

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

This Statement describes the extent of how the Company has applied and complied with principles and best practices of corporate governance established by Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Malaysian Code on Corporate Governance 2021 (“MCCG”) issued by Securities Commission Malaysia.

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

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

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

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

A) BOARD LEADERSHIP AND EFFECTIVENESS

PART I - BOARD RESPONSIBILITIES

1. Board’s Leadership on Objectives and Goals

1.1 Strategic Aims, Values and Standards

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

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

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

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

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

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

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

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

a. Time commitment

i. Attendance of meetings

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

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

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

a. Time commitment (cont'd)

i. Attendance of meetings (cont'd)

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

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

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

ii. New Directorships

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

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

b. Training

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

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

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

b. Training (cont'd)

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

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

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

b. Training (cont'd)

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

c. Conflict of interest and related party transactions

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

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

1.2 The Chairman of the Board

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

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

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

1.3 Chairman and President/CEO

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

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

1.4 Qualified and competent Company Secretaries

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

1.5 Access to information and advice

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

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

1.5 Access to information and advice (cont'd)

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

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

2. Demarcation of Responsibilities

2.1 Board Charter

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

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

3. Good Business Conduct and Corporate Structure

3.1 Code of Conduct and Ethics for Directors and Senior Management

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

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

3.2 Formalised policies and procedures on Whistleblowing

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION

4. Board's Objectivity

4.1 Composition of the Board

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

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

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

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

The Board has appointed Datin Sim Swee Yoke as the Senior Independent Non-Executive Director to whom any concerns pertaining to the Company may be conveyed to her. She can be reached via email at 8nlssy@gmail.com or via letter stamped "Private & Confidential" to Unit 1, 3, 5 & 7, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

4.2 Independent Director's Tenure

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

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

4.3 Diverse Board and Senior Management Team

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

4. Board's Objectivity (cont'd)

4.4 Gender Diversity

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

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

4. Board's Objectivity (cont'd)

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

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

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

4.6 NC

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

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

- Carried out the assessment on contribution and performance of the Board as a whole, the Committees of the Board and individual director including assessment on independence of the Independent Directors through self-assessment and peer-assessment practice for FY 2023; and
- Reviewed and recommended to the Board on the proposal for re-election of Directors at the AGM in accordance with the Company's Constitution.

5. Overall Board Effectiveness

5.1 Annual Evaluation

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

5. Overall Board Effectiveness (cont'd)

5.1 Annual Evaluation (cont'd)

Appraisal forms which encompass a wide range of questionnaires, including but not limited to professionalism, availability, business knowledge, industry knowledge, meeting attendance, Board participation, composition, relevant skill and experience are distributed to the Directors for their input and completion. Based on the outcome of the assessment, the NC deliberates the scores obtained by individual director, Board Committee as well as the Board as a whole to determine if there is any further improvement to be made and relevant training to be recommended.

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

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

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

PART III - REMUNERATION

6. Level and Composition of Remuneration

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III - REMUNERATION (CONT'D)

7. Remuneration of Directors

7.1 Details of Directors' Fees and Benefit

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

7.2 Remuneration of Directors

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

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

[^] Received and receivable from the Company

^{^^} Received and receivable on Group basis.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

B) EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AC

8. Effective and Independent AC

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

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

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

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

9. Effective Risk Management and Internal Control Framework

9.1 Sound framework to manage risks

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

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

9.2 Implementation of mitigating measures

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

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

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

10. Internal Audit Function

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

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

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

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

C) INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I – COMMUNICATION WITH STAKEHOLDERS

11. Continuous Communication between Company and Stakeholders

11.1 Effective, transparent and regular communication with its stakeholders

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

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

11.2 Other reporting information

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

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

PART II – CONDUCT OF GENERAL MEETINGS

12. Strengthen Relationship between the Company and Shareholders

12. Encourage shareholder participation at general meetings

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

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

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

12.2 Effective communication and proactive engagements

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

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

12.3 Facilitate greater shareholder participation at general meetings

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

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

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

AUDIT COMMITTEE REPORT

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

Composition of the AC

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

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

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

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

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

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

The Terms of Reference of the Audit Committee is accessible via the Company’s [website at www.focus-point.com](http://www.focus-point.com).

Attendance and Meetings of the AC

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

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

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

AUDIT COMMITTEE REPORT (cont'd)

Summary of Work of the AC

During the financial year 2023, the AC met at scheduled times, with due notices of meetings issued, and with agendas planned and itemised so that issues raised in respect of the financial statements and any audit related matters were deliberated and discussed in a focused and detailed manner.

The main activities and work undertaken by the AC during the financial year 2023 were as follows:

- Reviewed external auditors' scope of work and audit plan of the Group and the Company. Prior to the audit, representatives from external auditors presented their audit strategy and plan to the AC at its meeting;
- Reviewed, with external auditors, results of the audit, management letter and the auditors' report of the Group and the Company for recommendation to the Board for approval;
- Assessed the competency, independence and suitability of external auditors including adequacy of their resources, experience of the firm and staff strength, level of non-audit fee and rotation of partner. Having satisfied with the competency, independence and suitability of Messrs BDO PLT, AC at its meeting held on 14 April 2023 made recommendation to the Board for approval on the re-appointment of Messrs BDO PLT as external auditors for the financial year ended 31 December 2023;
- Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report 2022 at the AC meeting held on 14 April 2023;
- Met with external auditors twice without the presence of the Executive Directors and Management on 14 April 2023 and 23 November 2023;
- Reviewed quarterly announcements of unaudited financial results and audited year-end financial statements of the Group and the Company before submitting to the Board for approval, focusing particularly: -
 - any changes in or implementation of major accounting policies and practices;
 - significant adjustments made by the Management;
 - significant matters highlighted including financial reporting issues;
 - significant or unusual events or transactions;
 - going-concern assumption; and
 - compliance with applicable accounting standards and other legal requirements.
- Reviewed the Audited Financial Statements of the Group and the Company prior to the submission to the Board for their consideration and approval at the meeting held on 14 April 2023 so to ensure that the Audited Financial Statements were drawn up in accordance with the provisions of Companies Act 2016 and applicable accounting standards. Any significant issues arising from the audit of the Group financial statements by external auditors were deliberated upon at the meeting;
- Reviewed significant audit issue brought up by the external auditor on the impairment assessment of property, plant and equipment and trade receivables, valuation of inventories and on the recognition of Right-of-Use Assets and lease liabilities. The AC took note of the audit response presented by the external auditors including audit work done carried out to arrive at an opinion, audit findings as well as audit conclusion and were satisfied that these issues were adequately dealt with and fairly stated.
- Reviewed with the internal auditors, internal audit reports which highlighted internal audit findings, recommendations and management's response. Discussed with management, actions taken to improve the system of internal control based on improvement opportunities identified in internal audit reports;
- Reviewed the Enterprise Risk Management Scorecards and Report which covers the risks relating the Group's operation and mitigations plans implemented by Management twice a year;

AUDIT COMMITTEE REPORT (cont'd)

Summary of Work of the AC (cont'd)

- Reviewed the circular/statement to shareholders in relation to the renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature and shareholders' mandate for the authority to the Company to purchase its own shares;
- Reviewed the updates relating to any bribery or corruption incidents within the Company and the corresponding mitigating activities, if any;
- Reviewed related party transactions entered into by the Group and the Company to ensure that such transactions were undertaken in line with the Group's normal commercial terms and the internal control procedures with regards to such transactions are sufficient;
- Reviewed the 2023 Business Plan and Budget for the Group and recommended to the Board for approval;
- Reviewed the Internal Audit Plan 2024 by the outsourced Internal Auditors; and
- Reviewed the effectiveness of the outsourced Internal Auditors and evaluate the fee, scope of work before deciding on the appointment of the outsourced Internal Auditors for the financial year 2024.

Internal Audit Function

In discharging its duties, the AC is supported by an in-house internal audit function and an outsourced independent internal audit service company, Tricor Axcelasia Sdn. Bhd. who undertakes the necessary activities to enable the AC to discharge its functions effectively. The outsourced Internal Auditors reports directly to the AC. The Internal Auditors are independent of the activities audited by external auditors. The AC regards the internal audit function as essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal control within the Group and the Company.

During the financial year 2023, the Internal Auditors carried out, inter alia, the following activities:

- Formulated and agreed with the AC on the audit plan, strategy and scope of work;
- Reviewed compliance with internal policies, procedures and standards, relevant external rules and regulations, as well as assessed the adequacy and effectiveness of the Group's internal control system;
- Analysed and assessed certain key business processes, reported findings, and made recommendations to improve their effectiveness and efficiency;
- Attended the AC meeting to table and discuss the audit report; and
- Performed internal audit reviews by the outsourced internal auditors on the following areas:
 - Review of Human Resources Management Department of Focus Point Vision Care Group Sdn. Bhd. and Multiple Reward Sdn. Bhd.
 - Review of Sales, Cash and Inventories Management of Multiple Reward Sdn. Bhd.
 - Review of Information Technology General Controls - Data Security of Focus Point Vision Care Group Sdn. Bhd.
 - Review of retail operation of Focus Point Vision Care Group Sdn. Bhd.

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

BOARD RESPONSIBILITY

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

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

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

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

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

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

1. Risk Management System

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

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

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

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

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

1. Risk Management System (cont'd)

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

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

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

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

2. Internal Control System

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

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

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

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

Internal Audit Function

The internal audit function is in place to assist the Audit Committee to discharge its functions effectively. The in-house internal auditors and outsourced internal auditors (collectively known as the “internal audit teams”) monitor compliance with policies and procedures and the effectiveness of the internal control system and highlight significant findings in respect of any non-compliance. The outsourced internal auditors report directly to the Audit Committee. Audits are carried out by the internal audit teams on head office, branches and franchisees, the frequency of which is determined by the level of risk assessed. The finding of the internal audit from the internal audit teams are tabled at the Audit Committee meetings for deliberation and appropriate corrective action plan will be communicated to the auditees. Follow-up audit will also be carried out to ensure that management has implemented improvement process as recommended in the internal audit report. The annual audit plan is reviewed and approved by the Audit Committee. A statement of the internal audit function is set out on page 72 of the Audit Committee Report.

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

Anti-Bribery and Corruption

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

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

CONCLUSION

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

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

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

OTHER DISCLOSURE INFORMATION

1. Audit and Non-Audit fees

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

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

2. Material Contracts

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

3. Utilisation of Proceeds

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

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

The Company had at the 14th Annual General Meeting of the Company held on 25 May 2023 obtained shareholders' mandate for the Group to enter into RRPT, which are necessary for its day-to-day operations and are in the ordinary course of business with related parties. The shareholders' mandate shall lapse at the conclusion of the Company's forthcoming Annual General Meeting. The Company intends to seek shareholders' mandate in respect of RRPT of the Group at the forthcoming AGM of the Company.

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

Transacting parties		Nature of relationship	Nature of transaction	Actual Value transacted RM'000
Focus Point Group	Related party			
Focus Point Vision Care Group Sdn. Bhd. ("Focus Point Vision Care")	Focus Point Vision Care (HP) Sdn. Bhd. ("Focus Point Vision Care (HP)")	Focus Point Vision Care (HP), in which Dato' Liaw Choon Liang's brother, Liaw Choon Kuan has substantial shareholdings, is a 35%-owned associate company of Focus Point Vision Care. Dato' Liaw Choon Liang and Liaw Choon Kuan are directors of Focus Point Vision Care (HP).	Sale of eyewear, eye care products and others to Focus Point Vision Care (HP).	781

OTHER DISCLOSURE INFORMATION (cont'd)

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

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

Transacting parties		Nature of relationship	Nature of transaction	Actual Value transacted RM'000
Focus Point Group	Related party			
Focus Point Management Sdn. Bhd.	Focus Point Vision Care (HP)	Focus Point Vision Care (HP), in which Dato' Liaw Choon Liang's brother, Liaw Choon Kuan has substantial shareholdings, is a 35%-owned associate company of Focus Point Vision Care. Dato' Liaw Choon Liang and Liaw Choon Kuan are directors of Focus Point Vision Care (HP).	Licensing fee received from Focus Point Vision Care (HP) for granting "Focus Point" licensed outlets.	127
Multiple Reward Sdn. Bhd.	Sejati Serimas Sdn. Bhd. ("Sejati Serimas")	Datin Goh Poi Eong and Kelvin Liaw Kai Xuan are shareholders and directors of Sejati Serimas. They are also directors and shareholders of Focus Point Holdings Berhad.	Rental of detached factory from Sejati Serimas for central kitchen purpose.	252

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE ANNUAL FINANCIAL STATEMENTS

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

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

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

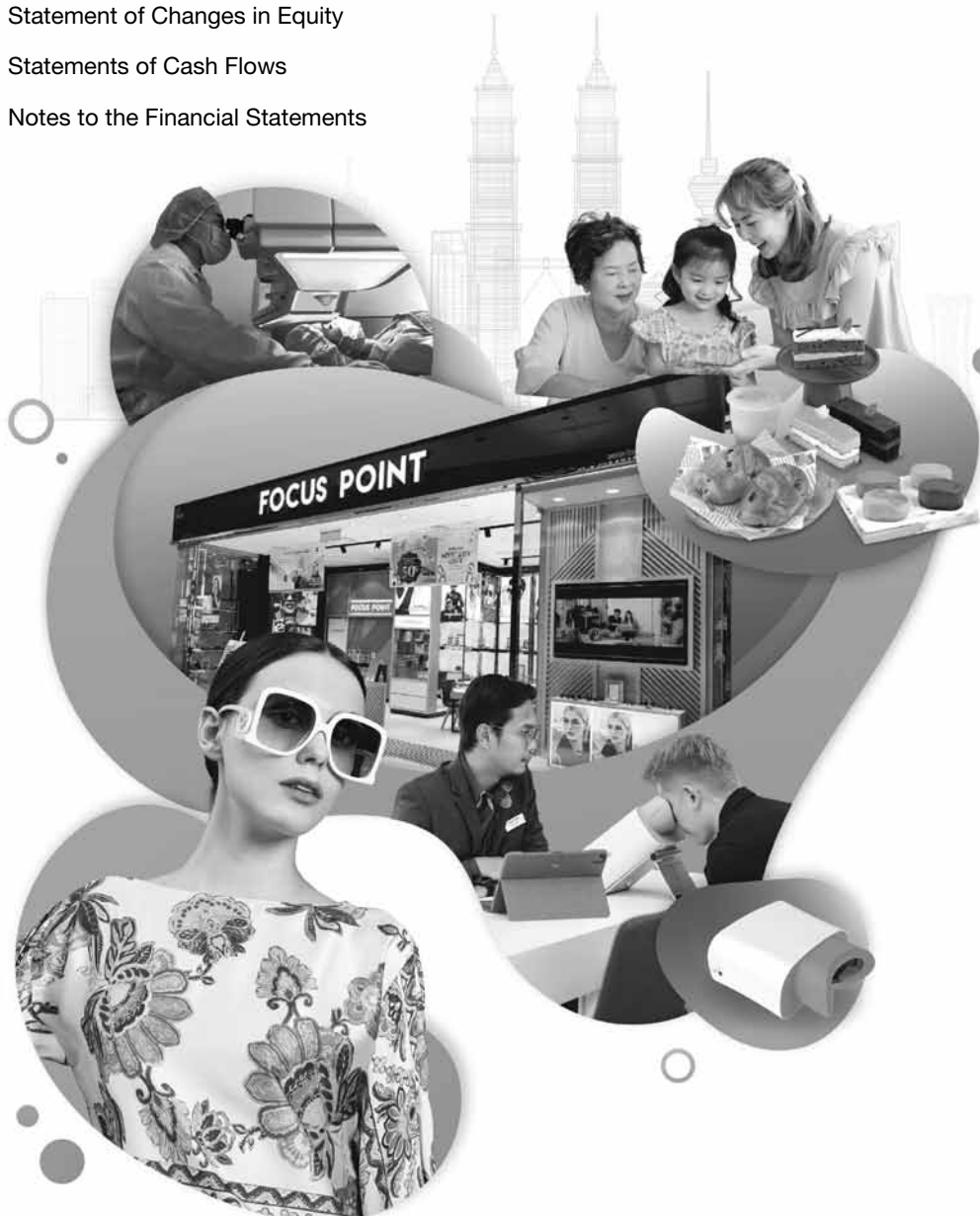
The Directors are responsible for ensuring that the Company keeps its accounting records which discloses the financial position of the Group and the Company with reasonable accuracy and to ensure that the financial statements comply with Companies Act 2016, Listing Requirements and applicable approved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

The Directors have overall responsibilities in taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

FINANCIAL STATEMENT



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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 2023.

PRINCIPAL ACTIVITIES

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

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

RESULTS

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

DIVIDENDS

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

	RM'000
In respect of the financial year ended 31 December 2023:	
First interim single tier dividend of 1.5 sen per ordinary share, paid on 30 June 2023	6,930
Second interim single tier dividend of 1.5 sen per ordinary share, paid on 29 December 2023	6,930
<hr/>	
	13,860
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The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2023.

DIRECTORS' REPORT (cont'd)

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

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

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

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

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

* *Directors of the Company and its subsidiaries*

DIRECTORS' REPORT (cont'd)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2023 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

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

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

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

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

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

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than:

- the transactions entered into in the ordinary course of business with a company in which a Director of the Company has substantial interest as disclosed in Note 34 to the financial statements; and
- the remuneration received by certain Directors from subsidiaries as Directors of the subsidiaries.

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

DIRECTORS' REPORT (cont'd)

DIRECTORS' REMUNERATION

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

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

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

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

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

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

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

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

DIRECTORS' REPORT (cont'd)

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

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

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

(III) AS AT THE DATE OF THIS REPORT

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

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

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

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

DIRECTORS' REPORT (cont'd)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

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

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

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

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

AUDITORS

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

AUDITORS' REMUNERATION

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

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

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

.....
Dato' Liaw Choon Liang
Director

.....
Datin Goh Poi Eong
Director

22 April 2024

STATEMENT BY DIRECTORS

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

On behalf of the Board,

.....
Dato' Liaw Choon Liang
 Director

.....
Datin Goh Poi Eong
 Director

22 April 2024

STATUTORY DECLARATION

I, Aaron Loke Khy-Min (CA 35111), being the officer primarily responsible for the financial management of Focus Point Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 93 to 158 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
 declared by the abovenamed)
 at Petaling Jaya in the state of)
 Selangor Darul Ehsan this)
 22 April 2024)

Aaron Loke Khy-Min

Before me:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FOCUS POINT HOLDINGS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Focus Point Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 93 to 158.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Group

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

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

INDEPENDENT AUDITORS' REPORT (cont'd)

Key Audit Matters (cont'd)

Group (cont'd)

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

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

Audit response

Our audit procedures included the following:

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

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

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

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

INDEPENDENT AUDITORS' REPORT (cont'd)

Key Audit Matters (cont'd)

Group (cont'd)

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

Audit response

Our audit procedures included the following:

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

Company

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

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

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

Audit response

Our audit procedures included the following:

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

INDEPENDENT AUDITORS' REPORT (cont'd)

Key Audit Matters (cont'd)

Company (cont'd)

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

Audit response (cont'd)

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

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT (cont'd)

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

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

Other Matters

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

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

Tang Seng Choon
02011/12/2025 J
Chartered Accountant

Kuala Lumpur
22 April 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

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

STATEMENTS OF FINANCIAL POSITION (cont'd)

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

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

STATEMENTS OF CASH FLOWS (cont'd)

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

STATEMENTS OF CASH FLOWS (cont'd)

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

STATEMENTS OF CASH FLOWS (cont'd)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1. CORPORATE INFORMATION

Focus Point Holdings Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. On 5 January 2023, the Company transferred the listing of and quotation for its entire issued share capital from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad.

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

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

The consolidated financial statements for the financial year ended 31 December 2023 comprise the Company and its subsidiaries and the interests of the Group in associates. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand (“RM’000”), unless otherwise stated.

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

2. PRINCIPAL ACTIVITIES

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

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

3. BASIS OF PREPARATION

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

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRS and Amendments to MFRSs adopted during the financial year are disclosed in Note 36.1 to the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

4. OPERATING SEGMENTS

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

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

(i) Optical related products

Retailing of optical related products.

(ii) Franchise management

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

(iii) Food and beverages

Operation of food and beverages business.

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

The chief operating decision maker, who is the Chief Executive Officer of the Group evaluates performance on the basis of profit or loss from operations before tax.

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

4. OPERATING SEGMENTS (CONT'D)

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

4. OPERATING SEGMENTS (CONT'D)

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

4. OPERATING SEGMENTS (CONT'D)

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

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

Geographical information

The Group operates predominantly in Malaysia.

Major customers

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

5. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the capital management of the Group is to ensure that it maintains healthy ratios in order to support its business operations and to provide fair returns for shareholders and benefits for other stakeholders. The overall strategy of the Group remains unchanged from the financial year ended 31 December 2022.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

(b) Financial risk management objectives and policies

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

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

Foreign currency risk

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

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

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

Interest rate risk

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

The exposure of the Group to interest rate risk arises primarily from fixed deposits with licensed banks, short term fund, finance lease receivables, borrowings and lease liabilities. The Group borrows at both fixed and floating rates of interest to generate the desired interest profile and to manage the exposure of the Group to interest rate fluctuations. Fixed deposits and short term fund of the Group are placed at fixed rates and management endeavours to obtain the best rate available in the market.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 7, 11, 14, 15 and 17 to the financial statements.

Liquidity and cash flow risk

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

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

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

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 7, 17 and 23 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

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

Credit risk

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

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

The primary exposure of the Group to credit risk arises through its trade and other receivables. The trading terms of the Group with its customers are mainly on credit, except for walk-in customers at its outlets. The credit period is generally for a period of 75 days (2022: 75 days). Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

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

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

Recognition and measurement of impairment loss of financial guarantee contracts

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

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

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

Market price risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

6. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. LEASES

The Group as lessee

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. LEASES (CONT'D)

The Group as lessee (cont'd)

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. LEASES (CONT'D)

The Group as lessee (cont'd)

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. LEASES (CONT'D)

The Group as lessee (cont'd)

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. LEASES (CONT'D)

The Group as lessee (cont'd)

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. LEASES (CONT'D)

The Group as lessee (cont'd)

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. LEASES (CONT'D)

The Group as lessee (cont'd)

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

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

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

Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
31 December 2023				
Lease liabilities	39,278	50,390	5,573	95,241
31 December 2022				
Lease liabilities	38,176	49,722	1,152	89,050

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

8. INVESTMENTS IN SUBSIDIARIES

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

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

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

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

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

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

- (i) Budgeted gross margin

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) (continued)

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

(ii) Revenue growth rate

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

(iii) Pre-tax discount rate

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

Sensitivity to changes in assumptions

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

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

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

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

9. INVESTMENTS IN ASSOCIATES

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

9. INVESTMENTS IN ASSOCIATES (CONT'D)

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

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

* Associates not audited by BDO PLT

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

9. INVESTMENTS IN ASSOCIATES (CONT'D)

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

9. INVESTMENTS IN ASSOCIATES (CONT'D)

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

10. OTHER INVESTMENT

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

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

11. TRADE AND OTHER RECEIVABLES

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

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

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

* The effects of expected credit losses are insignificant.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12. DEFERRED TAX

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12. DEFERRED TAX (CONT'D)

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

13. INVENTORIES

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

14. SHORT TERM FUND

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

15. CASH AND BANK BALANCES

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

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) Fixed deposits with licensed banks of the Group and of the Company have maturity periods of 30 days to 365 days (2022: 30 days to 365 days) and 30 days (2022: 30 days) respectively, with interest at rates ranging from 2.6% to 4.3% (2022: 1.8% to 3.6%) per annum and 2.6% (2022: 2.3%) per annum respectively.
- (c) Certain fixed deposits with licensed banks of the Group are pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Notes 18 and 20 to the financial statements.
- (d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

15. CASH AND BANK BALANCES (CONT'D)

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

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

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

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

16. SHARE CAPITAL

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

- (a) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.
- (b) During the financial year, the issued and paid-up share capital of the Company was increased from 329,999,477 to 461,999,041 by way of issuance of 131,999,564 new ordinary shares pursuant to the bonus issue exercise undertaken by the Company on the basis of two (2) new ordinary shares for every five (5) existing ordinary shares held by the shareholders of the Company.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

17. BORROWINGS

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

* Amount is negligible.

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

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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

17. BORROWINGS (CONT'D)

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

17. BORROWINGS (CONT'D)

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

Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
31 December 2023				
Bankers' acceptances	15,018	–	–	15,018
Term loans	3,241	14,372	6,699	24,312
Revolving credit	502	–	–	502
	18,761	14,372	6,699	39,832

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

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

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

Group	Note	Within one year RM'000	One to two years RM'000	Two to three years RM'000	Three to four years RM'000	Four to five years RM'000	More than five years RM'000	Total RM'000
31 December 2023								
Floating rates								
Bankers' acceptances	18	(15,018)	–	–	–	–	–	(15,018)
Revolving credits	19	(502)	–	–	–	–	–	(502)
Term loans	20	(2,284)	(2,489)	(2,620)	(5,566)	(1,155)	(5,377)	(19,491)
31 December 2022								
Floating rates								
Bankers' acceptances	18	(12,842)	–	–	–	–	–	(12,842)
Term loans	20	(9,010)	(5,833)	(2,428)	(2,536)	(1,816)	(4,493)	(26,116)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

17. BORROWINGS (CONT'D)

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

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

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

- (h) Borrowings are denominated in RM.

18. BANKERS' ACCEPTANCES

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

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

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

19. REVOLVING CREDIT

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

20. TERM LOANS

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

21. PROVISION FOR RESTORATION COSTS

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

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

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

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

22. DEFERRED INCOME

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

22. DEFERRED INCOME (CONT'D)

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

- (a) Deferred income is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. Deferred income is recognised as revenue when performance obligations are satisfied.
- (b) The movements of deferred income at the end of the reporting period are as follows:

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

23. TRADE AND OTHER PAYABLES

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

23. TRADE AND OTHER PAYABLES (CONT'D)

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

24. CAPITAL COMMITMENTS

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

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

25. REVENUE

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

- (a) Sale of goods and services rendered

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

25. REVENUE (CONT'D)

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

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

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

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

(b) Franchise fee income

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

(c) Licensing fee income

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

(d) Royalty fee income

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

(e) Dividend income

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

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

26. COST OF SALES

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

27. FINANCE COSTS

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

28. PROFIT BEFORE TAX

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

28. PROFIT BEFORE TAX (CONT'D)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

28. PROFIT BEFORE TAX (CONT'D)

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

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

29. DIRECTORS' REMUNERATION

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30. TAX EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax expense based on profit for the financial year:				
Current year	10,746	11,309	2	2
Under provision in prior years	147	127	-	-
	10,893	11,436	2	2
Deferred tax (Note 12):				
Relating to origination and reversal of temporary differences	(91)	786	-	-
Over provision in prior years	(1,064)	(218)	-	-
	(1,155)	568	-	-
	9,738	12,004	2	2

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated taxable profits for the fiscal year.
- (b) The numerical reconciliations between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax	39,888	47,859	16,017	26,670
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	9,573	11,486	3,844	6,401
Tax effects in respect of:				
Non-allowable expenses	1,803	1,512	142	1,113
Non-taxable income	(154)	(90)	(3,984)	(7,512)
Utilisation of previously unrecognised tax losses, capital allowances and other temporary differences	(567)	(813)	-	-
	10,655	12,095	2	2
Under/(Over) provision in prior years:				
- income tax	147	127	-	-
- deferred tax	(1,064)	(218)	-	-
	9,738	12,004	2	2

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31. EARNINGS PER ORDINARY SHARE

(a) Basic

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

	Group	
	2023	2022
Profit for the financial year attributable to owners of the parent (RM'000)	30,150	35,855
Weighted average number of ordinary shares in issue ('000)*	461,999	461,999
Basic earnings per ordinary share (sen)	6.53	7.76

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

(b) Diluted

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

32. DIVIDENDS

	Group and Company			
	2023		2022	
	Single tier dividend per share sen	Amount of dividend RM'000	Single tier dividend per share sen	Amount of dividend RM'000
First interim dividend paid	1.50	6,930	1.50	4,950
Second interim dividend paid	1.50	6,930	1.50	4,950
	3.00	13,860	3.00	9,900

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

33. EMPLOYEE BENEFITS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Wages, salaries and bonuses	39,275	32,429	197	213
Defined contribution plan	5,636	4,838	-	-
Social security contributions	700	533	-	-
Other benefits	7,707	6,788	-	-
	53,318	44,588	197	213

34. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

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

Related parties of the Group include:

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

(b) Significant related party transactions

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Subsidiaries:				
Dividends received	-	-	16,600	31,300
Associate:				
Dividend received	175	-	-	-
Sale of goods	781	676	-	-
Licensing fee received/ receivable	127	108	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

34. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related party transactions (cont'd)

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
A company in which a Director of the Company has substantial financial interest:				
Rental paid/payable	(252)	(243)	–	–

The related party transactions described above were carried out in the ordinary course of business and have been established under mutually agreed terms. The licensing fee received/receivable from an associate was charged at 2.0% (2022: 2.0%) of monthly gross sales while other licensees of the Group were charged at 5.0% (2022: 5.0%) of monthly gross sales.

Information regarding outstanding balances arising from related party transactions as at 31 December 2023 and 2022 is disclosed in Notes 11 and 23 to the financial statements.

(c) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly and indirectly.

The remuneration of Directors during the financial year are disclosed in Note 29 to the financial statements.

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

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

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

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

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

36. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

36.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standard and Amendments to MFRSs of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	Refer paragraph 98M of MFRS 112

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

36. ADOPTION OF NEW MFRSS AND AMENDMENTS TO MFRSS (CONT'D)

36.2 New MFRSSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

LIST OF PROPERTIES

AS AT 31 DECEMBER 2023

Address	Description/ Existing use/ Tenure	Approx. age of building (years)	Build-up area (square feet)	Net carrying amount (RM'000)	Date of acquisition	Year of revaluation
Unit 1, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	5-storey shop office/ Head office/ Freehold	24	7,216	1,671	23.8.2001	2011
Unit 3, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	5-storey shop office/ Head office/ Freehold	24	7,216	1,619	1.8.2000	2016
Unit 5-1, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	Ground floor of a 5-storey shop office/ Head office/ Freehold	24	1,282	461	8.8.2007	2016
Unit 5-4, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	3rd floor of a 5-storey shop office/ Head office/ Freehold	24	1,480	303	11.12.2009	2011
Unit 5-5, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	4th floor of a 5-storey shop office/ Head office/ Freehold	24	1,487	385	15.9.2010	2010
Unit 7, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	5-storey shop office/ Head office/ Freehold	24	7,170	3,359	12.5.2016	2016
E-06, Sunsuria Forum, No. 1, Jln Setia Dagang AL U13/AL, Seksyen U13, Setia Alam 40170 Shah Alam	2-storey shop/ Vacant/ Freehold	5	2,460	2,873	12.5.2015 (Vacant Possession : 25.6.2018)	-
R31, Bell Avenue, Jalan Sunsuria Bandar Sunsuria 43900 Sepang	2-storey shop/ Vacant/ Freehold	5	2,110	1,738	25.3.2016 (Vacant Possession : 18.9.2018)	-
Windmill Upon Hills No. WB29-01, Block B, Jalan Permai, Genting Permai Avenue 69000 Genting Highlands, Pahang	Condominium/ Staff quarter/ Freehold	4	1,268	1,054	10.6.2019 (Vacant Possession : 31.12.2019)	-
City of Dreams No. 1A-13-10 Jalan Peter Paul Dason Bandar Tanjung Pinang Daerah Timor Laut 10470 Pulau Pinang	Condominium/ Freehold	4	1,335	1,956	27.06.2022 (Vacant Possession : 15.12.2022)	-

ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2024

Total number of issued shares	:	461,999,041 ordinary shares
Class of share	:	Ordinary shares
Voting right	:	One vote per ordinary share

ANALYSIS BY SIZE OF HOLDINGS AS AT 29 MARCH 2024

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	270	9.333	14,875	0.003
100 - 1,000	421	14.552	180,429	0.039
1,001 - 10,000	1,206	41.687	6,222,941	1.347
10,001 - 100,000	810	27.999	25,734,523	5.570
100,001 - 23,099,951 (*)	183	6.325	135,204,217	29.265
23,099,952 - and above (**)	3	0.104	294,642,056	63.775
TOTAL :	2,893	100.000	461,999,041	100.000

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

LIST OF TOP 30 HOLDERS AS AT 29 MARCH 2024

NO.	NAME	HOLDINGS	%
1	LIAW CHOON LIANG	173,367,901	37.525
2	PERBADANAN NASIONAL BERHAD	61,873,000	13.392
3	GOH POI EONG	59,401,155	12.857
4	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DIVIDEND FUND	9,520,000	2.06
5	AMANAHRAYA TRUSTEES BERHAD PUBLIC SELECT TREASURES EQUITY FUND	9,359,830	2.025
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (EASTSPRINGESG)	6,704,600	1.451
7	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NG PAIK PHENG (PB)	6,085,880	1.317
8	HSBC NOMINEES (ASING) SDN BHD HSBC-FS I FOR ASEAN GROWTH FUND (MANUFACTURERS L)	5,227,900	1.131
9	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD LEMBAGA TABUNG HAJI (AL-WARA')	5,022,600	1.087
10	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DANA MAKMUR	4,331,340	0.937
11	HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR MANULIFE ASEAN SMALL CAP EQUITY MOTHERFUND (CBJ SMTB)	4,008,800	0.867

ANALYSIS OF SHAREHOLDINGS (cont'd)

LIST OF TOP 30 HOLDERS AS AT 29 MARCH 2024 (CONT'D)

NO.	NAME	HOLDINGS	%
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ESPRING ABSR EQ)	3,787,120	0.819
13	AMANAHRAYA TRUSTEES BERHAD PUBLIC E-ISLAMIC FLEXI ALLOCATION FUND	3,414,400	0.739
14	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL-CAP FUND	3,000,000	0.649
15	KELVIN LIAW KAI XUAN	2,799,998	0.606
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW KOK YONG	2,700,000	0.584
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR PHILLIP PEARL FUND (UT-PM-PPF) (419471)	2,545,230	0.55
18	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ZURICH LIFE INSURANCE MALAYSIA BERHAD (VULTURE FUND)	2,506,000	0.542
19	CHUAH THEONG YEE	2,503,300	0.541
20	LIM KIM YEW	1,912,600	0.413
21	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DANA MAA'ROF	1,844,600	0.399
22	AMANAHRAYA TRUSTEES BERHAD PB ASIA EMERGING GROWTH FUND	1,808,100	0.391
23	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD TABUNG WARISAN NEGERI SELANGOR (AL-WARA')	1,729,100	0.374
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (AM INV)	1,700,000	0.367
25	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (PET-KENANGA-EQET)	1,601,200	0.346
26	CITIGROUP NOMINEES (ASING) SDN BHD CEP FOR MANULIFE GLOBAL FUND (SICAV)	1,441,800	0.312
27	HOH HON BING	1,439,998	0.311
28	SOON YOKE KENG	1,373,938	0.297
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD TAN YAN PIN	1,333,638	0.288
30	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG STRATEGIC FUND	1,300,000	0.281
Total		385,644,028	83.472

ANALYSIS OF SHAREHOLDINGS (cont'd)

DIRECTORS' SHAREHOLDING AS AT 29 MARCH 2024 BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Name of Directors	No. of Shares held (Direct)	%	No. of Shares held (Indirect)	%
Dato' Liaw Choon Liang	173,367,901	37.526	62,201,153	13.463
Datin Goh Poi Eong	59,401,155	12.857	176,167,899	38.132
Datin Sim Swee Yoke	–	–	–	–
Dr. Haliza binti Abdul Mutalib	–	–	–	–
Lee Tuan Meng	–	–	–	–
Dato' Sri Suriani binti Dato' Ahmad	–	–	–	–

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

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

SUBSTANTIAL SHAREHOLDERS AS AT 29 MARCH 2024 BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	No. of Shares held (Direct)	%	No. of Shares held (Indirect)	%
Dato' Liaw Choon Liang	173,367,901	37.526	62,201,153	13.463
Perbadanan Nasional Berhad	61,873,000	13.392	–	–
Datin Goh Poi Eong	59,401,155	12.857	176,167,899	38.132

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

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

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifteenth (“15th”) Annual General Meeting (“AGM”) of Focus Point Holdings Berhad (“the Company”) will be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 23 May 2024 at 10:00 a.m. to transact the following businesses:

AGENDA

Ordinary Business

- | | | |
|----|---|-------------------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. | <i>[Please refer to Note II(1)]</i> |
| 2. | To approve the payment of Directors’ fees of up to RM246,000 and Directors’ benefits of up to RM17,000 for the period from this 15th Annual General Meeting until the next Annual General Meeting of the Company. | <i>Resolution 1</i> |
| 3. | To re-elect Datin Goh Poi Eong who retires pursuant to Clause 76(3) of the Company’s Constitution, as Director of the Company. | <i>Resolution 2</i> |
| 4. | To re-elect Dr. Haliza binti Abdul Mutalib who retires pursuant to Clause 76(3) of the Company’s Constitution, as Director of the Company. | <i>Resolution 3</i> |
| 5. | To re-appoint Messrs BDO PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration. | <i>Resolution 4</i> |

Special Business

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

- | | | |
|----|---|---------------------|
| 6. | <p>ORDINARY RESOLUTION
 AUTHORITY FOR DATIN SIM SWEE YOKE TO CONTINUE IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR</p> <p>“THAT authority be and is hereby given to Datin Sim Swee Yoke who will have served as the Independent Non-Executive Director of the Company for a term of nine (9) years, to continue to serve as the Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting.”</p> | <i>Resolution 5</i> |
| 7. | <p>ORDINARY RESOLUTION
 PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR THE RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE</p> <p>“THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiaries be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.3 of Part A of the Circular/Statement to Shareholders dated 24 April 2024 (“Related Parties”) provided that such transactions and/or arrangements are:-</p> <p>(a) necessary for the day-to-day operations;</p> <p>(b) are undertaken in the ordinary course of business at arm’s length basis and are on normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public; and</p> <p>(c) are not detrimental to the minority shareholders of the Company,</p> <p>(collectively known as “Proposed Shareholders’ Mandate”).</p> | <i>Resolution 6</i> |

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING (cont'd)

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

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

whichever is earlier.

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

8. **ORDINARY RESOLUTION**
PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR THE AUTHORITY
TO THE COMPANY TO PURCHASE ITS OWN SHARES UP TO TEN PER CENTUM
(10%) OF THE TOTAL NUMBER OF ISSUED SHARES

Resolution 7

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

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

(“Proposed Share Buy-Back”).

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING (cont'd)

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

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

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

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

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

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

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING (cont'd)

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

BY ORDER OF THE BOARD

WONG PEIR CHYUN (MAICSA 7018710)

(SSM PC NO. 202008001742)

NG SENG HOO (MAICSA 7068810)

(SSM PC NO. 202008004089)

Company Secretaries

Kuala Lumpur

Date: 24 April 2024

NOTES:

I Notes on Appointment of Proxy

- (1) For the purpose of determining who shall be entitled to attend this 15th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 15 May 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend this AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
- (2) A member entitled to attend and vote at this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- (3) A member of the Company who is entitled to attend and vote at this AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the general meeting.
- (4) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").
- (5) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (6) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (7) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING (cont'd)

NOTES: (cont'd)

I Notes on Appointment of Proxy (cont'd)

- (8) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:
- (i) **In hard copy form**
- In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. [Registration No. 197101000970 (11324-H)] of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
- (ii) **By electronic means**
- The proxy form can be electronically lodged with the Company's Share Registrar via TIIH Online at <https://tiih.online>.
- Please refer to the Administrative Guide for the 15th AGM on the procedures for electronic lodgement of proxy form via TIIH Online.
- (9) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. [Registration No. 197101000970 (11324-H)] of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (10) Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
- (11) Last date and time for lodging this proxy form is Tuesday, 21 May 2024 at 10:00 a.m.
- (12) Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
- a. Identity card (NRIC) (Malaysian); or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian); or
 - c. Passport (Foreigner).
- (13) For a corporate member who has appointed a representative instead of a proxy to attend this AGM, please deposit the ORIGINAL certificate of appointment of authorised representative executed in the manner as stated in the proxy form with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. [Registration No. 197101000970 (11324-H)] of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. Alternatively, please bring the ORIGINAL certificate of appointment of authorised representative if it has not been lodged at the Company's Share Registrar earlier.

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING (cont'd)

II Explanatory Notes on Ordinary Business

1. Agenda item 1 - Audited Financial Statements for the financial year ended 31 December 2023

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

2. Resolution 1 – Proposed Payment of Directors' Fees and Benefits

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

Resolution 1 is to seek shareholders' approval to allow the Company to pay Directors' fees and benefits on a current financial year basis and calculated based on the current Board size and number of scheduled Board and Board Committee meetings for the period from this 15th Annual General Meeting ("AGM") until the next AGM. In the event the proposed amount is insufficient (e.g. due to enlarged Board size or increased responsibility), approval will be sought at the next AGM for the shortfall.

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

Datin Goh Poi Eong and Dr. Haliza binti Abdul Mutalib are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at this 15th AGM.

Please refer to the Statement Accompanying Notice of the 15th AGM for further details.

4. Resolution 4 – Re-appointment of Auditors

The Board has through the Audit Committee assessed the suitability and independence of the External Auditors, Messrs BDO PLT and considered the re-appointment of Messrs BDO PLT as Auditors of the Company. The Board and Audit Committee collectively agreed and satisfied that Messrs BDO PLT has the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board approved the Audit Committee's recommendation to seek the shareholders' approval for the re-appointment of Messrs BDO PLT as Auditors of the Company.

III Explanatory Notes on Special Business

1. Resolution 5 – Ordinary Resolution: Continuing in Office as Independent Non-Executive Director

The Board had via the Nomination Committee conducted an annual performance evaluation and assessment of Datin Sim Swee Yoke, who will have served the Board as an Independent Non-Executive Director ("INED") for a cumulative term of nine (9) years. The Board recommended that she shall continue to act as INED based on the following justifications:-

- a. She fulfils the criteria under the definition of "independent Director" as stated in the Main Market listing Requirements of Bursa Malaysia Securities Berhad, and thus, she would be able to function as a check and balance, bringing an element of objectivity to the Board;
- b. Her tenure with the Company has neither impaired nor compromised her independent judgement and ability to act in the best interest of the Company. She continues to remain objective and is able to exercise her independent judgement in expressing her view and participating in deliberations and decision-making of the Board and Board Committee in the best interest of the Company;

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING (cont'd)

III Explanatory Notes on Special Business (cont'd)

1. **Resolution 5 – Ordinary Resolution: Continuing in Office as Independent Non-Executive Director (cont'd)**

- c. She has vast experience in a diverse range of businesses and have a good understanding of the Company's business operations;
- d. She continues to exercise due care during her tenure as INED of the Company and carry out her professional duties in the interest of the Company and shareholders;
- e. She has devoted sufficient time and commitment to discharge her responsibility and professional obligations as INED; and
- f. She does not have any business dealings with the Company.

2. **Resolution 6 – Ordinary Resolution: Proposed Renewal of Existing Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature**

This resolution, if passed, will authorise the Company and each of its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business.

Please refer to the Circular/Statement to Shareholders dated 24 April 2024 for further information.

3. **Resolution 7 – Ordinary Resolution: Proposed Renewal of Share Buy-Back Mandate**

This resolution, if passed, will give the Company the authority to purchase up to ten per centum (10%) of the total number of issued shares of the Company through Bursa Malaysia Securities Berhad.

Please refer to the Circular/ Statement to Shareholders dated 24 April 2024 for further information.

STATEMENT ACCOMPANYING NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Directors Standing for Election/Re-election (Resolutions 3 and 4)

As of the date of this notice, there are no individuals who are standing for election or appointment as Directors at this 15th Annual General Meeting (“AGM”).

The Directors who are seeking for re-election at the 15th AGM are as follows:-

Name	Directorship	Date of Appointment
Datin Goh Poi Eong	Executive Director	30 December 2009
Dr. Haliza binti Abdul Mutalib	Independent Non-Executive Director	1 August 2021

(Collectively referred to as the “Retiring Directors”)

The Retiring Directors being eligible, have offered themselves for re-election at the 15th AGM. The full profiles of the Retiring Directors can be found on pages 16 and 18 of the Annual Report 2023. The details of the Retiring Directors’ interest in the securities of the Company, if any, can be found on page 162 of the Annual Report 2023.

The Board through its Nomination Committee (“NC”) had considered the following:

- Fit and proper criteria as guided by the Directors’ Fit and Proper Policy and the Director’s Declaration Form executed by each of the Retiring Directors;
- Skills, knowledge, expertise and experience, time, commitment, character, professionalism and integrity (including that the Retiring Directors are not active politicians);
- Outcome of the Board and Individual Director Effectiveness Evaluation conducted for the financial year ended 31 December 2023;
- Disclosures of any interest, position or relationship that may result in a conflict of interest or might influence, or reasonably be perceived to influence in a material respect the capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of the Company as a whole; and
- Criteria for independence pursuant to the Main Market Listing Requirements of Bursa Securities Malaysia Berhad (for Independent Director being re-elected).

Based on the outcome of the assessment, the Board and the NC agreed that the Retiring Directors meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their role as Directors and that they met the criteria prescribed by the Directors’ Fit and Proper Policy.

The Board (save for the Retiring Directors who have abstained from deliberation on discussions relating to their own re-election at the Board meeting) approved and supported the re-election of the Retiring Directors. The Board believes that the Retiring Directors have discharged their duties and responsibilities effectively, demonstrated commitment to their role, and will continue to make a strong contribution to the work of the Board and to the long-term sustainable success of the Company.

ADMINISTRATIVE GUIDE

FOR THE 15TH ANNUAL GENERAL MEETING (“AGM”)

Day and Date	:	Thursday, 23 May 2024
Time	:	10.00 a.m.
Venue	:	Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan

1. ELIGIBILITY TO ATTEND BASED ON THE RECORD OF DEPOSITORS

Only a member whose name appears on the Record of Depositors as at **Wednesday, 15 May 2024** shall be entitled to attend or appoint proxy(ies) to attend and/or vote on his/her/its behalf.

2. PRE-REGISTRATION TO ATTEND THE AGM

Shareholders are required to register ahead of the 15th Annual General Meeting (“AGM”) to allow the Company to make the necessary arrangements in relation to the meeting i.e. infrastructure, logistics and meeting venue(s) to accommodate the meeting participants.

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

- Login in to TIIH Online website with your user name (i.e. e-mail address) and password under the “e-Services”. If you have not registered as a user of TIIH Online, please refer to the tutorial guide posted on the homepage for assistance to sign up.
- Select the corporate event: “**(REGISTRATION) FOCUSP 15TH AGM**”.
- Read and agree to the Terms & Conditions and confirm the Declaration.
- Select “**Register for Physical Attendance at Meeting Venue**”.
- Review your registration and proceed to register.
- System will send an e-mail to notify that your registration for physical attendance at meeting venue is received and will be verified.
- After verification of your registration against the General Meeting Record of Depositors, the system will send you an e-mail after Tuesday, 21 May 2024 to approve or reject your registration to attend physically at the meeting venue.

Please note that only a depositor whose name appears on the Record of Depositors as at 15 May 2024 shall be entitled to attend or appoint proxies to attend and/or vote on his/her behalf at the AGM.

ADMINISTRATIVE GUIDE

FOR THE 15TH ANNUAL GENERAL MEETING ("AGM")
(cont'd)

3. REGISTRATION ON THE DAY OF THE AGM

Registration will start on **Thursday, 23 May 2024** at 9.00 am. at Ballroom V, Main Wing, Tropicana Golf & Country Resort Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan.

Original MyKad or passport is required to be presented during registration for verification. You will not be allowed to register on behalf of another person even with the original MyKad or passport of that person.

Upon verification of your MyKad or passport and signing of attendance list, you will be given an identification wristband to enter the meeting room. There will be no replacement of wristband in the event that it is lost or misplaced.

Please note that you will only be allowed to enter the meeting hall if you are wearing the identification wristband.

All Attendees will be required to wear face mask prior to entering the meeting venue. All Attendees must practice proper hygiene including the use of hand sanitisers provided at the meeting venue and are required to **wear a face mask at all times**.

Please vacate the registration area immediately after registration to prevent congestion.

4. POLL VOTING

The voting at the AGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

5. APPOINTMENT OF PROXY

The appointment of proxy may be made in hard copy form or by electronic form. In case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

You may also submit the proxy form electronically via TIIH Online website at <https://tiih.online>, not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof, otherwise the proxy form shall not be treated as valid. Please do read and follow the procedures below to submit proxy form electronically.

ADMINISTRATIVE GUIDE
FOR THE 15TH ANNUAL GENERAL MEETING (“AGM”)
(cont’d)

6. ELECTRONIC LODGMENT OF PROXY FORM

The procedures to lodge your proxy form electronically via Tricor’s TIIH Online website are summarised below:-

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> • Using your computer, please access the website at https://tiih.online. Register as a user under the “e-Services”. Please refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.
Proceed with Submission of Proxy Form	<ul style="list-style-type: none"> • After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password. • Select the corporate event “FOCUSP 15TH AGM - Submission of Proxy Form”. • Read and agree to the Terms & Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. • Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy(ies) will decide on your votes. • Review and confirm your proxy(ies) appointment. • Print the proxy form for your record.
ii. Steps for Corporation or Institutional Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> • Access TIIH Online at https://tiih.online. • Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects “Create Account by Representative of Corporate Holder”. • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. <p>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</p>
Proceed with Submission of Proxy Form	<ul style="list-style-type: none"> • Login to TIIH Online at https://tiih.online. • Select the corporate exercise name “FOCUSP 15TH AGM - Submission of Proxy Form”. • Agree to the Terms & Conditions and Declaration. • Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxy(ies) by inserting the required data. • Login to TIIH Online, select corporate exercise name “FOCUSP 15TH AGM - Submission of Proxy Form”. • Proceed to upload the duly completed proxy appointment file. • Select “Submit” to complete your submission. • Print the confirmation report of your submission for your record.

ADMINISTRATIVE GUIDE

FOR THE 15TH ANNUAL GENERAL MEETING ("AGM")
(cont'd)

7. NO RECORDING OR PHOTOGRAPHY

No recording or photography of the AGM proceedings is allowed without prior written permission of the Company.

8. FURTHER ANNOUNCEMENT

Shareholders are advised to check the Company's website at www.focus-point.com.my and Announcements from time to time for any changes to the administration of the AGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities.

We thank you for your continuous support to the Company.

9. ENQUIRY

If you have any enquiry on the above, please contact the following person-in charge during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General /Fax No. : +603-2783 9299 / +603-2783 9222
Email : is.enquiry@my.tricorglobal.com
Cik Dina Qistina : +603 - 2783 9165 / Dina.Qistina@my.tricorglobal.com
Pn Zakiah Wardi : +603 - 2783 9287 / Zakiah@my.tricorglobal.com
Mr Allen Sii : +603 - 2783 9263 / Allen.Sii@my.tricorglobal.com

FOCUS POINT

FOCUS POINT HOLDINGS BERHAD

[Registration No. 200901041088 (884238-U)]
(Incorporated in Malaysia)

CDS Account No.

No. of Shares held

PROXY FORM

I/We Tel:.....
[Full name in block, NRIC/Passport/Company No.]

of
[Address]

being member(s) of **Focus Point Holdings Berhad**, hereby appoint:-

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or* (*delete as appropriate)

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairman of the Meeting, as ^my/our proxy to vote for ^me/us and on ^my/our behalf at the Fifteenth ("15th") Annual General Meeting ("AGM") of the Company to be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 23 May 2024 at 10:00 a.m. or any adjournment thereof, and to vote as indicated below:-

Ordinary Resolution	For	Against
1. Payment of Directors' fees of up to RM246,000 and Directors' benefits of up to RM17,000 for the period from this 15th Annual General Meeting until the next Annual General Meeting of the Company.		
2. Re-election of Datin Goh Poi Eong as Director of the Company.		
3. Re-election of Dr. Haliza binti Abdul Mutalib as Director of the Company.		
4. Re-appointment of Messrs BDO PLT as Auditors of the Company.		
5. Authority for Datin Sim Swee Yoke to continue in Office as Independent Non-Executive Director.		
6. Proposed Renewal of Existing Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue of Trading Nature.		
7. Proposed Renewal of Shareholders' Mandate for the Authority to the Company to Purchase its Own Shares up to Ten Per Centum (10%) of the Total Number of Issued Shares		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this day of 2024

.....
Signature*
Member

^ Delete whichever is not applicable.

* Manner of execution:

- If you are an individual member, please sign where indicated.
- If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - at least two (2) authorised officers, of whom one shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

- For the purpose of determining who shall be entitled to attend this 15th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 15 May 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend this AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
- A member entitled to attend and vote at this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- A member of the Company who is entitled to attend and vote at this AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the general meeting.
- If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").



Notes: (cont'd)

5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:
 - (i) **In hard copy form**
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. [Registration No. 197101000970 (11324-H)] of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
 - (ii) **By electronic means**
The proxy form can be electronically lodged with the Company's Share Registrar via TIIH Online at <https://tjih.online>. Please refer to the Administrative Guide for the 15th AGM on the procedures for electronic lodgement of proxy form via TIIH Online.
9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. [Registration No. 197101000970 (11324-H)] of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
11. Last date and time for lodging this proxy form is Tuesday, 21 May 2024 at 10:00 a.m.
12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. Identity card (NRIC) (Malaysian); or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian); or
 - c. Passport (Foreigner).
13. For a corporate member who has appointed a representative instead of a proxy to attend this AGM, please deposit the **ORIGINAL** certificate of appointment of authorised representative executed in the manner as stated in the proxy form with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. [Registration No. 197101000970 (11324-H)] of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. Alternatively, please bring the **ORIGINAL** certificate of appointment of authorised representative if it has not been lodged at the Company's Share Registrar earlier.

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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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www.focus-point.com.my

Focus Point Holdings Berhad

200901041088 (884238-U)

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

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