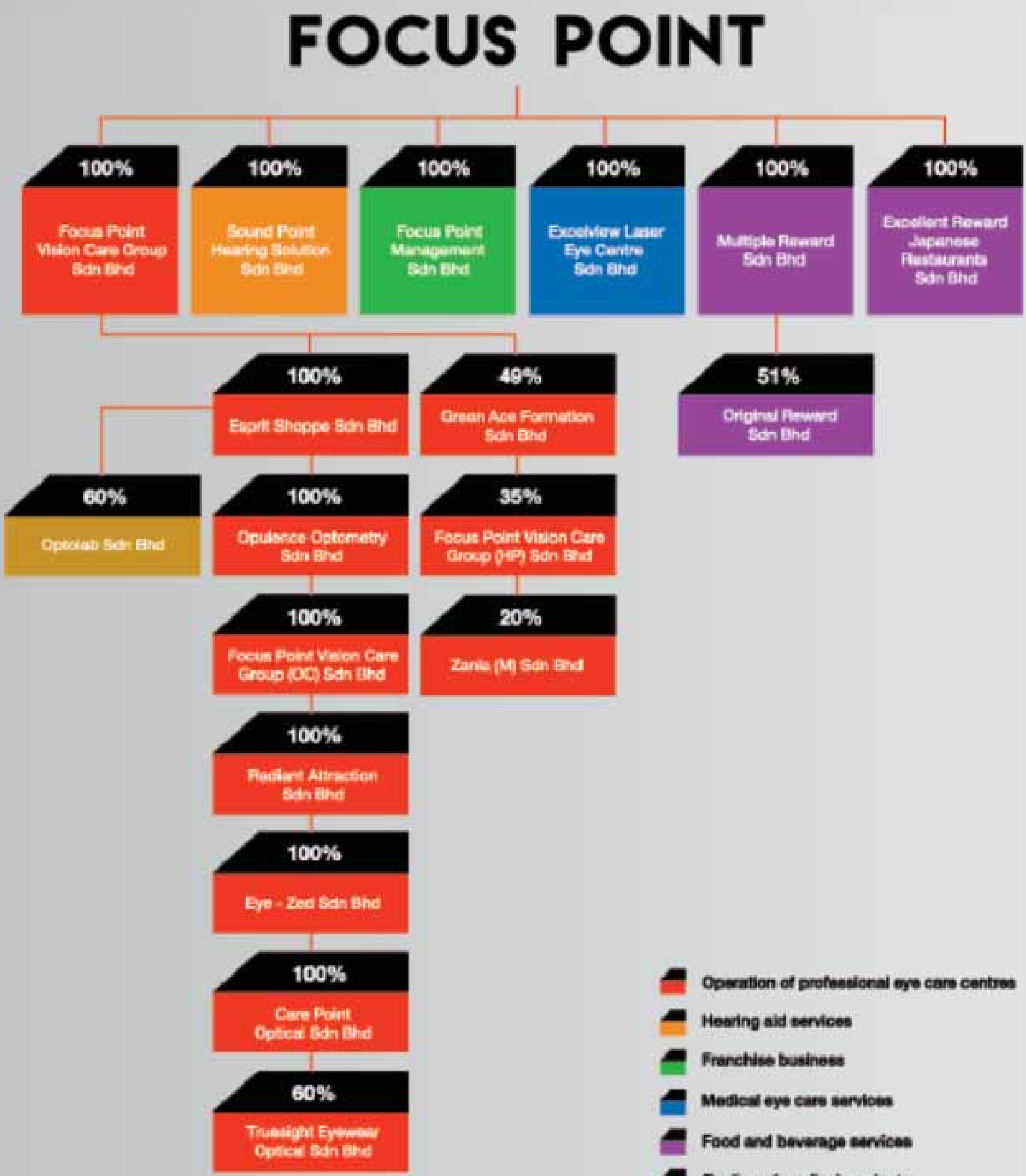
www.focus-point.com

VISION

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

MISSION

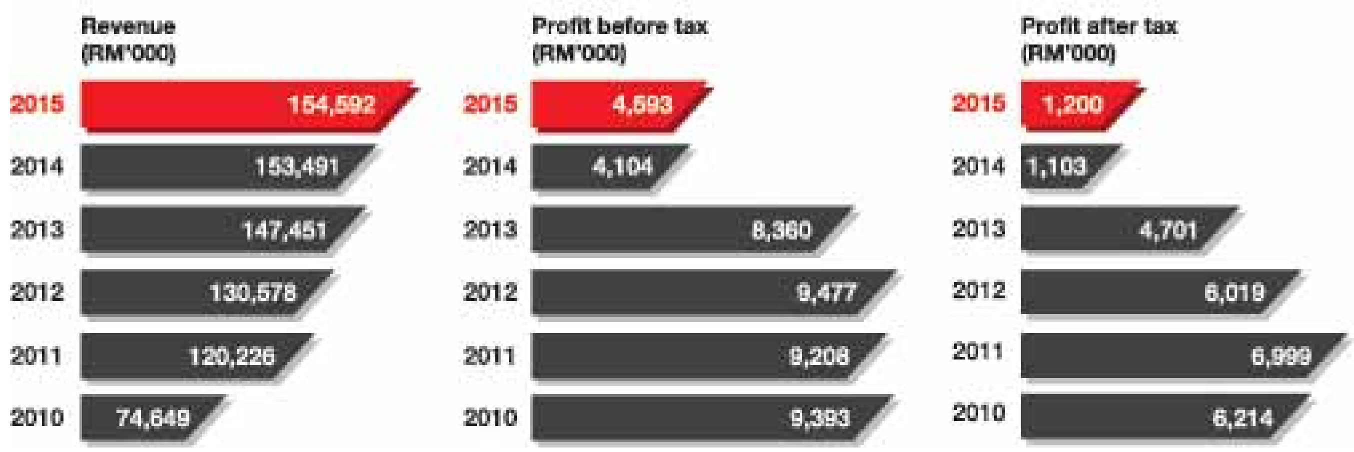
To provide consumers with the best vision care and eyewear services as well as to uphold the highest standards in reliability, quality and professionalism


FOCUS POINT
100%
Focus Point Vision Care Group Sdn Bhd
100%
Sound Point Hearing Solution Sdn Bhd
100%
Focus Point Management Sdn Bhd
100%
Excelview Laser Eye Centre Sdn Bhd
100%
Multiple Reward Sdn Bhd
100%
Excellent Reward Japanese Restaurants Sdn Bhd
100%
Esprit Shoppe Sdn Bhd
49%
Green Ace Formation Sdn Bhd
51%
Original Reward Sdn Bhd
60%
Optolab Sdn Bhd
100%
Opulence Optometry Sdn Bhd
35%
Focus Point Vision Care Group (HP) Sdn Bhd
100%
Focus Point Vision Care Group (OC) Sdn Bhd
20%
Zania (M) Sdn Bhd
100%
Radiant Attraction Sdn Bhd
100%
Eye - Zed Sdn Bhd
100%
Care Point Optical Sdn Bhd
60%
Trussight Eyewear Optical Sdn Bhd
Operation of professional eye care centres
Hearing aid services
Franchise business
Medical eye care services
Food and beverage services
Trading of medical products

FINANCIAL HIGHLIGHTS

	2015	2014	2013	2012	2011	2010*
Revenue (RM'000)	154,592	153,491	147,451	130,578	120,226	74,649
Earnings before interest, tax, depreciation and amortisation (EBITDA) (RM'000)	12,985	11,809	15,312	14,023	13,388	12,039
Profit before tax (RM'000)	4,593	4,104	8,360	9,477	9,208	9,393
Profit after tax (RM'000)	1,200	1,103	4,701	6,019	6,999	6,214
Net profit attributable to owners of the parent (RM'000)	1,331	1,167	4,771	6,035	7,012	6,234
Total assets (RM'000)	123,735	109,707	107,469	98,895	92,462	89,119
Total liabilities (RM'000)	69,762	56,954	52,489	45,365	41,731	41,886
Return on total assets (%)	1	1	4	6	8	7
Total borrowings (RM'000)	32,536	27,145	26,667	21,317	15,213	21,281
Gearing ratio (%)	60	51	49	40	30	45
Equity attributable to owners of the parent (RM'000)	54,083	52,752	54,946	53,475	50,740	47,027
Return on equity (%)	2	2	9	11	14	13
Earnings per share (sen)	0.81	0.71	2.89	3.66	4.25	3.78
Net assets per share (sen)	32.78	31.97	33.30	32.41	30.75	28.50
Dividend per share (sen)	-	1.00	2.00	1.00	2.00	2.00

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



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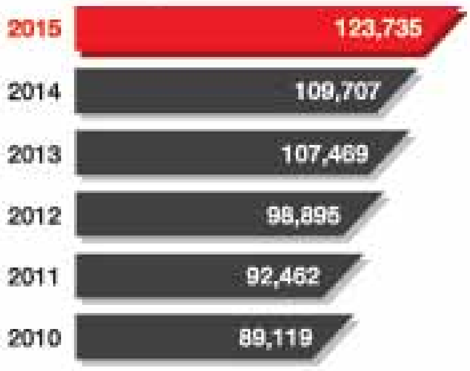
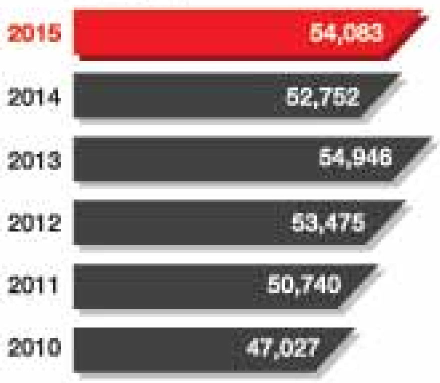
Total assets
(RM'000)

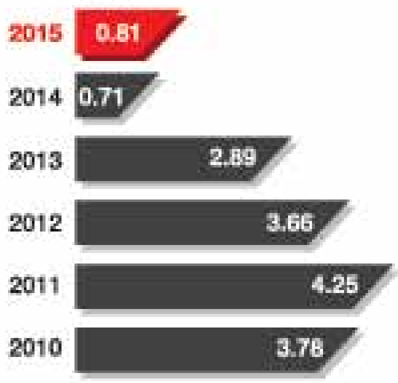


Total liabilities
(RM'000)

Equity attributable to owners of the parent
(RM'000)

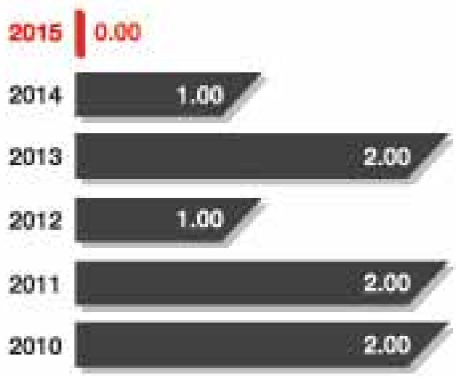


Earnings per share
(sen)



Net assets per share
(sen)

Dividend per share
(sen)



Leow Ming Fong @ Leow Min Fong
Malaysian, aged 66

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

Dato’ Liaw Choon Liang (“Dato’ Liaw”)
Malaysian, aged 48

Dato’ Liaw is our President/Chief Executive Officer and was appointed to our Board on 30 December 2009. He was subsequently appointed as a member of the Nomination Committee and Remuneration Committee on 3 May 2010. He resigned as a member of Nomination Committee on 16 April 2013. He is a registered optician with the Malaysian Optical Council. He brings with him invaluable industrial experience having accumulated over 29 years of experience in the professional eye care industry. He has been instrumental in the growth and development of our Group and more importantly, has been the key driving force in the expansion of our chain of professional eye care centres. As our Group’s President/Chief Executive Officer, his overall management has contributed significantly to the success and growth of our Group. During the early years of our operations, he recognised the importance of brand building and development, ownership and management as the key components in differentiating our Group from our competitors. In addition, he was instrumental in building our “Focus Point” brand as the chain of professional eye care centres which has become the largest in Malaysia today. His expertise and contributions also extend to strategy planning and business development where his sound management skills have contributed to the continuing success and growth of our Group. In 2002, he was awarded the Certificate of Merit for The Outstanding Young Malaysian Awards 2002 by the Junior Chamber, Malaysia. In 2009, he was a finalist for the Best Franchise Entrepreneur Award by the Malaysian Franchise Association. Subsequently, at the Malaysian Retailers-Chain Association (“MRCA”) – 8TV Entrepreneur Awards in 2009, Dato’ Liaw was given an award in recognition of his outstanding entrepreneurship. In 2012, Dato’ Liaw was elected as Deputy President of MRCA for 2012 to 2014. Further in 2014 itself, he was elected as President of MRCA for 2014 to 2016. Dato’ Liaw was awarded Industry Advisory Council and CEO Faculty, Polytechnic Education Department for 2015 to 2017 by Politeknik Malaysia. He also holds several directorships in the companies within the Group. He is the spouse of Datin Goh Poi Eong and also a major shareholder of the Company.

Datin Goh Poi Eong (“Datin Goh”)
Malaysian, aged 49

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

(Continued)

Datin Sim Swee Yoke ("Datin Sim")

Malaysian, aged 55

Datin Sim is our Independent Non-Executive Director. She was appointed to our Board on 3rd August 2015. She is Chairman of the Remuneration Committee and a member of 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 with the International Coaching Federation (ICF).

Datin Sim belongs to the new league of human resource practitioner and has close to 33 years of commercial experience in real estate/hospitality, management consulting and financial services (Insurance and asset management). She started her career in marketing communications.

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

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

Prior to the appointment, her last employment was with Great Eastern Life Assurance (M) Berhad as Senior Vice-President of Human Capital.

In her spare time, Datin Sim contributes time as a Mentor Coach for The ICAEW & Talentcorp Malaysia Women In Leadership (WIL) programme and writes for Leadernomics, a human resource pullout section of the Star Publications (M) Berhad. She also takes a keen interest in developing young talent and is an evaluator for the BNM - FSTEP leadership programme.

Datin Sim is also an Independent Non-Executive Director of Jadi Imaging Holdings Berhad.

Datuk Idris Bin Hashim, J.P. ("Datuk Idris")

Malaysian, aged 63

Datuk Idris was appointed as our Non-Independent Non-Executive Director and a member of the Audit Committee on 1st July 2011. He was appointed as a member of the Nomination Committee on 16 April 2013. He graduated from Universiti Teknologi Mara ("UiTM") with a Diploma in Town and Regional Planning 1975. Later, he furthered his studies in the United States of America and graduated with a postgraduate degree in Master of Science - City and Regional Planning from Illinois Institute of Technology, Chicago in 1978.

He started his career as an assistant town planner with Arkitek Bersekutu Malaysia in 1975, where he participated in projects such as Pusat Bandar Bukit Raden, Kompleks Perdagangan Kuantan in Pahang and Bangunan Sri Mara in Kuala Lumpur. Upon completing his postgraduate studies, he was attached to North-Eastern Illinois Planning Commission, Chicago as a Planner where he was involved in various large projects in the State of Illinois. He also worked with Skidmore, Owings and Merill and worked on the New Jeddah International Airport and King Abdul Aziz University. On his return to Malaysia, he was appointed as a lecturer of Architecture, Planning and Surveying of UiTM in 1980. He was appointed as Chairman of Perbadanan Nasional Berhad, a wholly-owned subsidiary of Ministry of Finance (MOF), from 2009 to 2015. He was also appointed as Chairman of Perak Industrial Resources Sdn Bhd from 2008 to 2015.

Datuk Idris currently acts as Adviser to Sogo (KL) Department Store Sdn Bhd (Government and Public Relations) and is an Independent Non-Executive Director of WZ Satu Berhad.

Save as disclosed above, none of the directors has:

- Any family relationship with any directors and/or major shareholders of the Company.
- Any conflict of interest with the Company and the Group.
- Any conviction for offences within the past 10 years other than traffic offences.

Leow Ming Fong @ Leow Min Fong

On behalf of the Board of Directors (the "Board"), it is my pleasure to present the Annual Report together with the Audited Financial Statements of Focus Point Holdings Berhad (the "Company") for the financial year ended 31 December 2015.

Financial Performance

2015 was indeed a very challenging year with depreciation of Ringgit Malaysia (RM) currency, implementation of Goods and Services Tax (GST), consumers affected by higher cost of living, fall in oil prices and global economic uncertainties.

The Group achieved revenue of RM154.6 million, a marginal growth of 1% over previous year's revenue of RM153.5 million. The increase in revenue was largely attributed to the contribution from the optical business which saw the remarkable opening of 26 new outlets in 2015.

Amid the weaker economic environment, profit before tax ("PBT") recorded at RM4.6 million was 12% higher compared with RM4.1 million of previous year. The increase in PBT was attributed to the improved performance of the optical business premised upon higher revenue and other income attained.

During the financial year, the Group had necessarily written down inventories of RM364,000 (2014 : RM463,000), written off inventories of RM437,000 (2014 : RM454,000), written down property, plant and equipment of RM993,000 (2014 : RM542,000) as well as written off property, plant and equipment of RM469,000 (2014 : RM1,082,000).

Corporate Development

Esprit Shoppe Sdn Bhd, a wholly-owned subsidiary of Focus Point Vision Care Group Sdn Bhd which in turn is a wholly-owned subsidiary of the Company incorporated a 60%-owned subsidiary namely, Optolab Sdn Bhd ("OSB"), on 13 March 2015.

The principal activity of OSB is trading of medical products, including but not limited to medical equipment and medical devices. The said incorporation has given an additional avenue for the Group to further expand its optical business via OSB.

I am also pleased to see that the Group was able to overcome the less-favourable economic climate and has managed to open wisely a total of 26 new doors to further enhance its presence nationwide. The Group has never stopped in expanding its distribution network and this business approach is also in tandem with the vision of the Group, which is to become a leading brand name in vision care.

Board Commitment

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

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

Outlook and Prospects

The overall Gross Domestic Product (GDP) growth for 2015 was 5.0%, marginally higher than the median expectations of 4.9% but lower than 6.0% of previous year. Both business and consumer sentiment are still weak coupled with persistently sluggish global demand and volatile financial markets would pose some threat to the Malaysian economy.

The Group will continue to stay focus on its core business, ie the optical business. The Group will continue to invest in new outlets and at the same time consolidate the non-performing outlets. In addition to that, the Group expects to embark on more aggressive promotional and marketing campaigns in 2016 to increase the Group's presence and market share locally amid the severe competition faced the Group. The Group will also invest in staff training and improve customer service to its excellence.

(Continued)

As to the food and beverage business, the Group will continue to improve its business operation, profit margin, quality of products and customer service as well as to contain cost. More outlets will also be opened and the non-performing outlets will at the same time be consolidated.

Overall, I am quite confident that the Group will be able to deliver satisfactory performance for the year ahead, barring any unforeseen circumstances.

Appreciation

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

On behalf of the Board, I also wish to record a vote of appreciation and gratitude to our former Independent Non-Executive Chairman, Dato' Hamzah bin Mohd Salleh for his invaluable contribution and support to the Group during his term of office.

It is also my pleasure to welcome Datin Sim Swee Yoke who joined the Board on 3 August 2015 as Independent Non-Executive Director. Her vast experience and expertise in a wide spectrum of business will surely be of great benefit to the Group.

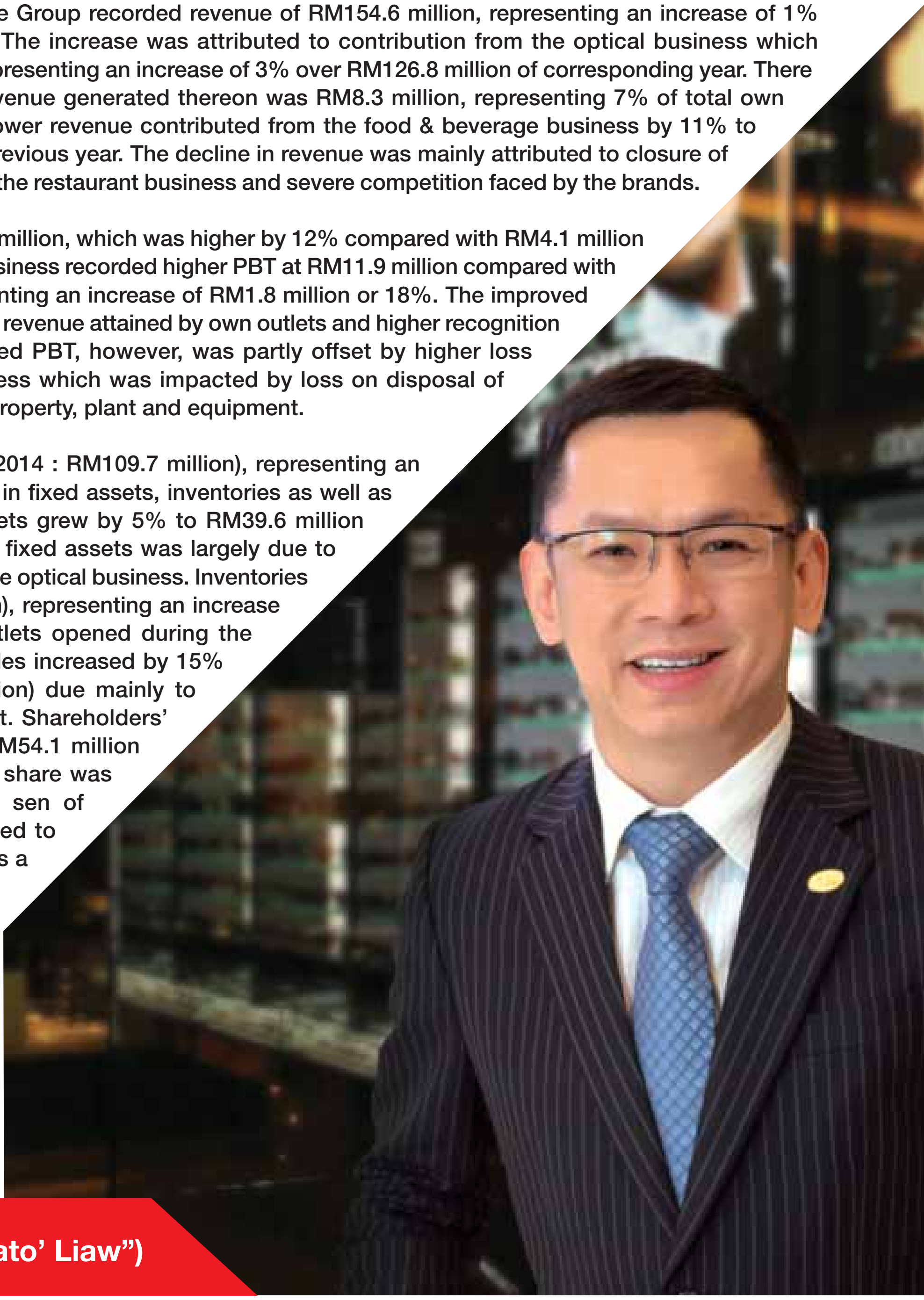
Leow Ming Fong @ Leow Min Fong
Independent Non-Executive Chairman

Financial Performance

2015 was indeed a challenging year. The Group recorded revenue of RM154.6 million, representing an increase of 1% over RM153.5 million of previous year. The increase was attributed to contribution from the optical business which recorded revenue at RM130.9 million, representing an increase of 3% over RM126.8 million of corresponding year. There were opening of 26 new outlets and revenue generated thereon was RM8.3 million, representing 7% of total own outlets' revenue. There was, however, lower revenue contributed from the food & beverage business by 11% to RM18.6 million from RM21.0 million of previous year. The decline in revenue was mainly attributed to closure of a bakery outlet, lesser contribution from the restaurant business and severe competition faced by the brands.

Profit before tax ("PBT") stood at RM4.6 million, which was higher by 12% compared with RM4.1 million recorded in previous year. The optical business recorded higher PBT at RM11.9 million compared with RM10.1 million of previous year, representing an increase of RM1.8 million or 18%. The improved PBT was mainly attributed to higher retail revenue attained by own outlets and higher recognition of other operating income. The improved PBT, however, was partly offset by higher loss incurred by the food & beverage business which was impacted by loss on disposal of restaurant business and impairment of property, plant and equipment.

Total assets stood at RM123.7 million (2014 : RM109.7 million), representing an increase of 13% due mainly to increase in fixed assets, inventories as well as trade and other receivables. Fixed assets grew by 5% to RM39.6 million (2014 : RM37.8 million). The increase in fixed assets was largely due to higher investment in new outlets under the optical business. Inventories at RM46.1 million (2014 : RM37.4 million), representing an increase of 23% was to cater for additional outlets opened during the financial year. Trade and other receivables increased by 15% to RM25.2 million (2014 : RM21.9 million) due mainly to increase in non-trade deposits payment. Shareholders' fund continued to remain resilient at RM54.1 million (2014 : RM52.8 million). Net assets per share was 32.8 sen, marginally higher over 32.0 sen of previous year. Total borrowings increased to RM32.5 million (2014 : RM27.1 million) as a result of additional financing drawndown for purchase of inventories. Trade and other payables increased to RM33.0 million (2014 : RM26.2 million), by 26% which was fairly in tandem with the increase in inventories. The management is committed to maintain a healthy financial position of the Group continuously.



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

"We continued to expand our distribution network and opened 26 new outlets in 2015"

"I am pleased to reveal that our profitability from the optical business was 18% higher than 2014"

(Continued)

Sustaining Momentum for Growth

The Group continued to expand its presence nationwide by embarking on aggressive marketing and promotional activities as well as opening new outlets at various locations to generate increased business volume and higher level of brands awareness. In 2015, a total of 26 new outlets were opened while we also consolidated 6 under-performing outlets. We have to-date built 109 own-outlets and 74 franchised outlets and these numbers are expected to grow continuously in the following year. It has been a great effort from my teams to achieve such total number of outlets to-date.

Apart from that, we continued 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 recognition from consumers. With the Group's geographical reach and number of outlets within Malaysia, we maintained as the largest retail chain of professional eye care centres in Malaysia.

On the food and beverage business, we consolidated a less-performing outlet, divested a less-performing restaurant business and opened two(2) new franchise outlets in the Philippines under the brandname of "Kumori", a brand related to "Komugi". The Group strived to take various steps to strengthen its operation to achieve greater efficiency and at the same time contained cost.

Strategic Initiatives and Corporate Social Responsibilities

In 2015 we introduced two(2) new eyewear, namely "AUTRE" and "TANDY". "AUTRE" in French simply means "Another, Special, Excellent" for the younger generation who loves fashion. The design is made to be bold, chic and young. "TANDY" is a well-known brand in Korea exclusively carried by us that features urban trendsetter with bold frames exuding sophistication and class, both available in frame and sunglasses suitable for young to working adults.

We launched a new concept store in Mid Valley Megamall in end March 2015 with the brandname of "Whoosh". We have to-date 12 Whoosh outlets nationwide. Whoosh eyewear creates a total new eyewear shopping experience by offering a wide range of eyewear in affordable package price; it's in 3 simple steps to obtain the eyewear; choose the eyewear; do the eye test & collect the eyewear in 30 minutes. It is hassle free, quick and fast; that's the meaning behind Whoosh, symbolising flying, quick and fast. Whoosh eyewear, created by the Group, is affordable and has a wide range of design. Whoosh concept store is open concept so that consumers can reach and feel our products. We will not feature international brands but offer trendy, fashionable and wild optical wear mainly from Korea in the store targeting consumers aged 30 and below.

6 October 2015 marked the 5th World Sight Day Campaign organised at LG Oval Concourse 1 Utama Shopping Mall. This 6-day event was held in conjunction with World Sight Day, an international day that raised global awareness on the issues of blindness and vision impairment. The World Sight Day Campaign is a corporate social responsibility event held in accordance to the company motto-caring for health, wellness and personal care.

For the 9th time, Focus Point joined force with Focus Point Caring Hearts Charity Foundation and National Blood Bank Malaysia to organise blood donation drive at IOI Mall, Puchong which coincided with the theme of "Thank You for Saving My Life". This event, which contributed in easing the suffering of recovering patients, has been a source of joy and pride for both the participants and Focus Point employees. This blood donation campaign proved to be a success as the 147 people who attended donated a pint of blood each. I am also proud to say that we held another blood donation event for the 10th time on 15 November 2015 at The Curve Shopping Mall where 133 pints of blood were donated at this event.

In the spirit of giving, Focus Point Caring Hearts Foundation visited Ti-Ratana Welfare Society Malaysia (the "Home") on 21 December 2015. There was celebration of Christmas festival with the childeren who stayed at the Home. Close to RM8,000 worth of food and sundry items were donated to the Home.

As part of the Group's corporate social responsibility, the Group has been undertaking good initiative by providing free eye screening to schools since year 2012. In year 2015, three(3) schools were visited, more than 3,800 students screened and some eyewear were sponsored to those who needed them. It has been always our intention to assist students in their growth and development into independent and healthy people.

I am also proud to reveal that the Group has invested sufficient optometrists and opticians who are qualified to dispense spectacles and contact lenses in our optical outlets.

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 Group has conducted the following training and seminar to its staff by engaging reputable trainers:-

- 2015 National Sales Convention – Passion for Growth with Extraordinary Leadership
- 2015 Focus Point Optometrist Convention – Passion for Extraordinary Sales Performance
- Teaming with Passion
- RGP Lens Workshop : RGP Lens Fitting for Eye Care Practioners

(Continued)

Further, the Group continued to organise monthly lunch gathering and festive dinner gathering at head office to show our appreciation to staff for their continued commitment and support. 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 practices environmental conservation and strives to be environmental friendly in conducting its business. As part of our effort to conserve natural resources, staff are encouraged to conserve energy, re-use and recycle where possible. The Group has started to apply LED lightings to outlets progressively to achieve higher lifespan and electrical efficiency, and more importantly to be environmental friendly.

As far as sustainability is concerned, the focus would be to balance environment, social and governance (ESR) with the interests of various stakeholders. A copy of the Group's sustainability policy is available from the Company's website at www.focus-point.com.

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

Human Resource Statistics

	2015	2014
Female (%)	58	53
Male (%)	42	47
Age group (%)		
< 30	67	68
30 to < 40	26	28
40 to < 50	6	3
50 and above	1	1
Diversity (%)		
Malay	38	30
Chinese	58	57
Indian	2	2
Others	2	12
Total number of staff	**774**	**910**

Outlook

As far as the optical business is concerned, we will stay focus as we grow, and much emphasis will be placed on branding and positioning for long-term sustainability. We surely shall continue our aggressive marketing and sales strategies to compete and enhance the awareness of the "Focus Point" brand. Consistent with previous years, we would like to maintain our good customer service level as well as our impressive quality and selection of merchandises. I believe this is utmost important to promote the highest standard of professional eye care services. That goes without saying, we will continue to open more outlets in prime locations nationwide to further improve our presence.

As for the food & beverage business, more outlets would be opened at selected locations while at the same time, less-performing outlets would be consolidated. Focusing on improving the revenue and operation of the business will be a major task for the year ahead.

With the above, we remain cautiously optimistic of our performance for the year ahead.

Acknowledgement

The Focus Point team has worked tirelessly to bring the Group to its current market leader position. I would like to thank the management team and operational staff at our outlets for their invaluable contributions and dedication. On behalf of the Board of Directors, I would also like to take this opportunity to thank all our customers, business partners and associates who have in one way or another contributed to the success of the Group.

Dato' Liaw Choon Liang
President / Chief Executive Officer


No Fakes. Only Original

GIVING BACK

As an industry leader in the professional eye care industry, Focus Point always recognises our role in playing a part in the community and Corporate Social Responsibility ("CSR"). The Group has in place CSR program as one of its basic tenets of operation. Focus Point has involved with a yearlong charity work, involving free eye screening and donation of spectacles to the needy and the less privileged.

6 OCTOBER 2015
EYES OF THE WORLD

In conjunction with the World Sight Day, Focus Point holds its yearly eye health awareness campaign to call for global attention to blindness and vision impairment

6 October 2015
WORLD SIGHT DAY

In collaboration with Focus Point 'Eyes of The World' event during World Sight Day 2015, Komugi has raised a total of RM2,500 from the sales of products such as carrot cakes and Japanese doughnuts. All proceeds were donated to the Malaysian Association for Blind.

(Continued)

16 October 2015

WORLD FOOD DAY

Programme and organisations that provide aid to the urban poor in Malaysia depend a lot on the kindness and generosity of the public for volunteers and aid in the form of vegetarian food items, medical supplies, monetary donations and such. In this case, Komugi has run a 3 days social media campaign to raise the awareness of World Food Day 2015. For every like on the photo which generated from the post for World Food Day 2015, Komugi would donate the same amount of bread to Kechara Soup Kitchen. A total of 1,500 breads were donated to Kechara Soup Kitchen during the 3 days social media campaign.

21 DECEMBER 2015

LIFE OF LOVE

Focus Point raises its benchmark for charity work at the Ti-Ratana Welfare Society Malaysia (the "Home") in conjunction with celebrating Christmas with the season of giving. Other than the joy and exciting accompaniment, food and sundry items were donated to the Home.

(Continued)

MARCH & NOVEMBER 2015
SAVING GRACE

This year Focus Point accomplished double the endeavor to contribute to the society as we had the 9th and 10th annual blood donation drive. Focus Point Caring Hearts Charity Foundation marked another achievement year for the humanitarian causes.

23 DECEMBER 2015
BEAUTY WITH HEART

Ambassador to the eyewear fashion bringing forward with a strong message of peace, goodwill and friendship internationally.

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

This statement describes the extent of how the Company has applied and complied with principles and best practices of corporate governance established by ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") issued by Securities Commission Malaysia.

Board Responsibilities

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

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

Board Balance

Rules 15.02 of the ACE Market Listing Requirements of Bursa Securities states that at least two(2) directors or one third of the directors, whichever is higher, shall be Independent Non-Executive Directors. The Company has fully complied with this requirement as the Board currently has five(5) members, comprising a President/Chief Executive Officer, one(1) Executive Director, one(1) Non-Independent Non-Executive Director, one(1) Independent Non-Executive Director and one(1) Independent Non-Executive Chairman. Forty(40)% of the Board are made up of Independent Non-Executive Directors. There are two(2) female directors which makes up of Forty(40)% of the Board.

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

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

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

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

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

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

The Board is of the opinion that its current composition is fairly balanced to ensure long-term interest of shareholders, employees, customers and other stakeholders are safeguarded. There is no Independent Non-Executive Director serving more than nine(9) years at the Board.

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

The Board has adopted the Board Charter on 16 April 2013 and shall undertake periodic review of division of responsibilities of the Board and management.

Board Charter

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

The succession planning for senior management positions is currently under review by the Board and management and is expected to be completed by 2017.

The Board Charter is subject to periodic review by the Board and a copy is available from the Company's website at www.focus-point.com.

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

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

- Observation of the Board Charter;
- Duty to act in the best interest of the Company;
- Honesty and integrity;
- No conflict of interests;
- Compliance with legal and regulatory requirements; and
- Building good relationship with stakeholders.

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

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

The Board has yet to develop a fraud and whistle blowing policy where directors or employees are able to report violations of laws, rules and regulations or the Company's CCE or potential ethic violations. The said policy is expected to be completed by 2017.

Board Meetings and Supply of Information to the Board

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

Prior to the Board meetings, the agenda for every meeting together with a full set of Board papers containing information relevant to the business of the meetings are circulated to the directors for their perusal seven(7) days before the meeting date. This is to allow the directors have sufficient time to review and consider the agenda items before the meeting and to obtain further explanations or clarifications, where necessary.

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

During the financial year, there were five(5) Board meetings held. The details of attendance of each director at the Board meetings held during the financial year are set out below.

Directors	Total number of meetings attended by directors
Dato' Liaw Choon Liang	5/5
Datin Goh Poi Eong	5/5
Leow Ming Fong @ Leow Min Fong	5/5
Datuk Idris bin Hashim	5/5
Datin Sim Swee Yoke	2/2*
Dato' Hamzah bin Mohd Salleh	3/3**

* Datin Sim Swee Yoke was appointed with effective from 3 August 2015
** Dato' Hamzah bin Mohd Salleh resigned with effective from 3 August 2015

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

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

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

The appointment of the company secretaries is based on the capability and proficiency determined by the Board. Both the company secretaries are qualified, suitable and capable of carrying out the duties required as they are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).

The company secretaries are responsible for ensuring Board meetings procedures are followed and that applicable rules and regulations are complied with. The company secretaries are also responsible for advising the Board on issue relating to corporate compliance with the relevant rules, laws, regulations affecting the Board and the Group.

Appointments to the Board

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

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

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

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

The company secretaries shall assist to ensure all relevant procedures and compliances are fulfilled relating to the appointment of new director.

Nomination Committee

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

- Leow Ming Fong @ Leow Min Fong - Chairman
- Datin Sim Swee Yoke - Member
- Datuk Idris bin Hashim - Member

In accomplishing its objectives, the NC shall perform the following functions:

- consider, in making its recommendations, candidate for directorship proposed by the President/Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any director or shareholder;

- assess and recommend to the Board, candidate for directorship to be filled by the shareholder or the Board. In making its recommendations, the NC shall consider the following requirements of the candidate:

  - skills, knowledge, expertise and experience;
  - professionalism;
  - integrity;
  - in the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidate's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors; and
  - time commitment.

- recommend to the Board, directors to fill the seats of Board Committees;

- assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each existing individual director and thereafter, recommend its findings to the Board;

- apply the process as determined by the Board, for assessing effectiveness of the Board as a whole, the Committees of the Board, and for assessing the contribution of each individual director, including Independent Non-Executive Directors, as well as the President/Chief Executive Officer. All assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented;

- review annually the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and thereafter, recommend its findings to the Board;

- develop the criteria for recruitment process and annual assessment of directors, in particular Independent Non-Executive Directors;

- review training programmes for the Board and ensure that newly appointed director undergoes appropriate induction programmes and receive continuous training;

- review Board's succession plans; and

- facilitate achievement of Board gender diversity policies and targets.

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

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

The NC meets once a year to assess 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. The Board is satisfied with the contribution and performance of individual director. The Independent Directors also comply with the criteria of independence based on the ACE Market Listing Requirements of Bursa Securities.

The NC also oversees the overall composition of the Board in terms of the appropriate size and skills as well as the balance between Executive Directors, Non-Executive Directors and Independent Directors, and mix of skills and other core competencies required to be deemed fit and proper to be appointed as directors in accordance with ACE Market Listing Requirements of Bursa Securities and MCCG 2012 issued by Securities Commission Malaysia through annual reviews.

Re-election of Directors

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

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

Directors' Training

As an integral element of the process of appointing new directors, the NC ensures that there are orientation and education programmes for new Board member. The directors also receive further training from time to time, particularly on relevant new regulations and requirements.

Conferences, seminars and training programmes attended by directors during the financial year ended 31 December 2015 are set out below.

Director	Name of conferences, seminars and training programmes	Date
Leow Ming Fong @ Leow Min Fong	Shares with No Par Value, Share Buybacks and Redeemable Preference Share – Proposed Companies Bill	15 June 2015
Dato' Liaw Choon Liang	Changing Scope of Capital Market Regulations : Capital Market Advisory Committee (CMAC) Outreach KL	24 November 2015
Datin Goh Poi Eong	Changing Scope of Capital Market Regulations : Capital Market Advisory Committee (CMAC) Outreach KL	24 November 2015
Datin Sim Swee Yoke	Management Discussion & Analysis Statement Training	30 September 2015
	Asean Sustainable Series Responsible Business : Responsible Investing	8 October 2015
	Future of Auditor Reporting – The Game Changer for Boardroom CG Series with Directors	2 November 2015
	Mandatory Accreditation Programme for Directors of Public Listed Companies (MAP)	4 & 5 November 2015
Datuk Idris bin Hashim	International Franchise Summit 2015	7 & 8 March 2015
	International Franchise, Licence & business Expo and Conference in Jakarta	28 May – 2 June 2015

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

Directors' Remuneration Policies and Procedures

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

The composition of the RC which comprises Independent Non-Executive Directors in majority is as follows:

- Datin Sim Swee Yoke - Chairman
- Leow Ming Fong @ Leow Min Fong - Member
- Dato' Liaw Choon Liang - Member

The functions of the RC shall:

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

Board Remuneration Package

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

Details of Directors' Remuneration

The aggregate remuneration paid to directors for the financial year ended 31 December 2015 is summarised as follows:

	Executive Directors RM	Non-Executive Directors RM
Salaries and other emoluments	3,236,690	128,500

Band of Remuneration	Executive Directors	Non-Executive Directors
Less than RM50,000	-	4
RM600,001 to RM650,000	1	-
RM2,550,001 to RM2,600,000	1	-

Effective Communications with Shareholders

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

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

Annual General Meeting

The Annual General Meeting ("AGM") represents the principal forum for dialogue and interaction with all shareholders of the Company. At the AGM, the Board provides opportunities for shareholders to participate in the question and answer session where all directors, senior management and external auditors are present to respond to the shareholders' questions during the AGM.

Recommendation 8.2 of the MCCG 2012 recommends that the Board should encourage poll voting for substantive resolutions. The Board is of the view that there was no contentious issue raised at the meeting so the Company had not conducted any poll voting.

Other than the forum at the AGM, communications between the Company and shareholders and/or investors could also be made through the Company's website at www.focus-point.com.

Audit Committee

The financial reporting, risk management framework and internal control system are reviewed by the Audit Committee, which comprises two(2) Independent Non-Executive Directors and one(1) Non-Independent Non-Executive Director.

The Board reviews the term of office and the performance of each Audit Committee member at least once in every three(3) years pursuant to Rule 15.20 of the ACE Market Listing Requirements of Bursa Securities.

The Audit Committee Report including the summary of the terms of reference, number of meeting and attendance, summary activities of the Audit Committee and summary activities of internal audit function is set out separately on pages 35 to 39 of the Annual Report.

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

Financial Reporting

The Board is responsible to ensure that the accounting records are properly kept and that the financial statements are prepared in accordance with applicable approved accounting standards and the provisions of the Companies Act, 1965.

The Board, assisted by the Audit Committee, oversees the financial reporting processes as well as the quality and reliability of the financial reporting by the Group. The Audit Committee reviews and ensures accuracy and integrity of the Group's quarterly financial results and annual financial statements and that comply with applicable financial reporting standards and the Companies' Act, 1965. The Audit Committee also assists to review the appropriateness of accounting policies applied and changes to these polices.

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

The Statement of Directors' Responsibility for Preparing the Financial Statements is presented on page 45 of the Annual Report.

Internal Controls

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

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

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

The Statement on Risk Management and Internal Control presented on pages 40 to 42 of the Annual Report provides an overview on the state of risk management and internal control within the Group.

Related Party Transactions

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

Details of the related party transactions are disclosed in the notes to the financial statements on pages 118 to 120 of the Annual Report.

Relationship with External Auditors

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

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

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

Corporate Disclosure Policies and Procedures

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

The CDPP is based on the following principles:

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

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

Members of the Audit Committee

The members of the Audit Committee are:

Designation	Name	Directorship
Chairman	Leow Ming Fong @ Leow Min Fong	Independent Non-Executive Chairman
Member	Datin Sim Swee Yoke	Independent Non-Executive Director
Member	Datuk Idris bin Hashim	Non-Independent Non-Executive Director

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

Summary of the Terms and Reference of the Audit Committee

Objectives

The Audit Committee is established to act as the Committee of the Board of Directors (the “Board”) to fulfil its fiduciary responsibilities. The duties and responsibilities of the Audit Committee shall be extended to Focus Point Holdings Berhad (the “Company”) and its subsidiaries (the “Group”).

Composition

The Board shall elect an Audit Committee (the “Committee”) from amongst themselves which fulfils the following requirements:

- The Committee shall consist of at least three(3) directors;

- All members of the Committee should be non-executive directors and majority of the Committee must be independent non-executive directors;

- At least one(1) member of the Committee:

  (a) must be a member of the Malaysian Institute of Accountants (“MIA”);
  (b) if he/she is not a member of the MIA, he/she must have at least three(3) years’ working experience and he/she must have passed examinations specified in Part I of the 1st Schedule of the Accountants Act 1967 or he/she must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967;

- fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

The Board is to ensure that there are adequate experienced directors on the Committee.

(Continued)

Meetings and Minutes

- The Committee will hold no fewer than four(4) meetings within a year, although additional meetings may be called at any time at the Committee's discretion or if requested by any Committee member, the management, internal or external auditors;

- The internal auditor will attend the meetings. Representatives of external auditors are to be in attendance at meetings where matters relating to the audit of the statutory accounts and/or external auditors are to be discussed;

- The Committee shall meet with external auditors where necessary, without any executive Board members and management staff present;

- The President/Chief Executive Officer and/or other appropriate officers may be invited to attend, except for those portions of the meetings where their presence may be considered inappropriate, as determined by the Chairman;

- The quorum for each meeting shall be at least two(2) of the members with independent non-executive directors forming the majority;

- The company secretary shall be the secretary to the Committee.

- Minutes of each meeting will be circulated to each member of the Committee and the Committee Chairman shall report on each meeting to the Board.

Authorities and Rights

For the performance of its duties, the Committee shall:

- have authority to investigate any matter within its terms of reference;

- have the resources which are required to perform its duties;

- have full and unrestricted access to any information pertaining to the Company and the Group;

- have direct communication channels with external auditors and the persons carrying out the internal audit function or activity;

- be able to obtain external/independent professional or other advice at a cost to be approved by the Board and to invite outsiders with relevant experience to attend, if necessary; and

- be able to convene meetings with external auditors, internal auditors or both, excluding the attendance of other directors and employees of the Company whenever deemed necessary.

Duties and Responsibilities

The Committee shall perform the followings and report the same to the Board:

- To consider the appointment of external auditors and audit fee;

- To discuss with external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one(1) audit firm is involved;

- To review external auditors' audit plan, evaluation of system of internal control and audit report;

- To establish policies and procedures to assess suitability and independence of external auditors;

(Continued)

- To review and monitor suitability and independence of external auditors;

- To obtain written assurance from external auditors confirming their independence throughout the conduct of the audit engagement in accordance with relevant professional and regulatory requirements;

- To establish policies and procedures in governing circumstances for contracts of non-audit services to be entered with external auditors;

- To discuss problems and reservations arising from the audit, and any matter external auditors may wish to discuss (in the absence of management where necessary);

- To review external auditors' management letter and management's response;

- To review whether there is reason (supported by grounds) to believe that the Company's external auditors is not suitable for re-appointment;

- To review any letter of resignation from external auditors of the Company;

- To review assistance given by the employees of the Company and the Group to external auditors;

- To review quarterly announcements of unaudited financial results and year-end financial statements before approval by the Board, focusing particularly on:

  - Any change in accounting policies and practices or implementation thereof;
  - Significant adjustment arising from the audit;
  - Significant or unusual event;
  - Going concern assumption; and
  - Compliance with accounting standards and other legal requirements.

- To ensure reliability of the financial statements and its compliance with applicable financial reporting standards;

- To perform the following in relation to internal audit:

  - Review adequacy of scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
  - Review the internal audit programme and results of the internal audit programme, process or investigation undertaken and where necessary, ensure that appropriate actions are taken as recommended by the internal audit function;
  - Review any appraisal or assessment of the performance of members of the internal audit function;
  - Approve any appointment or termination of senior staff members of the internal audit function (in the case where the Company has established its own internal audit department);
  - Take cognisance of resignation of internal audit staff and provide the resigning staff member an opportunity to submit his/her reasons for resigning (in the case where the Company has established its own internal audit department); and
  - Ensure the internal audit function is independent of the activities it audits and the internal audit function reports directly to the Committee.

- To consider any related-party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

- To consider major findings of internal investigation and management's response;

- To report promptly to Bursa Malaysia Securities Berhad on any matter the Committee has reported to the Board, which has not been satisfactorily resolved and/or has resulted in a breach of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad;

- To review and verify the allocation of options under the Company's employee share scheme (comprising share issuance scheme and share grant scheme) (“ESS”) for employees to ensure consistent compliance with the criteria as set out in the scheme by the ESS Committee; and

- To consider other topics as defined by the Board.

Attendance and Meetings

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

Name	Total meetings attended by directors	Percentage of attendance (%)
Leow Ming Fong @ Leow Min Fong	5/5	100
Datuk Idris bin Hashim	5/5	100
Datin Sim Swee Yoke	2/2*	100
Dato’ Hamzah bin Mohd Salleh	3/3**	100

* Datin Sim Swee Yoke was appointed with effective from 3 August 2015
** Dato’ Hamzah bin Mohd Salleh resigned with effective from 3 August 2015

Summary of Activities

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

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

- Reviewed external auditors’ scope of work and audit plan of the Group and the Company. Prior to the audit, representatives from external auditors presented their audit strategy and plan to the Committee at the Committee meeting;

- Reviewed, with external auditors, results of the audit, management letter and the auditors’ report of the Group and the Company for recommendation to the Board for approval;

- 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 and thereafter recommended to the Board for re-appointment and the audit fee thereof;

- Reviewed the report of external auditors to the Board on statement of risk management and internal control;

- Met with external auditors once without executive Board members and management staff in April 2015;

- Reviewed quarterly announcements of unaudited financial results and audited year-end financial statements of the Group and the Company before submission to the Board for approval, focusing particularly on:-

  - Any changes in accounting policies and practices;
  - Significant adjustment arising from the audit;
  - Going-concern assumption; and
  - Compliance with applicable accounting standards and other legal requirements.

- Reviewed Annual Report which includes the Audited Financial Statements of the Group and the Company prior to the submission to the Board for their consideration and approval so to ensure that the Audited Financial Statements were drawn up in accordance with the provisions of the Companies Act, 1965 and applicable accounting standards. Any significant issues arising from the audit of the financial statements by external auditors were deliberated upon;

- Reviewed 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 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.

Internal Audit Function

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

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

- Formulated and agreed with the Committee on the audit plan, strategy and scope of work;
- Reviewed compliance with internal policies, procedures and standards, relevant external rules and regulations, as well as assessed the adequacy and effectiveness of the Group's internal control system;
- Analysed and assessed certain key business processes, reported findings, and made recommendations to improve their effectiveness and efficiency;
- Attended the Committee meeting to table and discuss the audit report; and
- Performed internal audit reviews on the following areas:
  - Review of procurement management system of the optical business;
  - Review of inventory management system of restaurants under the food & beverage business as well as follow up on previous audit performed for franchise business development department and inventory management system under the optical business;
  - Review of business development department of the optical business; and
  - Review of procurement function of central kitchens under the food & beverage business as well as follow up on previous audit performed for procurement management system and production management system under the food & beverage business.

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

The cost incurred by the Group on Internal Auditor and in-house internal auditors during the financial year ended 31 December 2015 were amounted to RM47,970 and RM288,588 respectively.

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

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

Risk Management Framework

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

- Heads of business units are responsible for identifying, mitigating and managing risks and ensuring day-to-day business activities are carried out in accordance with risk management methodology.

- Heads of business units are required to update Corporate Risk Scorecards.

- Corporate Risk Scorecards are subject for review half-yearly during risk management meeting chaired by the President/Chief Executive Officer to ensure they remain relevant and effective in managing the associated risks due to changes in marketplace and business environment.

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

Business division	Key risk	Risk management approach
Optical retail	Increasing competitiveness to gain market presence	1. Carry out more aggressive branding, advertising and promotional activities 2. Review relevant industry market studies and capitalise on market intelligence 3. Monitor market development, trend and pricing of competitors 4. Review and evaluate current business model for local and regional competitiveness 5. Establish different brand names/concept to cater for different markets’ requirements 6. Continue to enhance customer service quality 7. Research on and develop potential new product, trend and package
	Adverse economic and market condition (which will affect high-end products)	1. Keep abreast with business activity level/industry trend 2. Improve overall efficiency, productivity and business processes 3. Contain cost
	Influx of fake products	1. Work closely with suppliers 2. Educate public and consumers to "Go Original" via campaigns, leaflets, advertisements in radio, facebook, etc
Optical franchise	Increasing competitiveness to gain market presence	1. Carry out more aggressive branding, advertisement and promotional activities 2. Review relevant industry market studies and capitalise on market intelligence 3. Monitor market development, trend and pricing of competitors

Business division	Key risk	Risk management approach
Optical franchise	Increasing competitiveness to gain market presence	4. Review and evaluate current business model for local and regional competitiveness 5. Establish different brand names/concept to cater for different markets' requirements 6. Continue to enhance customer service quality 7. Explore and develop potential new product, trend and package
	Inability to attract new franchisee	1. Review continuously terms of franchise arrangement to enhance competitiveness and new business opportunities 2. Innovate current mechanism of current business model to increase attractiveness to potential investor
	Credit risk	1. Comply strictly to credit control policies and procedures and perform bi-annually review 2. Monitor closely collections from franchisees 3. Follow up on delinquent account and carry on discussion with the owner
Food & beverage	Product wastage	1. Execute more effective production planning 2. Capitalise on information system and business process to capture data more accurately
	Loss of key staff (chef)	1. Benchmark compensation and reward to industry standard 2. Review current compensation and benefits scheme as well as measures to attract right candidates 3. Track competitors' offers and benefits 4. Identify and develop successors for senior categories and multitask key positions 5. Implement performance based remuneration scheme 6. Establish clear career development program 7. Implement job rotation
	Inadequate customer service level	1. Train continuously 2. Establish customer service charter 3. Implement the use of customer feedback form

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

The Board will strive to manage the risks of the Group continuosly.

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 in the Audit Committee Report on page 39.

Key Processes of Internal Control

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

- The Group has an organisational structure in place that is aligned to business and operational requirements with defined level of responsibility, lines of accountability and delegated authority with appropriate reporting procedures.
- There is active involvement by the President/Chief Executive Officer in the day-to-day business operations of the Group including periodical visit to the operating units and monthly dialogue with senior management. Scheduled operational and management meetings are held monthly to identify, discuss and resolve business and operational issues as well as significant risks faced. Significant matters identified during these meetings are highlighted to the Board on a timely basis.
- The Board is committed to identify business and other risks that are inherent in the environment in which the Group operates and to ensure the implementation of appropriate control mechanism to manage these risks. In assisting it to discharge its duties and responsibilities, the Board through the Audit Committee, senior management and the internal audit function, will carry out quarterly review of the adequacy and the integrity of the Group's internal control system and management information system, including system for compliance with applicable laws, regulations, rules, directives and guidelines.

During the financial year, the following areas were audited by the outsourced internal auditors:-

Quarter, 2015	Area of audit	Auditee
Quarter 1	Review of procurement management system	- Focus Point Vision Care Group Sdn Bhd
Quarter 2	Review of inventory management system of restaurants Follow up on previous audit performed on franchise business development department and inventory management system	- Multiple Reward Sdn Bhd & Original Reward Sdn Bhd - Focus Point Vision Care Group Sdn Bhd
Quarter 3	Review of business development department	- Focus Point Vision Care Group Sdn Bhd
Quarter 4	Review of procurement function of central kitchens Follow up on previous audit performed on procurement management system and production management system of central kitchens	- Multiple Reward Sdn Bhd

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

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

As required by rule 15.23 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement of Risk Management & Internal Control. As set out in their terms of engagement, the procedures were performed in accordance with Recommended Practice Guide 5 (Revised) issued by Malaysian Institute of Accountants. Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that caused them to believe that this Statement is not prepared in all material respects, in accordance with the disclosures required by paragraphs 41 & 42 of the Guidelines, nor is it factually inaccurate.

The Statement is made in accordance with the resolution of the Board dated 5 April 2016.

1. **Non-audit fees**

   The non-audit fees incurred for services rendered to the Group by external auditors during the financial year was RM57,767.

2. **Share buy-back**

   There was no share buy-back by the Company of its own shares during the financial year.

3. **Sanctions and/or penalties**

   There were no sanctions and/or penalties imposed on the Company or its subsidiaries, directors or management by relevant regulatory bodies/authorities during the financial year.

4. **Options or convertible securities**

   There were no options or convertible securities issued during the financial year.

5. **Depository Receipt Programme**

   The Company did not sponsor any Depository Receipt Programme during the financial year.

6. **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.

7. **Variance in results**

   There was no significant variance of 10% between the results for the financial year and the unaudited results previously announced.

   There were no profit forecasts or projections issued by the Group during the financial year.

8. **Profit guarantee**

   The Company did not give any profit guarantee during the financial year.

9. **Recurrent Related Party Transactions of Revenue or Trading Nature (“RRPT”)**

   The Company had at the 6th Annual General Meeting of the Company held on 26 May 2015 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.

(Continued)

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

Transacting parties				
Focus Point Group	**Related Party**	**Nature of relationship**	**Nature of transaction**	**Actual Value Transacted RM'000**
Focus Point Vision Care Group Sdn Bhd ("Focus Point Vision Care")	Focus Point Vision Care Group (HP) Sdn Bhd ("Focus Point Vision Care (HP)")	Focus Point Vision Care (HP), in which Dato' Liaw Choon Liang's brother, Liaw Choon Kuan has substantial shareholdings, is a 35%-owned associate company of Focus Point Vision Care; Dato' Liaw Choon Liang and Liaw Choon Kuan are directors of Focus Point Vision Care (HP).	Sale of eyewear and eye care products to Focus Point Vision Care (HP)	1,240
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)	131
Multiple Reward Sdn Bhd	Sejati Serimas Sdn Bhd ("Sejati Serimas")	Datin Goh Poi Eong and Liaw Kai Xuan are substantial shareholders and directors of Sejati Serimas. Liaw Kai Xuan is the son of Dato' Liaw Choon Liang and Datin Goh Poi Eong.	Rental of detached factory from Sejati Serimas for Central Kitchen purpose	200
Original Reward Sdn Bhd ("Original Reward")	Sky Cruise Sdn Bhd ("Sky Cruise")	Ong Hung Heng and Lim Kim Sow are minority shareholders and directors of Original Reward. Both of them are also substantial shareholders and directors of Sky Cruise.	Rental of space from Sky Cruise for restaurant operation	92
Original Reward	Sky Cruise	Ong Hung Heng and Lim Kim Sow are minority shareholders and directors of Original Reward. Both of them are also substantial shareholders and directors of Sky Cruise.	Purchase of beer and other alcoholic drinks from Sky Cruise	7
Original Reward	Sky Cruise	Ong Hung Heng and Lim Kim Sow are minority shareholders and directors of Original Reward. Both of them are also substantial shareholders and directors of Sky Cruise.	Purchase of transportation service from Sky Cruise	11
Original Reward	Sky Planet Sdn Bhd ("Sky Planet")	Ong Hung Heng and Lim Kim Sow are minority shareholders and directors of Original Reward. Both of them are also substantial shareholders and directors of Sky Planet.	Purchase of beer and other alcoholic drinks from Sky Planet	-

At the forthcoming 7th Annual General Meeting to be held on 26 May 2016, the Company intends to seek shareholders' mandate in respect of RRPT. The details of the general mandate to be sought are set out in the Circular to Shareholders dated 29 April 2016 attached together with the 2015 Annual Report.

The Directors are required by the Companies Act, 1965 and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") to prepare the financial statements for each financial year and give a true and fair view of the financial position of the Group and of the Company and their financial performance and cash flows for the financial year.

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

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

The Directors are responsible for ensuring the Company keeps its accounting records which discloses with reasonable accuracy the financial position of the Group and the Company and to ensure that the financial statements comply with the Companies Act, 1965, Listing Requirements and applicable approved accounting standards. The Directors have overall responsibilities for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.


PARADIGM
IN STYLE
DELIGHTFULLY SIMPLE
Ray-Ban
SHIN-NIPPON

FINANCIAL STATEMENTS

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 2015.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries and associates are set out in Note 8 and Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	1,200	695
Attributable to:		
Owners of the parent	1,331	695
Non-controlling interests	(131)	-
	1,200	695

DIVIDENDS

No dividend has been paid, proposed or declared since the end of the previous financial year. The Directors do not recommend any final dividend payment in respect of the financial year ended 31 December 2015.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The Directors who held for office since the date of the last report are:

Dato' Liaw Choon Liang	
Datin Goh Poi Eong	
Leow Ming Fong @ Leow Min Fong	
Datuk Idris bin Hashim	
Datin Sim Swee Yoke	(appointed on 3 August 2015)
Dato' Hamzah bin Mohd Salleh	(resigned on 3 August 2015)

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 2015 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia were as follows:

	← Number of ordinary shares of RM0.20 each →			
	Balance as at 1.1.2015	Bought	Sold	Balance as at 31.12.2015
Shares in the Company				
Direct interests:				
Dato' Liaw Choon Liang	75,843,001	-	-	75,843,001
Datin Goh Poi Eong	22,464,699	-	-	22,464,699
Leow Ming Fong @ Leow Min Fong	500,000	-	-	500,000
Datin Sim Swee Yoke	-	10,000	-	10,000

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

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

The interests and deemed interests in the ordinary shares of the non-wholly owned subsidiaries, held by Dato' Liaw Choon Liang and Datin Goh Poi Eong at year end were as follows:

	← Number of ordinary shares of RM1.00 each →			
	Balance as at 1.1.2015	Bought	Sold	Balance as at 31.12.2015
Subsidiaries				
- Truesight Eyewear Optical Sdn. Bhd.				
Indirect interests:				
Dato' Liaw Choon Liang	120,000	-	-	120,000
Datin Goh Poi Eong	120,000	-	-	120,000

DIRECTORS' INTERESTS (continued)

The interests and deemed interests in the ordinary shares of the non-wholly owned subsidiaries, held by Dato' Liaw Choon Liang and Datin Goh Poi Eong at year end were as follows (continued):

	← Number of ordinary shares of RM1.00 each →			
	Balance as at 1.1.2015	Bought	Sold	Balance as at 31.12.2015
- Original Reward Sdn. Bhd.				
Indirect interests:				
Dato' Liaw Choon Liang	51,000	-	-	51,000
Datin Goh Poi Eong	51,000	-	-	51,000
- Optolab Sdn. Bhd.				
Indirect interests:				
Dato' Liaw Choon Liang	-	30,000	-	30,000
Datin Goh Poi Eong	-	30,000	-	30,000

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the transactions entered into in the ordinary course of business with companies in which certain Directors of the Company have substantial financial interests as disclosed in Note 35 to the financial statements.

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.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, 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 satisfied themselves that there are no known bad debts 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 except for:

(i) impairment loss on property, plant and equipment of RM993,000 of the Group as disclosed in Note 29 to the financial statements;

(ii) loss on disposal of property, plant and equipment of RM683,000 of the Group as disclosed in Note 29 to the financial statements; and

(iii) realised loss on foreign currency transactions of RM743,000 of the Group as disclosed in Note 29 to the financial statements.

(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 necessitate the writing off for bad debts or render 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 will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(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

Significant events during the financial year are disclosed in Note 39 to the financial statements.

AUDITORS

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

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

……………………………………………………
Leow Ming Fong @ Leow Min Fong
Director

……………………………………………………
Dato' Liaw Choon Liang
Director

Petaling Jaya
5 April 2016

In the opinion of the Directors, the financial statements set out on pages 56 to 135 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 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 2015 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In the opinion of the Directors, the information set out in Note 40 to the financial statements on page 136 has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

On behalf of the Board,

....	....
Leow Ming Fong @ Leow Min Fong	**Dato' Liaw Choon Liang**
Director	Director

Petaling Jaya
5 April 2016

STATUTORY DECLARATION

I, Chua Tian Pang, being the officer primarily responsible for the financial management of Focus Point Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 56 to 136 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared by the abovenamed
at Petaling Jaya in Malaysia
this 5 April 2016

Chua Tian Pang

Before me:

Commissioner for Oaths

to the members of Focus Point Holdings Berhad

Report on the Financial Statements

We have audited the financial statements of Focus Point Holdings Berhad, which comprise statements of financial position as at 31 December 2015 of the Group and of the Company, and 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 a summary of significant accounting policies and other explanatory information, as set out on pages 56 to 135.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 40 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO
AF : 0206
Chartered Accountants

Chan Wai Leng
2893/08/17 (J)
Chartered Accountant

Kuala Lumpur
5 April 2016

as at 31 December 2015

	Note	Group 31.12.2015 RM'000	Group 31.12.2014 RM'000	Company 31.12.2015 RM'000	Company 31.12.2014 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	39,559	37,848	-	-
Investments in subsidiaries	8	-	-	42,971	42,121
Investments in associates	9	685	590	-	-
Deferred tax assets	10	233	260	-	-
Trade and other receivables	11	353	305	-	-
		40,830	39,003	42,971	42,121
Current assets					
Inventories	12	46,140	37,367	-	-
Derivative assets	13	7	-	-	-
Trade and other receivables	11	24,898	21,564	1,569	864
Current tax assets		61	103	3	5
Cash and bank balances	14	11,799	11,670	18	236
		82,905	70,704	1,590	1,105
TOTAL ASSETS		123,735	109,707	44,561	43,226
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	15	33,000	33,000	33,000	33,000
Reserves	16	21,083	19,752	10,289	9,594
		54,083	52,752	43,289	42,594
Non-controlling interests		(110)	1	-	-
TOTAL EQUITY		53,973	52,753	43,289	42,594

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

as at 31 December 2015 (Continued)

	Note	Group 31.12.2015 RM'000	Group 31.12.2014 RM'000	Company 31.12.2015 RM'000	Company 31.12.2014 RM'000
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	10	1,576	1,292	-	-
Borrowings	17	6,087	6,283	-	-
Deferred income	23	1,332	1,323	-	-
		8,995	8,898	-	-
Current liabilities					
Trade and other payables	22	33,004	26,184	1,272	632
Deferred income	23	596	565	-	-
Borrowings	17	26,449	20,862	-	-
Current tax liabilities		663	445	-	-
Derivative liabilities	13	55	-	-	-
		60,767	48,056	1,272	632
TOTAL LIABILITIES		69,762	56,954	1,272	632
TOTAL EQUITY AND LIABILITIES		123,735	109,707	44,561	43,226

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 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Revenue	26	154,592	153,491	1,000	5,950
Cost of sales	27	(65,099)	(67,445)	-	-
Gross profit		89,493	86,046	1,000	5,950
Other operating income		8,635	5,210	2	7
Selling and distribution costs		(31,455)	(31,450)	-	-
Administrative expenses		(60,471)	(54,353)	(307)	(421)
Finance costs	28	(1,932)	(1,645)	-	-
Share of profits in associates, net of tax		323	296	-	-
Profit before tax	29	4,593	4,104	695	5,536
Taxation	30	(3,393)	(3,001)	-	(2)
Profit for the financial year		1,200	1,103	695	5,534
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		1,200	1,103	695	5,534
Profit/(Loss) attributable to:					
Owners of the parent		1,331	1,167	695	5,534
Non-controlling interests		(131)	(64)	-	-
		1,200	1,103	695	5,534
Total comprehensive income/(loss) attributable to:					
Owners of the parent		1,331	1,167	695	5,534
Non-controlling interests		(131)	(64)	-	-
		1,200	1,103	695	5,534
Earnings per ordinary share attributable to owners of the parent (sen):					
- Basic and diluted	31	0.81	0.71		
Dividend per ordinary share in respect of the financial year, single tier tax exempt (sen):					
- First interim (paid)	32	-	1.00	-	1.00

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

for the financial year ended 31 December 2015

Group	Note	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 January 2014		33,000	7,096	14,850	54,946	34	54,980
Profit for the financial year		-	-	1,167	1,167	(64)	1,103
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income		-	-	1,167	1,167	(64)	1,103
Transactions with owners							
Acquisition of additional interest from a non-controlling interest	33(b)	-	-	(61)	(61)	31	(30)
Dividends paid	32	-	-	(3,300)	(3,300)	-	(3,300)
Total transactions with owners		-	-	(3,361)	(3,361)	31	(3,330)
Balance as at 31 December 2014		33,000	7,096	12,656	52,752	1	52,753
Balance as at 1 January 2015		33,000	7,096	12,656	52,752	1	52,753
Profit for the financial year		-	-	1,331	1,331	(131)	1,200
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income		-	-	1,331	1,331	(131)	1,200
Transactions with owners							
Subscription of interest in a subsidiary by a non-controlling interest	33(a)	-	-	-	-	20	20
Balance as at 31 December 2015		33,000	7,096	13,987	54,083	(110)	53,973

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

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2015

Company	Note	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2014		33,000	7,096	264	40,360
Profit for the financial year		-	-	5,534	5,534
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	5,534	5,534
Transactions with owners					
Dividends paid	32	-	-	(3,300)	(3,300)
Balance as at 31 December 2014		33,000	7,096	2,498	42,594
Balance as at 1 January 2015		33,000	7,096	2,498	42,594
Profit for the financial year		-	-	695	695
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	695	695
Balance as at 31 December 2015		33,000	7,096	3,193	43,289

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

for the financial year ended 31 December 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		4,593	4,104	695	5,536
Adjustments for:					
Bad debts written off		-	4	-	-
Depreciation of property, plant and equipment	7	6,980	6,565	-	-
Dividend income from subsidiaries		-	-	(1,000)	(5,950)
Gain on disposal of property, plant and equipment		(17)	(220)	-	-
Impairment losses on:					
- deposits paid		34	67	-	-
- investments in a subsidiary	8	-	-	*	86
- property, plant and equipment	7(b)	993	542	-	-
- trade and other receivables	11	-	54	-	-
Reversal of impairment loss on property, plant and equipment	7(b)	(340)	-	-	-
Interest expense					
- hire-purchase		615	477	-	-
- term loans		198	215	-	-
- bankers' acceptances		738	548	-	-
- bank overdrafts		274	256	-	-
- others		107	149	-	-
Interest income					
- fixed deposits		(296)	(197)	(2)	(7)
- others		(91)	(136)	-	-
Inventories written down	12	364	463	-	-
Reversal of inventories previously written down	12	(156)	-	-	-
Inventories written off	12	437	454	-	-
Loss on disposal of property, plant and equipment		683	4	-	-
Net fair value loss on derivative	13(b)	48	-	-	-
Property, plant and equipment written off	7	469	1,082	-	-
Share of profit in associates		(323)	(296)	-	-
Operating profit/(loss) before changes in working capital		15,310	14,135	(307)	(335)

** Represents RM2*

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

for the financial year ended 31 December 2015 (Continued)

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Operating profit/(loss) before changes in working capital		15,310	14,135	(307)	(335)
Changes in working capital:					
Inventories		(9,418)	(4,679)	-	-
Trade and other receivables		(3,416)	1,383	-	-
Trade and other payables		6,820	4,121	(4)	1
Deferred income		40	584	-	-
Cash generated from/(used in) operations		9,336	15,544	(311)	(334)
Tax paid		(2,949)	(3,786)	(3)	(7)
Tax refunded		127	46	5	33
Net cash from/(used in) operating activities		6,514	11,804	(309)	(308)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of:					
- additional interest in a subsidiary	33(b)	-	(30)	-	-
- subsidiary for cash, net of cash acquired	8(b)	-	-	-	**
Advances to a subsidiary		-	-	(61)	(2,176)
Dividends received from an associate		228	123	-	-
Dividends received from subsidiaries		-	-	1,000	5,950
Increase in share capital in a subsidiary	8(a), 8(b)	-	-	(850)	(100)
Interest received		296	197	2	7
Proceeds from disposal of property, plant and equipment		548	345	-	-
Purchase of property, plant and equipment	7(a)	(5,154)	(4,298)	-	-
Fixed deposits pledged to licensed banks with original maturity of twelve(12) months	14	71	1,804	-	-
Placement of fixed deposits pledged to licensed banks	14	-	(161)	-	-
Net cash (used in)/from investing activities		(4,011)	(2,020)	91	3,681

*** Represents RM2*

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

for the financial year ended 31 December 2015 (Continued)

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Net drawdown/(repayment) of bankers' acceptances		5,216	(3,598)	-	-
Dividends paid	32	-	(3,300)	-	(3,300)
Interest paid		(1,841)	(1,509)	-	-
Repayments of term loans		(1,373)	(13)	-	-
Ordinary shares subscribed by non-controlling interests of a subsidiary	33(a)	20	-	-	-
Repayments of hire-purchase liabilities		(4,122)	(3,694)	-	-
Net cash used in financing activities		(2,100)	(12,114)	-	(3,300)
Net increase/(decrease) in cash and cash equivalents		403	(2,330)	(218)	73
Cash and cash equivalents at the beginning of the financial year		(580)	1,750	236	163
Cash and cash equivalents at the end of the financial year	14(e)	(177)	(580)	18	236

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

1. CORPORATE INFORMATION

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

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

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

The consolidated financial statements for the financial year ended 31 December 2015 comprise the Company and its subsidiaries and the Group's interests 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, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 5 April 2016.

2. PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries and associates are set out in Note 8 and Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company set out on pages 56 to 135 have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the provisions of the Companies Act, 1965 in Malaysia. However, Note 40 to the financial statements set out on page 136 has been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

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.

The preparation of these financial statements in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) Power over the investee;

(b) Exposure, or rights, to variable returns from its involvement with the investee; and

(c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee;

(b) Rights arising from other contractual agreements; and

(c) The voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions are also eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the other entities in the Group.

Non-controlling interests represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of consolidation (continued)

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(a) The aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(b) The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in associate or joint venture.

4.3 Business combinations

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;

(b) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and

(c) assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

(a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

(b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of MFRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with MFRS 139. All other subsequent changes are recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Business combinations (continued)

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at fair value, or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 4.7 to the financial statements. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that future economic benefits associated with the subsequent costs would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less any 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 annual depreciation rates are as follows:

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Property, plant and equipment and depreciation (continued)

Freehold land has an unlimited useful life and is not depreciated. Construction work-in-progress represents equipments under installation and renovation-in-progress and is stated at cost. Construction work-in-progress is not depreciated until such time when the asset is available for use.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.8 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

4.5 Leases and hire-purchase

(a) Finance leases and hire-purchase

Assets acquired under finance leases and hire-purchase which transfer substantially all the risks and rewards of ownership of the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the incremental borrowing rate of the Group is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire-purchase liabilities.

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Investments

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost less impairment losses, if any. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with MFRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

(b) Associates

An associate is an entity over which the Group and the Company have significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is neither control nor joint control over those policies.

In the separate financial statements of the Company, an investment in associate is stated at cost less impairment losses.

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated statement of financial position is initially recognised at cost and adjusted thereafter for the post acquisition change in the share of net assets of the investments of the Group.

The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long term interest that, in substance, form part of the net investment in the associate of the Group.

The share of the profit or loss of the associate by the Group during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount could also be necessary for changes in the proportionate interest of the Group in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The share of those changes by the Group is recognised directly in equity of the Group.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Investments (continued)

(b) Associates (continued)

Unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the interest of the Group in the associate to the extent that there is no impairment.

When the share of losses of the Group in the associate equals to or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. When the end of the reporting periods of the financial statements are not coterminous, the share of results is arrived at using the latest audited financial statements for which the difference in end of the reporting periods is no more than three(3) months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the interest of the Group in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

4.7 Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount could be impaired. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill arising on acquisition of an associate is the excess of the cost of investment over the Group's share of the net fair value of net assets of the associates' identifiable assets and liabilities at the date of acquisition.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Goodwill (continued)

Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised. The excess of the Group's share of the net fair value of the associate's identifiable assets and liabilities over the cost of investment is included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

4.8 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets (excluding investments in subsidiaries and associates), inventories and deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill that has an indefinite useful life is tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ('CGU') to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's CGU or groups of CGU that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill acquired in a business combination shall be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment determined in accordance with MFRS 8 *Operating Segments*.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU. The impairment loss is recognised in profit or loss immediately.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversals are recognised as income immediately in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the following method:

(i) Cost of optical and related products and hearing aids and related accessories are determined using the weighted average cost method while cost of food and beverages and operation consumables are determined using the first-in, first-out method.

(ii) The cost of inventories comprises all costs of purchase plus the cost of bringing the inventories to their present location and condition.

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.

4.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statements of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four(4) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

(a) Financial assets (continued)

(i) Financial assets at fair value through profit or loss (continued)

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that are linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

(a) Financial assets (continued)

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three(3) months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two(2) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

(b) Financial liabilities (continued)

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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

At the end of every reporting period, the Group assesses whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at the end of each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

(c) Equity (continued)

When the Group repurchases its own shares, the shares repurchased would be accounted for using the treasury stock method.

Where the treasury stock method is applied, the shares repurchased and held as treasury shares shall be measured and carried at the cost of repurchase on initial recognition and subsequently. It shall not be revalued for subsequent changes in the fair value or market price of the shares.

The carrying amount of the treasury shares shall be offset against equity in the statement of financial position. To the extent that the carrying amount of the treasury shares exceeds the share premium account, it shall be considered as a reduction of any other reserves as may be permitted by the Companies Act, 1965 in Malaysia.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the own equity instruments of the Company. If such shares are issued by resale, any difference between the sales consideration and the carrying amount is shown as a movement in equity.

4.11 Impairment of financial assets

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

(a) Held-to-maturity investment and loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable or investee, and default or significant delay in payments to determine whether there is objective evidence that an impairment loss on held-to-maturity investment and loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of held-to-maturity investment is directly reduced by the impairment loss whilst the carrying amount of loans and receivables are reduced through the use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Impairment of financial assets (continued)

(b) Available-for-sale financial assets

The Group collectively considers factors such as significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market as objective evidence that available-for-sale financial assets are impaired.

If any such objective evidence exists, an amount comprising the difference between the financial asset's cost (net of any principal payment and amortisation) and current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Instead, any increase in the fair value subsequent to the impairment loss is recognised in other comprehensive income.

Impairment losses on available-for-sale debt investments are subsequently reversed to profit or loss if the increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

4.12 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised to profit or loss in the period in which they are incurred.

4.13 Income taxes

Income taxes include all taxes on taxable profit. Income taxes also include other taxes such as withholding taxes and real property gains taxes payable on the disposal of properties.

Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of the jurisdiction in which the Group operates and include all taxes based upon the taxable profit and real property gains taxes payable on disposal of properties.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Income taxes (continued)

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profit would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profit would be available, such reductions would be reversed to the extent of the taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different accounting period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

4.14 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Provisions (continued)

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions for restructuring are recognised when the Group has approved a detailed formal restructuring plan, and the restructuring either has commenced or has been announced publicly.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.15 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

4.16 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period’s entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(b) Foreign currency translations and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of the reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost, are translated using the historical rate as of the date of acquisition, and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

4.18 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the activities of the Group as follows:

(a) Sale of goods

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

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

(b) Services

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18 Revenue recognition (continued)

(c) Franchise fee income

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

(d) Licensing fee income

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

(e) Royalty fee income

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

(f) Interest income

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

(g) Rental income

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

(h) Dividend income

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

4.19 Operating segments

Operating segments are defined as components of the Group that:

(a) engage in business activities from which it could earn revenue and incur expenses (including revenue and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenue.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.19 Operating segments (continued)

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent(10%) or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is ten percent(10%) or more of the greater, in absolute amount of:

(i) the combined reported profit of all operating segments that did not report a loss; and

(ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy-five percent(75%) of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds, if any, would result in a restatement of prior period segment data for comparative purposes.

4.20 Earnings per share

(a) Basic

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

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

4.21 Deferred income

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.22 Fair value measurements

The fair value of an asset or a liability, except for lease transactions is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement method assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and

(b) Restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) a liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) an entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

4.23 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and subsequently remeasured at their fair value. Any gains or losses arising from changes in the fair value of these contracts are recognised in profit or loss.

5. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs

5.1 New MFRSs adopted during the financial year

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

Title	Effective Date
Amendments to MFRS 119 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Amendments to MFRSs *Annual Improvements 2010 – 2012 Cycle*	1 July 2014
Amendments to MFRSs *Annual Improvements 2011 – 2013 Cycle*	1 July 2014

There is no material impact upon the adoption of these Amendments during the financial year.

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2016

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ('MASB') but have not been early adopted by the Group and the Company.

Title	Effective Date
MFRS 14 *Regulatory Deferral Accounts*	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Amendments to MFRS 101 *Disclosure Initiative*	1 January 2016
Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*	1 January 2016
Amendments to MFRS 127 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to MFRSs *Annual Improvements to 2012-2014 Cycle*	1 January 2016
MFRS 9 *Financial Instruments (IFRS as issued by IASB in July 2014)*	1 January 2018
MFRS 15 *Revenue from Contracts with Customers*	1 January 2018
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associates or Joint Venture*	Deferred

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

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Changes in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no significant changes in estimates during the reporting period and at the end of the reporting period.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

6.2 Critical judgements made in applying accounting policies

The following are judgements made by management in the process of applying the accounting policies of the Group that have the most significant effect on the amounts recognised in the financial statements.

(a) Contingent liabilities

The determination and treatment of contingent liabilities is based on the Directors' and management's view of the expected outcome of the contingencies for matters in the ordinary course of business.

(b) Contingent liabilities on corporate guarantees

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.

(c) Classification of non-current bank borrowings

Term loan agreements entered into by the Group include repayment on demand clauses at the discretion of the financial institutions. The Group believes that in the absence of a default being committed by the Group, these financial institutions are not entitled to exercise their rights to demand for repayment. Accordingly, the carrying amount of the term loans have been classified between current and non-current liabilities based on their repayment period.

(d) Contingent rental

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

6.3 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Depreciation and useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment at the time the assets are acquired based on historical experience, the expected usage, wear and tear of the assets and technical obsolescence arising from changes in the market demands or service output of the assets. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to changes in the factors mentioned above. Changes in these factors could impact the useful lives and the residual values of the assets; therefore future depreciation charges could be revised. A five percent (5%) difference in the average useful lives of these assets from the management's estimates would result in approximately twenty-nine percent (29%) variance in profit for the financial year.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

6.3 Key sources of estimation uncertainty (continued)

(b) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses historical bad debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

(c) Impairment of assets

The Group determines whether an asset is impaired by evaluating the extent to which the recoverable amount of an asset is less than its carrying amount. This evaluation is subject to factors such as market performance, economic and political situation of the country.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value in use. Value in use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to reflect its income and cash flows. Judgement has also been used to determine the discount rate for cash flows and the future growth of the business.

(d) Impairment of investments in subsidiaries and associates and amounts owing by subsidiaries and associates

The Company reviews the investments in subsidiaries and associates for impairment when there is an indication of impairment and assesses the impairment of receivables on the amounts owing by subsidiaries and associates when the receivables are long outstanding.

The recoverable amounts of the investments in subsidiaries and associates and amounts owing by subsidiaries and associates are assessed by reference to the value in use of the respective subsidiaries and associates.

The value in use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries and associates discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to reflect their income and cash flows. Judgement had also been used to determine the discount rate for the cash flows and the future growth of the businesses of the subsidiaries.

(e) Write down for obsolete or slow moving inventories

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

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

6.3 Key sources of estimation uncertainty (continued)

(f) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits would be available against which the losses and capital allowances could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based upon the likely timing and extent of future taxable profits together with future tax planning strategies.

(g) Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses based on interpretation of tax laws and legislations during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.

(h) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interests rates available to the Group based on its size and its business.

(i) Fair value measurements

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable.

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures these elements in the financial statements at fair value:

(i) Derivative financial instruments, Note 13 to the financial statements; and

(ii) Financial instruments, Note 37 to the financial statements.

7. PROPERTY, PLANT AND EQUIPMENT

Group 2015	Balance as at 1.1.2015 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Balance as at 31.12.2015 RM'000
At cost					
Freehold land	2,522	-	-	-	2,522
Buildings	2,740	-	-	-	2,740
Alarm and security system	607	142	(5)	(21)	723
Computers	5,154	437	(30)	(69)	5,492
Furniture and fittings	15,245	5,194	(336)	(739)	19,364
Hearing equipment	30	-	-	-	30
Lab tools and equipment	2,659	-	-	-	2,659
Motor vehicles	4,680	29	(129)	-	4,580
Office equipment	1,259	168	(128)	(59)	1,240
Optical equipment	10,664	2,224	(24)	(64)	12,800
Renovation and electrical installations	13,339	2,518	(800)	(681)	14,376
Signboards	1,042	237	(28)	(44)	1,207
Restaurant equipment	1,087	35	(612)	(2)	508
Bakery equipment	8,263	43	-	(1)	8,305
	69,291	11,027	(2,092)	(1,680)	76,546

Group 2015	Balance as at 1.1.2015 RM'000	Charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Impairment loss RM'000	Balance as at 31.12.2015 RM'000
Accumulated depreciation and impairment loss						
Buildings	254	64	-	-	-	318
Alarm and security system	382	87	(3)	(27)	16	455
Computers	4,531	439	(25)	(67)	-	4,878
Furniture and fittings	5,744	1,980	(126)	(416)	-	7,182
Hearing equipment	13	3	-	-	-	16
Lab tools and equipment	2,093	101	-	-	-	2,194
Motor vehicles	3,419	399	(79)	-	-	3,739
Office equipment	836	156	(81)	(23)	-	888
Optical equipment	5,920	870	(21)	(53)	-	6,716
Renovation and electrical installations	5,911	1,842	(336)	(584)	616	7,449
Signboards	736	124	(18)	(40)	21	823
Restaurant equipment	198	107	(189)	(1)	-	115
Bakery equipment	1,406	808	-	-	-	2,214
	31,443	6,980	(878)	(1,211)	653	36,987

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2014	Balance as at 1.1.2014 RM'000	Additions RM'000	Reclassification RM'000	Disposals RM'000	Written off RM'000	Balance as at 31.12.2014 RM'000
At cost						
Freehold land	2,522	-	-	-	-	2,522
Buildings	2,740	-	-	-	-	2,740
Alarm and security system	555	112	-	(2)	(58)	607
Computers	4,970	315	-	(13)	(118)	5,154
Furniture and fittings	11,777	4,369	-	(98)	(803)	15,245
Hearing equipment	30	-	-	-	-	30
Lab tools and equipment	2,659	-	-	-	-	2,659
Motor vehicles	4,658	688	-	(666)	-	4,680
Office equipment	1,233	73	-	-	(47)	1,259
Optical equipment	9,644	1,066	-	(46)	-	10,664
Renovation and electrical installations	11,751	2,820	-	(65)	(1,167)	13,339
Signboards	1,002	146	-	(11)	(95)	1,042
Restaurant equipment	930	156	1	-	-	1,087
Bakery equipment	7,454	816	(1)	(6)	-	8,263
	61,925	10,561	-	(907)	(2,288)	69,291

Group 2014	Balance as at 1.1.2014 RM'000	Charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Impairment loss RM'000	Balance as at 31.12.2014 RM'000
Accumulated depreciation and impairment loss						
Buildings	190	64	-	-	-	254
Alarm and security system	313	79	(1)	(36)	27	382
Computers	4,048	608	(9)	(116)	-	4,531
Furniture and fittings	4,555	1,595	(43)	(363)	-	5,744
Hearing equipment	10	3	-	-	-	13
Lab tools and equipment	1,992	101	-	-	-	2,093
Motor vehicles	3,718	367	(666)	-	-	3,419
Office equipment	705	175	-	(44)	-	836
Optical equipment	5,164	774	(18)	-	-	5,920
Renovation and electrical installations	4,231	1,783	(32)	(577)	506	5,911
Signboards	689	116	(8)	(70)	9	736
Restaurant equipment	92	106	-	-	-	198
Bakery equipment	613	794	(1)	-	-	1,406
	26,320	6,565	(778)	(1,206)	542	31,443

7. PROPERTY, PLANT AND EQUIPMENT (continued)

	Group 2015 RM'000	Group 2014 RM'000
Carrying amount		
Freehold land	2,522	2,522
Buildings	2,422	2,486
Alarm and security system	268	225
Computers	614	623
Furniture and fittings	12,182	9,501
Hearing equipment	14	17
Lab tools and equipment	465	566
Motor vehicles	841	1,261
Office equipment	352	423
Optical equipment	6,084	4,744
Renovation and electrical installations	6,927	7,428
Signboards	384	306
Restaurant equipment	393	889
Bakery equipment	6,091	6,857
	39,559	37,848

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

	Group 2015 RM'000	Group 2014 RM'000
Purchase of property, plant and equipment	11,027	10,561
Financed by hire-purchase arrangements	(2,720)	(6,263)
Financed by term-loan arrangements	(3,153)	-
Cash payments on purchase of property, plant and equipment	5,154	4,298

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

	Group 2015 RM'000	Group 2014 RM'000
Impairment loss on property, plant and equipment	993	542
Reversal of impairment loss on property, plant and equipment	(340)	-
	653	542

7. PROPERTY, PLANT AND EQUIPMENT (continued)

(c) As at 31 December 2015, the carrying amounts of property, plant and equipment of the Group acquired under hire-purchase arrangements are as follows:

	Group	
	2015 RM'000	2014 RM'000
Alarm and security system	69	62
Furniture and fittings	5,374	3,978
Lab tools and equipment	422	488
Motor vehicles	813	1,259
Office equipment	81	146
Optical equipment	548	215
Renovation and electrical installations	3,263	3,247
Signboards	194	145
Restaurant equipment	154	394
Bakery equipment	2,918	3,309
	13,836	13,243

Details of the terms and conditions of the hire-purchase arrangements are disclosed in Notes 19 and 37 to the financial statements respectively.

(d) The carrying amounts of property, plant and equipment of the Group pledged as securities for banking facilities granted to the Group (Notes 18, 21 and 25) are as follows:

	Group	
	2015 RM'000	2014 RM'000
Freehold land	2,522	2,522
Buildings	2,422	2,486
	4,944	5,008

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015 RM'000	2014 RM'000
At cost		
Unquoted shares	43,105	42,255
Less: Accumulated impairment losses	(134)	(134)
	42,971	42,121

8. INVESTMENTS IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Equity interest held by Company 2015 %	Company 2014 %	Subsidiary 2015 %	Subsidiary 2014 %	Principal activities
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.*	Malaysia	100	100	-	-	Operation of professional eye care centres, trading of eyewear and eye care products and investment holding
Sound Point Hearing Solution Sdn. Bhd.*	Malaysia	100	100	-	-	Trading of hearing aid solutions and related accessories
Multiple Reward Sdn. Bhd.*	Malaysia	100	100	-	-	Provision of food and beverages services
Excellent Reward Japanese Restaurants Sdn. Bhd.*	Malaysia	100	100	-	-	Dormant
Subsidiaries of Focus Point Vision Care Group Sdn. Bhd.						
Esprit Shoppe Sdn. Bhd.*	Malaysia	-	-	100	100	Dormant
Focus Point Vision Care Group (OC) Sdn. Bhd.*	Malaysia	-	-	100	100	Dormant
Opulence Optometry Sdn. Bhd.*	Malaysia	-	-	100	100	Dormant
Radiant Attraction Sdn. Bhd.*	Malaysia	-	-	100	100	Dormant
Eye-Zed Sdn. Bhd.*	Malaysia	-	-	100	100	Dormant
Truesight Eyewear Optical Sdn. Bhd.*	Malaysia	-	-	60	60	Retailing of optical and and related products
Care Point Optical Sdn. Bhd.*	Malaysia	-	-	100	100	Ceased operations on 30 Nov 2014 and has since remained dormant

8. INVESTMENTS IN SUBSIDIARIES (continued)

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

Name of company	Country of incorporation	Equity interest held by Company 2015 %	Company 2014 %	Subsidiary 2015 %	Subsidiary 2014 %	Principal activities
Subsidiary of Multiple Reward Sdn. Bhd.						
Original Reward Sdn. Bhd.*	Malaysia	-	-	51	51	Provision of food and beverages services
Subsidiary of Esprit Shoppe Sdn. Bhd.						
Optolab Sdn. Bhd.*	Malaysia	-	-	60	-	Trading of medical products including medical equipment and devices

* Audited by BDO

(a) During the financial year:

(i) The Company subscribed for an additional 850,000 ordinary shares of RM1.00 each in Multiple Reward Sdn. Bhd. ('MRSB') which was satisfied by the capitalisation of RM850,000 owing by MRSB. Consequently, there was no change in the effective equity interest held by the Company in MRSB.

(ii) On 13 March 2015, a wholly-owned subsidiary, Esprit Shoppe Sdn. Bhd. ('ESSB'), incorporated a subsidiary known as Optolab Sdn. Bhd. ('OSB') with an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each and its paid up share capital is RM50,000 divided into 50,000 ordinary shares of RM1.00 each. ESSB has subscribed for 30,000 ordinary shares of RM1.00 each in OSB for a cash consideration of RM30,000. Following the share subscription, ESSB held 60% equity interests in OSB.

(b) In the previous financial year:

(i) The Company subscribed for an additional 100,000 ordinary shares of RM1.00 each of a wholly-owned subsidiary, Excelview Laser Eye Centre Sdn. Bhd. ('ELECSB'). The total cash consideration paid was RM100,000. Consequently, there was no change in the effective equity interest held by the Company in ELECSB.

(ii) The Company incorporated a wholly-owned subsidiary known as Excellent Reward Japanese Restaurants Sdn. Bhd. ('ERJRSB') with an initial authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each and its paid up share capital is RM2 divided into 2 ordinary shares of RM1.00 each. The total cash consideration paid was RM2.

(iii) A wholly-owned subsidiary, Focus Point Vision Care Group Sdn. Bhd. ('FPVCGSB'), acquired the remaining 10% equity interest comprising one(1) ordinary share of RM1.00 each in Care Point Optical Sdn. Bhd. ('CPOSB') from the minority shareholder. The total cash consideration paid was RM30,000. Arising therefrom, CPOSB became a wholly-owned subsidiary of FPVCGSB.

8. INVESTMENTS IN SUBSIDIARIES (continued)

(c) An impairment loss on investments in subsidiaries amounting to RM2 (2014: RM86,000) relating to a wholly-owned subsidiary, ERJRSB, has been recognised as the carrying amount of the investment was higher than its estimated recoverable amount.

(d) In one of the non wholly-owned subsidiaries, the non-controlling shareholders hold protective rights that in the event the Group intends to transfer its shares to any other third party at any point in time, the non-controlling interests shareholders are given the first right of refusal.

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

2015	**Truesight Eyewear Optical Sdn. Bhd.**	**Original Reward Sdn. Bhd.**	**Optolab Sdn. Bhd.**	**Total**
NCI percentage of ownership interest and voting interest	40%	49%	40%	
Carrying amount of NCI (RM'000)	(17)	(108)	15	(110)
Loss allocated to NCI (RM'000)	(22)	(104)	(5)	(131)

2014	**Truesight Eyewear Optical Sdn. Bhd.**	**Original Reward Sdn. Bhd.**	**Care Point Optical Sdn. Bhd.**	**Total**
NCI percentage of ownership interest and voting interest	40%	49%	-	
Carrying amount of NCI (RM'000)	4	(3)	-	1
Loss allocated to NCI (RM'000)	(40)	(15)	(9)	(64)

8. INVESTMENTS IN SUBSIDIARIES (continued)

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

2015	Truesight Eyewear Optical Sdn. Bhd. RM'000	Original Reward Sdn. Bhd. RM'000	Optolab Sdn. Bhd. RM'000
Assets and liabilities			
Non-current assets	66	500	5
Current assets	378	75	164
Non-current liabilities	-	-	(1)
Current liabilities	(487)	(795)	(130)
Net (liabilities)/assets	(43)	(220)	38
Results			
Revenue	915	1,033	311
Loss for the financial year	(55)	(213)	(12)
Total comprehensive loss	(55)	(213)	(12)
Cash flows from/(used in) operating activities	19	(157)	(68)
Cash flows (used in)/from investing activities	(1)	6	49
Cash flows (used in)/from financing activities	-	(32)	50
Net increase/(decrease) in cash and cash equivalents	18	(183)	31
Dividends paid to NCI	-	-	-

2014	Truesight Eyewear Optical Sdn. Bhd. RM'000	Original Reward Sdn. Bhd. RM'000
Assets and liabilities		
Non-current assets	87	591
Current assets	387	266
Non-current liabilities	(17)	(10)
Current liabilities	(446)	(854)
Net assets/(liabilities)	11	(7)

8. INVESTMENTS IN SUBSIDIARIES (continued)

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

2014	Truesight Eyewear Optical Sdn. Bhd. RM'000	Original Reward Sdn. Bhd. RM'000
Results		
Revenue	923	1,737
Loss for the financial year	(100)	(30)
Total comprehensive loss	(100)	(30)
Cash flows from operating activities	4	172
Cash flows used in investing activities	(14)	(147)
Net (decrease)/increase in cash and cash equivalents	(10)	25
Dividends paid to NCI	-	-

9. INVESTMENTS IN ASSOCIATES

	Group 2015 RM'000	Group 2014 RM'000
Unquoted shares, at cost	107	107
Less: Accumulated impairment losses	(79)	(79)
	28	28
Share of post-acquisition reserves, net of dividends received	657	562
	685	590

9. INVESTMENTS IN ASSOCIATES (continued)

The details of the associates are as follows:

Name of company	Country of incorporation	Equity interest held by Company 2015 %	Company 2014 %	Subsidiary 2015 %	Subsidiary 2014 %	Principal activities
Associates of Focus Point Vision Care Group Sdn. Bhd.						
Focus Point Vision Care Group (HP) Sdn. Bhd.*	Malaysia	-	-	35	35	Retailing of optical and related products
Green Ace Formation Sdn. Bhd.*	Malaysia	-	-	49	49	In the process of voluntary winding up
Zania Sdn. Bhd.*	Malaysia	-	-	20	20	Dormant

* Associates not audited by BDO

(a) The financial statements of the above associates are coterminous with those of the Group.

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

	Individually immaterial associates 2015 RM'000	Individually immaterial associates 2014 RM'000
Assets and liabilities		
Current assets	2,291	2,147
Non-current assets	2,091	2,131
Total assets	4,382	4,278
Current liabilities	1,546	1,542
Non-current liabilities	408	632
Total liabilities	1,954	2,174
Results		
Revenue	7,204	6,934
Profit for the financial year	922	845

9. INVESTMENTS IN ASSOCIATES (continued)

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

	Individually immaterial associates	
	2015	2014
	RM'000	RM'000
As at 31 December		
Share of net assets of the Group	685	590
Carrying amount in the statement of financial position	685	590
Share of results of the Group for the financial year ended 31 December		
Share of profit or loss of the Group	323	296
Share of other comprehensive income of the Group	-	-
Share of total comprehensive income of the Group	323	296
Other information		
Dividend received	228	123

10. DEFERRED TAX

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

	Group	
	2015	2014
	RM'000	RM'000
Balance as at 1 January	1,032	1,100
Recognised in profit or loss (Note 30)	311	(68)
Balance as at 31 December	1,343	1,032
Presented after appropriate offsetting:		
Deferred tax assets	(233)	(260)
Deferred tax liabilities	1,576	1,292
	1,343	1,032

10. DEFERRED TAX (continued)

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

Deferred tax liabilities of the Group	Property, plant and equipment 2015 RM'000	2014 RM'000
At 1 January	1,292	1,397
Recognised in profit or loss	284	(105)
At 31 December	1,576	1,292

Deferred tax assets of the Group	Deferred franchise fees RM'000	Others RM'000	Total RM'000
At 1 January 2015	(255)	(5)	(260)
Recognised in profit or loss	27	-	27
At 31 December 2015	(228)	(5)	(233)
At 1 January 2014	(286)	(11)	(297)
Recognised in profit or loss	31	6	37
At 31 December 2014	(255)	(5)	(260)

(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 2015 RM'000	2014 RM'000
Unused tax losses	3,467	2,564
Unabsorbed capital allowances	6,593	5,103
Other temporary differences	(3,380)	(3,351)
	6,680	4,316

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

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

11. TRADE AND OTHER RECEIVABLES

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Non-current				
Trade receivables				
Third parties	353	305	-	-
Other receivables				
Third parties	102	102	-	-
Less: Impairment losses	(102)	(102)	-	-
	-	-	-	-
	353	305	-	-
Current				
Trade receivables				
Third parties	7,026	7,222	-	-
Amount owing by an associate	246	184	-	-
	7,272	7,406	-	-
Less: Impairment losses				
- Third parties	(794)	(794)	-	-
	6,478	6,612	-	-
Other receivables				
Third parties	3,383	2,825	-	-
Amounts owing by subsidiaries	-	-	1,565	860
Amounts owing by associates	11	8	-	-
	3,394	2,833	1,565	860
Less: Impairment losses				
- Third parties	(137)	(137)	-	-
- Associates	(4)	(4)	-	-
	3,253	2,692	1,565	860
Deposits	11,825	10,345	4	4
Loans and receivables	21,556	19,649	1,569	864
Prepayments	3,342	1,915	-	-
	24,898	21,564	1,569	864

(a) Trade receivables are non-interest bearing and the normal credit terms granted by the Group and the Company range from cash terms to 75 days (2014: cash terms to 75 days) from date of invoice. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

11. TRADE AND OTHER RECEIVABLES (continued)

(b) Included in trade receivables of the Group are amounts owing by franchisees for the sales of initial stocks and fixed assets by the Group amounting to RM560,000 (2014: RM1,169,000) which are subject to interest ranging from Nil to 10.00% (2014: Nil to 10.00%); of which an amount of RM207,000 (2014: RM864,000) is current.

(c) Included in other receivables of the Group are amounts owing by franchisees for the disposal of fixed assets by the Group amounting to RM184,000 (2014: RM184,000) which are subject to interest ranging from Nil to 10.00% (2014: Nil to 10.00%); of which an amount of RM82,000 (2014: RM82,000) is current.

(d) Included in other receivables of the Group are amounts owing by trade suppliers of RM2,674,000 (2014: RM2,370,000) after netting of purchase rebates receivable during the financial year which are unsecured, interest-free and payable in cash and cash equivalents.

(e) Amounts owing by subsidiaries represent balances arising from non-trade transactions and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

(f) Amounts owing by associates represent balances arising from trade transactions and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents. The trade transactions are subject to normal trade terms.

(g) Included in deposits of the Group are tenant deposits amounting to RM11,656,000 (2014: RM10,175,000), which are in respect of the rental of business premises in accordance with rental agreements.

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
United States Dollar	424	68	-	-
Hong Kong Dollar	17	-	-	-
Singapore Dollar	1	1	-	-
Ringgit Malaysia	21,467	19,885	1,569	864
	21,909	19,954	1,569	864

11. TRADE AND OTHER RECEIVABLES (continued)

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

	Group	
	2015	**2014**
	RM'000	**RM'000**
Neither past due nor impaired	5,760	6,136
Past due, not impaired		
76 to 105 days	150	301
106 to 135 days	260	48
136 to 165 days	201	116
More than 165 days	460	316
	1,071	781
Past due and impaired	794	794
	7,625	7,711

Receivables that are neither past due nor impaired

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

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM1,071,000 (2014: RM781,000) that are past due but not impaired. Trade receivables that are past due but not impaired possess high creditworthiness and good payment records. The Group closely monitors the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

Receivables that are past due and impaired

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

	Individually impaired	
	2015	**2014**
Group	**RM'000**	**RM'000**
Trade receivables, gross	794	794
Less: Impairment losses	(794)	(794)
	-	-

11. TRADE AND OTHER RECEIVABLES (continued)

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

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

	Group 2015 RM'000	Group 2014 RM'000
Trade receivables		
At 1 January	794	794
Charge for the financial year	-	-
At 31 December	794	794
Other receivables		
At 1 January	243	189
Charge for the financial year (Note 29)	-	54
At 31 December	243	243

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

(j) Information of financial risks of trade and other receivables is disclosed in Note 38 to the financial statements.

12. INVENTORIES

	Group 2015 RM'000	Group 2014 RM'000
At cost		
Optical and related products	45,551	36,674
Food and beverages	537	663
Operation consumables	42	20
	46,130	37,357
At net realisable value		
Optical and related products	10	10
Hearing aids and related accessories	*	*
	10	10
	46,140	37,367

* *Represents RM33 (2014 : RM34)*

12. INVENTORIES (continued)

(a) The Group has written off inventories which amounted to RM437,000 (2014: RM454,000) and has written down slow-moving inventories to their net realisable value which amounted to RM364,000 (2014: RM463,000) during the financial year and are included in cost of sales.

(b) The Group reversed RM156,000 (2014: Nil) in respect of inventories written down in previous financial years, which were subsequently not required as the Group was able to sell those inventories above their carrying amounts.

13. DERIVATIVE ASSETS/(LIABILITIES)

31 December 2015	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
Group			
Forward currency contracts	1,854	7	(55)

(a) Forward currency contracts have been entered into to operationally hedge forecast purchases denominated in foreign currencies that are expected to occur at various dates within three(3) months from the end of reporting period. The forward currency contracts have maturity dates that coincides with the expected occurrence of these transactions. The fair value of these components has been determined by reference to the difference between the contracted rate and the forward exchange rate as at the end of each reporting period applied to a contract of similar amount and maturity profile.

(b) The net loss on fair value adjustments or derivative assets/(liabilities) of the Group is RM48,000 (2014: Nil) as disclosed in Note 29 to the financial statements.

14. CASH AND BANK BALANCES

Cash and bank balances comprise the following as at the end of the reporting period:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances	4,590	4,360	18	236
Fixed deposits with licensed banks	7,209	7,310	-	-
	11,799	11,670	18	236

(a) Fixed deposits with licensed banks of the Group and of the Company have maturity periods of 30 days to 365 days (2014: 30 days to 365 days) with interest rates ranging from 3.10% to 3.30% (2014: 3.00% to 3.30%) per annum respectively.

(b) Included in fixed deposits with licensed banks of the Group are RM6,659,000 (2014: RM6,730,000) pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Notes 18, 20 and 21 to the financial statements.

14. CASH AND BANK BALANCES (continued)

(c) All cash and bank balances are denominated in RM.

(d) Information on financial risks of cash and bank balances is disclosed in Note 38 to the financial statements.

(e) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and bank balances	11,799	11,670	18	236
Less:				
Bank overdrafts included in borrowings (Note 20)	(5,317)	(5,520)	-	-
Fixed deposits pledged to licensed banks with original maturity of twelve(12) months	(6,659)	(6,730)	-	-
	(177)	(580)	18	236

15. SHARE CAPITAL

	Group and Company			
	2015		2014	
	Number of ordinary shares	**RM'000**	**Number of ordinary shares**	**RM'000**
Ordinary shares of RM0.20 each:				
As at 1 Jan/31 Dec				
Authorised	250,000,000	50,000	250,000,000	50,000
Issued and fully paid-up	165,000,000	33,000	165,000,000	33,000

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 Company's residual assets.

16. RESERVES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-distributable:				
Share premium	7,096	7,096	7,096	7,096
Distributable:				
Retained earnings	13,987	12,656	3,193	2,498
	21,083	19,752	10,289	9,594

17. BORROWINGS

	Group	
	2015 RM'000	2014 RM'000
Current liabilities		
Term loans – secured (Note 18)	1,817	1,262
Hire-purchase liabilities (Note 19)	4,193	4,174
Bank overdrafts – secured (Note 20)	5,317	5,520
Bankers' acceptances – secured (Note 21)	15,122	9,906
	26,449	20,862
Non-current liabilities		
Term loans – secured (Note 18)	2,539	1,314
Hire-purchase liabilities (Note 19)	3,548	4,969
	6,087	6,283
Total borrowings		
Term loans – secured (Note 18)	4,356	2,576
Hire-purchase liabilities (Note 19)	7,741	9,143
Bank overdrafts – secured (Note 20)	5,317	5,520
Bankers' acceptances – secured (Note 21)	15,122	9,906
	32,536	27,145

All borrowings are denominated in RM.

18. TERM LOANS (SECURED)

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

(i) a corporate guarantee from the Company;

(ii) a charge over the Group's freehold land and buildings as disclosed in Note 7(d) to the financial statements; and

(iii) a charge over the Group's fixed deposits of RM6,659,000 (2014: RM6,730,000) as disclosed in Note 14(b) to the financial statements.

(b) The term loans of the Group bear interest ranging from 5.00% to 8.10% (2014: 5.25% to 8.10%) per annum respectively.

(c) The term loans are repayable by equal monthly instalments ranging from 31 to 90 months.

(d) A significant covenant for the secured term loans is that the gearing ratio of a subsidiary shall not exceed 3.0 times throughout the tenure of the facilities in relation to the term loans amounting to RM155,000 (2014: RM263,000) of the subsidiary.

(e) Information on financial risks of term loans and their remaining maturities is disclosed in Note 38 to the financial statements.

19. HIRE-PURCHASE LIABILITIES

	Group	
	2015	**2014**
	RM'000	**RM'000**
Minimum hire-purchase payments		
- not later than one(1) year	4,721	4,682
- later than one(1) year and not later than five(5) years	4,011	5,577
Total minimum hire-purchase payments	8,732	10,259
Less: Future interest charges	(991)	(1,116)
Present value of hire-purchase liabilities	7,741	9,143
Repayable as follows:		
Current liabilities:		
- not later than one(1) year	4,193	4,174
Non-current liabilities:		
- later than one(1) year and not later than five(5) years	3,548	4,969
	7,741	9,143

19. HIRE-PURCHASE LIABILITIES (continued)

(a) Hire-purchase facilities of the Group are secured by:

(i) a corporate guarantee from the Company; and

(ii) a charge over the Group's property, plant and equipment as disclosed in Note 7(c) to the financial statements.

(b) Hire-purchase liabilities of the Group bear interest ranging from 4.44% to 8.38% (2014: 4.44% to 8.37%) per annum.

(c) Information on financial risks of hire-purchase liabilities is disclosed in Note 38 to the financial statements.

20. BANK OVERDRAFTS (SECURED)

(a) Bank overdrafts of the Group are secured by:

(i) a corporate guarantee from the Company;

(ii) a charge over the Group's fixed deposits of RM6,659,000 (2014: RM6,730,000) as disclosed in Note 14(b) to the financial statements.

(b) The bank overdrafts of the Group bear interest at 7.85% (2014: 7.73%) per annum.

(c) A significant covenant for the secured bank overdrafts is that the gearing ratio of a subsidiary shall not at any time exceed 1.5 times throughout the tenure of the credit facilities granted in relation to the bank overdrafts amounting to RM2,701,000 (2014: RM3,368,000).

21. BANKERS' ACCEPTANCES (SECURED)

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

(i) a corporate guarantee by the Company;

(ii) a charge over the Group's freehold land and buildings as disclosed in Note 7(d) to the financial statements; and

(iii) a charge over the Group's fixed deposits of RM6,659,000 (2014: RM6,730,000) as disclosed in Note 14(b) to the financial statements.

(b) The bankers' acceptances of the Group bear interest ranging from 4.42% to 7.35% (2014: 4.75% to 5.40%) per annum.

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade payables				
Third parties	20,293	14,362	-	-
Other payables and accruals				
Other payables				
- Third parties	3,805	2,687	-	-
- Amounts owing to associates	24	24	-	-
- Amounts owing to Directors	420	699	-	-
- Amounts owing to related parties	24	16	-	-
- Amounts owing to subsidiaries	-	-	1,222	576
Deposits received	3,090	3,550	-	-
Accruals	5,348	4,846	50	56
	12,711	11,822	1,272	632
	33,004	26,184	1,272	632

(a) Trade payables are non-interest bearing and the normal credit terms granted to the Group by suppliers range from 30 to 90 days (2014: 30 to 90 days) from date of invoice.

(b) Amounts owing to associates represent balances arising from payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

(c) Amounts owing to Directors represent advances, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

(d) Amounts owing to related parties represent balances arising from non-trade transactions, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

(e) Amounts owing to subsidiaries represent advances, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

(f) Included in deposits received of the Group are tenant deposits received from franchisees and retail customers amounting to RM1,947,000 (2014: RM2,495,000), which are in respect of the rental of business premises in accordance with rental agreements.

(g) Included in deposits received of the Group are sinking funds amounting to RM1,021,000 (2014: RM990,000), which is in respect of funds received from the franchisees for the repair and maintenance of the franchise outlets.

22. TRADE AND OTHER PAYABLES (continued)

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

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
European Euro	1,563	1,802	-	-
United States Dollar	1,743	1,554	-	-
Hong Kong Dollar	146	41	-	-
Japanese Yen	-	26	-	-
Singapore Dollar	587	122	-	-
Chinese Yuan	120	-	-	-
Ringgit Malaysia	28,845	22,639	1,272	632
	33,004	26,184	1,272	632

(i) Information of financial risks of trade and other payables is disclosed in Note 38 to the financial statements.

23. DEFERRED INCOME

	Group 2015 RM'000	Group 2014 RM'000
Balance as at 1 January	1,888	1,304
Franchise fees received during the financial year	517	1,110
Recognised as income during the financial year	(477)	(526)
Balance as at 31 December	1,928	1,888
Analysed as follows:		
Current liabilities:		
- not later than one(1) year	596	565
Non-current liabilities:		
- later than one(1) year and not later than five(5) years	1,332	1,323
	1,928	1,888

Deferred income of the Group represents franchise fees received in advance upon signing of franchise agreements.

24. COMMITMENTS

(a) Operating lease commitments

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

	Group	
	2015	**2014**
	RM'000	**RM'000**
Branches		
Not later than one(1) year	28,681	21,188
Later than one(1) year and not later than five(5) years	26,429	13,635
	55,110	34,823
Franchisees		
Not later than one(1) year	5,858	5,777
Later than one(1) year and not later than five(5) years	3,025	3,502
	8,883	9,279

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

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

(b) Capital commitments

	Group	
	2015	**2014**
	RM'000	**RM'000**
Capital expenditure in respect of purchase of property, plant and equipment:		
Contracted but not provided for	4,681	228

25. CONTINGENT LIABILITIES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Unsecured corporate guarantees given to licensed banks for facilities granted to subsidiaries				
- Limit of guarantee	-	-	58,597	56,464
- Amount utilised	-	-	32,536	27,145
Secured financial guarantee given to landlord for rental of premises	1,994	891	-	-

The secured financial guarantee of the Group is secured by way of the pledge of the freehold land and buildings of the Group as disclosed in Note 7 to the financial statements.

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

26. REVENUE

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Sale of goods	149,383	147,772	-	-
Services rendered	1,347	1,690	-	-
Franchise fees income	533	526	-	-
Licensing fees income	157	147	-	-
Royalty fees income	3,172	3,356	-	-
Dividend income from subsidiaries	-	-	1,000	5,950
	154,592	153,491	1,000	5,950

27. COST OF SALES

	Group	
	2015	2014
	RM'000	RM'000
Inventories sold	64,712	66,932
Services rendered	387	513
	65,099	67,445

28. FINANCE COSTS

	Group 2015 RM'000	Group 2014 RM'000
Interest expense on:		
- hire-purchase	615	477
- term loans	198	215
- bankers' acceptances	738	548
- bank overdrafts	274	256
- others	107	149
	1,932	1,645

29. PROFIT BEFORE TAX

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Profit before tax is arrived at after charging:					
Auditors' remuneration:					
- statutory audits		173	177	38	38
- other services		8	10	8	10
Bad debts written off		-	4	-	-
Depreciation of property, plant and equipment	7	6,980	6,565	-	-
Directors' remuneration paid and payable to the:					
- Directors of the Company		129	126	129	126
- Directors of the subsidiaries		3,237	3,237	-	-
Impairment losses on:					
- deposits paid		34	67	-	-
- investment in a subsidiary	8	-	-	*	86
- property, plant and equipment	7(b)	993	542	-	-
- trade and other receivables	11	-	54	-	-
Interest expense on:					
- hire-purchase		615	477	-	-
- term loans		198	215	-	-
- bankers' acceptances		738	548	-	-
- bank overdrafts		274	256	-	-
- others		107	149	-	-
Inventories written down	12	364	463	-	-
Inventories written off	12	437	454	-	-
Loss on disposal of property, plant and equipment		683	4	-	-
Property, plant and equipment written off	7	469	1,082	-	-
Realised loss on foreign currency transactions		743	205	-	-
Rental of premises		28,479	24,380	-	-
Net fair value loss on derivative	13(b)	48	-	-	-

29. PROFIT BEFORE TAX (continued)

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
And crediting:					
Gain on disposal of property, plant and equipment		17	220	-	-
Dividends received from subsidiaries (unquoted)		-	-	1,000	5,950
Interest income received from:					
- fixed deposits		296	197	2	7
- franchisees		133	172	-	-
- others		91	136	-	-
Realised gain on foreign currency transactions		217	198	-	-
Rental income		163	160	-	-
Reversal of impairment losses on property, plant and equipment	7(b)	340	-	-	-
Reversal of inventories previously written down	12	156	-	-	-

* *Represents RM2*

30. TAXATION

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Current tax expense based on profit for the financial year	2,923	2,918	-	2
Under-provision of tax in prior years	159	151	-	-
	3,082	3,069	-	2
Deferred tax (Note 10):				
Relating to origination and reversal of temporary differences	281	(86)	-	-
Effect of changes in tax rate	50	-	-	-
(Over)/Under-provision of tax in prior years	(20)	18	-	-
	311	(68)	-	-
	3,393	3,001	-	2

The Malaysian income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated taxable profits for the fiscal year. The Malaysian statutory tax rate will be reduced to twenty-four percent (24%) for the fiscal year of assessment 2016 onwards.

30. TAXATION (continued)

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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax	4,593	4,104	695	5,536
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	1,148	1,026	174	1,384
Tax effect in respect of:				
Non-allowable expenses	1,641	1,511	76	105
Non-taxable income	(152)	(304)	(250)	(1,487)
Effect of changes in tax rate	50	-	-	-
Deferred tax assets not recognised	567	599	-	-
	3,254	2,832	-	2
Under/(Over)-provision in prior years:				
- income tax	159	151	-	-
- deferred tax	(20)	18	-	-
	3,393	3,001	-	2

31. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

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

	Group	
	2015 RM'000	2014 RM'000
Profit attributable to equity holders of the parent	1,331	1,167
Weighted average number of ordinary shares in issue ('000)	165,000	165,000

	2015 Sen	2014 Sen
Basic earnings per ordinary share	0.81	0.71

31. EARNINGS PER SHARE (continued)

(b) Diluted earnings per ordinary share

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

32. DIVIDENDS

	Group and Company			
	2015		2014	
	Gross dividend per share Sen	Amount of dividend after tax RM'000	Gross dividend per share Sen	Amount of dividend after tax RM'000
In respect of financial year 2013				
Second interim single tier tax exempt dividend	-	-	1.0	1,650
In respect of financial year 2014				
First interim single tier tax exempt dividend	-	-	1.0	1,650
	-	-	2.0	3,300

A second interim single tier tax exempt dividend of 1.0 sen per ordinary share amounting to RM1,650,000 in respect of the financial year ended 31 December 2013 was declared on 25 February 2014 and paid to the shareholders on 30 April 2014.

A first interim single tier tax exempt dividend of 1.0 sen per ordinary share amounting to RM1,650,000 in respect of the financial year ended 31 December 2014 was declared on 28 August 2014 and paid to the shareholders on 21 November 2014.

The Directors do not recommend any dividend payment in respect of the financial year ended 31 December 2015.

33. ACQUISITION OF SUBSIDIARIES

(a) During the financial year:

(i) The Company subscribed for an additional 850,000 ordinary shares of RM1.00 each in Multiple Reward Sdn. Bhd. ('MRSB') which was satisfied by the capitalisation of RM850,000 owing by MRSB. Consequently, there was no change in the effective equity interest held by the Company in MRSB.

(ii) On 13 March 2015, a wholly-owned subsidiary, Esprit Shoppe Sdn. Bhd. ('ESSB'), incorporated a subsidiary known as Optolab Sdn. Bhd. ('OSB') with an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each and its paid up share capital is RM50,000 divided into 50,000 ordinary shares of RM1.00 each. ESSB has subscribed for 30,000 ordinary shares of RM1.00 each in OSB for a cash consideration of RM30,000. Following the share subscription, ESSB held 60% equity interests in OSB.

33. ACQUISITION OF SUBSIDIARIES (continued)

(b) In the previous financial year:

(i) The Company subscribed for an additional 100,000 ordinary shares of RM1.00 each of a wholly-owned subsidiary, Excelview Laser Eye Centre Sdn. Bhd. ('ELECSB'). The total cash consideration paid was RM100,000. Consequently, there was no change in the effective equity interest held by the Company in ELECSB.

(ii) The Company incorporated a wholly-owned subsidiary known as Excellent Reward Japanese Restaurants Sdn. Bhd. with an initial authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each and its paid up share capital is RM2 divided into 2 ordinary shares of RM1.00 each. The total cash consideration paid was RM2.

(iii) A wholly-owned subsidiary, Focus Point Vision Care Group Sdn. Bhd. ('FPVCGSB'), acquired the remaining 10% equity interest comprising one(1) ordinary share of RM1.00 each in Care Point Optical Sdn. Bhd. ('CPOSB') from the minority shareholder. The total cash consideration paid was RM30,000.

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

	2014 RM'000
Property, plant and equipment	200
Inventories	272
Trade and other receivables	72
Cash and cash equivalents	99
Trade and other payables	(955)
Total identifiable net liabilities	(312)
Less: Fair value of 90% equity interest held previously as subsidiary	281
Total identifiable net liabilities acquired (at 10%)	(31)
Purchase consideration settled in cash	(30)
	(61)

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

34. EMPLOYEE BENEFITS

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Wages, salaries and bonuses	32,353	33,021	129	126
Contributions to defined contribution plan	4,531	4,418	-	-
Social security contributions	400	394	-	-
Other benefits	5,700	6,123	-	-
	42,984	43,956	129	126

Included in the employee benefits of the Group and of the Company are Directors' remuneration amounting to RM3,366,000 (2014: RM3,363,000) and RM129,000 (2014: RM126,000) respectively.

35. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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

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) Companies in which certain Directors of the Company have substantial financial interest; and

(iv) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of the senior management of the Group.

35. RELATED PARTY DISCLOSURES (continued)

(b) Significant related party transactions

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Subsidiaries:				
Dividend received	-	-	1,000	5,950
Purchase of goods	-	-	(1)	(1)
Associate:				
Sale of goods	1,402	1,476	-	-
Licensing fee received/receivable	154	139	-	-
Dividend received	228	123	-	-
Companies in which a Director of the Company has substantial financial interests:				
Purchase of goods	(12)	(9)	-	-
Transportation services paid/payable	(16)	(17)	-	-
Rental paid/payable	(356)	(347)	-	-
Rental received/receivable	-	3	-	-
Sale of goods	-	2	-	-
Shareholders of a subsidiary:				
Interest expense on advances	(16)	(13)	-	-

The related party transactions described above were carried out based on negotiated terms and conditions and mutually agreed with related parties. The licensing fee received/receivable from an associate was charged at 2% (2014: 2%) of monthly gross sales while other licensees of the Group were charged at 5% (2014: 5%) of monthly gross sales.

Information regarding outstanding balances arising from related party transactions as at 31 December 2015 is disclosed in Notes 11 and 22 to the financial statements.

35. RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel

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

The remuneration of Directors and other key management personnel during the financial year were as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Short term employee benefits	3,022	3,019	129	126
Contributions to defined contribution plan	344	344	-	-
	3,366	3,363	129	126

36. OPERATING SEGMENTS

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

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

(i) Optical related products
Retailing of optical related products.

(ii) Franchise management
Management of franchised professional eye care centres.

(iii) Food and beverages
Provision of food and beverages services.

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

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

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.

36. OPERATING SEGMENTS (continued)

2015	Optical related products RM'000	Franchise management RM'000	Food and beverages RM'000	Others RM'000	Total RM'000
Revenue					
Total revenue	131,268	3,795	18,661	2,360	156,084
Inter-segment revenue	(396)	(51)	(45)	(1,000)	(1,492)
Revenue from external customers	130,872	3,744	18,616	1,360	154,592
Interest income	420	2	84	14	520
Finance costs	(1,504)	-	(414)	(14)	(1,932)
Net finance (expense)/income	(1,084)	2	(330)	-	(1,412)
Depreciation	4,597	-	2,274	109	6,980
Segment profit/(loss) before income tax	**12,010**	**189**	**(7,672)**	**806**	**5,333**
Share of profit of associates, net of tax	323	-	-	-	323
Tax expenses					(3,393)
Other material non-cash items:					
Impairment losses on property, plant and equipment	358	-	635	-	993
Impairment losses on deposits paid	-	-	34	-	34
Reversal of inventories previously written down	(156)	-	-	-	(156)
Inventories written down	364	-	-	-	364
Inventories written off	386	-	51	-	437
Property, plant and equipment written off	316	-	153	-	469
Net (gain)/loss on disposal of property, plant and equipment	(14)	-	680	-	666
Reversal of impairment loss on property, plant and equipment	(340)	-	-	-	(340)
Investments in associates	685	-	-	-	685
Additions to non-current assets other than financial instruments and deferred tax assets	10,583	-	442	2	11,027
Segment assets	106,228	1,504	14,336	1,373	123,441
Segment liabilities	57,452	2,572	7,274	225	67,523

36. OPERATING SEGMENTS (continued)

2014	Optical related products RM'000	Franchise management RM'000	Food and beverages RM'000	Others RM'000	Total RM'000
Revenue					
Total revenue	126,860	4,105	20,986	7,654	159,605
Inter-segment revenue	(70)	(76)	(18)	(5,950)	(6,114)
Revenue from external customers	126,790	4,029	20,968	1,704	153,491
Interest income	483	6	5	11	505
Finance costs	(1,146)	-	(471)	(28)	(1,645)
Net finance (expense)/income	(663)	6	(466)	(17)	(1,140)
Depreciation	4,162	-	2,290	113	6,565
Segment profit/(loss) before income tax	**10,087**	**476**	**(6,588)**	**5,776**	**9,751**
Share of profit of associates, net of tax	296	-	-	-	296
Tax expenses					(3,001)
Other material non-cash items:					
Impairment losses on property, plant and equipment	186	-	347	9	542
Impairment losses on trade and other receivables	-	-	54	-	54
Impairment losses on deposits paid	63	-	4	-	67
Inventories written down	445	-	-	18	463
Inventories written off	454	-	-	-	454
Property, plant and equipment written off	1,014	-	66	2	1,082
Net (gain)/loss on disposal of property, plant and equipment	(217)	-	1	-	(216)
Investments in associates	590	-	-	-	590
Additions to non-current assets other than financial instruments and deferred tax assets	7,890	-	2,652	19	10,561
Segment assets	86,985	1,598	19,003	1,758	109,344
Segment liabilities	42,261	2,702	9,816	438	55,217

36. OPERATING SEGMENTS (continued)

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

	2015 RM'000	2014 RM'000
Profit for the financial year		
Total profit or loss for reportable segments	5,333	9,751
Elimination of inter-segment profits	(740)	(5,647)
Profit before tax	4,593	4,104
Tax expense	(3,393)	(3,001)
Profit for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	1,200	1,103
Assets		
Total assets for reportable segments	123,441	109,344
Tax assets	294	363
Total assets of the Group per consolidated statement of financial position	123,735	109,707
Liabilities		
Total liabilities for reportable segments	67,523	55,217
Tax liabilities	2,239	1,737
Total liabilities of the Group per consolidated statement of financial position	69,762	56,954

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.

37. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy ratios in order to support its business operations and to provide fair returns for shareholders and benefits for other stakeholders. The overall strategy of the Group remains unchanged from the financial year ended 31 December 2014.

The Group manages its capital structure and makes adjustments to it, as deemed appropriate. In order to maintain or adjust the capital structure, the Group may, from time to time, adjust the dividend payout to shareholders, issue new shares and redeem debts, where necessary. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2015 and 31 December 2014.

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

	Group		**Company**	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Loans and borrowings	32,536	27,145	-	-
Trade and other payables	33,004	26,184	1,272	632
Total liabilities	65,540	53,329	1,272	632
Less: Cash and bank balances	(11,799)	(11,670)	(18)	(236)
Net debt	53,741	41,659	1,254	396
Total capital	54,083	52,752	43,289	42,594
Net debt	53,741	41,659	1,254	396
Equity	107,824	94,411	44,543	42,990
Gearing ratio (%)	49.8%	44.1%	2.8%	0.9%

Pursuant to the requirements of Guidance Note No. 3/2006 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the twenty-five percent (25%) of the issued and paid-up capital. The Group has complied with this requirement during the financial year ended 31 December 2015.

37. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments

Group	Loans and receivables RM'000	Fair value through profit or loss RM'000	Total RM'000
Financial assets			
2015			
Trade and other receivables, excluding prepayments	21,909	-	21,909
Derivative assets	-	7	7
Cash and bank balances	11,799	-	11,799
	33,708	7	33,715
2014			
Trade and other receivables, excluding prepayments	19,954	-	19,954
Cash and bank balances	11,670	-	11,670
	31,624	-	31,624
Financial liabilities			
2015			
Borrowings	32,536	-	32,536
Derivative liabilities	-	55	55
Trade and other payables	33,004	-	33,004
	65,540	55	65,595
2014			
Borrowings	27,145	-	27,145
Trade and other payables	26,184	-	26,184
	53,329	-	53,329

37. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments (continued)

Company	**2015 RM'000**	**2014 RM'000**
Financial assets		
Loans and receivables		
Trade and other receivables, excluding prepayments	1,569	864
Cash and bank balances	18	236
	1,587	1,100
Financial liabilities		
Other financial liabilities		
Trade and other payables	1,272	632

(c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

(i) Financial instruments that are not carried at fair values and whose carrying amounts are at reasonable approximation of fair values

The carrying amounts of financial assets and financial liabilities, such as trade and other receivables, trade and other payables and borrowings, are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced at market interest rates on or near the end of the reporting period.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

(ii) Hire-purchase liabilities

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

(iii) Trade receivables (amounts owing by franchisees including the sales of initial stocks and fixed assets) and long-term borrowings

The fair values of these financial instruments are estimated by discounting the expected future cash flows at market lending rates for similar types of lending, borrowing or leasing arrangements at the end of the reporting period. At the end of the reporting period, these amounts are carried at amortised costs and the carrying amounts approximate to their fair values.

(iv) Financial guarantee

The Group and the Company provide corporate guarantees to financial institutions for banking facilities granted to subsidiaries and, financial guarantee given to landlord for rental of premises. The fair value of such financial corporate guarantees is negligible as the probability of the Group defaulting on the financial facilities and rental payment is remote.

37. FINANCIAL INSTRUMENTS (continued)

(c) Methods and assumptions used to estimate fair value (continued)

(v) Derivatives

The fair value of a forward foreign exchange contract is the amount that would be payable or receivable upon termination of the outstanding position arising and is determined by reference to the difference between the contracted rate and the forward exchange rate as at the end of each reporting period applied to a contract of similar amount and maturity profile.

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(i) Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on Government bonds).

(ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For other borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The significant unobservable inputs used in determining the fair value measurement of Level 3 financial instruments as well as the relationship between key unobservable inputs and fair value, is detailed in the table below:

Financial instruments	Valuation technique used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Financial assets			
Trade and other receivables - Amount owing by franchisees	Discounted cash flows method	Discount rate (8% to 10%)	The higher the discount rate, the lower the fair value of the financial assets would be.

37. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
2015 Group	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**RM'000**	**RM'000**
Financial assets										
Financial assets at fair value through profit or loss										
Forward currency contracts	-	7	-	7	-	-	-	-	7	7
Loans and receivables										
Trade and other receivables	-	-	353	353	-	-	-	-	353	353
Financial liabilities										
Financial liabilities at fair value through profit or loss										
Forward currency contracts	-	55	-	55	-	-	-	-	55	55
Other financial liabilities										
Hire purchase and lease creditors	-	-	-	-	-	7,637	-	7,637	7,637	7,741

37. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position (continued).

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
2014 Group	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Total fair value RM'000**	**Carrying amount RM'000**
Financial assets										
Loans and receivables										
Trade and other receivables	-	-	305	305	-	-	-	-	305	305
Financial liabilities										
Other financial liabilities										
Hire purchase and lease creditors	-	-	-	-	-	9,002	-	9,002	9,002	9,143

Sensitivity analysis for Level 3 fair value measurements

The exposure to Level 3 fair value measurements arising from the financial instruments is not material, hence, sensitivity analysis is not presented.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(i) Foreign currency risk

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

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

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

The notional amount and maturity date of the forward currency contracts outstanding as at 31 December 2015 are as follows:

Contract	Expiry dates	Contract amount USD'000	Contract amount EUR'000	RM'000 equivalent
Contracts used to hedge anticipated payables	4 January 2016	6	-	27
	19 January 2016	61	-	270
	24 March 2016	115	-	499
	7 March 2016	17	-	74
	4 January 2016	-	101	515
	19 January 2016	-	30	144
	19 January 2016	-	28	133
	7 March 2016	-	42	192
		199	201	1,854

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(i) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit after tax to a reasonably possible change in the USD, EURO and SGD exchange rates against the functional currency of the Group, with all other variables held constant:

		Group	
		2015	**2014**
		RM'000	**RM'000**
Profit after tax			
USD/RM	- strengthen by 3%	-40	-45
	- weaken by 3%	+40	+45
EURO/RM	- strengthen by 3%	-47	-54
	- weaken by 3%	+47	+54
SGD/RM	- strengthen by 3%	-18	-4
	- weaken by 3%	+18	+4

Sensitivities of other foreign currencies are not disclosed as they are not material to the Group.

(ii) Interest rate risk

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

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

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity of the Group's profit after tax to a reasonably possible change in 100 basis points against interest rates, with all other variables held constant:

		Group	
		2015 RM'000 Profit after tax	2014 RM'000 Profit after tax
Fixed deposits	- 100 basis points higher	+54	+55
	- 100 basis points lower	-54	-55
Hire-purchase liabilities	- 100 basis points higher	-58	-69
	- 100 basis points lower	+58	+69
Bankers' acceptances	- 100 basis points higher	-113	-74
	- 100 basis points lower	+113	+74
Term loans	- 100 basis points higher	-33	-19
	- 100 basis points lower	+33	+19
Bank overdrafts	- 100 basis points higher	-40	-41
	- 100 basis points lower	+40	+41

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

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk:

Group	Note	Weighted average effective interest rate %	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
At 31 December 2015									
Fixed rates									
Fixed deposits with licensed banks	14	3.19	7,209	-	-	-	-	-	7,209
Hire-purchase liabilities	19	7.81	(4,193)	(2,873)	(595)	(80)	-	-	(7,741)
Floating rates									
Term loans	18	5.74	(1,817)	(584)	(550)	(536)	(869)	-	(4,356)
Bank overdrafts	20	7.85	(5,317)	-	-	-	-	-	(5,317)
Bankers' acceptances	21	5.01	(15,122)	-	-	-	-	-	(15,122)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk (continued):

Group	Note	Weighted average effective interest rate %	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
At 31 December 2014									
Fixed rates									
Fixed deposits with licensed banks	14	3.09	7,310	-	-	-	-	-	7,310
Hire-purchase liabilities	19	7.74	(4,174)	(3,154)	(1,546)	(188)	(81)	-	(9,143)
Floating rates									
Term loans	18	7.58	(1,262)	(1,177)	(98)	(39)	-	-	(2,576)
Bank overdrafts	20	7.73	(5,520)	-	-	-	-	-	(5,520)
Bankers' acceptances	21	4.87	(9,906)	-	-	-	-	-	(9,906)

(iii) Liquidity and cash flow risk

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

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

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Liquidity and cash flow risk (continued)

Analysis of financial instruments by remaining contractual maturities

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

2015 **Group**	**On demand or within one year RM'000**	**One to five years RM'000**	**Over five years RM'000**	**Total RM'000**
Financial liabilities				
Trade and other payables	33,004	-	-	33,004
Loans and borrowings	26,977	6,837	-	33,814
Total undiscounted financial liabilities	59,981	6,837	-	66,818
Company				
Financial liabilities				
Trade and other payables	1,272	-	-	1,272
Total undiscounted financial liabilities	1,272	-	-	1,272
2014				
Group				
Financial liabilities				
Trade and other payables	26,184	-	-	26,184
Loans and borrowings	21,516	6,946	-	28,462
Total undiscounted financial liabilities	47,700	6,946	-	54,646
Company				
Financial liabilities				
Trade and other payables	632	-	-	632
Total undiscounted financial liabilities	632	-	-	632

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iv) Credit risk

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

The Group's and the Company's exposure to credit risks, or the risk of counterparties defaulting, arises mainly from receivables and amounts owing by subsidiaries respectively. The Group's trading terms with its customers are mainly on credit except for walk-in customers at its branches. The credit period is generally for a period of 75 days (2014: 75 days). Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control officer to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Exposure to credit risk

As at 31 December 2015, other than the amounts owing by subsidiaries constituting approximately 100% (2014: 100%) of the total receivables of the Company, the Group does not have any significant concentration of credit risk related to any individual customer or counterparty. The Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 11 to the financial statements. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 11 to the financial statements.

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

During the financial year:

(i) The Company subscribed for an additional 850,000 ordinary shares of RM1.00 each in Multiple Reward Sdn. Bhd. ('MRSB') which was satisfied by the capitalisation of RM850,000 owing by MRSB. Consequently, there was no change in the effective equity interest held by the Company in MRSB.

(ii) On 13 March 2015, a wholly-owned subsidiary, Esprit Shoppe Sdn. Bhd. ('ESSB'), incorporated a subsidiary known as Optolab Sdn. Bhd. ('OSB') with an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each and its paid up share capital is RM50,000 divided into 50,000 ordinary shares of RM1.00 each. ESSB has subscribed for 30,000 ordinary shares of RM1.00 each in OSB for a cash consideration of RM30,000. Following the share subscription, ESSB held 60% equity interests in OSB.

40. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

The retained earnings as at the end of reporting period may be analysed as follows:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Total retained earnings of Focus Point Holdings Berhad and its subsidiaries				
- Realised	31,838	30,613	3,193	2,498
- Unrealised	(1,343)	(1,032)	-	-
	30,495	29,581	3,193	2,498
Total share of retained earnings from associates:				
- Realised	330	301	-	-
- Unrealised	(7)	(5)	-	-
	323	296	-	-
	30,818	29,877	3,193	2,498
Less: Consolidation adjustments	(16,831)	(17,221)	-	-
Total retained earnings as per consolidated accounts	13,987	12,656	3,193	2,498

as at 31 December 2015

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 1, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	5-storey shop office/ Head office/ Freehold	16	7,216	890	23.8.2001	2011
Unit 3, Block 1, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	5-storey shop office/ Head office/ Freehold	16	7,216	827	1.8.2000	2011
Unit 5-1, Block 1, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	Ground floor of a 5-storey shop office/ Head office/ Freehold	16	1,282	355	8.8.2007	2011
Unit 5-4, Block 1, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	3rd floor of a 5-storey shop office/ Head office/ Freehold	16	1,480	126	11.12.2009	2011
Unit 5-5, Block 1, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	4th floor of a 5-storey shop office/ Head office/ Freehold	16	1,487	224	15.9.2010	2010

ANALYSIS OF SHAREHOLDINGS AS AT 6 APRIL 2016

Authorised Share Capital	:	RM 50,000,000
Issued and Paid-up Share Capital	:	RM 33,000,000 divided into 165,000,000 ordinary shares of RM0.20 each
Class of share	:	Ordinary shares of RM0.20 each
Voting right	:	One vote per ordinary share

ANALYSIS BY SIZE OF HOLDINGS AS AT 6 APRIL 2016

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	11	1.700	300	0.000
100 - 1,000	127	19.629	82,800	0.050
1,001 - 10,000	238	36.785	1,385,000	0.839
10,001 - 100,000	217	33.539	7,832,400	4.747
100,001 - 8,249,999*	51	7.883	32,641,800	19.783
8,250,000 and above**	3	0.464	123,057,700	74.581
TOTAL	**647**	**100.000**	**165,000,000**	**100.000**

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

LIST OF TOP 30 HOLDERS AS AT 6 APRIL 2016

NO.	NAME	HOLDINGS	%
1	LIAW CHOON LIANG	75,843,001	45.965
2	PERBADANAN NASIONAL BERHAD	24,750,000	15.000
3	GOH POI EONG	22,464,699	13.615
4	WONG LEE SEONG	3,967,800	2.405
5	TAN YAN PIN	3,515,000	2.130
6	TEO KWEE HOCK	3,010,200	1.824
7	WAN SIEW TING	1,660,000	1.006
8	SIM AH HENG	1,538,400	0.932
9	HUNTERSVILLE (M) SDN BHD	1,471,600	0.892
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR SUSY DING*	1,139,000	0.690
11	JF APEX NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI*	1,111,500	0.674
12	HAN LONG CHEN	1,030,900	0.625
13	HO LEE LING	1,000,000	0.606
14	LAI YEU FUNG	927,000	0.562
15	HOH HON BING	800,000	0.485
16	ONG HUNG HENG	760,000	0.461
17	KOH ENG KHOON	746,000	0.452
18	ONG BOON SENG	630,000	0.382
19	WAN SIEW TING	610,000	0.370
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN BOON HOCK*	600,000	0.364

LIST OF TOP 30 HOLDERS AS AT 6 APRIL 2016 (continued)

NO.	NAME	HOLDINGS	%
21	TAN YAN PIN	518,000	0.314
22	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR LEOW MING FONG @ LEOW MIN FONG	500,000	0.303
23	LIM KIM SOW	500,000	0.303
24	WONG LAI HENG	463,000	0.281
25	VIVIEN LEE XIN RUI	405,400	0.246
26	GOH HOCK CHUAN	385,500	0.234
27	LIEW NGEK SIN	369,000	0.223
28	POH CHOO LIP	360,000	0.218
29	LUM SHEAU FEN	300,000	0.181
30	PON KOK FAI	300,000	0.181
Total		151,676,000	91.924

DIRECTORS' SHAREHOLDINGS AS AT 6 APRIL 2016 BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Name of Director	No. of Shares held (Direct)	%	No. of Shares held (Indirect)	%
Dato' Liaw Choon Liang	75,843,001	45.965	22,464,699*	13.615
Datin Goh Poi Eong	22,464,699	13.615	75,843,001**	45.965
Leow Ming Fong @ Leow Min Fong	500,000	0.303	-	-
Datin Sim Swee Yoke	10,000	0.006	-	-
Datuk Idris bin Hashim	-	-	-	-

* Deemed interest by virtue of the interest of his spouse, Datin Goh Poi Eong.
** Deemed interest by virtue of the interest of her spouse, Dato' Liaw Choon Liang.

SUBSTANTIAL SHAREHOLDERS AS AT 6 APRIL 2016 BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

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

* Deemed interest by virtue of the interest of his spouse, Datin Goh Poi Eong.
** Deemed interest by virtue of the interest of her spouse, Dato' Liaw Choon Liang.

NOTICE IS HEREBY GIVEN THAT the Seventh Annual General Meeting of Focus Point Holdings Berhad ("the Company") will be held at Greens II Function Room, Main Wing at Level 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 26 May 2016 at 10.00 a.m. to transact the following businesses:

A G E N D A

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 and the Reports of the Directors and Auditors thereon. **(Please refer to Note 2)**

2. To approve the payment of Directors' fees of RM128,500 for the financial year ended 31 December 2015. **(Resolution 1)**

3. To re-elect Dato' Liaw Choon Liang who retires pursuant to Article 85 of the Company's Articles of Association. **(Resolution 2)**

4. To re-elect Datin Sim Swee Yoke who retires pursuant to Article 92 of the Company's Articles of Association. **(Resolution 3)**

5. To re-appoint Messrs BDO as the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 4)**

Special Business

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

6. **ORDINARY RESOLUTION I**
AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors of the Company be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company unless revoked or varied by the Company at a general meeting." **(Resolution 5)**

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

"THAT pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiaries be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.3 of the Circular to Shareholders dated 29 April 2016 ("Related Parties") provided that such transactions and/or arrangements are:-

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

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

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

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by an ordinary resolution passed at such AGM, the authority is renewed; or
(b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but will not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
(c) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate." **(Resolution 6)**

(Continued)

8. SPECIAL RESOLUTION
PROPOSED AMENDMENT TO ARTICLES OF ASSOCIATION OF THE COMPANY

"THAT the following proposed amendment to the Articles of Association of the Company be approved and adopted:-

Article No.	Existing Article	Amended
144	A copy of the reports by the Directors and auditors of the Company, the profit and loss accounts, balance sheets and group accounts (if any) (including all documents required by law to be annexed or attached to all or any of them) shall be sent (not later than 6 months after the close of the financial year and at least 21 days before the general meeting at which they are to be laid) to all Members, holders of debentures and all other persons entitled to receive notices of general meetings under the Act or these Articles. The interval between the close of a financial year of the Company and the issue of the annual audited financial statements, the directors' and auditors' reports shall not exceed four(4) months. A copy of each such documents in printed form or in CD-ROM form or in such other form of electronic media, shall not less than twenty-one(21) days before the date of the meeting be sent to every member of and to every holder of debentures of the Company and to every other person who is entitled to receive notices from the Company under the provision of the Act or of these Articles. The requisite number of copies of each such documents as may be required by the Exchange or other stock exchange(s), if any, upon which the Company's shares may be listed, shall at the same time be likewise sent to the Exchange or other stock exchange(s) provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or outside Malaysia but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office of the Company. In the event that the annual report is sent in CD-ROM form or such form of electronic media and a Member requires a printed form of such documents, the Company shall send such documents to the Member within four(4) market days from the date of receipt of the Members' request or such period as may be prescribed by Bursa Securities.	A copy of the reports by the Directors and auditors of the Company, the profit and loss accounts, balance sheets and group accounts (if any) (including all documents required by law to be annexed or attached to all or any of them) shall be sent (not later than 4 months after the close of the financial year and at least 21 days before the general meeting at which they are to be laid) to all Members, holders of debentures and all other persons entitled to receive notices of general meetings under the Act or these Articles. A copy of each such documents in printed form or in CD-ROM form or in such other form of electronic media, shall not less than twenty-one(21) days before the date of the meeting be sent to every member of and to every holder of debentures of the Company and to every other person who is entitled to receive notices from the Company under the provision of the Act or of these Articles. The requisite number of copies of each such documents as may be required by the Exchange or other stock exchange(s), if any, upon which the Company's shares may be listed, shall at the same time be likewise sent to the Exchange or other stock exchange(s) provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or outside Malaysia but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office of the Company. In the event that the annual report is sent in CD-ROM form or such form of electronic media and a Member requires a printed form of such documents, the Company shall send such documents to the Member within four(4) market days from the date of receipt of the Members' request or such period as may be prescribed by Bursa Securities.

(Resolution 7)

9. To consider any other business at which due notice shall be given in accordance with the Companies Act, 1965.

BY ORDER OF THE BOARD

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

Kuala Lumpur

Date: 29 April 2016

NOTES:

1. **Notes on Appointment of Proxy**

(a) A member entitled to attend and vote at the Meeting is entitled to appoint proxy(ies) (or in case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(b) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Seal or under the hand of an officer or attorney duly authorised.

(c) A member shall be entitled to appoint not more than two(2) proxies to attend and vote at the same meetings and that where the member appoints 2 proxies, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

(d) Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two(2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(e) Where a Member of the Company is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one(1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(f) Where the authorised nominee appoints two(2) proxies or an exempt authorised nominee appoints two(2) or more proxies, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(g) The instrument appointing a proxy must be deposited at the Share Registrar of the Company at Tricor Investor Services Sdn Bhd (118401-V), Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight(48) hours before the time for holding the meeting i.e. on or before 10.00 a.m., Tuesday, 24 May 2016. Provided that in the event the Member(s) duly executes the form of proxy but does not name any proxy, such Member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the Member(s).

(h) Only the member whose names appear on the Record of Depositors as at 18 May 2016 shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend and vote on their behalf.

(Continued)

2. **Audited Financial Statements for the year ended 31 December 2015**

   The Audited Financial Statement in Agenda 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

3. **Ordinary Resolution 3 - Re-election of Director**

   The Board had carried out assessment on the contribution and performance as well as the independence of the Independent Director standing for re-election and satisfied that she meets the criteria of independence as prescribed in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

4. **Explanatory Notes on Special Business**

   (i) Resolution No. 5 – Authority to Issue Shares

   The proposed Resolution 5 is prepared for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors to issue shares in the Company up to an amount not exceeding in total per centum (10%) of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company.

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

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

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

   (ii) Resolution No. 6 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature

   The Resolution 6, if passed, will allow the Group to enter into RRPT made on an arm's length basis and on normal commercial terms and which are not detrimental to the interest of the minority shareholders. Please refer to the Circular to Shareholders dated 29 April 2016 enclosed together with the Company's Annual Report 2015.

   (iii) Resolution No. 7 – Proposed Amendments to the Articles of Association of the Company

   The proposed amendments to the Articles of Association of the Company is to bring the Articles of Association of the Company to be in line with the amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and to enhance administrative efficiency.

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

Authority for Directors to Issue Shares Pursuant to Section 132D of the Companies Act, 1965

Kindly refer to item (4)(i) of the Explanatory Notes on Special Business at page 144.

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FOCUS POINT HOLDINGS BERHAD (884238-U)

(Incorporated in Malaysia)

FORM OF PROXY

I/We ____ *NRIC No./Passport No./Company No. ____________________

of ____ being *a member/members of

Focus Point Holdings Berhad hereby appoint ____

*NRIC No./Passport No. ________________________ of ____

or failing him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Seventh Annual General Meeting of the Company to be held at Greens II Function Room, Main Wing at Level 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 26 May 2016 at 10.00 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below :

Item	Agenda			
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2015 and the Reports of Directors and Auditors thereon.			
		Resolution	For	Against
2.	To approve the payment of Directors' fees of RM128,500 for the financial year ended 31 December 2015.	1		
3.	To re-elect Dato' Liaw Choon Liang as Director who retires pursuant to Article 85 of the Company's Articles of Association.	2		
4.	To re-elect Datin Sim Swee Yoke as Director who retires pursuant to Article 92 of the Company's Articles of Association.	3		
5.	To re-appoint Messrs BDO as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	4		
	Special Business			
6.	To approve the Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965.	5		
7.	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue of Trading Nature.	6		
8.	To approve the Proposed Amendment to Articles of Association.	7		

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

Dated this day ________________ of _________________ 2016

Number of ordinary shares held	

____

* Signature/Common Seal of Shareholder

** Delete if not applicable*

Notes:

(a) A member entitled to attend and vote at the Meeting is entitled to appoint proxy(ies) (or in case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(b) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Seal or under the hand of an officer or attorney duly authorised.

(c) A member shall be entitled to appoint not more than two(2) proxies to attend and vote at the same meetings and that where the member appoints 2 proxies, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

(d) Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two(2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(e) Where a Member of the Company is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one(1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(f) Where the authorised nominee appoints two(2) proxies or an exempt authorised nominee appoints two(2) or more proxies, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(g) The instrument appointing a proxy must be deposited at the Share Registrar of the Company at Tricor Investor Services Sdn Bhd (118401-V), Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight(48) hours before the time for holding the meeting i.e. on or before **10.00 a.m., Tuesday, 24 May 2016.** Provided that in the event the Member(s) duly executes the form of proxy but does not name any proxy, such Member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the Member(s).

(h) Only the member whose names appear on the Record of Depositors as at 18 May 2016 shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend and vote on their behalf.

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AFFIX
STAMP
HERE

The Share Registrar

Tricor Investor Services Sdn Bhd (118401-V)
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

(fold here)

FOCUS POINT

Focus Point Holdings Berhad (884238-U)
Unit 1,3 & 5, Jalan PJU 1/37, Dataran Prima
47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Tel: 03-7880 5520 Fax: 03-7880 5530