

FOCUS POINT

FOCUS POINT HOLDINGS BERHAD
200901041088 (884238-U)



ANNUAL REPORT 2020

Corporate Office

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

Tel: 03-7880 5520 | Fax: 03-7880 5530

Central

163 Retail Park Mont Kiara	03-2771 0931
AEON Alpha Angle	03-4142 0478
AEON Bukit Raja	03-3341 4006
AEON Cheras Selatan	03-9075 3975
AEON Metro Prima Kepong	03-6259 0235
AEON Rawang	03-6092 0843
Alamanda Putrajaya	03-8889 3093
Ampang Point	03-4252 0758
Axis Atrium	03-9281 2449
Bukit Tinggi	03-3323 0349
Central I-City	03-5523 4589
Eko Cheras	03-9133 7797
Encorp Strand Mall	03-6143 5822
Giant Batu Caves	03-6188 4799
Giant Kajang	03-8733 3714
Giant Klang	03 3323 5195
Giant Putra Heights	03-5191 5197
Giant Seri Kembangan	018-788 9908
Gombak	03-4021 1341
IOI City Mall Putrajaya	03-8959 9346
IOI Mall Puchong	03-8075 7556
Kajang	03 8736 0220
Kelana Jaya	03-7804 3013
Klang Parade	03-3343 5850
KL East Mall	03-4162 5879
Leisure Mall	03-2856 0510
Mid Valley Megamall	03-2287 3790
MyTown Shopping Centre	03-2710 4980
Nu Sentral	03-2272 2073
One Utama	03-7722 1266
Paradigm Mall	03-7887 1078
PJ Old Town	03-7781 5341
Plaza Shah Alam	03-5891 0535
Rawang	03-6092 2599
Seksyen 14 PJ	03-7960 2726
Selayang Mall	03-6136 9566
Setapak Central	03-4131 8977
Setia City Mall	03-3345 6510
Sky Avenue Genting	03-6101 2039
Sri Gombak	03-6186 7721
Sri Hartamas	03-6143 8828
SS2	03-7873 6220
Subang Parade	03-5622 1458
Sungai Buloh	03-6141 0976
Sunway Giza	03-6143 4472
Sunway Putra Mall	03-4040 0759
Sunway Pyramid	03-7494 0480
Sunway Velocity	03-2725 9263
Taman Putra	03-4296 2310
Tesco Ampang	03-9285 7767
Tesco Extra Cheras	03-9133 5130
Tesco Kepong	03-6273 4010
Tesco Kuala Selangor	03-3289 6418
Tesco Rawang	03-6091 4809
Tesco Shah Alam	03-5512 1686
The Curve	03-7727 9852
The Mines	03-8941 6158
USJ Taipan	03-5637 1536
Wangsa Walk	03-4142 7063

Northern

AEON Bukit Mertajam	04-548 5797
AEON Kinta City	05-546 3566
AEON Klebang	05-291 4257
AEON Seri Manjung	05-687 0046
AEON Station 18, Ipoh	05-321 7225
AEON Taiping	05-804 8036
Alor Setar Mall	04-771 2150
Aman Central	04-733 5520
Central Square	04-422 1813
Gurney Paragon	04-226 1850
Gurney Plaza	04-228 0816
Ipoh Parade	05-243 5717
Kompleks Bukit Jambul	04-642 5155
Queensbay Mall	04-641 1975

Northern

Sunway Carnival	04-390 5520
Taiping Mall	05-804 8129
Tesco Extra Prai	04-399 6972
Tesco Penang	04-659 5070
Tesco Station 18, Ipoh	05-322 3509
Tesco Sungai Petani Mutiara	04-425 9858
Tesco Sungai Petani Utara	04-425 8858

Southern

AEON Ayer Keroh	06-232 8634
AEON Kulai	07-660 6308
AEON Melaka	06-292 1107
AEON Permas Jaya	07-386 1790
AEON Taman Universiti	07-520 1676
Batu Pahat Jalan Soga	07-432 8964
Batu Pahat Mall	07-435 2306
Batu Pahat Taman Flora	07-438 5520
City Square	07-226 0130
Giant JB	07-358 3318
Giant Nilai	06-794 0996
Giant Senawang	06-679 7696
Giant Tampoi	07-236 9588
Holiday Plaza LG25	07-333 2018
Holiday Plaza LG83	07-333 0257
Kluang	07-776 0303
Kota Tinggi	07-882 4967
Masai	07-251 8778
Mydin Seremban 2	06-601 7910
NSK Muar	06-952 9619
Palm Mall	06-765 6120
Paradigm Mall JB	07-244 4263
Plaza Kota Tinggi	07-883 9689
Segamat	07-931 3408
Sutera Mall	07-554 5753
Skudai Parade	07-554 9784
Terminal One	06-763 9193
Tesco Desa Tebrau	07-353 9780
Tesco Masai	07-388 6231
Tesco Putra Nilai	06-799 8081
Tesco Senawang	06-677 6672
Ulu Tiram	07-861 8363
Wetex Parade	06-951 4379

East Coast

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

East Malaysia

1 Borneo	088-447 581
AEON Kuching Central	082-237 108
Imago KK	088-274 800
Suria Sabah	088-487 787
Vivacity Megamall	082-263 818

Brunei

Aman Hill Mall	+673 233 1013
Freshco Mall	+673 222 0099
KB Sentral	+673 334 3038
Kuala Belait	+673 333 2299
One City	+673 233 9920
The Mall	+673 242 8777
Times Square	+673 234 2903

FOCUS POINT HOLDINGS BERHAD

Subsidiary brands of Focus Point:

FOCUS POINT SIGNATURE

AEON Shah Alam	03-5524 5695
Empire Subang	03-5632 4171
Mid Valley Megamall	03-2282 0878
Pavilion KL	03-2141 4866
Suria KLCC	03-2166 8318

FOCUS POINT CONCEPT STORE

AEON Bandar Dato' Onn	07-361 6713
AEON Bukit Tinggi	07-3319 8627
AEON Tebrau City	07-364 3145
IPC Shopping Centre	03-7731 1358
Melawati Mall	03-4162 1445
The Mall, Mid Valley Southkey	07-336 5068

FOCUS POINT OUTLET

Design Village	04-589 9014
Genting Premium Outlets	03-6436 8171

FOCUS POINT *Lifestyle*

AEON Nilai	06-794 7114
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AEON Seremban 2	06-601 5018
Gurney Plaza	04-229 6482
Holiday Plaza LG28	07-335 4121
One Utama	03-7724 1395
Sunway Carnival	04-398 5520



Premier Lasik & Cataract Eye Centre

Mid Valley Megamall	03-2280 0087
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Pavilion KL	03-2141 8586
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eyefont

Mid Valley Megamall	03-2280 0087
Suria KLCC	03-2181 2397
Suria Sabah	088-210772

iFocus

Mid Valley Megamall	03-2202 0944
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AEON Kota Bahru	09-744 0988
AEON Shah Alam	03-5523 8941
Aman Central	04-730 0459
Central I-City	03-5523 5461
Gurney Plaza	04-218 9624
Imago KK	088-274 248
Mid Valley Megamall	03-2287 5520
Mydin Seremban 2	06-601 1138
Nu Sentral	03-2260 1306
Queensbay Mall	04-641 0631
Setia City Mall	03-3341 1625
Sunway Pyramid	03-5621 0308
Suria KLCC	03-2181 6386
Suria Sabah	088-204 187
Tesco Seremban 2	06-633 3212
The Curve	03-7710 0426
The Mall, Mid Valley Southkey	07-336 2367
Today's Mall	07-861 4415
Vivacity Megamall	082-263 828

Whoosh Brunei

Freshco Mall	+673 222 0099
One City	+673 233 9921
Times Square	+673-234 1135



Komugi Malaysia

AEON Shah Alam	03-5524 1614
Main Place	03-8021 6093
Mid Valley	03-2201 2846
One Utama	03-7732 0521
Paradigm mall	03-7886 5611
Pavilion	03-2110 5022
Subang Parade	03-5039 0630
Sunway Pyramid	03-5612 4212
AEON Nilai	06-795 3202

**Kumori Philippines**

Landmark Makati, Makati City	+63 917-656 9433
SM Makati, Makati City	+63 917-656 9430
SM North Edsa, Quezon City	+63 977-837 3798
UP Town Center, Quezon City	+63 917-671 8963
Robinsons Place Manila	+63 977-859 8803
SM Mall of Asia	+63 905-325 4143
Ayala Malls Cloverleaf	+63 995-455 2629
Robinsons Galleria	+63 932-355 2299
North Edsa (KIOSK)	+63 977-824 1589
Festival Mall	+63 917-800 7899
Gateway Mall	+63 915-844 7071
Fairview Mall	+63 995-955 8777
SM Santa Rosa Mall	+63 919-074 9265
SM City Bacoor	+63 945-593 9785
Ayala Malls Manila Bay	+63 916-271 6173

Komugi Brunei

Aman Hills Shopping Centre	+673 730 6069
KB Centra Shopping Centre I	+673 333 6595
Komugi Rimba Point	+673 246 0266
Onecity Shopping Centre	+673 730 6069



OUTLET CONCEPT



Focus Point

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



Focus Point Signature

Provides only the finest selection of products and brands. 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 Outlet

This store offering shoppers impressive savings of up to 70% off daily! To all the eyewear lovers, this is a store you should not be missed!



Focus Point Concept Store

Created with the aim of becoming a one-stop solution for all customers by combining all key concepts of various Focus Point outlets & brands. It allows customers to get all the eyewear needs sort out in just 1 location conveniently and quick. This store is designed to provide an open concept where customers can easily touch, feel and try on any pair of eyewear they like in a store that is much bigger than usual Focus Point outlets. We hope to provide a different shopping experience for all our customers in this unique store.

Eyefont

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



Opulence

An exclusive optical centre for luxurious eyewear brands.



i-Focus

i-Focus offers unique comprehensive eye-check using Essilor's cutting-edge technology to correct, protect and enhance optimum vision clarity for you.

Whoosh

Fast. Fresh. Forward. These words perfectly describe what Whoosh! was created for. Bringing you the latest in eyewear designs, Whoosh! eyewear will satisfy trendsetters who value style, quality, and professional advice on the go. With a wide range of designs in 3 distinctive styles, 4 fixed affordable prices and a great team of professional opticians, a style revolution is coming your way faster than you can say "Whoosh!". Our brightly lit Whoosh! store is designed with its open displays & welcoming atmosphere to showcase our latest eyewear styles. No stress, no sales pitches as you try until you're ready to consult our professional opticians. Next thing you know, your brand spanning new eyewear is ready in a Whoosh!



Solariz

A dedicated sunglasses specialist centre carrying one of the largest range of sunglasses.



Focus Point Lifestyle

A new retail concept that house Focus Point and our Komugi Cafe under one roof to give our customers a different shopping experience.





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

Komugi offers more than 100 variety of deliciously authentic Japanese products that emphasises natural, simple, fresh daily, handmade and premium. Komugi Japanese products are led by team of experienced and passionate chef behind the scene bake everything daily to ensure our valued customers get only the freshest products. Komugi has been expanding locally in KL and internationally in Philippines and Brunei. Komugi also introduced the first Japanese Bakery mobile app, namely Komugi Malaysia, in 2017. Komugi Central Kitchen has also been halal certified in Jan 2018 and all its outlets have also obtained their Halal certification in August 2018 from there on Komugi expanded beyond retail business by starting the supply of pastries business to large corporate customers.

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



MICRO LASIK



CATARACT SURGERY



Excelview Laser Eye Centre

The Group started ExcelView Laser Eye Centre Sdn. Bhd. in Mid Valley Megamall in year 2000 to provide private ophthalmology and optometric treatment services. Our core specialties are LASIK surgery and CATARACT removal surgery intraocular lens implantation. ExcelView has treated over 10,000 cases since it's humble inception. We have renewed the sights of patients from all walks of life, from near and far, such as USA, UK, Europe, China, Middle East, Japan, Singapore and Indonesia.

FOCUS POINT

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CORPORATE PROFILE

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

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

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

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

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

Listed in 2010, we are now a leading optical player and Food and Beverages operator in the market.



VISION

1. To become a leading brand name in Asia through our focused approach in vision care; and
2. To become one of the Nation’s favourite F&B brand.

MISSION

1. To provide consumers with the best vision care and eyewear services as well as to uphold the highest standards in reliability, quality and professionalism; and
2. Passionate and committed to bring creativity and exceptional quality to bakery and pastry products that delight the new and loyal consumer.

CORPORATE INFORMATION



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 Md Zubir Ansori Bin Yahaya**
(Non-Independent Non-Executive Director)

NOMINATION COMMITTEE

Leow Ming Fong @ Leow Min Fong
(Chairman)

Datin Sim Swee Yoke
(Member)

Datuk Md Zubir Ansori Bin Yahaya
(Member)

REMUNERATION COMMITTEE

Datin Sim Swee Yoke
(Chairman)

Leow Ming Fong @ Leow Min Fong
(Member)

Datuk Md Zubir Ansori Bin Yahaya
(Member)

AUDIT COMMITTEE

Datin Sim Swee Yoke
(Chairman)

Leow Ming Fong @ Leow Min Fong
(Member)

Datuk Md Zubir Ansori Bin Yahaya
(Member)

CORPORATE OFFICE

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

REGISTERED OFFICE

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

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
ACE Market
Stock Code : 0157

COMPANY SECRETARIES

Wong Wai Foong (MAICSA 7001358)
SSM PC No. 202008001472

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

Liew Pui Ling (MAICSA 7058897)
SSM PC No. 202008001299

**SENIOR INDEPENDENT
NON-EXECUTIVE DIRECTOR**

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

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
[197101000970 (11324-H)]
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel No. : 03-2783 9299
Fax No.: 03-2783 9222

AUDITORS

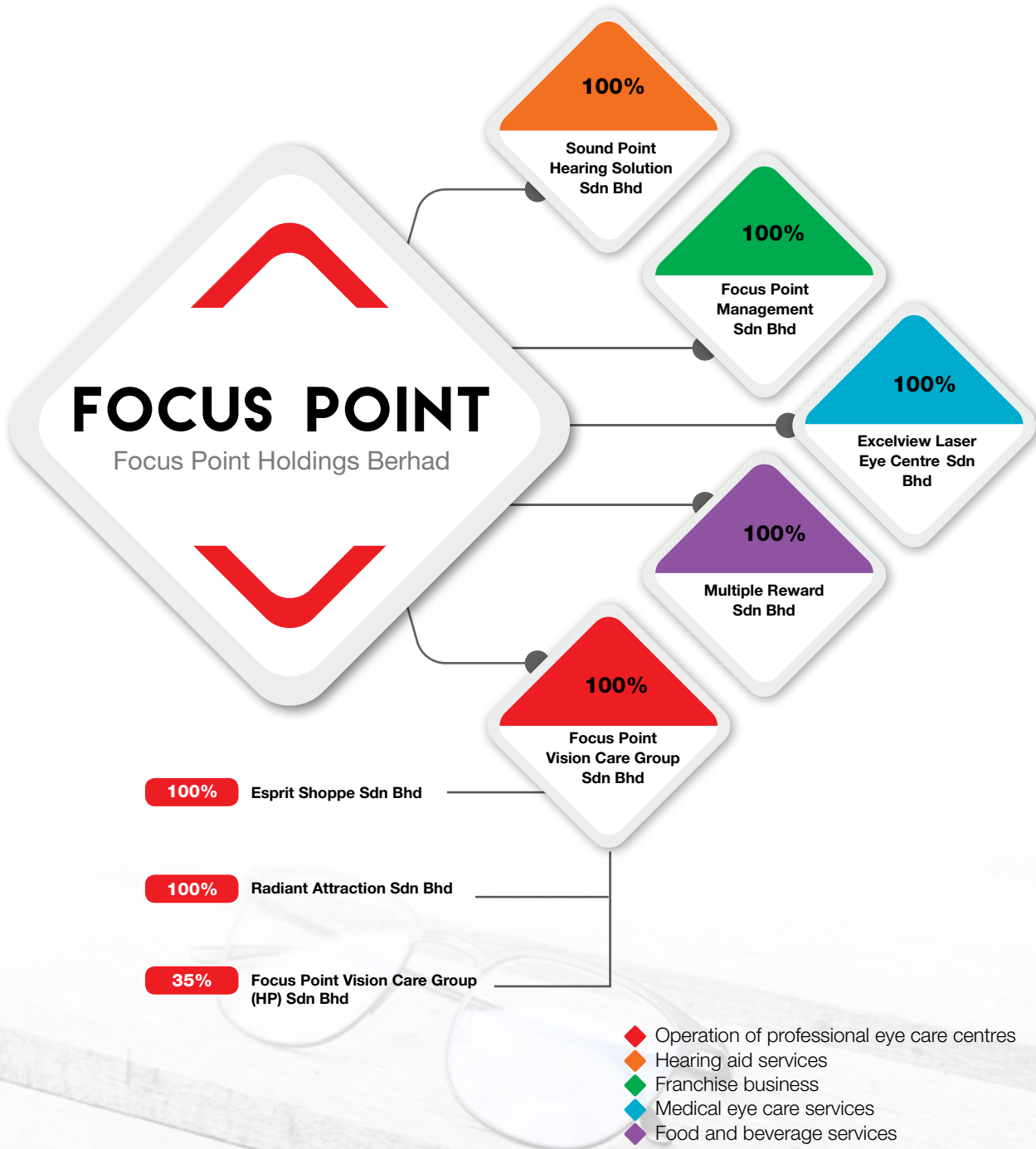
BDO PLT (LLP0018825-LCA & AF0206)
Chartered Accountants
Level 8, BDO@Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel No. : 03-2616 2888
Fax No.: 03-2616 2970

COMPANY WEBSITE

www.focus-point.com

CORPORATE STRUCTURE

AS AT 31 DECEMBER 2020



FINANCIAL HIGHLIGHTS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenue (RM'000)	159,612	191,025	179,272	165,121	161,946	154,592	153,491	147,451	130,578	120,226
Earnings before interest, tax, depreciation and amortisation (EBITDA) (RM'000)	56,432	49,474	21,637	12,436	10,342	12,985	11,809	15,312	14,023	13,388
Profit before tax (RM'000)	15,622	15,205	10,887	1,911	643	4,593	4,104	8,360	9,477	9,208
Profit/(Loss) after tax (RM'000)	10,637	9,888	7,099	(457)	(1,283)	1,200	1,103	4,701	6,019	6,999
Net profit/(loss) attributable to owners of the parent (RM'000)	10,637	9,888	7,099	(458)	(1,198)	1,331	1,167	4,771	6,035	7,012
Total assets (RM'000)	192,220	211,022	128,434	129,818	133,344	123,735	109,707	107,469	98,895	92,462
Total liabilities (RM'000)	123,914	148,953	71,154	77,474	80,548	69,762	56,954	52,489	45,365	41,731
Total borrowings (RM'000)	23,872	27,663	38,982	43,331	44,667	32,536	27,145	26,667	21,317	15,213
Total equity (RM'000)	68,306	62,069	57,280	52,344	52,796	53,973	52,753	54,980	53,530	50,731
Equity attributable to owners of the parent (RM'000)	68,306	62,069	57,280	52,344	52,802	54,083	52,752	54,946	53,475	50,740
Return on assets (%)	6	5	6	-	(1)	1	1	4	6	8
Return on equity (%)	16	16	12	(1)	(2)	2	2	9	11	14
Gearing ratio (%)	35	45	68	83	85	60	51	49	40	30
Net assets per share (sen)	20.70	18.81	31.24	31.72	32.00	32.78	31.97	33.30	32.41	30.75
Earnings/(Loss) per share (sen)	3.22	3.00	3.87	(0.28)	(0.73)	0.81	0.71	2.89	3.66	4.25
Dividend per share (sen)	2.00	2.50	1.00	-	-	-	1.00	2.00	1.00	2.00

PROFILE OF DIRECTORS

LEOW MING FONG @ LEOW MIN FONG

Independent Non-Executive Chairman

Nationality : Malaysian

Age/Gender : 71/Male

Leow Ming Fong @ Leow Min Fong is our Independent Non-Executive Director and was appointed to our Board on 1st April 2010. He was appointed as Chairman of the Company on 3 August 2015. He is also Chairman of the Nomination Committee as well as a member of the Remuneration Committee and Audit Committee. He is a retired Audit Partner of KPMG, Kuala Lumpur. He is a Fellow of Institute of Chartered Accountants in England and Wales, member of the Malaysian Institute of Certified Public Accountants and member of the Malaysian Institute of Chartered Accountants. He began his career in 1969 when he started his articleship with a chartered accounting firm in London, United Kingdom. He returned to Malaysia in 1974 and joined KPMG, Kuala Lumpur as an Audit Senior and Supervisor. In 1976, he was appointed as the Audit Manager in KPMG, Sandakan, Sabah and subsequently, in 1980, he was appointed as the Partner overseeing the tax and audit department of KPMG, Sandakan and Tawau, Sabah. In 1995, he returned to KPMG, Kuala Lumpur to take up the position of Audit Partner and during the years between 1996 and 2000, he also acted as the Partner-in-Charge of KPMG, Cambodia for 3 ½ years. He carried out short-term assignments such as fraud investigation, due diligence for mergers and acquisitions, reporting accountant for various corporate exercises for public listed companies during his KPMG experience in Singapore, British Guinea in South America and Vietnam. He is also Independent Non-Executive Director of KSK Group Berhad, a Canadia Bank PLC, a bank operating in Cambodia, Sovannaphum Life Assurance PLC and Dara Insurance PLC, a life and general insurance company operating in Cambodia, Hap Seng Consolidated Berhad listed in Bursa Malaysia and Jawala Inc, a company listed in the Singapore Stock Exchange. He attended all the five (5) Board of Directors' Meetings held during the year.

DATO' LIAW CHOON LIANG ("DATO' LIAW")

President/Chief Executive Officer

Nationality : Malaysian

Age/Gender : 53/Male

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

Profile of Directors
(cont'd)**DATIN GOH POI EONG (“DATIN GOH”)***Executive Director*

Nationality : Malaysian
Age/Gender : 54/Female

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

DATIN SIM SWEE YOKE (“DATIN SIM”)*Independent Non-Executive Director*

Nationality : Malaysian
Age/Gender : 60/Female

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

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

Datin Sim is a human resource practitioner and has close to 37 years of commercial experience in real estate/hospitality, management consulting and financial services (insurance and asset management) industries.

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

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

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

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

She has also served as the President of the Association of Insurance Employers (AIE), Vice President of the Malaysian Employers Federation (MEF) and a Director of the Malaysian Employers Federation Academy (MEFA).

In her spare time, Datin Sim contributes time as a Mentor Coach for The Lead Women Women In Leadership (WIL) programme.

In 2018, Datin Sim co-authored her first book titled, “Creating Winning Culture & Building Supertalent, The Anthrophillic Way, A Toolkit Based Book”.

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

Profile of Directors (cont'd)

DATUK MD ZUBIR ANSORI BIN YAHAYA (“DATUK MD ZUBIR”)

Non-Independent Non-Executive Director

Nationality : Malaysian

Age/Gender : 62/Male

Datuk Md Zubir was appointed as our Non-Independent Non-Executive Director, a member of the Audit Committee and Nomination Committee as well as Remuneration Committee on 1 August 2019.

Datuk Md Zubir is a Chartered Accountant of Malaysia.

Datuk Md Zubir has more than 30 years of Strategic Finance and Management experience in various sectors including Aviation, Air Cargo Logistics, Financial Services, Information & Communications Technology (ICT), Trading and Corporate Consultancy. He started his career in 1983 as an Assessment Officer at the Department of Inland Revenue and moved to Malaysian Airlines System Berhad (“MAS”) where he spent 15 years in various management capacities across the National Airline’s Finance & Treasury Divisions which include Passenger and Freight Revenue, Cost and Credit Control Accounting. In 1990 he was posted to the UK as the Regional Accounts Manager Europe where he controlled the MAS Accounting Offices throughout Europe. Upon his return to Malaysia in 1994, he was appointed as the Head of Finance and Admin of Malaysia Airlines Cargo Sdn Bhd (MASkargo), a fully owned subsidiary of MAS where he was primarily responsible for the setting up of the Cargo’s subsidiary company and led the Company through major negotiations with MAS. He joined Malaysia Debt Ventures Berhad (“MDV”), the nation’s Technology Financier as the Vice President of Operations in 2003 and was appointed as Managing Director/Chief Executive Officer where he served for 13 years before leaving in 2018. From a loss-making entity he has successfully issued transformed MDV into a highly professional and profitable organisation with total assets of more than RM1.5 billion.

Datuk Md Zubir is currently the Chairman of the Board of UiTM Holdings Sdn Bhd, a Board Member of Perbadanan Nasional Berhad (“PNS”) and Malaysia International Franchise Sdn Bhd. He had previously served on the Board of Seacera Group Berhad, MyCreative Ventures Sdn Bhd and several directorship in MDV investee companies. He is also a member of the Global Technology Funds Evaluation Committee at Malaysia Digital Economy Corporation. Prior to this he was a member of several Committees at a national level such as an Executive Member on the Local Advisory Panel for MSC Malaysia, Funding and Enabler Sub-Committees in Biotech Corporation, NEF Advisory Committee and Executive Council MyLab project for Ministry of Education.

Datuk Md Zubir holds a Bachelor of Accounting (Hons) from Universiti Kebangsaan Malaysia and a Certificate in Banking and Managerial Process from Asian Institute of Management, Manila.

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

Save as disclosed above, none of the Directors has:

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

PROFILE OF KEY SENIOR MANAGEMENT

KENNETH CHIN KAH KIONG (“MR CHIN”)

Chief Financial Officer

Nationality : Malaysian

Age/Gender : 47/Male

Mr Chin began his career as an auditor in Moore Stephens in 1998. In 2001, he joined Malton Berhad as a corporate planning executive and in 2002, he joined Karambunai Corp Berhad as an Assistant Manager, Group Finance and was promoted to Group Financial Controller in 2005. He subsequently joined Nam Fatt Corporation Berhad as a Senior Manager in the corporate finance department in 2007. Prior to joining the Group, he was employed by Danga Bay Sdn Bhd as a Financial Controller from 2008 to 2009. He was the Chief Financial Officer of Benalec Holdings Berhad (“Benalec”) from 2010 to 2015 and was subsequently appointed as Benalec’s Executive Director in 2016 and hold that position until 2017. He joined Focus Point Holdings Berhad (“FPHB”) on 1 March 2019 as Chief Financial Officer managing group finance, operational finance, internal audit, treasury, taxation, corporate finance and investor relation functions of FPHB.

CHEE KOK HUA (“MR CHEE”)

Head of Retail Sales & Operations

Nationality : Malaysian

Age/Gender : 46/Male

Mr Chee holds an optician qualification of FBDO (UK) from the Association of British Dispensing Opticians. He started his career as an optician in 1997 before joining Focus Point Vision Care Group Sdn Bhd on 1 June 2011 as Head of Retail Sales & Operations. He has since then been given the responsibility to in charge the operations of optical retail chain for wholly-owned outlets nationwide. He was also later been assigned to head the operation of corporate sales division in 2017. His main duty is to keep the optical business growing and profitable.

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

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

A portrait of an elderly man with grey hair and a mustache, wearing a dark suit, white shirt, and a colorful patterned tie. He is standing in front of a white brick wall. The bottom of the image features a decorative graphic with red and black curved shapes.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors (the “Board”), it is my pleasure to present the Annual Report together with the Audited Financial Statements of Focus Point Holdings Berhad (the “Group”) for the financial year ended 31 December 2020.

Chairman's Statement
(cont'd)

The on-going COVID-19 global pandemic caused unprecedented economic disruptions to many businesses and presented significant challenges to our operations.

Retail is one of the sectors that was most severely hit by the pandemic and this impacted footfall in all the malls.

The Group recorded a turnover of RM159.6 million and profit after tax of RM10.6 million which was 16% lower and 7.6% higher respectively compared to the preceding year.

During the year, the Group had embarked on a pandemic recovery plan to restore our business. Our priority was to conserve cash through an effective cost control programme while adopting a disciplined and prudent approach to defending our business operations.

The Group continued to focus on sustaining a resilient balance sheet with sufficient liquidity across our businesses as buffer against the uncertain economic environment.

In appreciation of our shareholders' continued support, we have declared and paid a total interim tax-exempt dividend of 2 cent per share during the year.

In November 2020, we announced a bonus issue on the basis of 1 bonus shares for every 2 existing Focus Point's shares and the exercise was completed in February 2021.

We wish to take this opportunity to express our gratitude to our government for their Wage Subsidy Programme and also our landlords for their rental rebate support during the pandemic lockdown period.

Our appreciation also goes to our retired Executive Director, Kelvin Liaw Kai Xuan for his contributions and dedication to the Board during his term with the Group.

We wish to thank our President/ CEO Dato' Liaw Choon Liang, FPHB management team and staff for their effort and hard work to sustain our businesses through this pandemic and other challenges. We thank all shareholders for your continued confidence and support.

While we remain cautious of our 2021 financial performance due to the on-going COVID-19 pandemic, we believe we will be able to weather this crisis and emerge resilient with your unstinting support.

Leow Ming Fong @ Leow Min Fong

Independent Non-Executive Chairman



DATO' LIAW CHOON LIANG
President/Chief Executive Officer

PRESIDENT
CHIEF EXECUTIVE
OFFICER

MANAGEMENT DISCUSSION & ANALYSIS

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

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

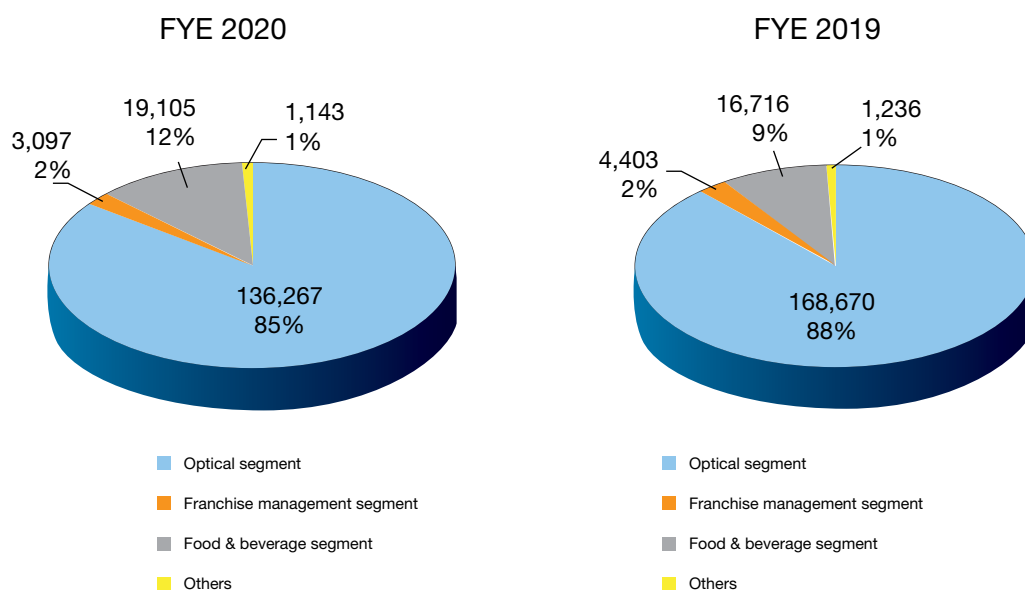
Revenue review by segment

	FYE 2020 (RM'000)	%	FYE 2019 (RM'000)	%
Optical	136,267	85	168,670	88
Franchise management	3,097	2	4,403	2
Food & beverage	19,105	12	16,716	9
Others	1,143	1	1,236	1
Total	159,612	100	191,025	100

The Group revenue of RM159.6 million was 16% lower compared with RM191.0 million of previous year. The decrease was attributed to lower sales attained by the optical business with the opening of 3 new own outlets; revenue generated thereon was RM0.8 million, representing 0.7% of the optical business' total retail revenue.

On existing outlets, revenue was 21% lower as compared to previous year as a result of closure of all retail outlets due to COVID-19 lock down from 18th March 2020 to 3rd May 2020 ("COVID-19 lock down").

The franchise management business' revenue was lower by 30% as compared to previous year at RM4.4 million. For the food & beverage business, revenue improved by 14% mainly due to higher contribution from corporate sales.



FOCUS POINT HOLDINGS BERHAD

Management Discussion & Analysis (Cont'd)

Profit/(Loss) review by segment

	FYE 2020 (RM'000)	FYE 2019 (RM'000)
Optical	14,379	13,897
Franchise management	1,490	2,505
Food & beverage	67	(949)
Others	(314)	(248)
Total	15,622	15,205

Profit before tax ("PBT") stood at RM15.6 million, as compared with RM15.2 million recorded in previous year. The improved performance of optical and related products segment in spite of the COVID-19 pandemic was mainly due to rapid recovery of revenue and with the support of rental rebates granted by landlords and also lower administrative expenses as result of effective cost cutting measures taken by the Group.

The franchise management business's performance was lower by 41% as compared to previous year at RM2.5 million mainly due to lower royalty fee received.

Owing to higher corporate sales, the food & beverage business recorded profit before tax at RM0.07 million as compared with loss before tax of RM0.9 million of the corresponding year due to increase of corporate sales.

Total number of outlets



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

Management Discussion & Analysis (Cont'd)

Financial position review

Total assets stood at RM192.2 million (2019 : RM211.0 million), representing a decrease of 9% due mainly to right-of-use assets as a result of adoption of MFRS 16 Leases with effective from 1 January 2019. Trade and other receivables recorded at RM35.7 million, 5% higher as compared to previous year of RM34.1 million. Inventories recorded at RM44.9 million, 10% lower compared with previous year due to effective inventory management. Shareholders' fund continued to remain resilient at RM68.3 million (2019 : RM62.1 million) while total borrowings declined to RM23.9 million from RM27.7 million of previous year due to lower revolving credit and banker acceptance. Other than bank borrowings, the Group has no other debt instrument. Trade and other payables decreased to RM30.6 million from RM33.7 million of previous year while net assets per share increased to 20.70 sen compared to 18.81 sen of previous year.

The Group incurred approximately RM5.7 million of capital expenditure during the year for opening and upgrading of outlets as well as additional capitalisation of properties through internally generated fund and external borrowings. Certain level of capital expenditure for 2020 has been approved by the Board and the Group will work within the said approved limit.

Dividends

For the financial year ended 2020, the Group had paid interim single-tier dividend totaling 2.00 sen (2019 : 2.50 sen), which represent a payout ratio of approximately 41.37% of the profit attributable to the shareholders of the Group.

The Board adopted a dividend policy to pay out at least 30% of its audited consolidated profit after taxation which is subject to availability and adequacy of distributable reserves, cash flow requirement and financing commitments and projected level of capital expenditure and investment plans. This represents our commitment to our shareholders for them to participate in the profit of the Group.

Risks Relating to Business and Mitigation Plan

The Group's business activities, operations, financial performance and growth are subject to the economic and regulatory uncertainties and the unexpected global pandemic. The following are the key risks facing by the Group:

(a) Competition Risk

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

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

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

(b) Economic Uncertainty

Adverse development in political, economic and regulatory conditions in Malaysia could affect our financial and business prospects. The COVID-19 pandemic has reshaped the way we do business and our way of life. The imposition of Movement Control Order ("MCO") by our government to curb the spreading of the virus infection, which is crucial and essential, has in turn, posed new challenges to the all sectors especially the tourism and retail industry. The effect of COVID-19 includes, unemployment, recession and weak consumer sentiment due to change of spending pattern.

In order to minimise the impact and disruption of the pandemic, the Group will continue to review and refine the group's operation strategies focus on offering more affordable eyewear to all levels of income group (eyecare is a necessity) and work closely with all stakeholders.

Management Discussion & Analysis (Cont'd)

(c) Supply of Eyewear Products

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

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

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

Sustaining Momentum for Growth

The Group continued to expand its presence nationwide by embarking on aggressive marketing and promotional activities as well as opening new outlets at various locations to increase market share. In 2020, a total of 4 new outlets (included one franchise outlet) were opened while we also consolidated 7 under-performing outlets. We have to-date built 116 own-outlets comprising 100 Focus Point outlets and 16 Whoosh outlets. To-date, total number of franchise outlets is 61.

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

Our e-commerce for optical business continues to register growth in the year 2020. We have achieved a growth of 45% compared to the year 2019 in our online sales. This steady growth was mainly due to attractive promotion and effective digital marketing strategies to reach the targeted consumer segment.

Our focus is to continue developing new features such as virtual try-on to optimise customer shopping experience at our website. We strive for excellent in our service and product delivery for the online customers and we expect growth to continue in the coming years.

In respect of the food & beverage business, total number of own Komugi outlets to-date remain at nine. Our sales to corporate clients registered a growth of 200% compared to year 2019. Our Komugi's central kitchen has attained HALAL certification status. This accreditation will propel us forward to our goals of expansion of our corporate clientele in the future.

In term of the food & beverage licensing business, our Brunei licensee continued to expand its outlets by opening 3 outlets during the year bringing to a total of 4 outlets. There was a closure of 1 licensed outlet in Johor during the year. In overseas, to-date there are 19 licensed outlets. We will continue to expand the licensing business both locally and in overseas.

Management Discussion & Analysis
(Cont'd)**Strategic Initiatives**

To continuously improve our workforce, relevant programs have been provided internally and externally to further enhance the skills and knowledge of our optometrists and opticians, management team and operational staff. The pandemic has accelerated our growth towards digital learning, and we have successfully conducted trainings, workshops, and seminars online.

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

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

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

The Group will continue to invest in Primary Eye Care equipment to provide an entry point for patients to receive refractions and glasses or contact lenses, screenings for eye conditions or diseases, and referral to specialists when necessary.

Prospect and Moving forward

The Malaysia's gross domestic product ("GDP") is forecasted to record a growth of 6.5% for the year 2021 (-5.4% : 2020). The rebound in GDP growth after the COVID-19 pandemic will be driven by the anticipated improvement in global growth, international trade coupled with the stimulus packages implemented by the government is anticipated to have spillover effects and provide an additional boost to the economy in 2021.

As part of the post pandemic business planning, we are taking the following steps to improve our financial position:-

- control and prioritise our inventory needs to improve cash flow management;
- reduce operating and overhead cost;
- introduce attractive sale promotion;
- negotiate with shopping mall's landlord for rental rebate during these periods;
- maximise the benefit of the announced 2021 economic stimulus budget such as the employee wages subsidy; and
- closely monitor our underperforming optical and food & beverage's outlets in order to maintain and improve our profitability.

To meet the increase in demand from food & beverage corporate sales, we setup our second central kitchen in February 2021 to support its business growth and we will open our first high street Komugi outlet in SS2, Petaling Jaya in March 2021, making our first foray into serving the communities in the residential area.

Lastly, we expect our economy to rebound with the roll-out of national vaccination program and we are hopeful that it will help to restore the confidence of consumers and businesses in second half of 2021.

SUSTAINABILITY REPORT

Focus Point is about building a business that recognises and provides the needs of our customers and cares for our employees, the community, and the environment. For us, we believe in integrating sustainability in everything that we do. We want all our stakeholders to be confident in our brand, to know that we value our environment and our people and our community while we are striving for excellence in our operations.

We believe that firm commitment to sustainability form the foundation of good corporate citizenship and upholds the utmost level of corporate governance to ensure accountability and transparency to protect and enhance shareholders' value and financial performance of the Group.

Stakeholder Engagement

The Group recognises the importance of effective communication to ensure that our stakeholders understand our business, governance, financial performance and prospects. An important point in sustainability reporting is to identify our stakeholders and the material aspects relevant to our business which are economic enhancement, environment impact and social contribution ("EES").

The Group is committed in engaging all of our stakeholders as part of our continued sustainability endeavors. We view stakeholder engagement as a continual process. We adopt both formal and informal channels of communication to understand the needs of key stakeholders, and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

The table below shows our relationship and interaction with stakeholders during the financial year 2020.

Stakeholders	Engagement Methods	Engagement Area
Shareholders	<ul style="list-style-type: none"> Annual & General Meetings Bursa announcements Annual & Quarterly report 	<ul style="list-style-type: none"> Financial and operational performance Corporate governance Business direction
Regulators	<ul style="list-style-type: none"> Compliances to laws and regulations 	<ul style="list-style-type: none"> Operations regulations Bursa listing requirements Companies Act & Taxation Anti-bribery and corruption
Employees	<ul style="list-style-type: none"> Trainings Performance appraisal Team building activities 	<ul style="list-style-type: none"> Occupational safety & health Remuneration policy Career development Protection against COVID-19
Customers	<ul style="list-style-type: none"> Marketing campaigns Education and social media awareness 	<ul style="list-style-type: none"> After-sales services Quality assurance Routine eye checks
Suppliers	<ul style="list-style-type: none"> Quality audit on products Contract negotiation 	<ul style="list-style-type: none"> Products' quality Supply commitment
Communities	<ul style="list-style-type: none"> Community events 	<ul style="list-style-type: none"> Social contribution Donation and financial aid

Key Sustainability Matters

The following is the Group's identified material sustainability matters. Through our materiality assessment, we have identified the key sustainability matters as outlined in the table below.

Key Sustainability Matters

(1) Economic
<ul style="list-style-type: none"> • Financial Performance • Customer and Product • Supplier Management
(2) Environmental
<ul style="list-style-type: none"> • Environmental Conservation
(3) Social
<ul style="list-style-type: none"> • Employment and Diversity • Community Investment

(1) ECONOMIC

Financial Performance

We strive to achieve economic sustainability growth for our shareholders. We conduct our business in compliance with applicable laws and regulations and in accordance with good corporate governance.

The Group believes that focusing on financial sustainability is critical. The Group's basic principle is that long-term profitability and shareholder value is ensured by taking into account the interests of stakeholders, such as shareholders, employees, suppliers and communities as a whole.

During the financial year 2020, the Group faced a challenging business environment due to the COVID-19 pandemic. The pandemic has affected the way in which we operate on a day-to-day basis. From the adoption of changes to new working arrangement, efforts have been undertaken to ensure that the needs of all our stakeholders are addressed during the pandemic.

For detailed financial results, please refer to the following sections in our Annual Report 2020:

- Group Financial Highlights, page 13
- Financial Statements, pages 56 to 130

Customer and Product

Our professional service quality reflects our commitment to our customers. Our customers well informed regarding the product before they make their purchase. We review our operations continuously to improve our performance and identify areas of improvement, to provide the best of services to our customers.

We are one of the first vision care company to emphasize the importance of eye checks and we use all Social Media Platforms to encourage our consumes to visit our retail outlets annually for eye checks. Through this mechanism, we are able to mitigate deteriorating eye checks and work on early detection.

Customer feedback via customer satisfaction survey exercise serves as part of our commitment towards customer engagement.

The Group placed great importance in providing quality assurance on eye wear and the professionalism of our optometrist/ optician. The Group is proud to assure that the products carried by the Group are 100% authentic. As such, to provide additional assurance to the customer, one-year warranty is given for our eye wear.

Sustainability Report (Cont'd)

Key Sustainability Matters (cont'd)

(1) ECONOMIC (cont'd)

Customer and Product (cont'd)

Our emphasis on authentic product, and efficient and reliable customer service, has accorded us with our industry reputation as a trusted and reliable distributor of professional eye wear. Apart from that, we continue to build cordial relationship with our local and international principals as well as shopping malls to maintain Focus Point's leading position in the market.

While for our food and beverage division, all of our products are Halal certified and complied with requirements of Malaysia Standard (MS 1500 : 2009) and Halal Manual Certification by Jabatan Kemajuan Islam Malaysia (JAKIM). Internal Halal Committee has been established with the mission of:

- Foods produced are handled and processed in a hygienic and safe environment;
- Foods produced are safe to be consumed & which is not intoxicating or hazardous to health; and
- Foods produced are free from any forbidden animals or any parts from it.

Supplier Management

We have built a competent pool of suppliers and vendors based on integrity, trust and reliability. As such, we have maintained good long-term relationships with existing suppliers whom have adapted well to our working culture, integrated sustainability measures in their operations and are willing to go the extra mile in terms of quality and services.

We value the long-term cooperation with our suppliers, which has resulted in better efficiency, reliability of delivering of product. Periodic assessments are conducted to ensure that the quality of products and services are on par with our requirements and standards.

New suppliers are required to ensure quality of their products and services which are based on the quality standards expected by our customers.

(2) ENVIRONMENTAL

Environmental Conservation

The Group remains steadfast in our commitment to sustainable development and seeks to operate in a way that minimise environmental harm. The Groups direct environmental impact is limited, but we always strive to avoid unnecessary impact and to further reduce the impact on the environment.

We practise:

- using LED for our lighting to reduce the overall energy consumed;
- reusing and recycling of office stationery and paper;
- prioritise electronic means to share and store document;
- switching off the lights and air conditioners when they are not in use and;
- value the amount of water utilised.

The above are among some of the conservation measures taken by our Group.

Key Sustainability Matters (cont'd)**(3) SOCIAL****Employment and Diversity**

We recognise our employees are the drivers of our business and we believe in creating a respectful, rewarding and safe working environment for our people. Our work environment is aimed at providing a fair performance-based work culture that is diverse, inclusive and collaborative. We also encourage our people to reach their fullest potential and provide them with a fulfilling and meaningful career. Motivation is an essential part of the Group's responsibility to our employees.

Building and retaining talent are both critical in growing the Group as the continuous growth of the Group needs talented employees. Training programs for skill development and improvement are conducted for our employees. For our eye-care professionals (optometrist and optician), the Group will ensure continuous training are provided to obtain Continuing Professional Development (CPD) points for annual certificate renewal.

Having a diverse workforce with equal opportunity regardless of age, race and gender is one of the ways to build and retain talent.

Ethics and Integrity (Anti-Bribery and Anti-Corruption)

The Group has a strong stance against bribery and corruption in our operations, and in our bid to ensure that our employees operate with integrity, we require all employees and directors to submit their Declaration Form in relation to our anti-bribery and anti-corruption policy.

Addressing the Threat from COVID-19

In respond to the COVID-19 pandemic, the Group has taken cues directly from Ministry of Health's ("MOH") advisories to implement various precautionary measures to address the safety and well-being of the employees at the workplace. These measures include the social distancing in workplace and enhanced cleaning measures. The temperature of all employees is taken twice a day and they are advised to consult the doctors if they feel unwell. The employees are also regularly reminded of the need to adopt good personal hygiene and to avoid crowded places.

Effective communication is a key part of our strategy to manage our pandemic response. The employees are kept abreast of new internal policies and safe workplace guidelines by the MOH. These help to prevent any confusion that may have resulted in breaches to safe workplace guideline by MOH.

The Group also took the opportunity to enhance benefits provided to its employees during the lockdown period. In recognition of difficulties that employees may face adapting to the change in working conditions, we have provided employees with more flexibility in their working hours. Upon returning to the workplace after the end of the lockdown, employees were reminded to wear face masks at all times and to use hand sanitisers so that they can work safely in the workplace. There were also more regular cleaning of common touchpoints with disinfectant in the workplace.

Communities Investment

Helping the less fortunate members of our community is our way of giving back to society. Our Group strongly believes in giving back to the society and started the Focus Point Caring Hearts Charity Foundation. In October 2020, we launched World Sight Day 2020 campaign – "Hope In Sight", a holistic Corporate Social Responsibility (CSR) campaign aimed at advocating eye and vision care amidst rising vision impairment and eye problem incidences among school children and young adults in the country.

FOCUS POINT HOLDINGS BERHAD

Sustainability Report (Cont'd)

(3) SOCIAL (cont'd)

Communities Investment (cont'd)



For the 15th time and on humanitarian causes, Focus Point joined force with Focus Point Caring Hearts Charity Foundation to organize blood donation drive at Focus Point's headquarter on 10 March 2020. This noble act was participated by staff of Focus Point and our customers. Health benefits of donating blood include reduced risk of cancer and hemochromatosis, reduced risk of damage to liver and pancreas, improved cardiovascular health as well as reduced chances of obesity.



OUR COMMITMENT

As a responsible corporate citizen, the Group shall endeavour to undertake sustainable and responsible practices to add value to sustainable business growth, environmental stewardship and social responsibility.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

This corporate governance overview statement is prepared in compliance with Rule 15.25(1) of the Listing Requirement of Bursa Securities and it is to be read together with the Corporate Governance Report 2020 (“CG Report”) which detailed the application of each Practice of MCCG. The CG Report is available on the corporate website: www.focus-point.com. The key focus areas of the Group’s Corporate Governance practices are further described below.

The Board are of the opinion that for financial year ended 31 December 2020, the Company complied with the principals and practices as set out in the MCCG, apart from departures on the following practices:-

- Practice 4.1 - At least half of the Board comprised independent directors
- Practice 6.1 - Disclosure of the Company’s policies and procedures to determine the remuneration of Directors and Senior Management
- Practice 7.2 - Disclosure on a named basis of the Company’s top five Senior Management’s remuneration component

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

A) BOARD LEADERSHIP AND EFFECTIVENESS

PART I - BOARD RESPONSIBILITIES

1. Board’s Leadership on Objectives and Goals

1.1 Strategic Aims, Values and Standards

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

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

FOCUS POINT HOLDINGS BERHAD

Corporate Governance Overview Statement (Cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

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

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

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

- i. Audit Committee ("AC")
- ii. Nomination Committee ("NC")
- iii. Remuneration Committee ("RC")

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

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

During the year, the Board and the Senior Management team were briefed on the new corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) which was enforced effective 1 June 2020.

In strengthening its full commitment to govern its business practices with utmost integrity and defer the occurrence of bribery or corruption within the Group, the Board approved the Group's Anti-Bribery and Corruption Policy on 27 May 2020, which is available on the corporate website: www.focus-point.com.

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

a. Time commitment

i. Attendance of meetings

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

The Board ordinarily schedules at least four (4) meetings a year at quarterly intervals. Board and Board Committee meetings are scheduled well in advance. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings.

Corporate Governance Overview Statement
(Cont'd)**A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART I - BOARD RESPONSIBILITIES (CONT'D)****1. Board's Leadership on Objectives and Goals (Cont'd)****1.1 Strategic Aims, Values and Standards (Cont'd)****a. Time commitment (Cont'd)****i. Attendance of meetings (Cont'd)**

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

The Board and Board Committees met five (5) times during the financial year 2020 to approve, amongst others, the quarterly and annual financial results, to review business performance of the Company and to ensure that the proper internal control systems are in place.

The details of attendance of each Director at the Board and Committees meetings held during the financial year are set out below.

Name of Director	Attendance at Meetings (Attended/Held)			
	Board	AC	NC	RC
Dato' Liaw Choon Liang	5/5	–	–	–
Datin Goh Poi Eong	5/5	–	–	–
Leow Ming Fong @ Leow Min Fong	5/5	5/5	1/1	1/1
Datin Sim Swee Yoke	5/5	5/5	1/1	1/1
Datuk Md Zubir Ansori Bin Yahaya	5/5	5/5	1/1	1/1
Kelvin Liaw Kai Xuan*	3/3	–	–	–

* Resigned w.e.f. 7 August 2020

ii. New Directorships

Prior to the acceptance of new Board appointment(s) in other public listed companies ("PLC"), the Directors are to notify the Chairman and/or the Company Secretaries in writing which includes an indication of time that will be spent on the new appointment. In this respect, Directors are at liberty to accept other board appointments (outside the Group) so long as the appointment is not in conflict with the business of the Group and that it would not detrimentally affect his or her performance as a board member of the Company.

To ensure the Directors have the time to focus and fulfil their roles and responsibilities effectively, a criteria as agreed by the Board is that they must not hold directorships at more than five (5) PLCs as prescribed in Rule 15.06 of Listing Requirements of Bursa Securities. As at the date of this Statement, none of the Directors has exceeded the limit.

Corporate Governance Overview Statement
(Cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

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

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

b. Training

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

Any Director appointed to the Board is required to complete the Mandatory Accreditation programme ("MAP") within 4 months from the date of appointment.

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

All the Directors have attended the MAP. During the financial year 2020, the external training program attended by the Directors are the following:

Director	Name of conferences, seminars and training programmes	Date
Leow Ming Fong @ Leow Min Fong	MIA Webinar Series: Preference Shares - Law & Practice	22 July 2020
	MIA Webinar Series : Big Data Analytics and Business Intelligence for Accountants and Finance Professionals	23 July 2020
	MIA Webinar Series: Cloud ERP for Efficiency and Business Sustainability	12 August 2020
	Unclaimed Money Act 1965	10 September 2020
	MIA Webinar Series: Data Analytic for Internal Auditors	30 September 2020
	MIA Webinar Series - Financial Masterclass: Capital Market 2.0 - How Blockchain, Cryptocurrency and FinTech are disrupting and complementing the financial industry	8 October 2020
	MIA Webinar Series: Designing Risk Appetite Framework	15 October 2020

Corporate Governance Overview Statement
(Cont'd)**A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART I - BOARD RESPONSIBILITIES (CONT'D)****1. Board's Leadership on Objectives and Goals (Cont'd)****1.1 Strategic Aims, Values and Standards (Cont'd)****b. Training (Cont'd)**

Director	Name of conferences, seminars and training programmes	Date
Dato' Liaw Choon Liang	Awareness Training – Anti Bribery Corruption Management System	25 June 2020
Datin Goh Poi Eong	Awareness Training – Anti Bribery Corruption Management System	25 June 2020
Datin Sim Swee Yoke	IIA: Corporate Liability Adequate Procedures and ISO 37001 Anti Bribery Management Systems	20 February 2020
	IERP: Strategic ERM: A Primer for Directors	7 April 2020
	Tricor: Awareness Training - Anti Bribery and Corruption Management System	25 June 2020
	IERP: Directors Guide to ERM and ISO 31000	10 August 2020
	IERP: Directors Guide to BCM and ISO 22301	2 September 2020
	IERP: Directors Guide to Risk Maturity Frameworks	1 October 2020
	IERP: Cybersecurity Oversight in the Boardroom	1 October 2020
	Tricor: 2021 Budget Zoom Webinar	18 November 2020
	IERP: Directors Guide to GRC (Governance, Risk and Compliance)	31 November 2020
Datuk Md Zubir Ansori Bin Yahaya	MACC Section 17A compliance training	23 November 2020

Corporate Governance Overview Statement
(Cont'd)**A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART I - BOARD RESPONSIBILITIES (CONT'D)****1. Board's Leadership on Objectives and Goals (Cont'd)****1.1 Strategic Aims, Values and Standards (Cont'd)****c. Conflict of interest and related party transactions**

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

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

1.2 The Chairman of the Board

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

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

1.3 Chairman and CEO

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

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

1.4 Qualified and competent Company Secretaries

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

Corporate Governance Overview Statement
(Cont'd)**A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART I - BOARD RESPONSIBILITIES (CONT'D)****1. Board's Leadership on Objectives and Goals (Cont'd)****1.5 Access to information and advice**

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

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

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

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

2. Demarcation of Responsibilities**2.1 Board Charter**

The Board has adopted the Board Charter on 16 April 2013 and undertake periodic review with the last review conducted on 25 November 2020. Apart from setting out the roles and responsibilities, authorities, procedures, evaluations and structures of the Board and Board Committees, the Board Charter also outlines the Board membership guidelines, procedures for Board Meetings, Directors' remuneration, Board and member assessment and Investors Relation and Effective Communication.

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

3. Good Business Conduct and Corporate Structure**3.1 Code of Conduct and Ethics**

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

The Code of Conduct and Ethics is available on the corporate website: www.focus-point.com.

FOCUS POINT HOLDINGS BERHAD

Corporate Governance Overview Statement (Cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

3. Good Business Conduct and Corporate Structure (Cont'd)

3.2 Formalised policies and procedures on Whistle-Blowing

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

The Whistle-Blowing Policy is available on the corporate website: www.focus-point.com.

PART II - BOARD COMPOSITION

4. Board's Objectivity

4.1 Composition of the Board

Currently, the Board has five (5) members as set out below:

Name	Independent	Non-Executive
Leow Ming Fong @ Leow Min Fong	√	√
Dato' Liaw Choon Liang	x	x
Datin Goh Poi Eong	x	x
Datin Sim Swee Yoke	√	√
Datuk Md Zubir Ansori Bin Yahaya	x	√
	2/5	3/5

The Company also complies with the Listing Requirements of Bursa Securities for Independent Non-Executive Directors to make up at least one-third (1/3) of the Board membership. This fairly reflects the investment by minority shareholders through Independent Directors.

The Board comprises members from various professions with individual personalised quality, expertise, skills and relevant market and industry knowledge and ensures at all times that necessary financial and human resources are in place for the Company to meet its strategic objectives. With the age of the Directors ranging from 53 to 71, the Board believes that this creates an environment where each generation brings different skills, experience and talents to the Board. The Board will continue to monitor and review the Board size and composition as may be needed.

The Board has appointed Mr Leow Ming Fong @ Leow Min Fong, the Chairman of the Board and NC, 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 & 7, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

Corporate Governance Overview Statement
(Cont'd)**A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART II - BOARD COMPOSITION (CONT'D)****4. Board's Objectivity (Cont'd)****4.2 Tenure of Independent Director**

As at the date of this Statement, one (1) of the Independent Directors, namely Mr. Leow Ming Fong @ Leow Min Fong has served the Company for a cumulative term of twelve (12) years on 31 March 2022. The Board had via the NC conducted an annual performance evaluation and assessment of Mr Leow Ming Fong @ Leow Min Fong and concluded that he met the independence criteria as set out in the Listing Requirement of Bursa Securities. The Board resolved to seek shareholders' approval for Mr Leow Ming Fong @ Leow Min Fong to continue serving as an Independent Non-Executive Chairman of the Company based on the justification as disclosed in the CG Report.

4.3 Policy of Independent Director's Tenure

The Board Charter stipulates that the tenure of an Independent Non-Executive Directors shall not exceed a cumulative term of 9 years. Upon completion of the 9 years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. In the event such Director was to be retained as an Independent Director, the Board would have to justify in the notice convening the AGM and seek shareholders' approval the retention of such Independent Director at every AGM.

The Board would seek annual shareholders' approval through a two-tier voting process if the Company wish to retain the Independent Director beyond the twelfth year.

4.4 Diverse Board and Senior Management Team

Appointment of Board and Senior Management is based on objective criteria, merit and besides gender diversity, due regard is placed for diversity in skills, experience, age and cultural background. Please refer to the Profile of Directors and Profile of Key Senior Management of this Annual Report on pages 14 to 17 for further information.

4.5 Gender Diversity

The Board is supportive of the gender boardroom diversity recommended by the MCCG. The Board currently has 2 female Directors, i.e., 40% female representation. The Board, through the NC will continuously review the proportion of the female and male Board members during the annual assessment of the Directors' performance taking into consideration the appropriate skills, experience and characteristics required by the members of the Board, in the context of the needs of the Company.

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

Corporate Governance Overview Statement
(Cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

4. Board's Objectivity (Cont'd)

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

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

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

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

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

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

In accordance with the Company's Constitution, one third of the Board, including the President/ Chief Executive Officer, shall retire from the office and be eligible for re-election at each AGM and all Directors including the President/ Chief Executive Officer shall retire from office once at least in each three years but shall be eligible for re-election.

The Board had through the Nomination Committee carried out the assessment on all the Directors particularly the Directors who are standing for re-election at the Eleventh AGM. The NC found that they meet the criteria as prescribed by the Listing Requirements of Bursa Securities on character, experience, integrity, competence and time to effectively discharge their role as Directors.

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 or her appointment.

Corporate Governance Overview Statement
(Cont'd)**A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART II - BOARD COMPOSITION (CONT'D)****4. Board's Objectivity (Cont'd)****4.7 NC**

The NC was established with clearly defined TOR and comprises three (3) Non-Executive Directors of whom two (2) are Independent Directors. The TOR of the NC is set out in the Board Charter and is available on the corporate website: www.focus-point.com.

The NC's key responsibilities are as follows:

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

5. Overall Board Effectiveness**5.1 Annual Evaluation**

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

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

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

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

5. Overall Board Effectiveness (Cont'd)

5.1 Annual Evaluation (Cont'd)

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

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

PART III - REMUNERATION

6. Level and Composition of Remuneration

The RC was established with clearly defined TOR and comprises three (3) Non-Executive Directors of whom two (2) are Independent Directors. It is chaired by an Independent Non-Executive Director. The TOR of the RC is set out in the Board Charter and is available on the corporate website: www.focus-point.com.

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

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

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

7. Remuneration of Directors

7.1 Details of Directors' Fees and Benefit

The Directors' fees payable to the Independent Non-Executive Directors and any benefit payable to the Directors of the Company are to be approved by the shareholders of the Company. The Company obtained approval from the shareholders for the payment of Directors' fees and benefits from the last 11th AGM until this forthcoming 12th AGM.

Corporate Governance Overview Statement
(Cont'd)**A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART III - REMUNERATION (CONT'D)****7. Remuneration of Directors (Cont'd)****7.2 Remuneration of Directors**

The aggregate remuneration to directors for the financial year ended 31 December 2020 is summarised as follows:

	Salaries^^	Fees^	Other Remuneration^^	Benefits-in-kind^^	Total
	RM	RM	RM	RM	RM
Executive Directors					
Dato' Liaw Choon Liang	1,544,517	–	276,883	200,187	2,021,587
Datin Goh Poi Eong	384,004	–	61,449	27,692	473,145
Kelvin Liaw Kai Xuan*	64,975	–	10,416	13,971	89,362
Non-Executive Directors					
Leow Ming Fong @ Leow Min Fong	–	41,600	–	500#	42,100
Datin Sim Swee Yoke	–	36,400	–	360#	36,760
Datuk Md Zubir Ansori Bin Yahaya	–	36,400	–	–	36,400
Total	1,993,496	114,400	348,748	242,710	2,699,354

* Resigned w.e.f. 7 August 2020

^ Received and receivable from the Company

^^ Received and receivable on Group basis.

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

B) EFFECTIVE AUDIT AND RISK MANAGEMENT**PART I – AC****8. Effective and Independent AC**

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

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

For details on the composition, the attendance record, and the activities carried out by the AC are set out in the AC Report of this Annual Report on pages 47 to 49 as well as CG Report.

B) EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK****9. Effective Risk Management and Internal Control Framework****9.1 Sound framework to manage risks**

The Board recognises the importance of an effective enterprise risk management in order to achieve a steady growth in profitability and strong assets base that in turn will optimise the Group's value to its shareholders. The Board, with the assistance of the AC, oversees the Group's risk management activities. The benefits of enterprise risk management include timely reporting and transparency of risks across the whole organisation, increased effectiveness and coordination of risk management activities, and better alignment of its business strategies with its risk appetite and tolerance. The risk scorecards of the three (3) businesses are presented to the AC and the Board for review and deliberation once in 2020.

Details of the main features of the Company's risk management and internal controls framework are further elaborated in the AC Report and the Statement on Risk Management and Internal Control on pages 47 to 49 and pages 50 to 52 of the Annual Report respectively.

9.2 Implementation of mitigating measures

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

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

10. Internal Audit Function

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

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

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

An overview of the state of internal controls function within the Group, which includes the risk and key internal control structures, are set out in the AC Report and the Statement on Risk Management and Internal Control on pages 47 to 49 and pages 50 to 52 of the Annual Report respectively.

Corporate Governance Overview Statement
(Cont'd)**C) INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS****PART I – COMMUNICATION WITH STAKEHOLDERS****11. Continuous Communication between Company and Stakeholders****11.1 Effective, transparent and regular communication with its stakeholders**

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

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

11.2 Integrated reporting

The Company has provided concise information in relation to its strategy, performance, governance and prospects through the Management Discussion and Analysis and Sustainability Report on pages 21 to 25 and pages 26 to 30 of the Annual Report respectively. This is to ensure that the stakeholders are well informed of the business and performance of the Company and to promote transparency and accountability of the Company.

PART II – CONDUCT OF GENERAL MEETINGS**12. Strengthen Relationship between the Company and Shareholders****12.1 Encourage shareholder participation at general meetings**

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

The Company dispatched its notice of AGM to shareholders at least 28 days before the AGM in 2020, in advance of the 21 days requirement under the Act. The Board believes the current practice would still allow the shareholders to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney. In 2020, due to the implementation of the Movement Control Order and Conditional Movement Control Order in Malaysia, the Company's Annual Report was separately issued on 27 May 2020 while the Notice of AGM was issued on 30 June 2020, which was 28 days from the date of the Annual General Meeting held on 29 July 2020.

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

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

PART II – CONDUCT OF GENERAL MEETINGS (CONT'D)

12. Strengthen Relationship between the Company and Shareholders (Cont'd)

12.2 Effective communication and proactive engagements

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

The chairperson will invite shareholders to raise questions pertaining to the Company's financial statements and other items for adoption at the meeting before putting a resolution to vote. The Board also ensures shareholders are given the opportunity to speak and seek clarification during the Company's AGM for effective and transparent communication with its stakeholders.

12.3 Facilitate greater shareholder participation at general meetings

Under Rule 8.31A(1) of the Listing Requirements of Bursa Securities, a PLC must, among others, ensure that any resolution set out in the notice of any general meeting, is voted by poll. For this purpose, the share registrar will be appointed as the Poll Administrator and an independent scrutineer will be appointed to validate the votes cast at the forthcoming Twelfth (12th) AGM.

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

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

AUDIT COMMITTEE REPORT

Members of the Audit Committee

The members of the Audit Committee are:

Designation	Name	Directorship
Chairman	Datin Sim Swee Yoke	Independent Non-Executive Director
Member	Leow Ming Fong @ Leow Min Fong	Independent Non-Executive Chairman
Member	Datuk Md Zubir Ansori Bin Yahaya	Non-Independent Non-Executive Director

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

Terms of Reference of the Audit Committee

The full Terms of Reference of the Audit Committee outline the composition of the Audit Committee, Duties of the Committee, Rights of the Committee, Procedures of the Committee and Internal Audit. The Terms of Reference of the Audit Committee is accessible via the Company's website at www.focus-point.com.

Attendance and Meetings of the Audit Committee

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

Name	Total meetings attended by directors	Percentage of attendance (%)
Datin Sim Swee Yoke	5/5	100
Leow Ming Fong @ Leow Min Fong	5/5	100
Datuk Md Zubir Ansori Bin Yahaya	5/5	100

Summary of Work of the Audit Committee

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

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

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

**Audit Committee Report
(Cont'd)****Summary of Work of the Audit Committee (Cont'd)**

- Assessed the competency, independence and suitability of external auditors including adequacy of their resources, experience of the firm and staff strength, level of non-audit fee and rotation of partner. Having satisfied with the competency, independence and suitability of Messrs BDO PLT, made recommendation to the Board for approval of the re-appointment of Messrs BDO PLT as external auditors for the financial year ended 31 December 2020 at its meeting held on 17 April 2020;
 - Reviewed the report of external auditors on statement on risk management and internal control;
 - Met with external auditors once without executive Board members and management on 27 February 2020 and 25 November 2020;
 - Reviewed quarterly announcements of unaudited financial results and audited year-end financial statements of the Group and the Company before submitting to the Board for approval, focusing particularly:-
 - Any change in or implementation of major accounting policies and practices;
 - Significant adjustment made by the Management;
 - Significant matter highlighted including financial reporting issue;
 - Significant or unusual events or transactions;
 - Going-concern assumption; and
 - Compliance with applicable accounting standards and other legal requirements.
 - Reviewed Annual Report which includes the Audited Financial Statements of the Group and the Company prior to the submission to the Board for their consideration and approval at the meeting held on 17 April 2020 so to ensure that the Audited Financial Statements were drawn up in accordance with the provisions of Companies Act 2016 and applicable accounting standards. Any significant issues arising from the audit of the Group financial statements by external auditors were deliberated upon;
 - Reviewed significant audit issues brought up by the external auditors as follows:-
 - Valuation of inventories
- The Committee took note of the audit response presented by the external auditors including audit work done carried out to arrive at an opinion, audit findings as well as audit conclusion and were satisfied that these issues were adequately dealt with and fairly stated.
- Reviewed with the internal auditors, internal audit reports which highlighted internal audit findings, recommendations and management's response. Discussed with management, actions taken to improve the system of internal control based on improvement opportunities identified in internal audit reports;
 - Reviewed the Corporate Risk Scorecards which covers the risks relating the Group's operation and mitigations plans implemented by Management;
 - Reviewed the readiness of the Group in relation to the implementation of the Anti-Bribery and Anti-Corruption System that in accordance with the objective of compliance with the Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) and the Anti-Bribery and Anti-Corruption Policy. The Anti-Bribery and Anti-Corruption Policy was then recommended to the Board of Directors for approval at the meeting held on 27 May 2020;
 - Reviewed the updates relating to any bribery or corruption incidents within the Company and the corresponding mitigating activities; and
 - Reviewed related party transactions entered into by the Group and the Company to ensure that such transactions were undertaken in line with the Group's normal commercial terms and the internal control procedures with regards to such transactions are sufficient.

Audit Committee Report
(Cont'd)**Internal Audit Function**

In discharging its duties, the Committee is supported by an internal audit function which is in-house internal auditors and outsourced independent internal audit service company ("collectively known as Internal Auditors") who undertakes the necessary activities to enable the Committee to discharge its functions effectively. The outsourced Internal Auditor reports directly to the Committee. The Internal Auditors are 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 Auditors 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 by the outsourced internal auditors on the following areas:
 - Review of finance and treasury function of optical business and follow-up on previous audit performed on franchise management of food & beverages business
 - Review of procurement function of optical business and follow-up on previous audit performed on Halal certification procedures of food & beverages business
 - Review of quality assurance and quality control of food & beverages business
 - Review of corporate liability – anti-bribery management system of the Group and follow-up on previous audit performed on finance and treasury function of optical business

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

The costs incurred by the Group on Internal Auditor and in-house internal auditors during the financial year ended 31 December 2020 were RM74,787 and RM350,944 respectively.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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

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

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

1. Risk Management System

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

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

The Board affirms that there is a systematic and continuous process to identify and manage significant risks of the Group. Every half-yearly, key risks relating to the Group’s operations are identified and communicated to the Audit Committee and the Board in terms of likelihood exposures and impact on the Group’s businesses. The CFO has assumed the role of risk management facilitator.

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

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

Statement on Risk Management and Internal Control (Cont'd)

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

1. Risk Management System (Cont'd)

The global COVID-19 pandemic has significantly impacted the business environment and thus, the Group's management has developed and will implement a Business Continuity Plan ("BCP") within the Group. The objective of the BCP is aimed at mitigating risk impacts that would impose the barriers to the sustainability of the Group. It is also developed a Work From Home Policy ("WFH") and this policy is aimed at supporting the group continuous operations in time of crisis.

It has also been suggested at AC level that all core policies would be reviewed annually.

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

2. Internal Control System

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

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

The outsourced internal auditors, namely Tricor Axcelasia Sdn Bhd, carried out four (4) reviews on the Group's businesses and reported to the Audit Committee accordingly.

Arising from the reviews, corrective actions were communicated to the management and the Board for subsequent implementation by the management. Follow up audits were also carried out by the outsourced internal auditors.

Internal Audit Function

The internal audit function is in place to assist the Audit Committee to discharge its functions effectively. The in-house internal auditors and outsourced internal auditors (collectively known as the "internal audit teams") monitor compliance with policies and procedures and the effectiveness of the internal control system and highlight significant findings in respect of any non-compliance. The outsourced internal auditors report directly to the Audit Committee. Audits are carried out by the internal audit teams on head office, branches and franchisees, the frequency of which is determined by the level of risk assessed. The finding of the internal audit from the internal audit teams are tabled at the Audit Committee meetings for deliberation and appropriate corrective action plan will be communicated to the auditees. Follow-up audit will also be carried out to ensure that management has implemented improvement process as recommended in the internal audit report. The annual audit plan is reviewed and approved by the Audit Committee. A statement of the internal audit function is set out on page 49 of the Audit Committee Report.

FOCUS POINT HOLDINGS BERHAD

Statement on Risk Management and Internal Control (Cont'd)

Anti-Bribery and Corruption

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

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

Conclusion

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

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

The Statement is made in accordance with the resolution of the Board dated 8 April 2021.

OTHER DISCLOSURE INFORMATION

1. Audit and Non-Audit fees

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

	Audit Fee RM	Non-audit Fee RM
Group	125,000	–
Company	38,000	–
Total	163,000	–

2. Material Contracts

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

3. Utilisation of Proceeds

There were no proceeds raised from any corporate proposal during the financial year ended 31 December 2020.

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

The Company had at the 11th Annual General Meeting of the Company held on 29 July 2020 obtained shareholders’ mandate for the Group to enter into RRPT, which are necessary for its day-to-day operations and are in the ordinary course of business with related parties. The shareholders’ mandate shall lapse at the conclusion of the Company’s forthcoming Annual General Meeting. The Company intends to seek shareholders’ mandate in respect of the RRPT of the group at the forthcoming AGM of the Company.

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

Transacting parties		Nature of relationship	Nature of transaction	Actual Value transacted RM’000
Focus Point Group	Related party			
Focus Point Vision Care Group Sdn Bhd (“Focus Point Vision Care”)	Focus Point Vision Care 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).	221

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Other Disclosure Information (Cont'd)

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

Transacting parties		Nature of relationship	Nature of transaction	Actual Value transacted RM'000
Focus Point Group	Related party			
Focus Point Management Sdn Bhd	Focus Point Vision Care (HP)	Focus Point Vision Care (HP), in which Dato' Liaw Choon Liang's brother, Liaw Choon Kuan has substantial shareholdings, is a 35%-owned associate company of Focus Point Vision Care. Dato' Liaw Choon Liang and Liaw Choon Kuan are directors of Focus Point Vision Care (HP).	Licensing fee received from Focus Point Vision Care (HP) for granting "Focus Point" licensed outlets.	67
Multiple Reward Sdn Bhd	Sejati Serimas Sdn Bhd ("Sejati Serimas")	Datin Goh Poi Eong and Kelvin Liaw Kai Xuan are shareholders and director of Sejati Serimas. Kelvin 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.	240

STATEMENT OF DIRECTORS' RESPONSIBILITY

FOR PREPARING THE ANNUAL FINANCIAL STATEMENTS

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

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

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

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

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

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

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	10,637	4,778
Attributable to:		
Owners of the parent	10,637	4,778
Non-controlling interests	–	–
	10,637	4,778

DIVIDENDS

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

	RM'000
In respect of the financial year ended 31 December 2020:	
First interim single tier dividend of 1.0 sen per ordinary share, paid on 25 February 2020	2,200
Second interim single tier dividend of 1.0 sen per ordinary share, paid on 30 December 2020	2,200
	4,400

The Board of Directors does not recommend any final dividend for the financial year ended 31 December 2020.

RESERVES AND PROVISIONS

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

FOCUS POINT HOLDINGS BERHAD

Directors' Report (Cont'd)

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

Dato' Liaw Choon Liang*
Datin Goh Poi Eong*
Leow Ming Fong @ Leow Min Fong
Datin Sim Swee Yoke
Datuk Md Zubir Ansori bin Yahaya
Kelvin Liaw Kai Xuan* (resigned on 7 August 2020)

* *Directors of the Company and its subsidiaries*

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2020 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of Companies Act 2016 in Malaysia were as follows:

	<----- Number of ordinary shares ----->			
	Balance as at 1.1.2020	Bought	Sold	Balance as at 31.12.2020
Shares in the Company				
Direct interests:				
Dato' Liaw Choon Liang	101,124,001	–	(11,825,000)	89,299,001
Datin Goh Poi Eong	28,619,598	1,000,000	–	29,619,598
Leow Ming Fong @ Leow Min Fong	666,666	–	(166,666)	500,000

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

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

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

DIRECTORS' BENEFITS

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

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

DIRECTORS' REMUNERATION

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors. The amount of insurance premium paid by the Group and the Company for the financial year ended 31 December 2020 was RM3,800.

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

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of 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.

FOCUS POINT HOLDINGS BERHAD

Directors' Report (Cont'd)

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

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

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

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

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Significant event during the financial year is disclosed in Note 36 to the financial statements.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant event subsequent to the end of the reporting period is disclosed in Note 37 to the financial statements.

AUDITORS

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

The details of auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 December 2020 are disclosed in Note 29 to the financial statements.

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

.....
Dato' Liaw Choon Liang
Director

.....
Datin Goh Poi Eong
Director

8 April 2021

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 68 to 130 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

.....
Dato' Liaw Choon Liang
Director

.....
Datin Goh Poi Eong
Director

8 April 2021

STATUTORY DECLARATION

I, Kenneth Chin Kah Kiong (CA 19801), 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 68 to 130 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared by the abovenamed
at Petaling Jaya in the state of
Selangor Darul Ehsan this
8 April 2021

Kenneth Chin Kah Kiong

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FOCUS POINT HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Focus Point Holdings Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 68 to 130.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

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

As at 31 December 2020, inventories of the Group of RM44,945,000 comprised mainly optical and related products. Details of the inventories have been disclosed in Note 13 to the financial statements.

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

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

Independent Auditors' Report
(Cont'd)

Key Audit Matters (Cont'd)

Group (Cont'd)

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

Audit response

Our audit procedures included the following:

- (i) obtained an understanding of the procedures and controls in relation to the assessment by the management on the identification and write down of slow moving and obsolete inventories;
- (ii) analysed the inventories turnover period and assessed the appropriateness of the write down of inventories by the management by verifying to the latest sales invoices for selected samples from inventory ageing; and
- (iii) verified the actual margins and selling prices from sales invoices for selected samples subsequent to the end of the reporting period.

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

As at 31 December 2020, the Group had recognised right-of-use assets and lease liabilities for leases of Group with carrying amounts of RM59,596,000 and RM65,585,000 respectively as disclosed in Note 7 to the financial statements.

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

Audit response

Our audit procedures included the following:

- (i) assessed the appropriateness of the assumptions applied in determining variable lease payments, lease reassessments and modifications based on the lease contracts and relevant inputs;
- (ii) assessed the appropriateness of the discount rates applied in determining lease liabilities based on the lease contracts and relevant inputs;
- (iii) assessed the appropriateness of the assumptions applied in determining the lease terms of the lease liabilities, including renewal and termination options of the leases;
- (iv) verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contracts or other supporting information; and
- (v) assessed the appropriateness of applying the requirements of Amendment to MFRS 16 *Covid-19-Related Rent Concessions*.

Independent Auditors' Report
(Cont'd)**Key Audit Matters (Cont'd)****Company****a) Impairment assessment of the carrying amount of investments in subsidiaries**

As at 31 December 2020, the carrying amount of investments in subsidiaries of the Company were RM47,531,000 as disclosed in Note 8 to the financial statements.

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

Audit response

Our audit procedures included the following:

- (i) compared cash flow projections against recent performance and assessed the key assumptions used in the projections by comparing to actual gross margins and growth rates to assess reliability of management forecasting process;
- (ii) verified budgeted gross margins, revenue growth rates and terminal values by assessing evidence available to support these key assumptions;
- (iii) verified pre-tax discount rate used by the management for each subsidiary by comparing to weighted average cost of capital of the Group; and
- (iv) performed sensitivity analysis of our own to stress test the key assumptions in the impairment model.

Information Other than the Financial Statements and Auditors' Report Thereon

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

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report (Cont'd)

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IRFSs and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report
(Cont'd)**Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)**

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

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

BDO PLT

LLP0018825-LCA & AF 0206
Chartered Accountants

Kuala Lumpur
8 April 2021

Ho Kok Khiaw

03412/02/2023 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	6	32,907	34,353	–	–
Right-of-use assets	7	59,596	77,984	–	–
Investments in subsidiaries	8	–	–	47,531	47,531
Investment in a joint venture	9	–	–	–	–
Investment in an associate	10	751	745	–	–
Other investment	11	210	210	–	–
Trade and other receivables	12	4,882	5,860	–	–
Deferred tax assets	22	115	186	–	–
		98,461	119,338	47,531	47,531
Current assets					
Inventories	13	44,945	49,787	–	–
Trade and other receivables	12	30,841	28,220	952	737
Cash and bank balances	14	17,902	13,666	571	389
Current tax assets		71	11	–	–
		93,759	91,684	1,523	1,126
TOTAL ASSETS		192,220	211,022	49,054	48,657
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	23	40,096	40,096	40,096	40,096
Retained earnings		28,210	21,973	8,314	7,936
TOTAL EQUITY		68,306	62,069	48,410	48,032

Statements of Financial Position
(Cont'd)

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
LIABILITIES					
Non-current liabilities					
Borrowings	15	8,126	7,991	–	–
Lease liabilities	7	34,917	49,200	–	–
Deferred tax liabilities	22	752	591	–	–
Deferred income	21	1,170	1,139	–	–
		44,965	58,921	–	–
Current liabilities					
Borrowings	15	15,746	19,672	–	–
Lease liabilities	7	30,668	34,410	–	–
Trade and other payables	20	30,580	33,673	642	623
Deferred income	21	1,222	1,559	–	–
Current tax liabilities		733	718	2	2
		78,949	90,032	644	625
TOTAL LIABILITIES		123,914	148,953	644	625
TOTAL EQUITY AND LIABILITIES		192,220	211,022	49,054	48,657

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 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	26	159,612	191,025	5,200	6,550
Cost of sales	27	(56,609)	(67,577)	–	–
Gross profit		103,003	123,448	5,200	6,550
Other operating income		1,308	1,949	7	7
Selling and distribution costs		(28,735)	(36,936)	–	–
Administrative expenses		(54,331)	(67,858)	(427)	(578)
Finance costs	28	(5,629)	(5,728)	–	–
Share of profit in an associate, net of tax		6	362	–	–
Share of loss in a joint venture, net of tax		–	(32)	–	–
Profit before tax	29	15,622	15,205	4,780	5,979
Tax expense	31	(4,985)	(5,317)	(2)	(2)
Profit for the financial year		10,637	9,888	4,778	5,977
Other comprehensive income, net of tax		–	–	–	–
Total comprehensive income		10,637	9,888	4,778	5,977
Profit attributable to:					
Owners of the parent		10,637	9,888	4,778	5,977
Non-controlling interests		–	–	–	–
		10,637	9,888	4,778	5,977
Total comprehensive income attributable to:					
Owners of the parent		10,637	9,888	4,778	5,977
Non-controlling interests		–	–	–	–
		10,637	9,888	4,778	5,977
Earnings per ordinary share attributable to owners of the parent (sen):					
- Basic and diluted	32	3.22	3.00		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Group	Note	Share capital RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Total equity RM'000
Balance as at 1 January 2019		40,096	16,210	56,306	56,306
Profit for the financial year		–	9,888	9,888	9,888
Other comprehensive income, net of tax		–	–	–	–
Total comprehensive income		–	9,888	9,888	9,888
Transaction with owners					
Dividends paid	33	–	(4,125)	(4,125)	(4,125)
Total transaction with owners		–	(4,125)	(4,125)	(4,125)
Balance as at 31 December 2019		40,096	21,973	62,069	62,069
Profit for the financial year		–	10,637	10,637	10,637
Other comprehensive income, net of tax		–	–	–	–
Total comprehensive income		–	10,637	10,637	10,637
Transaction with owners					
Dividends paid	33	–	(4,400)	(4,400)	(4,400)
Total transaction with owners		–	(4,400)	(4,400)	(4,400)
Balance as at 31 December 2020		40,096	28,210	68,306	68,306

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Company	Note	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2019		40,096	6,084	46,180
Profit for the financial year		–	5,977	5,977
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		–	5,977	5,977
Transaction with owners				
Dividends paid	33	–	(4,125)	(4,125)
Total transaction with owners		–	(4,125)	(4,125)
Balance as at 31 December 2019		40,096	7,936	48,032
Profit for the financial year		–	4,778	4,778
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		–	4,778	4,778
Transaction with owners				
Dividends paid	33	–	(4,400)	(4,400)
Total transaction with owners		–	(4,400)	(4,400)
Balance as at 31 December 2020		40,096	8,314	48,410

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		15,622	15,205	4,780	5,979
Adjustments for:					
Bad debts written off		3	689	-	-
Depreciation of property, plant and equipment	6	6,106	6,150	-	-
Depreciation of right-of-use assets	7	29,768	23,100	-	-
Dividend income from subsidiaries		-	-	(5,200)	(6,550)
Gain on disposal of investment in a joint venture	9	-	(94)	-	-
Gain on lease reassessments and modifications	29	(35)	-	-	-
Impairment losses on:					
- investment in a subsidiary		-	-	-	119
- property, plant and equipment	6(c)	-	34	-	-
- right-of-use assets	7(d)	202	-	-	-
- trade and other receivables	12(m)	20	-	-	-
Interest expense on:					
- term loans	28	415	465	-	-
- bankers' acceptances	28	554	570	-	-
- bank overdrafts	28	152	131	-	-
- revolving credits	28	63	96	-	-
- lease liabilities	28	4,406	4,465	-	-
- others	28	39	1	-	-
Interest income on:					
- fixed deposits		(190)	(203)	(7)	(7)
- finance lease receivables	12(h)	(503)	(492)	-	-
- others		-	(14)	-	-
Inventories written down	13(c)	500	525	-	-
Inventories written off	13(c)	392	489	-	-
Rent concessions	7	(4,575)	-	-	-
Net (gain)/loss on disposal of property, plant and equipment		(111)	12	-	-
Property, plant and equipment written off		561	942	-	-
Reversal of impairment losses on:					
- property, plant and equipment	6(c)	(53)	-	-	-
- trade and other receivables	12(m)	-	(490)	-	-
Share of profit in an associate	10(e)	(6)	(362)	-	-
Share of loss in a joint venture	9(g)	-	32	-	-
Waiver of debts owing to an associate		(24)	-	-	-
Operating profit/(loss) before changes in working capital		53,306	51,251	(427)	(459)

FOCUS POINT HOLDINGS BERHAD

Statements of Cash Flows (Cont'd)

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (Cont'd)					
Operating profit/(loss) before changes in working capital (Cont'd)		53,306	51,251	(427)	(459)
Changes in working capital:					
Inventories		3,950	(4,768)	–	–
Trade and other receivables		2,951	3,067	–	–
Trade and other payables		(1,640)	7,805	19	(7)
Deferred income		(306)	(357)	–	–
Cash generated from/ (used in) operations		58,261	56,998	(408)	(466)
Tax paid		(4,807)	(6,652)	(2)	–
Tax refunded		9	1	–	1
Net cash from/(used in) operating activities		53,463	50,347	(410)	(465)
CASH FLOWS FROM INVESTING ACTIVITIES					
Advances to an associate		(103)	–	–	–
Advances to subsidiaries		–	–	(215)	(1,583)
Dividends received from an associate	10(e)	–	315	–	–
Dividends received from subsidiaries		–	–	5,200	6,550
Interest received		190	203	7	7
Proceeds from disposal of property, plant and equipment		308	59	–	–
Purchase of property, plant and equipment	6(b)	(3,004)	(4,166)	–	–
Proceeds from disposal of investment in a joint venture	9	–	220	–	–
Purchase of other investment		–	(210)	–	–
Placements of deposits pledged to licensed banks		(300)	(134)	–	–
Net cash (used in)/from investing activities		(2,909)	(3,713)	4,992	4,974

Statements of Cash Flows
(Cont'd)

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	33	(4,400)	(4,125)	(4,400)	(4,125)
Interest paid		(1,184)	(1,262)	–	–
Net repayments of revolving credits		(2,025)	(936)	–	–
Net (repayments)/drawdown of bankers' acceptances		(2,062)	2,059	–	–
Net drawdown/(repayments) of term loans		280	(1,521)	–	–
Payments of lease liabilities		(37,243)	(34,177)	–	–
Net cash used in financing activities		(46,634)	(39,962)	(4,400)	(4,125)
Net increase in cash and cash equivalents		3,920	6,672	182	384
Cash and cash equivalents at beginning of the financial year		8,205	1,533	389	5
Cash and cash equivalents at end of the financial year	14(d)	12,125	8,205	571	389

FOCUS POINT HOLDINGS BERHADStatements of Cash Flows
(Cont'd)**RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

	Lease liabilities (Note 7) RM'000	Term loans (Note 15) RM'000	Bankers' acceptances (Note 15) RM'000	Revolving credits (Note 15) RM'000
Group				
At 1 January 2020	83,610	9,473	15,147	2,025
Cash flows	(37,243)	280	(2,062)	(2,025)
Non-cash flows:				
- Additions	23,510	-	-	-
- Lease reassessments and modifications	(4,123)	-	-	-
- Rent concessions	(4,575)	-	-	-
- Unwinding of interest	4,406	-	-	-
At 31 December 2020	65,585	9,753	13,085	-
At 1 January 2019	57,146	10,310	13,088	2,961
Cash flows	(34,177)	(1,521)	2,059	(936)
Non-cash flows:				
- Purchase of property, plant and equipment	-	684	-	-
- Additions	56,176	-	-	-
- Unwinding of interest	4,465	-	-	-
At 31 December 2019	83,610	9,473	15,147	2,025

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

1. CORPORATE INFORMATION

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

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

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

The consolidated financial statements for the financial year ended 31 December 2020 comprise the Company and its subsidiaries and the interest of the Group in an associate. 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 8 April 2021.

2. PRINCIPAL ACTIVITIES

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

3. BASIS OF PREPARATION

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

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 39.1 to the financial statements.

The Group has also early adopted Amendment to MFRS 16 *Covid-19-Related Rent Concessions* in the current financial year and elected to apply the practical expedient to all rent concessions relating to leases with similar characteristics and similar circumstances.

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.

4. OPERATING SEGMENTS

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

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

(i) Optical related products

Retailing of optical related products.

(ii) Franchise management

Management of franchised professional eye care centres and food and beverage outlets.

(iii) Food and beverages

Provision of food and beverages services.

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

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

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

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

Notes to the Financial Statements
(Cont'd)

4. OPERATING SEGMENTS (CONT'D)

2020	Optical related products RM'000	Franchise management RM'000	Food and beverages RM'000	Others RM'000	Total RM'000
Revenue					
Total revenue	136,271	3,097	19,111	6,343	164,822
Inter-segment revenue	(4)	–	(6)	(5,200)	(5,210)
Revenue from external customers	136,267	3,097	19,105	1,143	159,612
Finance income	640	–	37	16	693
Finance costs	(5,257)	–	(336)	(36)	(5,629)
Net finance expense	(4,617)	–	(299)	(20)	(4,936)
Depreciation of property, plant and equipment	4,954	–	1,066	86	6,106
Depreciation of right-of-use assets	27,266	–	2,250	252	29,768
Segment profit/(loss) before tax	14,989	1,644	(677)	4,886	20,842
Share of profit of an associate, net of tax	6	–	–	–	6
Tax expense	(4,761)	(177)	(10)	(37)	(4,985)
Other material non-cash items:					
Reversal of impairment losses on property, plant and equipment	(53)	–	–	–	(53)
Impairment losses on:					
- right-of-use assets	202	–	–	–	202
- trade and other receivables	–	–	20	–	20
Bad debts written off	3	–	–	–	3
Inventories written down	500	–	–	–	500
Inventories written off	392	–	–	–	392
Gain on lease reassessments and modifications	(35)	–	–	–	(35)
Rent concessions	(4,257)	–	(260)	(58)	(4,575)
Property, plant and equipment written off	415	–	104	42	561
Net (gain)/loss on disposal of property, plant and equipment	(120)	–	9	–	(111)
Waiver of debt owing to an associate	(24)	–	–	–	(24)
Investment in an associate	751	–	–	–	751
Additions to non-current assets:					
- property, plant and equipment	1,314	–	1,690	–	3,004
- right-of-use assets	14,043	–	3,855	181	18,079
Segment assets	172,866	677	16,878	1,613	192,034
Segment liabilities	108,312	2,576	10,899	642	122,429

FOCUS POINT HOLDINGS BERHAD

Notes to the Financial Statements (Cont'd)

4. OPERATING SEGMENTS (CONT'D)

2019	Optical related products RM'000	Franchise management RM'000	Food and beverages RM'000	Others RM'000	Total RM'000
Revenue					
Total revenue	168,670	4,403	16,738	7,786	197,597
Inter-segment revenue	–	–	(22)	(6,550)	(6,572)
<hr/>					
Revenue from external customers	168,670	4,403	16,716	1,236	191,025
<hr/>					
Finance income	634	1	53	21	709
Finance costs	(5,415)	–	(283)	(30)	(5,728)
<hr/>					
Net finance (expense)/income	(4,781)	1	(230)	(9)	(5,019)
<hr/>					
Depreciation of property, plant and equipment	4,855	–	1,208	87	6,150
Depreciation of right-of-use assets	21,655	–	1,247	198	23,100
<hr/>					
Segment profit/(loss) before tax	14,858	2,701	(1,946)	6,091	21,704
<hr/>					
Share of profit of associates, net of tax	362	–	–	–	362
Share of loss of a joint venture, net of tax	–	–	(32)	–	(32)
Tax expense	(4,901)	(325)	(27)	(64)	(5,317)
<hr/>					
Other material non-cash items:					
Impairment losses on:					
- property, plant and equipment	34	–	–	–	34
Reversal of impairment loss on trade and other receivables	(2)	–	(488)	–	(490)
Bad debts written off	2	–	687	–	689
Inventories written down	525	–	–	–	525
Inventories written off	489	–	–	–	489
Property, plant and equipment written off	814	–	128	–	942
Net (gain)/loss on disposal of property, plant and equipment	(12)	–	24	–	12
Gain on disposal of investment in a joint venture	–	–	(94)	–	(94)
Investment in an associate	745	–	–	–	745
<hr/>					
Additions to non-current assets:					
- property, plant and equipment	4,626	–	199	25	4,850
- right-of-use assets	46,913	–	4,792	712	52,417
<hr/>					
Segment assets	195,000	839	12,769	2,217	210,825
<hr/>					
Segment liabilities	136,740	2,668	7,578	658	147,644

Notes to the Financial Statements
(Cont'd)**4. OPERATING SEGMENTS (CONT'D)**

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

	2020 RM'000	2019 RM'000
Profit for the financial year		
Total profit for reportable segments	20,842	21,704
Elimination of inter-segment results	(5,220)	(6,499)
Profit before tax	15,622	15,205
Tax expense	(4,985)	(5,317)
Profit for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	10,637	9,888
Assets		
Total assets for reportable segments	192,034	210,825
Tax assets	186	197
Total assets of the Group per consolidated statement of financial position	192,220	211,022
Liabilities		
Total liabilities for reportable segments	122,429	147,644
Tax liabilities	1,485	1,309
Total liabilities of the Group per consolidated statement of financial position	123,914	148,953

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.

5. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy ratios in order to support its business operations and to provide fair returns for shareholders and benefits for other stakeholders. The overall strategy of the Group remains unchanged from the financial year ended 31 December 2019.

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 2020 and 31 December 2019.

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Borrowings	23,872	27,663	–	–
Lease liabilities	65,585	83,610	–	–
Trade and other payables	30,580	33,673	642	623
Total liabilities	120,037	144,946	642	623
Less: Cash and bank balances	(17,902)	(13,666)	(571)	(389)
Net debt	102,135	131,280	71	234
Total capital	68,306	62,069	48,410	48,032
Net debt	102,135	131,280	71	234
	170,441	193,349	48,481	48,266
Gearing ratio (%)	59.9	67.9	0.1	0.5

Pursuant to the requirements of Guidance Note No. 3/2006 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more 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 2020.

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

Notes to the Financial Statements
(Cont'd)**5. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)****(b) Financial risk management objectives and policies**

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

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

Foreign currency risk

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

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

The sensitivity analysis for foreign currency risk has been disclosed in Notes 12 and 20 to the financial statements.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company 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, lease receivables, borrowings and lease liabilities. The Group borrows at both fixed and floating rates of interest to generate the desired interest profile and to manage the Group's exposure to interest rate fluctuations. The Group's deposits are placed at fixed rates and management endeavours to obtain the best rate available in the market.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 7, 12, 14 and 15 to the financial statements.

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 activities of the Group.

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

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

Liquidity and cash flow risk (Cont'd)

In order to mitigate the potential risk exposure due to COVID-19 pandemic, the Group has taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs of business operations.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 7, 15 and 20 to the financial statements.

Credit risk

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

The primary exposure of the Group and of the Company to credit risk arises through third party receivables and amounts owing by subsidiaries. The trading terms of the Group 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 (2019: 75 days). Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

The credit risk concentration profiles have been disclosed in Note 12 to the financial statements.

Notes to the Financial Statements
(Cont'd)**6. PROPERTY, PLANT AND EQUIPMENT**

Group	Balance as at 1.1.2020 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Reclassi- fications* RM'000	Balance as at 31.12.2020 RM'000	
At cost							
Freehold land	5,072	–	–	–	–	5,072	
Buildings	9,879	–	–	–	–	9,879	
Alarm and security system	1,040	15	–	(5)	40	1,090	
Computers	6,040	158	–	(22)	–	6,176	
Furniture and fittings	19,335	282	(3)	(827)	2,050	20,837	
Lab tools and equipment	2,739	–	–	(291)	–	2,448	
Motor vehicles	3,488	15	(1,372)	(6)	–	2,125	
Office equipment	1,356	773	–	(7)	40	2,162	
Optical equipment	14,515	587	–	(98)	494	15,498	
Renovation and electrical installations	11,356	892	(38)	(674)	1,321	12,857	
Signboards	1,353	44	–	(75)	129	1,451	
Bakery equipment	7,225	238	(27)	(296)	3	7,143	
	83,398	3,004	(1,440)	(2,301)	4,077	86,738	
Accumulated depreciation and impairment losses							
Group	Balance as at 1.1.2020 RM'000	Charge for the financial year RM'000	Disposals RM'000	Written off RM'000	(Reversal of impairment losses)/ Impairment losses RM'000	Reclassi- fications* RM'000	Balance as at 31.12.2020 RM'000
Buildings	777	185	–	–	–	–	962
Alarm and security system	704	148	–	(10)	(13)	28	857
Computers	5,656	236	–	(21)	–	–	5,871
Furniture and fittings	12,068	2,101	–	(591)	72	810	14,460
Lab tools and equipment	2,505	75	–	(250)	–	–	2,330
Motor vehicles	3,323	12	(1,226)	(5)	–	–	2,104
Office equipment	1,115	141	–	(5)	7	21	1,279
Optical equipment	9,109	1,058	–	(90)	–	184	10,261
Renovation and electrical installations	8,237	1,269	(2)	(498)	(102)	580	9,484
Signboards	947	183	–	(65)	(17)	92	1,140
Bakery equipment	4,604	698	(15)	(205)	–	1	5,083
	49,045	6,106	(1,243)	(1,740)	(53)	1,716	53,831

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

FOCUS POINT HOLDINGS BERHAD

Notes to the Financial Statements (Cont'd)

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

Group	Balance as at 1.1.2019 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Reclassi- fications* RM'000	Balance as at 31.12.2019 RM'000
At cost						
Freehold land	5,072	–	–	–	–	5,072
Buildings	8,812	1,067	–	–	–	9,879
Alarm and security system	1,016	78	–	(107)	53	1,040
Computers	5,794	304	(6)	(52)	–	6,040
Furniture and fittings	16,602	893	(20)	(2,386)	4,246	19,335
Hearing equipment	30	–	–	(30)	–	–
Lab tools and equipment	2,733	23	–	(17)	–	2,739
Motor vehicles	2,801	–	–	–	687	3,488
Office equipment	1,215	82	(5)	(80)	144	1,356
Optical equipment	12,451	1,128	(144)	(169)	1,249	14,515
Renovation and electrical installations	9,911	888	–	(2,099)	2,656	11,356
Signboards	1,048	288	–	(285)	302	1,353
Bakery equipment	7,077	99	(120)	(73)	242	7,225
	74,562	4,850	(295)	(5,298)	9,579	83,398

Group	Balance as at 1.1.2019 RM'000	Charge for the financial year RM'000	Disposals RM'000	Written off RM'000	(Reversal of impairment losses)/ Impairment losses RM'000	Reclassi- fications* RM'000	Balance as at 31.12.2019 RM'000
Accumulated depreciation and impairment losses							
Buildings	592	185	–	–	–	–	777
Alarm and security system	669	151	–	(141)	(11)	36	704
Computers	5,344	366	(2)	(52)	–	–	5,656
Furniture and fittings	9,918	2,057	(10)	(1,606)	98	1,611	12,068
Hearing equipment	30	–	–	(30)	–	–	–
Lab tools and equipment	2,446	75	–	(16)	–	–	2,505
Motor vehicles	2,769	13	–	–	–	541	3,323
Office equipment	1,010	119	(2)	(81)	–	69	1,115
Optical equipment	7,958	1,035	(134)	(139)	–	389	9,109
Renovation and electrical installations	7,884	1,271	–	(1,945)	(80)	1,107	8,237
Signboards	900	165	–	(287)	(7)	176	947
Bakery equipment	3,925	713	(76)	(59)	34	67	4,604
	43,445	6,150	(224)	(4,356)	34	3,996	49,045

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

Notes to the Financial Statements
(Cont'd)**6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	Group	
	2020	2019
	RM'000	RM'000
Carrying amount		
Freehold land	5,072	5,072
Buildings	8,917	9,102
Alarm and security system	233	336
Computers	305	384
Furniture and fittings	6,377	7,267
Lab tools and equipment	118	234
Motor vehicles	21	165
Office equipment	883	241
Optical equipment	5,237	5,406
Renovation and electrical installations	3,373	3,119
Signboards	311	406
Bakery equipment	2,060	2,621
	32,907	34,353

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

Depreciation is calculated to write down the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation annual rates are as follows:

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

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

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

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

FOCUS POINT HOLDINGS BERHAD

Notes to the Financial Statements (Cont'd)

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

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

	2020	Group
	RM'000	2019
		RM'000
Purchase of property, plant and equipment	3,004	4,850
Financed by term loan arrangements	–	(684)
<hr/>		
Cash payments on purchase of property, plant and equipment	3,004	4,166

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

	2020	Group
	RM'000	2019
		RM'000
Impairment losses on property, plant and equipment	–	34

During the financial year, the Group has recognised reversal of impairment losses on certain property, plant and equipment amounted to RM53,000 (2019: Nil).

- (d) The carrying amounts of property, plant and equipment of the Group charged as securities for banking facilities granted to the Group (Notes 16, 18 and 25 to the financial statements) are as follows:

	2020	Group
	RM'000	2019
		RM'000
Freehold land	4,698	5,072
Buildings	8,405	9,102
<hr/>		
	13,103	14,174

Notes to the Financial Statements
(Cont'd)

7. LEASES

The Group as lessee

Right-of-use assets

Carrying amount	Balance as at 1.1.2020 RM'000	Additions RM'000	Reassessments and modifications RM'000	Depreciation RM'000	Impairment losses RM'000	Reclassi- fications* RM'000	Balance as at 31.12.2020 RM'000
Retail spaces	61,599	13,997	(4,137)	(26,875)	(202)	–	44,382
Office, warehouses and hostels	629	2,146	1	(597)	–	–	2,179
Alarm and security system	118	4	–	(29)	–	(12)	81
Furniture and fittings	6,933	281	–	(867)	–	(1,240)	5,107
Motor vehicles	704	590	–	(270)	–	–	1,024
Office equipment	38	84	–	(11)	–	(19)	92
Optical equipment	2,931	148	–	(314)	–	(310)	2,455
Renovation and electrical installations	4,535	288	–	(651)	–	(741)	3,431
Signboards	495	31	–	(117)	–	(37)	372
Bakery equipment	2	325	–	(20)	–	(2)	305
Lab tools and equipment	–	185	–	(17)	–	–	168
	77,984	18,079	(4,136)	(29,768)	(202)	(2,361)	59,596

Carrying amount	Balance as at 1.1.2019 RM'000	Additions RM'000	Depreciation RM'000	Reclassi- fications* RM'000	Balance as at 31.12.2019 RM'000
Retail spaces	38,296	43,805	(20,502)	–	61,599
Office, warehouses and hostels	599	479	(449)	–	629
Alarm and security system	101	64	(29)	(18)	118
Furniture and fittings	6,822	3,625	(880)	(2,634)	6,933
Motor vehicles	813	214	(176)	(147)	704
Office equipment	112	13	(13)	(74)	38
Optical equipment	2,782	1,299	(290)	(860)	2,931
Renovation and electrical installations	4,174	2,565	(656)	(1,548)	4,535
Signboards	373	353	(105)	(126)	495
Bakery equipment	178	–	–	(176)	2
	54,250	52,417	(23,100)	(5,583)	77,984

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

FOCUS POINT HOLDINGS BERHAD

Notes to the Financial Statements (Cont'd)

7. LEASES (CONT'D)

The Group as lessee (Cont'd)

Lease liabilities	Balance as at 1.1.2020 RM'000	Additions RM'000	Reassessments and modifications RM'000	Lease payments RM'000	Rent concessions RM'000	Interest expense RM'000	Balance as at 31.12.2020 RM'000
Carrying amount							
Retail spaces	71,830	17,866	(4,124)	(29,810)	(4,575)	3,592	54,779
Office, warehouses and hostels	647	2,146	1	(617)	-	47	2,224
Alarm and security system	99	22	-	(53)	-	6	74
Furniture and fittings	4,808	1,185	-	(2,877)	-	322	3,438
Motor vehicles	564	359	-	(438)	-	49	534
Office equipment	31	87	-	(24)	-	3	97
Optical equipment	1,889	469	-	(1,098)	-	123	1,383
Renovation and electrical installations	3,352	773	-	(1,996)	-	223	2,352
Signboards	389	93	-	(243)	-	27	266
Bakery equipment	1	325	-	(42)	-	5	289
Lab tools and equipment	-	185	-	(45)	-	9	149
	83,610	23,510	(4,123)	(37,243)	(4,575)	4,406	65,585

Represented by:

	2020 RM'000
Current liabilities	30,668
Non-current liabilities	34,917
	65,585
Lease liabilities owing to financial institutions	8,582
Lease liabilities owing to non-financial institutions	57,003
	65,585

Notes to the Financial Statements
(Cont'd)**7. LEASES (CONT'D)****The Group as lessee (Cont'd)**

Lease liabilities	Balance as at 1.1.2019 RM'000	Additions RM'000	Lease payments RM'000	Interest expense RM'000	Balance as at 31.12.2019 RM'000
Carrying amount					
Retail spaces	47,495	46,773	(25,994)	3,556	71,830
Office, warehouses and hostels	608	479	(480)	40	647
Alarm and security system	77	80	(65)	7	99
Furniture and fittings	3,959	3,836	(3,367)	380	4,808
Motor vehicles	464	442	(386)	44	564
Office equipment	33	25	(30)	3	31
Optical equipment	1,550	1,482	(1,288)	145	1,889
Renovation and electrical installations	2,624	2,734	(2,262)	256	3,352
Signboards	293	325	(258)	29	389
Bakery equipment	43	-	(47)	5	1
	57,146	56,176	(34,177)	4,465	83,610

Represented by:

	2019 RM'000
Current liabilities	34,410
Non-current liabilities	49,200
	83,610
Lease liabilities owing to financial institutions	11,133
Lease liabilities owing to non-financial institutions	72,477
	83,610

Notes to the Financial Statements
(Cont'd)

7. LEASES (CONT'D)

The Group as lessee (Cont'd)

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

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

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

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

Retail spaces	1 - 9 years
Office, warehouses and hostels	1 - 5 years
Alarm and security system	3 years
Furniture and fittings	3 years
Motor vehicles	5 years
Office equipment	3 years
Optical equipment	3 years
Renovation and electrical installations	3 years
Signboards	3 years
Bakery equipment	3 years
Lab tools and equipment	3 years

- (b) The Group has certain leases of retail spaces with lease term of 12 months or less. The Group applies the "short-term lease" exemption for these leases.

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

	2020	Group
	RM'000	2019
		RM'000
Depreciation charge of right-of-use assets (included in administration expenses)	29,768	23,100
Impairment losses on right-of-use assets (included in administration expenses)	202	-
Interest expense on lease liabilities (included in finance costs)	4,406	4,465
Expense relating to short-term leases (included in administration expenses)	216	11,739
Variable lease payments (included in administration expenses)	4,616	1,609
COVID-19 related rent concessions (included in administration expenses)	(4,575)	-
	34,633	40,913

Notes to the Financial Statements
(Cont'd)**7. LEASES (CONT'D)****The Group as lessee (Cont'd)**

(c) (Cont'd)

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

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

(d) The Group has carried out a review of the recoverable amount of its right-of-use assets during the financial year and has recognised impairment losses on certain right-of-use assets to reduce the carrying amounts of the assets to their recoverable amounts, incorporating the impact of COVID-19 pandemic.

Impairment loss on right-of-use assets of the Group of RM202,000 was recognised during the financial year due to decline in or cessation of certain outlets' operations of a subsidiary of the Group as a result of the COVID-19 pandemic.

(e) At the end of the financial year, the Group had total cash outflow for leases of RM37,243,000 (2019: RM34,177,000).

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

The followings are the undiscounted potential future rental payments that are not included in the lease term:

Group	Within five	More than	Total
2020	years	five years	RM'000
	RM'000	RM'000	RM'000
Extension options expected not to be exercised	6,463	900	7,363
<hr/>			
2019			
Extension options expected not to be exercised	5,299	155	5,454
<hr/>			

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Notes to the Financial Statements (Cont'd)

7. LEASES (CONT'D)

The Group as lessee (Cont'd)

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

Group	Weighted average incremental borrowing rate per annum %	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000	Total RM'000
31 December 2020						
Lease liabilities	5.5 - 7.6	30,668	17,583	16,033	1,301	65,585
31 December 2019						
Lease liabilities	6.0 - 7.6	34,410	23,936	23,311	1,953	83,610

- (h) The table below summarises the maturity profile of the lease liabilities of the Group at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
31 December 2020				
Lease liabilities	33,661	36,439	1,328	71,428
31 December 2019				
Lease liabilities	38,528	51,522	2,181	92,231

- (i) Management exercises significant judgement in determining the incremental borrowing rate whenever the implicit rate of interest in a lease is not readily determinable as well as the lease term. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment.
- (j) Due to the implementation of Movement Control Order by the Government, the Group had to temporarily suspend the majority of its retail outlets' operations for certain periods of time during the financial year ended 31 December 2020. The Group has received rent concessions from lessors as the Group was unable to operate during these periods.

Notes to the Financial Statements
(Cont'd)**8. INVESTMENTS IN SUBSIDIARIES**

	Company	
	2020	2019
	RM'000	RM'000
At cost		
Unquoted shares	47,805	47,805
Less: Impairment losses	(274)	(274)
	47,531	47,531

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements at cost less impairment losses.
- (b) The Company and/or its subsidiaries review the investments in subsidiaries for impairment when there is an indication of impairment.

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

The value-in-use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries discounted at an appropriate pre-tax discount rate. For such discounted cash flow method, it requires management to exercise significant judgement on the use of estimated future results and a set of assumptions to support their income and cash flows. Significant judgement had also been used to determine the pre-tax discount rate for the cash flows.

Key assumptions used in value-in-use calculations

The recoverable amounts of subsidiaries are determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period and with terminal values. The key assumptions used for value-in-use calculations are:

	Franchise management	Food and beverages
	%	%
As at 31 December 2020		
Budgeted gross margin	29.0	49.0
Revenue growth rate	0.0	5.0 - 44.0
Pre-tax discount rate	8.2	7.2
As at 31 December 2019		
Budgeted gross margin	39.0 - 100.0	52.0 - 54.0
Revenue growth rate	0.0	5.0 - 19.0
Pre-tax discount rate	3.4	3.4

Notes to the Financial Statements
(Cont'd)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) (Cont'd)

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

(i) Budgeted gross margin

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

(ii) Revenue growth rate

The revenue growth rate used is determined using a forecast growth rate obtained from financial budgets approved by management. The financial budgets cover a period of five years.

(iii) Pre-tax discount rate

The discount rate used are pre-tax relating to the relevant segments.

Sensitivity to changes in assumptions

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

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

Name of company	Country of incorporation	Effective interest in equity		Principal activities
		2020 %	2019 %	
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	Dormant
Multiple Reward Sdn. Bhd.	Malaysia	100	100	Provision of food and beverages services

Notes to the Financial Statements
(Cont'd)**8. INVESTMENTS IN SUBSIDIARIES (CONT'D)**

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

Name of company	Country of incorporation	Effective interest in equity		Principal activities
		2020 %	2019 %	
Subsidiaries of Focus Point Vision Care Group Sdn. Bhd.				
Esprit Shoppe Sdn. Bhd.	Malaysia	100	100	Dormant
Opulence Optometry Sdn. Bhd.	Malaysia	–	100	Struck-off and gazetted on 3 January 2020
Radiant Attraction Sdn. Bhd.	Malaysia	100	100	Dormant

9. INVESTMENT IN A JOINT VENTURE

	2020 RM'000	Group 2019 RM'000
At cost		
Unquoted equity shares	–	300
Share of post-acquisition reserves, net of Group's dividends	–	(174)
Proceeds from disposal of investment	–	(220)
Gain on disposal of investment	–	94
	–	–

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

Name of company	Country of incorporation	Effective interest in equity		Principal activities
		2020 %	2019 %	
Joint venture of Multiple Reward Sdn. Bhd.				
Majestic Ring Sdn. Bhd.*	Malaysia	–	–	Provision of food and beverages services

* Joint venture not audited by BDO PLT

FOCUS POINT HOLDINGS BERHAD

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN A JOINT VENTURE (CONT'D)

- (d) The joint venture, in which the Group participated, was an unlisted separate structured entity whose quoted market price was not available. The contractual arrangement stipulated unanimous consent of all parties over relevant activities of joint venture and provided the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for liabilities of the joint arrangement resting primarily with the joint venture. This joint arrangement had been classified as joint venture and had been included in the consolidated financial statements using the equity method.
- (e) In the previous financial year, Multiple Reward Sdn. Bhd., a wholly-owned subsidiary of the Company had entered into a sale and purchase agreement to dispose its entire investment in Majestic Ring Sdn. Bhd. ("MJRSB") comprising 300,000 ordinary shares, representing 50% equity shares in MJRSB, for a total consideration of RM220,000. Upon completion of the disposal on the same date, MJRSB ceased to be a joint venture of the Group.
- (f) The summarised financial information of the joint venture was as follows:

	2020 RM'000	2019 RM'000
Results		
Revenue	–	1,088
Loss for the financial year	–	(64)
Total comprehensive loss	–	(64)

- (g) The reconciliation of net assets of the joint venture to the carrying amount of the investment in joint venture were as follows:

	2020 RM'000	2019 RM'000
Share of results for the financial year		
Share of profit or loss	–	(32)
Share of other comprehensive income	–	–
Share of total comprehensive loss	–	(32)

10. INVESTMENT IN AN ASSOCIATE

	2020 RM'000	Group 2019 RM'000
At cost		
Unquoted equity shares	28	28
Share of post-acquisition reserves, net of Group's dividends	723	717
	751	745

Notes to the Financial Statements
(Cont'd)**10. INVESTMENT IN AN ASSOCIATE (CONT'D)**

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

Name of company	Country of incorporation	Effective interest in equity		Principal activities
		2020 %	2019 %	
Associate 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

* Associate not audited by BDO PLT

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

	Individually immaterial associate	
	2020 RM'000	2019 RM'000
Assets and liabilities		
Current assets	1,427	2,225
Non-current assets	2,555	2,929
Total assets	3,982	5,154
Current liabilities	919	1,780
Non-current liabilities	493	821
Total liabilities	1,412	2,601
Results		
Revenue	3,387	7,428
Profit for the financial year	17	1,034
Total comprehensive income	17	1,034

FOCUS POINT HOLDINGS BERHAD

Notes to the Financial Statements (Cont'd)

10. INVESTMENT IN AN ASSOCIATE (CONT'D)

- (e) The reconciliation of net assets of the associate to the carrying amount of the investment in an associate are as follows:

	Individually immaterial associate	
	2020 RM'000	2019 RM'000
Share of net assets	751	745
Share of results of the financial year		
Share of profit or loss	6	362
Share of other comprehensive income	–	–
Share of total comprehensive income	6	362
Other information		
Dividend received	–	315

11. OTHER INVESTMENT

	Group	
	2020 RM'000	2019 RM'000
Corporate golf club membership, unquoted	210	210

- (a) The corporate golf club membership is classified as financial assets at fair value through profit or loss pursuant to MFRS 9 *Financial Instruments*.
- (b) A regular way of purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.
- (c) The fair value of corporate golf club membership of the Company is categorised as Level 2 in the fair value hierarchy and determined by reference to the market price. There is no transfer between levels in the hierarchy during the financial year.

Notes to the Financial Statements
(Cont'd)

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current				
Trade receivables				
Third parties	229	337	-	-
Other receivables				
Third parties	102	102	-	-
Finance lease receivables	4,653	5,523	-	-
	4,755	5,625	-	-
Less: Impairment losses				
- Third parties	(102)	(102)	-	-
	4,653	5,523	-	-
Total non-current receivables	4,882	5,860	-	-
Current				
Trade receivables				
Third parties	5,669	5,610	-	-
Amount owing by an associate	50	175	-	-
	5,719	5,785	-	-
Less: Impairment losses				
- Third parties	(812)	(792)	-	-
- Associate	(3)	(3)	-	-
	4,904	4,990	-	-
Other receivables				
Third parties	6,650	4,858	-	-
Finance lease receivables	3,804	3,210	-	-
Amounts owing by subsidiaries	-	-	1,105	890
Amount owing by an associate	107	4	-	-
	10,561	8,072	1,105	890
Less: Impairment losses				
- Third parties	(83)	(83)	-	-
- Subsidiary	-	-	(157)	(157)
	10,478	7,989	948	733
Deposits				
Less : Impairment losses	(77)	(77)	-	-
	12,128	12,354	4	4
	12,051	12,277	4	4
Total current receivables	27,433	25,256	952	737
Prepayments	3,408	2,964	-	-
	30,841	28,220	952	737

FOCUS POINT HOLDINGS BERHAD

Notes to the Financial Statements (Cont'd)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

- (a) Trade and other receivables, net of prepayments are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal credit terms of trade receivables granted by the Group are 75 days (2019: 75 days), except for amounts owing by franchisees included in trade receivables of the Group for the initial investments and trade transactions amounting to RM664,000 (2019: RM781,000), which bear interest ranging from Nil to 10% (2019: Nil to 10%). They are recognised at their original invoice amounts, which represent their face values on initial recognition.
- (c) Included in other receivables of the Group are amounts owing by trade suppliers of RM1,774,000 (2019: RM2,627,000) after netting of purchase rebates receivable during the financial year, which are unsecured, interest-free and payable within next twelve months in cash and cash equivalents.
- (d) Amounts owing by subsidiaries represent balances arising from non-trade transactions, advances and payments made on behalf, which are unsecured, interest-free and payable within next twelve months in cash and cash equivalents.
- (e) Amount owing by an associate represents balances arising from trade transactions, advances and payments made on behalf, which are unsecured, interest-free and payable within next twelve months in cash and cash equivalents. The trade transactions are subject to normal trade terms.
- (f) Included in deposits of the Group are tenant deposits amounting to RM11,958,000 (2019: RM12,195,000), which are in respect of the rental of business premises in accordance with rental agreements.
- (g) The repayment terms of finance lease receivables are as follows:

	Group	
	2020 RM'000	2019 RM'000
Finance lease receivables:		
Less than one (1) year	4,164	3,626
One (1) to two (2) years	2,457	2,540
Two (2) to three (3) years	1,183	1,583
Three (3) to four (4) years	865	1,019
Four (4) to five (5) years	344	755
More than five (5) years	178	143
	9,191	9,666
Less: Unearned interest	(734)	(933)
	8,457	8,733
Representing finance lease receivables:		
Less than one (1) year	3,804	3,210
One (1) to two (2) years	2,266	2,282
Two (2) to three (3) years	1,076	1,436
Three (3) to four (4) years	814	940
Four (4) to five (5) years	325	726
More than five (5) years	172	139
	8,457	8,733

Notes to the Financial Statements
(Cont'd)**12. TRADE AND OTHER RECEIVABLES (CONT'D)**

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

	2020 RM'000	Group 2019 RM'000
Finance lease receivables:		
At beginning of financial year	8,733	8,230
Additions	3,963	3,508
Reassessments and modifications	48	–
Lease payments received	(4,790)	(3,497)
Interest income	503	492
	<hr/>	<hr/>
At end of financial year	8,457	8,733

- (i) The finance lease receivables are in relation to the back-to-back arrangements with its franchisees on the rental of retail spaces, whereby the Group has entered into rental agreements for the retail spaces with third parties and subsequently, sub-leased to franchisees over the entire lease period. These receivables were recognised at an amount equal to the net investment in the lease and were measured at the present value of the lease payments over the sub-lease periods, discounted at 4.50% to 6.00% (2019: 6.00%) based on the discount rate used for the head lease.

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

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

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions of the Group to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

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

It requires management to exercise judgement in determining the probability of default by trade receivables and appropriate forward looking information incorporating the impact of the COVID-19 pandemic.

FOCUS POINT HOLDINGS BERHAD

Notes to the Financial Statements (Cont'd)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(k) The ageing analysis of trade receivables of the Group are as follows:

	Gross carrying amount RM'000	Impairment losses RM'000	Net carrying amount RM'000
2020			
Collective assessment			
Current	3,491	—*	3,491
Past due:			
1 - 30 days	1,370	—*	1,370
31 - 60 days	259	—*	259
More than 60 days	697	(684)	13
	2,326	(684)	1,642
Individual assessment	131	(131)	—
	5,948	(815)	5,133
2019			
Collective assessment			
Current	3,917	—*	3,917
Past due:			
1 - 30 days	1,230	—*	1,230
31 - 60 days	135	—*	135
More than 60 days	705	(684)	21
	2,070	(684)	1,386
Individual assessment	135	(111)	24
	6,122	(795)	5,327

* The effects of ECL are insignificant.

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

Notes to the Financial Statements
(Cont'd)**12. TRADE AND OTHER RECEIVABLES (CONT'D)**

- (l) As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of the Group are summarised in the table below:

	2020	Group	2019
	RM'000		RM'000
Maximum exposure	5,133		5,327

- (m) The reconciliation of movements of impairment losses for trade receivables are as follows:

	Lifetime ECL allowance RM'000	Group Credit impaired RM'000	Total allowance RM'000
At 1 January 2020	684	111	795
Charge for the financial year	–	20	20
At 31 December 2020	684	131	815
At 1 January 2019	684	601	1,285
Reversal of impairment losses	–	(490)	(490)
At 31 December 2019	684	111	795

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

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

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

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

It requires management to exercise judgement in determining the probabilities of default by other receivables and deposits, appropriate forward looking information and significant increase in credit risk incorporating the impact of the COVID-19 pandemic.

FOCUS POINT HOLDINGS BERHAD

Notes to the Financial Statements (Cont'd)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

- (o) The reconciliation of movements of impairment losses for other receivables are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Other receivables				
12-month expected credit loss:				
At 1 January	185	193	157	157
Written off	–	(8)	–	–
At 31 December	185	185	157	157
Deposits				
12-month expected credit loss:				
At 1 January/31 December	77	77	–	–

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
United States Dollar	495	117	–	–
Singapore Dollar	1	1	–	–
Ringgit Malaysia	31,819	30,998	952	737
	32,315	31,116	952	737

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

- (q) At the end of the reporting period, the interest rate profile of the trade and other receivables are as follows:

	Group	
	2020 RM'000	2019 RM'000
Fixed rate	9,121	9,514

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

- (r) At the end of each reporting period, the Group does not have any significant concentration of credit risk related to any individual customer or counterparty, while almost all of the receivables of the Company are amounts owing by subsidiaries.

Notes to the Financial Statements
(Cont'd)**12. TRADE AND OTHER RECEIVABLES (CONT'D)**

- (s) The trade and other receivables of the Group as at the end of the reporting period approximately carried at fair values are:

2020	Carrying amount RM'000	Group
		Fair value RM'000
Total receivables		
Third parties - Level 2	229	341
Finance lease receivables - Level 2	4,653	4,777
<hr/>		
2019		
Total receivables		
Third parties - Level 2	337	408
Finance lease receivables - Level 2	5,523	5,546

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

13. INVENTORIES

	2020	Group	2019
	RM'000		RM'000
At cost			
Optical and related products	43,890		48,726
Food and beverages	1,018		1,016
Operation consumables	28		36
	44,936		49,778
At net realisable value			
Optical and related products	9		9
	44,945		49,787

FOCUS POINT HOLDINGS BERHAD

Notes to the Financial Statements (Cont'd)

13. INVENTORIES (CONT'D)

- (a) Inventories are stated at the lower of cost and net realisable value. Cost of inventories consists of purchase costs of direct materials. Cost of optical and related products and hearing aids and related accessories are determined using the weighted average cost method while cost of food and beverages and operation consumables are determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.
- (b) During the financial year, inventories of the Group recognised as cost of sales amounted to RM54,356,000 (2019: RM65,717,000).
- (c) Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses ageing, specifications and design of inventories, coupled with market knowledge of the merchandising department 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.

The Group has written off inventories which amounted to RM392,000 (2019: RM489,000) and has written down slow-moving inventories to their net realisable value which amounted to RM500,000 (2019: RM525,000) during the financial year and are included in cost of sales.

14. CASH AND BANK BALANCES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash and bank balances	8,733	7,479	571	389
Fixed deposits with licensed banks	9,169	6,187	–	–
	17,902	13,666	571	389

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) Fixed deposits with licensed banks of the Group have maturity periods of 30 days to 365 days (2019: 30 days to 365 days) with interest rates ranging from 1.35% to 3.08% (2019: 2.65% to 3.25%) per annum respectively.
- (c) Certain fixed deposits with licensed banks of the Group are pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Notes 16, 17, 18, 19 and 25 to the financial statements.

Notes to the Financial Statements
(Cont'd)**14. CASH AND BANK BALANCES (CONT'D)**

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash and bank balances	8,733	7,479	571	389
Deposits with licensed banks	9,169	6,187	–	–
As reported in statements of financial position	17,902	13,666	571	389
Bank overdrafts (Note 15)	(1,034)	(1,018)	–	–
Fixed deposits pledged to licensed banks	(4,743)	(4,443)	–	–
As reported in statements of cash flows	12,125	8,205	571	389

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

	Group	
	2020 RM'000	2019 RM'000
Fixed rate	9,169	6,187

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

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

FOCUS POINT HOLDINGS BERHAD

Notes to the Financial Statements (Cont'd)

15. BORROWINGS

	Note	2020 RM'000	Group 2019 RM'000
Non-current liabilities			
Term loans - secured		8,126	7,991
Current liabilities			
Term loans - secured		1,627	1,482
Bank overdrafts - secured		1,034	1,018
Bankers' acceptances - secured		13,085	15,147
Revolving credits - secured		–	2,025
		15,746	19,672
Total borrowings			
Term loans - secured	16	9,753	9,473
Bank overdrafts - secured	14(d), 17	1,034	1,018
Bankers' acceptances - secured	18	13,085	15,147
Revolving credits - secured	19	–	2,025
		23,872	27,663

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) The weighted average interest rates per annum of borrowings that were effective as at the end of the reporting period were as follows:

	2020 %	Group 2019 %
Term loans - secured	3.76	4.67
Bank overdrafts - secured	6.85	7.85
Bankers' acceptances - secured	3.54	4.87
Revolving credits - secured	–	5.42

Notes to the Financial Statements
(Cont'd)**15. BORROWINGS (CONT'D)**

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

	2020	Group
	RM'000	2019
		RM'000
Variable rate	23,872	27,663

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

	2020	Group
	RM'000	2019
		RM'000
Effects of 100 basis points changes to profit after tax		
Variable rate instruments	±181	±210

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

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

Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
2020				
Financial liabilities				
Term loans	2,029	3,443	7,299	12,771
Bank overdrafts	1,034	–	–	1,034
Bankers' acceptances	13,085	–	–	13,085
	16,148	3,443	7,299	26,890
2019				
Financial liabilities				
Term loans	1,891	3,114	8,108	13,113
Bank overdrafts	1,018	–	–	1,018
Bankers' acceptances	15,147	–	–	15,147
Revolving credits	2,025	–	–	2,025
	20,081	3,114	8,108	31,303

FOCUS POINT HOLDINGS BERHAD

Notes to the Financial Statements (Cont'd)

15. BORROWINGS (CONT'D)

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

Group	Note	Within	One	Two	Three	Four	More	Total
		one year	to two	to three	to four	to five	than five	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2020								
Floating rate								
Term loans	16	(1,627)	(768)	(470)	(490)	(512)	(5,886)	(9,753)
Bank overdrafts	17	(1,034)	–	–	–	–	–	(1,034)
Bankers' acceptances	18	(13,085)	–	–	–	–	–	(13,085)
At 31 December 2019								
Floating rate								
Term loans	16	(1,482)	(522)	(444)	(465)	(486)	(6,074)	(9,473)
Bank overdrafts	17	(1,018)	–	–	–	–	–	(1,018)
Bankers' acceptances	18	(15,147)	–	–	–	–	–	(15,147)
Revolving credits	19	(2,025)	–	–	–	–	–	(2,025)

- (f) All borrowings are denominated in RM.

16. 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 6(d) to the financial statements; and
 - (iii) a pledge over the Group's fixed deposits as disclosed in Note 14(c) to the financial statements.
- (b) The term loans of the Group bear interest ranging from 3.27% to 6.21% (2019: 4.52% to 5.69%) per annum respectively.
- (c) The term loans are repayable by equal monthly instalments ranging from 21 to 240 months (2019: 60 to 240 months).

17. BANK OVERDRAFTS (SECURED)

- (a) Bank overdrafts of the Group are secured by:
- (i) a corporate guarantee from the Company; and
 - (ii) a pledge over the Group's fixed deposits as disclosed in Note 14(c) to the financial statements.
- (b) The bank overdrafts of the Group bear interest at 6.85% (2019: 7.85%) per annum.

Notes to the Financial Statements
(Cont'd)**18. BANKERS' ACCEPTANCES (SECURED)**

- (a) Bankers' acceptances of the Group are secured by:
- (i) a corporate guarantee by the Company;
 - (ii) a charge over the Group's freehold land and buildings as disclosed in Note 6(d) to the financial statements; and
 - (iii) a pledge over the Group's fixed deposits as disclosed in Note 14(c) to the financial statements.
- (b) The bankers' acceptances of the Group bear interest ranging from 2.30% to 4.75% (2019: 4.38% to 6.20%) per annum.

19. REVOLVING CREDITS (SECURED)

- (a) Revolving credits of the Group were secured by:
- (i) a corporate guarantee by the Company; and
 - (ii) a pledge over the Group's fixed deposits as disclosed in Note 14(c) to the financial statements.
- (b) In the previous financial year, revolving credits of the Group bore interest at 5.42% per annum.

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade payables				
Third parties	12,764	14,003	-	-
Other payables				
Third parties	4,627	3,897	20	24
Amount owing to an associate	-	24	-	-
Amount owing to a Director	427	13	-	-
Amount owing to a subsidiary	-	-	574	574
Deposits received	1,941	1,450	-	-
Accruals	10,821	14,286	48	25
	17,816	19,670	642	623
	30,580	33,673	642	623

Notes to the Financial Statements
(Cont'd)

20. TRADE AND OTHER PAYABLES (CONT'D)

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal credit terms granted to the Group by suppliers ranged from 30 to 90 days (2019: 30 to 90 days) from date of invoice.
- (c) Amount owing to an associate represented balance arising from payments made on behalf, which were unsecured, interest-free and payable within the next twelve (12) months in cash and cash equivalents.
- (d) Amount owing to a Director represents advances, which are unsecured, interest-free and payable within the next twelve (12) months in cash and cash equivalents.
- (e) Amount owing to a subsidiary represents advances, which are unsecured, interest-free and payable within the next twelve (12) months in cash and cash equivalents.
- (f) Included in deposits received of the Group are tenant deposits received from franchisees and retail customers amounting to RM996,000 (2019: RM588,000), 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 RM805,000 (2019: RM724,000), which is in respect of funds received from the franchisees for the repair and maintenance of the franchise outlets.
- (h) Included in accruals of the Group are provision for restoration cost amounting to RM1,171,000 (2019: RM1,039,000), which is in respect of the obligation to dismantle and remove refurbishments on the outlets and restore them at the end of the lease term to an acceptable condition. The liabilities for restoration are recognised at present value of the compounded future expenditure estimated using current price and discounted using discount rates ranging from 5.4% to 7.4% (2019: 3.4%).
- (i) A reconciliation of the provision for restoration cost is as follows:

	Group	
	2020	2019
	RM'000	RM'000
Balance as at 1 January	1,039	517
Provision made during the year	1,110	1,016
Unwinding of discount	61	23
Reversal of provision for restoration cost	(1,039)	(500)
Utilised during the year	-	(17)
Balance as at 31 December	1,171	1,039

Notes to the Financial Statements
(Cont'd)**20. TRADE AND OTHER PAYABLES (CONT'D)**

(j) The currency exposure profile of trade and other payables is as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
European Euro	288	1,358	–	–
United States Dollar	434	889	–	–
Hong Kong Dollar	18	148	–	–
Japanese Yen	50	–	–	–
Singapore Dollar	1,065	1,058	–	–
Chinese Renminbi	126	393	–	–
Ringgit Malaysia	28,599	29,827	642	623
	30,580	33,673	642	623

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

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

21. DEFERRED INCOME

	Group	
	2020 RM'000	2019 RM'000
Unfulfilled performance obligations in respect of:		
- Franchise and licensing fees	1,672	1,817
- Rebate and cash vouchers	720	881
	2,392	2,698
Analysed as follows:		
Current liabilities:		
- not later than one (1) year	1,222	1,559
Non-current liabilities:		
- later than one (1) year and not later than five (5) years	1,170	1,139
	2,392	2,698

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

FOCUS POINT HOLDINGS BERHAD

Notes to the Financial Statements (Cont'd)

21. DEFERRED INCOME (CONT'D)

(b) Movement of deferred income as at the end of each reporting period are as follows:

	2020	Group
	RM'000	2019
		RM'000
Balance as at 1 January	2,698	3,055
Invoiced during the financial year	1,770	2,091
Recognised as revenue during the financial year	(2,032)	(2,448)
Refunded during the financial year	(44)	–
Balance as at 31 December	2,392	2,698

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

	2020	Group
	RM'000	2019
		RM'000
Amounts included in deferred income at the beginning of the financial year	1,323	1,732

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

Group	Within	1 - 2	2 - 5	More than	Total
	1 year	years	years	5 years	RM'000
	RM'000	RM'000	RM'000	RM'000	
31 December 2020	1,222	389	643	138	2,392
31 December 2019	1,559	213	528	398	2,698

Notes to the Financial Statements
(Cont'd)**22. DEFERRED TAX**

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

	2020	Group
	RM'000	2019
		RM'000
Balance as at 1 January	405	741
Recognised in profit or loss (Note 31)	232	(336)
Balance as at 31 December	637	405
Presented as:		
Deferred tax assets	(115)	(186)
Deferred tax liabilities	752	591
	637	405

- (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 RM'000	Provisions RM'000	Lease liabilities RM'000	Total RM'000
Balance as at 1 January 2020	1,916	(800)	(525)	591
Recognised in profit or loss	(190)	373	(22)	161
Balance as at 31 December 2020	1,726	(427)	(547)	752
Balance as at 1 January 2019	1,690	(400)	(302)	988
Recognised in profit or loss	226	(400)	(223)	(397)
Balance as at 31 December 2019	1,916	(800)	(525)	591
Deferred tax assets of the Group				Deferred franchise fees RM'000
Balance as at 1 January 2020				(186)
Recognised in profit or loss				71
Balance as at 31 December 2020				(115)
Balance as at 1 January 2019				(247)
Recognised in profit or loss				61
Balance as at 31 December 2019				(186)

FOCUS POINT HOLDINGS BERHAD

Notes to the Financial Statements (Cont'd)

22. DEFERRED TAX (CONT'D)

- (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	
	2020 RM'000	2019 RM'000
Unused tax losses		
- Expires by 31 December 2025	3,480	4,768
- Expires by 31 December 2026	6	6
- Expires by 31 December 2027	7	–
Unabsorbed capital allowances	5,319	4,239
Other temporary differences	914	854
	<hr/>	<hr/>
	9,726	9,867

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

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the local tax authority.

23. SHARE CAPITAL

	Group and Company			
	2020		2019	
	Number of shares	RM'000	Number of shares	RM'000
Issued and fully paid-up				
Balance as at 1 January	219,999,734	40,096	165,000,000	40,096
Issued during the financial year:				
- Bonus issue	–	–	54,999,734	–
	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 31 December	219,999,734	40,096	219,999,734	40,096

The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

Notes to the Financial Statements
(Cont'd)**24. CAPITAL COMMITMENTS**

	Group	
	2020	2019
	RM'000	RM'000
Capital expenditure in respect of purchase of property, plant and equipment:		
Contracted but not provided for	2,685	–

25. CONTINGENT LIABILITIES

	Company	
	2020	2019
	RM'000	RM'000
Unsecured corporate guarantees given to licensed banks for facilities granted to subsidiaries:		
- Limit of guarantee	59,739	60,082
- Amount utilised	23,872	27,663

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

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

FOCUS POINT HOLDINGS BERHAD

Notes to the Financial Statements (Cont'd)

26. REVENUE

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<i>Revenue from contracts</i>				
<i>with customers:</i>				
Sale of goods	155,372	185,386	–	–
Services rendered	1,143	1,236	–	–
Franchise fee income	486	1,048	–	–
Licensing fee income	67	150	–	–
Royalty fee income	2,544	3,205	–	–
<i>Other revenue:</i>				
Dividend income from subsidiaries	–	–	5,200	6,550
	159,612	191,025	5,200	6,550
Timing of revenue recognition:				
- Transferred over time	553	1,198	–	–
- Transferred at a point in time	159,059	189,827	–	–
	159,612	191,025	–	–

(a) Sale of goods and services rendered

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 services represents the invoiced value arising from laser eye surgery treatment.

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

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

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

(b) Franchise fee income

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

(c) Licensing fee income

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

Notes to the Financial Statements
(Cont'd)**26. REVENUE (CONT'D)**

- (d) Royalty fee income

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

- (e) Dividend income

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

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

27. COST OF SALES

	2020	Group	2019
	RM'000		RM'000
Inventories sold	56,273		67,251
Services rendered	336		326
	<hr/>		<hr/>
	56,609		67,577
	<hr/>		<hr/>

28. FINANCE COSTS

	2020	Group	2019
	RM'000		RM'000
Interest expense on:			
- term loans	415		465
- bankers' acceptances	554		570
- bank overdrafts	152		131
- revolving credits	63		96
- lease liabilities	4,406		4,465
- others	39		1
	<hr/>		<hr/>
	5,629		5,728
	<hr/>		<hr/>

FOCUS POINT HOLDINGS BERHAD

Notes to the Financial Statements (Cont'd)

29. PROFIT BEFORE TAX

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
After charging:				
Auditors' remuneration:				
- statutory audits				
- current year	163	161	38	37
- other services				
- current year	7	7	7	7
Bad debts written off	3	689	-	-
Loss on disposal of property, plant and equipment	28	34	-	-
Property, plant and equipment written off	561	942	-	-
Realised loss on foreign currency transactions	186	168	-	-
Rental of premises	4,832	13,348	-	-
And crediting:				
Gain on disposal of property, plant and equipment	139	22	-	-
Gain on lease reassessments and modifications	35	-	-	-
Dividends received from subsidiaries (unquoted)	-	-	5,200	6,550
Interest income received from:				
- fixed deposits with licensed banks	190	203	7	7
- finance lease receivables	503	492	-	-
- others	-	14	-	-
Realised gain on foreign currency transactions	79	116	-	-
Rental income	39	70	-	-
Rent concessions	4,575	-	-	-

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

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

Notes to the Financial Statements
(Cont'd)**30. DIRECTORS' REMUNERATION**

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Directors of the Company:				
Executive:				
Emoluments other than fees	2,342	3,470	–	–
Non-Executive:				
Fees	114	132	114	132
Total	2,456	3,602	114	132

Estimated monetary value of benefits-in-kind provided to the Executive Directors/Non-Executive Directors of the Group is RM243,000 (2019: RM258,000).

31. TAX EXPENSE

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current tax expense based on profit for the financial year:				
Current year	4,506	4,900	2	2
Under provision in prior years	247	753	–	–
	4,753	5,653	2	2
Deferred tax (Note 22):				
Relating to origination and reversal of temporary differences	368	(164)	–	–
Over provision in prior years	(136)	(172)	–	–
	232	(336)	–	–
	4,985	5,317	2	2

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2019: 24%) of the estimated taxable profits for the fiscal year.

FOCUS POINT HOLDINGS BERHAD

Notes to the Financial Statements (Cont'd)

31. TAX EXPENSE (CONT'D)

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit before tax	15,622	15,205	4,780	5,979
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)	3,749	3,649	1,147	1,435
Tax effects in respect of:				
Non-allowable expenses	1,322	1,441	103	139
Non-taxable income	(163)	319	(1,248)	(1,572)
Utilisation of previously unrecognised deferred tax assets	(34)	(35)	–	–
	4,874	4,736	2	2
Under/(Over) provision in prior years:				
- income tax	247	753	–	–
- deferred tax	(136)	(172)	–	–
	4,985	5,317	2	2

32. EARNINGS PER ORDINARY 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	
	2020	2019
Profit attributable to equity holders of the parent (RM'000)	10,637	9,888
Weighted average number of ordinary shares in issue ('000)	220,000	220,000
Add: Bonus issue subsequent to year end (Note 37)	110,000	110,000
Adjusted weighted average number of ordinary shares in issue ('000)	330,000	330,000
Basic earnings per ordinary share (sen)	3.22	3.00

The weighted average number of ordinary shares issued as at 31 December 2020 and 2019 have been adjusted to reflect the bonus issue of 1 for 2 existing ordinary shares which was completed on 5 February 2021. Further details are disclosed in Note 37 to the financial statements.

Notes to the Financial Statements
(Cont'd)**32. EARNINGS PER ORDINARY SHARE (CONT'D)****(b) Diluted earnings per ordinary share**

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

33. DIVIDENDS

	Group and Company			
	2020		2019	
	Dividend per share sen	Amount of dividend RM'000	Dividend per share sen	Amount of dividend RM'000
First interim dividend paid	1.00	2,200	1.50	2,475
Second interim dividend paid	1.00	2,200	1.00	1,650
	2.00	4,400	2.50	4,125

34. EMPLOYEE BENEFITS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Wages, salaries and bonuses	23,552	30,243	114	132
Defined contribution plan	3,542	4,453	–	–
Social security contributions	457	485	–	–
Other benefits	4,456	5,906	–	–
	32,007	41,087	114	132

35. RELATED PARTY DISCLOSURES**(a) Identities of related parties**

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

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

FOCUS POINT HOLDINGS BERHAD

Notes to the Financial Statements (Cont'd)

35. RELATED PARTY DISCLOSURES (CONT'D)

(a) Identities of related parties (Cont'd)

Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 8 to the financial statements;
- (ii) Indirect joint venture and associate as disclosed in Notes 9 and 10 to the financial statements;
- (iii) Companies in which certain Directors of the Company have substantial financial interest; and
- (iv) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of the senior management of the Group.

(b) Significant related party transactions

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Subsidiary:				
Dividend received	–	–	5,200	6,550
Joint venture*:				
Sale of goods	–	222	–	–
Royalty fees received/ receivables	–	37	–	–
Associate:				
Sale of goods	221	963	–	–
Licensing fee received/ receivable	67	150	–	–
Dividend received	–	315	–	–
Company in which certain Directors of the Company have substantial financial interests:				
Rental paid/payable	(240)	(240)	–	–

* The joint venture was disposed during the previous financial year as disclosed in Note 9 to the financial statements.

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% (2019: 2%) of monthly gross sales while other licensees of the Group were charged at 5% (2019: 5%) of monthly gross sales.

Information regarding outstanding balances arising from related party transactions as at 31 December 2020 and 2019 are disclosed in Notes 12 and 20 to the financial statements.

Notes to the Financial Statements
(Cont'd)**35. RELATED PARTY DISCLOSURES (CONT'D)****(c) Compensation of key management personnel**

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

The remuneration of Directors during the financial year are disclosed in Note 30 to the financial statements.

(d) Material contracts

There were no material contracts, which have been entered into by the Company or its subsidiaries which involved Directors' and major shareholders' interests subsisting at the end of the financial year ended 31 December 2020 or entered into since the end of the previous financial year except as disclosed elsewhere in the financial statements.

36. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The World Health Organisation declared the 2019 Novel Coronavirus infection ("COVID-19") a pandemic on 11 March 2020. The Government of Malaysia imposed the Movement Control Order ("MCO") on 18 March 2020 and has subsequently entered into various phases of the MCO until 14 April 2021.

The COVID-19 pandemic has significantly affected the business operations of the Group, including a temporary halt on majority of its retail outlets' operations during the initial MCO period from March 2020 to May 2020 in compliance with the directive from the Government of Malaysia. Nevertheless, the Group has since resumed its business operations, including the operations of its retail outlets during the Conditional MCO and Recovery MCO with relatively encouraging sales performance. The Group was also allowed to resume its business operations during the MCO and Conditional MCO period that was re-introduced on 11 January 2021. Notwithstanding that, the Group had implemented various procedures in its business conduct to reduce the risks of spread on COVID-19 and safeguard its employees and customers. Further, there were no significant supply chain, logistics and distributions disruptions during the financial year due to the COVID-19 pandemic.

Based on the assessment of the Group, there is no significant impact arising from the COVID-19 pandemic in respect of the judgements and assumptions used in the preparation of the financial statements for the financial year ended 31 December 2020. The Group will continue to assess the impact of the COVID-19 pandemic on the financial statements of the Group for the financial year ending 31 December 2021, such as lease modifications, expected credit losses of financial assets, write down of inventories to net realisable values and impairment assessments of assets (property, plant and equipment, right-of-use assets and investments in subsidiaries and an associate).

As at the date of authorisation of the financial statements, the COVID-19 pandemic situation is still evolving and uncertain. The Group has therefore considered the impact of the COVID-19 pandemic across its business operations and taken the necessary precautions and provisions, where necessary. The Group will continue to actively monitor and manage its funds and operations to minimise any impact arising from the COVID-19 pandemic.

FOCUS POINT HOLDINGS BERHAD

Notes to the Financial Statements (Cont'd)

37. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 5 February 2021, the Company increased its number of ordinary shares from 219,999,734 to 329,999,477 by way of bonus issue of 109,999,743 new ordinary shares ("Bonus Shares") on the basis of one (1) new ordinary share for every two (2) existing ordinary shares held in the Company, which was approved by the shareholders during the Extraordinary General Meeting on 19 January 2021. The Bonus Shares were issued as fully paid, at nil consideration and without capitalisation of the Company's reserves.

38. COMPARATIVES FIGURES

Certain comparatives figures for the financial year ended 31 December 2019 have been reclassified to conform with current year's presentation.

	As previously reported RM'000	Reclassifications RM'000	As restated RM'000
Statements of profit or loss and other comprehensive income			
Cost of sales	(73,315)	5,738	(67,577)
Other operating income	7,923	(5,974)	1,949
Selling and distribution costs	(37,172)	236	(36,936)

39. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs

39.1 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
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i>	1 January 2020
<i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform</i>	1 January 2020
<i>Amendment to MFRS 16 Covid-19-Related Rent Concessions</i>	1 June 2020 (early adopt)
<i>Amendments to MFRS 4 Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9</i>	17 August 2020

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company except for the adoption of Amendment to MFRS 16 as described in the following section.

Notes to the Financial Statements
(Cont'd)**39. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (CONT'D)****39.1 New MFRSs adopted during the financial year (Cont'd)****Amendment to MFRS 16 Covid-19-Related Rent Concessions**

MFRS 16 has been amended to:

- (a) Provide lessees with an exemption from the requirement to determine whether a COVID-19-related rent concession is a lease modification; and
- (b) Require lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications.

The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- (i) Changes in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (ii) Any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (iii) There is no substantive change to other terms and conditions of the lease.

The Group has early adopted Amendment to MFRS 16 during the financial year ended 31 December 2020 and elected to apply the practical expedient to all rent concessions relating to leases with similar characteristics and in similar circumstances. Consequently, the Group did not recognise changes in these lease payments as lease modifications and instead, recognised these as rent concessions in profit or loss. The effects of early adoption are disclosed in Note 7(c) to the financial statements.

39.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2021

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

Title	Effective Date
<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i> (Amendment to MFRS 16 Leases)	1 April 2021
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>)	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

40. FINANCIAL REPORTING UPDATES

IFRIC Agenda Decision - An assessment of the lease term (IFRS 16)

The IFRS Interpretations Committee (“IFRIC”) issued a final agenda decision on 26 November 2019 regarding “Lease term and useful life of leasehold improvements (IFRS 16 and IAS 16)”.

The submission to the IFRIC raised a question pertaining the determination of the lease term of a cancellable lease or a renewable lease based on the requirements of IFRS 16.B34.

Based on the final agenda decision, the IFRIC concluded that the determination of the enforceable period of a lease and the lease term itself shall include broad economic circumstances beyond purely commercial terms.

The Group has implemented the requirements of this final agenda decision during the financial year ended 31 December 2020. There is no material impact on the financial statements of the Group as at the end of reporting period.

LIST OF PROPERTIES

AS AT 31 DECEMBER 2020

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 reevaluation
Unit 1, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	5-storey shop office/ Head office/ Freehold	21	7,216	1,742	23.8.2001	2011
Unit 3, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	5-storey shop office/ Head office/ Freehold	21	7,216	1,685	1.8.2000	2016
Unit 5-1, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	Ground floor of a 5-storey shop office/ Head office/ Freehold	21	1,282	486	8.8.2007	2016
Unit 5-4, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	3rd floor of a 5-storey shop office/ Head office/ Freehold	21	1,480	312	11.12.2009	2011
Unit 5-5, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	4th floor of a 5-storey shop office/ Head office/ Freehold	21	1,487	400	15.9.2010	2010
Unit 7, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	5-storey shop office/ Head office/ Freehold	21	7,170	3,415	12.5.2016	2016
E-06, Sunsuria Forum, No. 1, Jln Setia Dagang AL U13/AL, Seksyen U13, Setia Alam 40170 Shah Alam	2-storey shop/ Vacant/ Freehold	2.52	2,460	3,028	12.5.2015	–
R31, Bell Avenue, Jalan Sunsuria Bandar Sunsuria 43900 Sepang	2-storey shop/ Vacant/ Freehold	2.28	2,110	1,854	25.3.2016	–
Windmill Upon Hills No. WB29-01, Block B, Jalan Permai, Genting Permai Avenue 69000 Genting Highlands, Pahang	Condominium/ Staff quarter/ Freehold	1	1,268	1,067	10.6.2019	–

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2021

Total number of issued shares	:	329,999,477 ordinary shares
Class of share	:	Ordinary shares
Voting right	:	One vote per ordinary share

ANALYSIS BY SIZE OF HOLDINGS AS AT 31 MARCH 2021

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	216	11.657	13,016	0.004
100 - 1,000	287	15.488	138,666	0.042
1,001 - 10,000	834	45.008	3,947,510	1.196
10,001 - 100,000	421	22.720	12,643,937	3.832
100,001 - 10,999,985 (*)	92	4.965	85,378,450	25.872
10,999,986 and above (**)	3	0.162	227,877,898	69.054
TOTAL :	1,853	100.000	329,999,477	100.000

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

LIST OF TOP 30 HOLDERS AS AT 31 MARCH 2021

NO.	NAME	HOLDINGS	%
1	LIAW CHOON LIANG	133,948,501	40.591
2	PERBADANAN NASIONAL BERHAD	49,500,000	15.000
3	GOH POI EONG	44,429,397	13.463
4	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR MAYBANK MALAYSIA SMALLCAP FUND	9,241,350	2.800
5	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DIVIDEND FUND	6,300,000	1.909
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR PHILLIP PEARL FUND (UT-PM-PPF) (419471)	5,917,650	1.793
7	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG ASIA-PACIFIC DIVIDEND FUND	4,410,000	1.336
8	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NG PAIK PHENG (PB)	4,030,100	1.221
9	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD HONG LEONG ASSET MANAGEMENT BHD FOR HONG LEONG FOUNDATION (ED100)	3,750,000	1.136
10	AMANAHRAYA TRUSTEES BERHAD PUBLIC SELECT TREASURES EQUITY FUND	3,638,450	1.103
11	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR PHILLIP DANA AMAN (3717 TRO1)	3,181,659	0.964
12	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD - PMB SHARIAH DIVIDEND FUND	2,645,700	0.802

Analysis of Shareholdings
(Cont'd)**LIST OF TOP 30 HOLDERS AS AT 31 MARCH 2021 (CONT'D)**

NO.	NAME	HOLDINGS	%
13	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR PHILLIP RECOVERY FUND	2,210,100	0.670
14	KELVIN LIAW KAI XUAN	1,999,999	0.606
15	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DANA MAKMUR	1,875,000	0.568
16	HOH HON BING	1,599,999	0.485
17	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DANA MAA'ROF	1,500,000	0.455
18	AMANAHRAYA TRUSTEES BERHAD PUBLIC E-ISLAMIC FLEXI ALLOCATION FUND	1,470,300	0.446
19	AMANAHRAYA TRUSTEES BERHAD PUBLIC SELECT MIXED ASSET CONSERVATIVE FUND	1,424,100	0.432
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR KENANGA ONEPRS GROWTH FUND (420119)	1,358,400	0.412
21	AMANAHRAYA TRUSTEES BERHAD PB ASIA EMERGING GROWTH FUND	1,291,500	0.391
22	HAN LONG CHEN	1,167,799	0.354
23	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BANK SIMPANAN NASIONAL	1,101,800	0.334
24	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC OPTIMAL EQUITY FUND	1,100,000	0.333
25	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OON HOOI LIN	1,076,700	0.326
26	UOBM NOMINEES (TEMPATAN) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR GIBRALTAR BSN AGGRESSIVE FUND	1,000,000	0.303
27	TAN YAN PIN	945,099	0.286
28	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA BALANCED FUND	931,850	0.282
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN BOON HOCK	900,000	0.273
30	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR PHILLIP INCOME FUND	899,850	0.273
	Total	294,845,303	89.347

FOCUS POINT HOLDINGS BERHAD

Analysis of Shareholdings (Cont'd)

DIRECTORS' SHAREHOLDING AS AT 31 MARCH 2021 BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Name of Directors	No. of Shares held (Direct)	%	No. of Shares held (Indirect)	%
Dato' Liaw Choon Liang	133,948,501	40.591	46,429,396 *	14.070
Datin Goh Poi Eong	44,429,397	13.463	135,948,500 **	41.197
Leow Ming Fong @ Leow Min Fong	681,900	0.207	–	–
Datin Sim Swee Yoke	–	–	–	–
Datuk Md Zubir Ansori bin Yahaya	–	–	–	–

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

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

SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2021 BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Directors	No. of Shares held (Direct)	%	No. of Shares held (Indirect)	%
Dato' Liaw Choon Liang	133,948,501	40.591	46,429,396 *	14.070
Perbadanan Nasional Berhad	49,500,000	15.000	–	–
Datin Goh Poi Eong	44,429,397	13.463	135,948,500 **	41.197

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

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

NOTICE OF TWELFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twelfth Annual General Meeting (“12th Annual General Meeting”) of Focus Point Holdings Berhad (“the Company”) will be held at Greens III Ballroom, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 27 May 2021 at 10.00 a.m. to transact the following businesses:

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note 2)**
2. To approve the payment of Directors’ fees and benefits up to RM141,750 for the period from this 12th Annual General Meeting until the next Annual General Meeting of the Company. **(Resolution 1)**
3. To re-elect Datin Goh Poi Eong who retires pursuant to Clause 76(3) of the Company’s Constitution, as Director of the Company. **(Resolution 2)**
4. To re-elect Datin Sim Swee Yoke who retires pursuant to Clause 76(3) of the Company’s Constitution, as Director of the Company. **(Resolution 3)**
5. To re-appoint Messrs BDO PLT 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 Resolutions of the Company:-

6. **ORDINARY RESOLUTION CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE CHAIRMAN – LEOW MING FONG @ LEOW MIN FONG** **(Resolution 5)**

 “THAT authority be and is hereby given to Leow Ming Fong @ Leow Min Fong who will have served as an Independent Non-Executive Chairman of the Company for a cumulative term of twelfth years on 31 March 2022, to continue to act as Independent Non-Executive Chairman of the Company.”
7. **ORDINARY RESOLUTION AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **(Resolution 6)**

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

Notice of Twelfth Annual General Meeting
(Cont'd)

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

(Resolution 7)

"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 1.3 of Part A of the Circular/Statement to Shareholders dated 28 April 2021 ("Related Parties") provided that such transactions and/or arrangements are:-

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

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

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

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

whichever is earlier.

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

9. **ORDINARY RESOLUTION
PROPOSED SHAREHOLDERS' MANDATE FOR THE AUTHORITY TO THE
COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PER CENTUM (10%)
OF THE TOTAL NUMBER OF ISSUED SHARES ("PROPOSED SHARE BUY-BACK")**

(Resolution 8)

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirement") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

Notice of Twelfth Annual General Meeting
(Cont'd)

- (i) the aggregate number of issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

("Proposed Share Buy-Back").

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution is passed, at which time, it will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or;
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force;

- (i) To cancel all or part of the Purchased Shares;
- (ii) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- (iii) To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- (iv) To resell all or part of the treasury shares;
- (v) To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- (vi) To transfer all or part of the treasury shares as purchase consideration;
- (vii) To sell, transfer or otherwise use the shares for such other purposes as the Minister charged with responsibility for companies may by order prescribe; and/or
- (viii) To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

FOCUS POINT HOLDINGS BERHAD

Notice of Twelfth Annual General Meeting (Cont'd)

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

BY ORDER OF THE BOARD

WONG WAI FOONG (MAICSA 7001358)
(SSM PC NO. 202008001472)
WONG PEIR CHYUN (MAICSA 7018710)
(SSM PC NO. 202008001742)
LIEW PUI LING (MAICSA 7058897)
(SSM PC NO. 202008001299)
Company Secretaries

Kuala Lumpur

Date: 28 April 2021

NOTES:

1. Appointment of Proxy

- (1) For the purpose of determining who shall be entitled to attend this 12th Annual General Meeting ("AGM"), the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 19 May 2021. Only a member whose name appears on this Record of Depositors shall be entitled to attend this AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
- (2) A member entitled to attend and vote at this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- (3) A member of the Company who is entitled to attend and vote at this AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the general meeting.
- (4) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("AMLR").
- (5) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (6) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (7) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

Notice of Twelfth Annual General Meeting (Cont'd)

NOTES: (CONT'D)

1. Appointment of Proxy (Cont'd)

- (8) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:
- (i) **In hard copy form**
 In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn Bhd [Registration No. 197101000970 (11324-H)] of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
 - (ii) **By electronic means**
 The proxy form can be electronically lodged with the Company's Share Registrar via TIIH Online at <https://tiih.online>.

 Please refer to the Administrative Guide for the 12th AGM on the procedures for electronic lodgement of proxy form via TIIH Online.
- (9) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn Bhd [Registration No. 197101000970 (11324-H)] of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (10) Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
- (11) Last date and time for lodging this proxy form is Tuesday, 25 May 2021 at 10.00 a.m.
- (12) Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
- a. Identity card (NRIC) (Malaysian), or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - c. Passport (Foreigner).
- (13) For a corporate member who has appointed a representative instead of a proxy to attend this AGM, please deposit the **ORIGINAL** certificate of appointment of authorised representative executed in the manner as stated in the proxy form with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. Alternatively, please bring the **ORIGINAL** certificate of appointment of authorised representative if it has not been lodged at the Company's Share Registrar earlier.

**Notice of Twelfth Annual General Meeting
(Cont'd)****NOTES: (CONT'D)****2. Audited Financial Statements for the financial year ended 31 December 2020**

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

3. Resolution 1 – Directors' Fees and Benefits

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

The Proposed Resolution 1 for the Directors' fees and benefits proposed for the period from this 12th AGM up to the date of next AGM are calculated based on the current Board size and number of scheduled Board and Committee Meetings from the 12th AGM until the next AGM. This resolution is to facilitate payment of Directors' fees and benefits on a current financial year basis. In the event the proposed amount is insufficient, (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for the shortfall.

4. Resolutions 2 and 3 – Re-election of Directors

Datin Goh Poi Eong and Datin Sim Swee Yoke are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at this 12th AGM.

The Board had through the Nomination Committee carried out the assessment on the Directors and agreed that all Directors met the criteria as prescribed by Rule 2.20A of the AMLR on character, experience, integrity, competence and time to effectively discharge their role as Directors.

The Board had also through the Nomination Committee carried out assessment on the independence of Datin Sim Swee Yoke and is satisfied that she met the criteria of independence as prescribed in the AMLR.

5. Resolution 4 – Re-appointment of Auditors

The Board has through the Audit Committee assessed the suitability and independence of the External Auditors, Messrs BDO PLT and considered the re-appointment of Messrs BDO PLT as Auditors of the Company. The Board and Audit Committee collectively agreed and satisfied that Messrs BDO PLT has the relevant criteria prescribed by Rule 15.21 of the AMLR.

EXPLANATORY NOTES ON SPECIAL BUSINESS**1) Resolution 5 – Continuing in Office as Independent Non-Executive Chairman**

The Board had via the Nomination Committee conducted an annual performance evaluation and assessment of Leow Ming Fong @ Leow Min Fong as an Independent Non-Executive Chairman, who will have served for a cumulative term of twelfth years on 31 March 2022. The Board recommended Leow Ming Fong @ Leow Min Fong to continue act as an Independent Non-Executive Chairman based on the following justifications:-

- a. He fulfills the criteria under the definition of "Independent Director" as stated in the AMLR, and thus, he would be able to function as a check and balance, bring an element of objectivity to the Board;
- b. His tenure with the Company has neither impaired nor compromise his independent judgement and ability to act in the best interest of the Company. He continues to remain objective and are able to exercise his independence judgement in expressing his view and participating in deliberations and decision making of the Board and Board Committee in the best interest of the Company;

Notice of Twelfth Annual General Meeting
(Cont'd)**EXPLANATORY NOTES ON SPECIAL BUSINESS (CONT'D)****1) Resolution 5 – Continuing in Office as Independent Non-Executive Chairman (Cont'd)**

- c. He has vast experience in a diverse range of business and has good understanding of the Company's business operations;
- d. He continues to exercise due care during his tenure as an Independent Non-Executive Chairman of the Company and carried out his professional duties in the interest of the Company and shareholders;
- e. He has devoted sufficient time and commitment to discharge his responsibility and professional obligations as an Independent Non-Executive Chairman; and
- f. He does not have any business dealings with the Group.

2) Resolution 6 – Authority to Allot Shares

The proposed Resolution 6 is prepared for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors to allot shares in the Company up to an amount not exceeding in total 10% of the total number of issued shares 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 conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

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

As at the date of this notice, the Company did not issue any shares pursuant to the 20% General Mandate granted to the Directors at the Eleventh AGM as there were no investment(s), acquisition(s) or working capital that require fund raising activity.

3) Resolution 7 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature

The Resolution 7, 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/Statement to Shareholders dated 28 April 2021 for further information.

4) Resolution 8 – Proposed Share Buy-Back

The Resolution 8, if passed, will give the Company the authority to purchase its own shares up to ten per centum (10%) of the total number of issued shares of the Company. Please refer to the Circular/Statement to Shareholders dated 28 April 2021 for further information.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

PURSUANT TO RULE 8.29(2) OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Election of Director

No new Director is standing for election at this 12th AGM.

2. Authority for Directors to Allot Shares Pursuant to Section 75 and 76 of the Companies Act 2016

Kindly refer to item 2 of the Explanatory Notes on Special Business on page 141.

ADMINISTRATIVE GUIDE

FOR THE 12TH ANNUAL GENERAL MEETING (“AGM”)

Date	:	27 May 2021
Time	:	10.00 a.m.
Venue	:	Greens III Ballroom, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan

1. SAFETY MEASURES IN LIGHT OF THE COVID-19 OUTBREAK

For the conduct of the 12th AGM, the Company wishes to advise the shareholders that the Company will be taking precautionary measures in line with the Standard Operating Procedures (“SOP”) issued by Majlis Keselamatan Negara (“MKN”) and any revisions that may be made from time to time by MKN and/or the relevant authorities.

All attendees will be required to wear face mask, undergo temperature check and make a health declaration prior to entering the meeting venue. The Company reserves the right to deny entry to anyone with a temperature of 37.5 degrees Celsius or higher and/or showing symptoms of respiratory illness such as coughing and sneezing.

In accordance with the SOP dated 1 April 2021, the capacity of the meeting venue must be sufficient to allow seating arrangement with social distancing of one metre.

If you are unwell, you are strongly advised to appoint a proxy or the Chairman of the meeting to attend and vote on your behalf at the 12th AGM.

2. ELIGIBILITY TO ATTEND BASED ON THE RECORD OF DEPOSITORS

Only a shareholder whose name appears on the Record of Depositor as at **19 May 2021** shall be entitled to attend or appoint proxy(ies) to attend and/or vote on his/her behalf.

3. NO REFRESHMENT, DOOR GIFTS OR FOOD VOUCHERS

There will be no refreshment, door gifts or food vouchers provided to shareholders, proxies and invited guests who attend the 12th AGM.

4. PRE-REGISTRATION TO ATTEND THE ANNUAL GENERAL MEETING

Shareholders are required to register ahead of the 12th AGM to allow the Company to make the necessary arrangements in relation to the meeting i.e. infrastructure, logistics and meeting venue(s) to accommodate the meeting participants.

Please do read and follow the following procedures to pre-register your physical attendance at the 12th AGM via the TIIH Online website at <https://tiih.online>:-

- Login in to TIIH Online website with your user name (i.e. e-mail address) and password under the “**e-Services**”. If you have not registered as a user of TIIH Online, please refer to the tutorial guide posted on the homepage for assistance to sign up.
- Select the corporate event: “**(REGISTRATION) FOCUSP 12TH AGM**”.
- Read and agree to the Terms & Conditions and confirm the Declaration.
- Select “**Register for Physical Attendance at Meeting Venue**”.
- Review your registration and proceed to register.
- System will send an e-mail to notify that your registration for Physical Attendance at Meeting Venue is received and will be verified.
- After verification of your registration against the General Meeting Record of Depositors as at **19 May 2021**, the system will send you an e-mail **after 25 May 2021** to approve or reject your registration to attend physically at the Meeting Venue

Administrative Guide
(Cont'd)

5. REGISTRATION ON THE DAY OF THE 12TH AGM

Registration will start at 9.00 a.m. at Greens III Ballroom, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan.

Original MyKad or passport is required to be presented during registration for verification. You will not be allowed to register on behalf of another person even with the original MyKad or passport of that person.

Upon verification of your NRIC or passport and signing of attendance list, you will be given an identification wristband to enter the meeting room. There will be no replacement of wristband in the event that it is lost or misplaced.

Please note that you will only be allowed to enter the meeting hall if you are wearing the identification wristband.

Please vacate the registration area immediately after registration to prevent congestion.

6. POLL VOTING

The voting at the AGM will be conducted by poll in accordance with Rule 8.31A of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

7. APPOINTMENT OF PROXY

The appointment of proxy may be made in hard copy form or by electronic form. In case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

You may also submit the proxy form electronically via TIH Online website at <https://tjih.online>, not less than forty-eight (48) hours before the time appointed for holding the 12th AGM or any adjournment thereof, otherwise the proxy form shall not be treated as valid. Please do read and follow the procedures below to submit proxy form electronically.

ELECTRONIC LODGMENT OF PROXY FORM

The procedures to lodge your proxy form electronically via Tricor's TIH Online website are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIH Online	<ul style="list-style-type: none"> Using your computer, please access the website at https://tjih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIH Online, you are not required to register again.
Proceed with submission of form of proxy	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password. Select the corporate event: FOCUSP 12th AGM - "Submission of Proxy Form". Read and agree to the Terms and Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairman as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. Review and confirm your proxy(s) appointment. Print the form of proxy for your record.

7. APPOINTMENT OF PROXY (CONT'D)**ELECTRONIC LODGMENT OF PROXY FORM (CONT'D)**

Procedure	Action
ii. Steps for Corporation or Institutional Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> • Access TIIH Online at https://tiih.online. • Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects “Create Account by Representative of Corporate Holder”. • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. <p>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</p>
Proceed with submission of form of proxy	<ul style="list-style-type: none"> • Login to TIIH Online at https://tiih.online. • Select the corporate exercise name: “FOCUSP 12th AGM: Submission of Proxy Form” • Agree to the Terms & Conditions and Declaration. • Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Login to TIIH Online, select corporate exercise name: “FOCUSP 12th AGM – Submission of Proxy Form”. • Proceed to upload the duly completed proxy appointment file. • Select “Submit” to complete your submission. • Print the confirmation report of your submission for your record.

8. Shareholders are also advised to check the Company's website at www.focus-point.com and announcements from time to time for any changes to the administration of the 12th AGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities.
9. If you have any enquiries on the above, please contact the following person-in charge during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General/Fax No : +603 - 2783 9299 / +603 - 2783 9222
 Email : is.enquiry@my.tricorglobal.com
 Pn Azizah : +603 - 2783 9260 / Azizah@my.tricorglobal.com
 Ms Christine Cheng : +603 - 2783 9265 / Christine.Cheng@my.tricorglobal.com

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FOCUS POINT

FOCUS POINT HOLDINGS BERHAD

[Registration No. 200901041088 (884238-U)]

(Incorporated in Malaysia)

CDS Account No.

No. of shares held

PROXY FORM

I/We Tel:.....
[Full name in block, NRIC/Passport/Company No.]

of.....
[Address]

being member(s) of **Focus Point Holdings Berhad**, hereby appoint:-

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or* (*delete as appropriate)

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairman of the Meeting, as ^my/our proxy to vote for ^me/us and on ^my/our behalf at the Twelfth Annual General Meeting of the Company to be held at Greens III Ballroom, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 27 May 2021 at 10.00 a.m. or any adjournment thereof, and to vote as indicated below:-

Resolution No.	Description of Resolution	For	Against
1.	Payment of Directors' fees and benefits up to RM141,750 for the period from this 12th Annual General Meeting until the next Annual General Meeting of the Company		
2.	Re-election of Datin Goh Poi Eong as Director		
3.	Re-election of Datin Sim Swee Yoke as Director		
4.	Re-appointment of Messrs BDO PLT as Auditors of the Company		
5.	Approval on the continuation of office for Leow Ming Fong @ Leow Min Fong as an Independent Non-Executive Chairman of the Company		
6.	Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		
7.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue of Trading Nature		
8.	Proposed Share Buy-Back Mandate		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this day of 2021

Signature*
Member

^ Delete whichever is not applicable

* Manner of execution:

(a) If you are an individual member, please sign where indicated.

(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.

(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:

(i) at least two (2) authorised officers, of whom one shall be a director; or

(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

- For the purpose of determining who shall be entitled to attend this 12th Annual General Meeting ("AGM"), the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 19 May 2021. Only a member whose name appears on this Record of Depositors shall be entitled to attend this AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
- A member entitled to attend and vote at this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- A member of the Company who is entitled to attend and vote at this AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the general meeting.
- If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("AMLR").
- Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.



Notes: (Cont'd)

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:
 - (i) **In hard copy form**
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn Bhd [Registration No. 197101000970 (11324-H)] of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
 - (ii) **By electronic means**
The proxy form can be electronically lodged with the Company's Share Registrar via TIH Online at <https://tiih.online>.
Please refer to the Administrative Guide to AGM on the procedures for electronic lodgement of proxy form via TIH Online.
9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn Bhd [Registration No. 197101000970 (11324-H)] of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notari ally and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
11. Last date and time for lodging this proxy form is Tuesday, 25 May 2021 at 10.00 a.m.
12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. Identity card (NRIC) (Malaysian), or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - c. Passport (Foreigner).
13. For a corporate member who has appointed a representative instead of a proxy to attend this AGM, please deposit the **ORIGINAL** certificate of appointment of authorised representative executed in the manner as stated in the proxy form with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. Alternatively, please bring the **ORIGINAL** certificate of appointment of authorised representative if this has not been lodged at the Company's Share Registrar earlier.

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AFFIX
STAMP

FOCUS POINT HOLDINGS BERHAD
[Registration No. 200901041088 (884238-U)]

The Share Registrar

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
[Registration No. 197101000970 (11324-H)]

Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

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FOCUS POINT HOLDINGS BERHAD 200901041088 (884238-U)

Unit 1, 3, 5 & 7, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Tel : +603-7880 5520 Fax : +603-7880 5530

www.focus-point.com