

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (The figures have not been audited)

	Individual quarter		Cumulative quarter	
	31-12-16 RM'000	31-12-15 RM'000	31-12-16 RM'000	31-12-15 RM'000
Revenue	40,657	40,099	161,942	154,592
Cost of sales	(16,930)	(16,384)	(66,852)	(65,452)
Gross profit	23,727	23,715	95,090	89,140
Other income	1,670	4,309	4,743	7,880
Selling and distribution expenses	(7,068)	(7,703)	(32,656)	(30,867)
Administrative and general expenses	(15,769)	(17,516)	(64,978)	(60,471)
Interest expense	(800)	(614)	(2,408)	(1,932)
Interest income	167	167	456	520
Share of profit in associates	74	74	396	323
Profit before tax	2,001	2,432	643	4,593
Tax expense	(947)	(1,686)	(1,926)	(3,393)
Profit /(Loss) for the period	1,054	746	(1,283)	1,200
Profit /(Loss) attributable to:				
Owners of the Parent	1,053	792	(1,198)	1,331
Non-controlling interests	1	(46)	(85)	(131)
	1,054	746	(1,283)	1,200
Total comprehensive profit/(loss) attributable to:				
Owners of the Parent	1,053	792	(1,198)	1,331
Non-controlling interests	1	(46)	(85)	(131)
	1,054	746	(1,283)	1,200
Profit/(Loss) per share attributable to owners of the Parent:				
Basic (sen)	0.64	0.48	(0.73)	0.81
Diluted (sen)	N/A	N/A	N/A	N/A

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial report.

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

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

	As at 31-12-16 RM'000 (Unaudited)	As at 31-12-15 RM'000 (Audited)
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	47,450	39,559
Investments in associates	696	685
Deferred tax assets	306	233
Trade and other receivables	230	353
	48,682	40,830
Current assets		
Inventories	46,412	46,140
Derivative assets	40	7
Trade and other receivables	24,635	24,898
Current tax assets	70	61
Cash and bank balances	12,485	11,799
	83,642	82,905
TOTAL ASSETS	132,324	123,735
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Parent		
Share capital	33,000	33,000
Reserves	19,802	21,083
	52,802	54,083
Non-controlling interests	(6)	(110)
TOTAL EQUITY	52,796	53,973
Non-current liabilities		
Borrowings	11,857	6,087
Deferred income	1,062	1,332
Deferred tax liabilities	2,006	1,576
	14,925	8,995
Current liabilities		
Borrowings	31,790	26,449
Trade and other payables	32,175	33,004
Deferred income	463	596
Current tax liabilities	174	663
Derivative liabilities	1	55
	64,603	60,767
TOTAL LIABILITIES	79,528	69,762
TOTAL EQUITY AND LIABILITIES	132,324	123,735
Net assets per share attributable to owners of the Parent (sen)	32.00	32.78

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial report.

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (The figures have not been audited)

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

	←— Attributable to owners of the Parent —→					
	← Non-distributable →			Distributable		
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2015	33,000	7,096	12,656	52,752	1	52,753
Profit/(loss) for the period	-	-	1,331	1,331	(131)	1,200
Other comprehensive income/(loss)	-	-	-	-	-	-
Total comprehensive income/(loss)	-	-	1,331	1,331	(131)	1,200
Transactions with owners Acquisition of non-controlling interest of a subsidiary	-	-	-	-	20	20
Total transaction with owners	-	-	-	-	20	20
At 31 December 2015	33,000	7,096	13,987	54,083	(110)	53,973

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial report.

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(The figures have not been audited)

	For the 12 months ended 31 December 2016 RM'000	For the 12 months ended 31 December 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	643	4,593
Adjustments for:		
Depreciation	7,651	6,980
Other non-cash items	4,720	3,737
Operating profit before working capital changes	13,014	15,310
Changes in inventories	(1,224)	(9,418)
Changes in trade and other receivables	34	(3,416)
Changes in trade and other payables	(397)	6,860
Cash generated from operations	11,427	9,336
Tax refunded	44	127
Income taxes paid	(2,111)	(2,949)
Net cash generated from operating activities	9,360	6,514
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,681)	(5,154)
Proceeds from disposal of property, plant and equipment	377	548
Interest received	275	296
Dividend received from an associate	385	228
Disposal of a subsidiary	(28)	-
Acquisition of non-controlling interest of a subsidiary	(30)	-
Disposal of non-controlling interest of a subsidiary	136	20
Net cash used in investing activities	(5,566)	(4,062)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(2,323)	(1,841)
(Placement)/uplift of fixed deposits pledged to licensed banks	(2,014)	71
Net drawdown of bankers' acceptances	1,270	5,216
Net repayment of hire purchase	(5,052)	(4,122)
Net drawdown /(repayment) of term loans	1,257	(1,373)
Drawdown of revolving credit	1,015	-
Net cash used in financing activities	(5,847)	(2,049)
Net (decrease)/increase in cash and cash equivalents	(2,053)	403
Cash and cash equivalents at beginning of year	(177)	(580)
Cash and cash equivalents at end of period	(2,230)	(177)

FOCUS POINT HOLDINGS BERHAD (Company No. : 884238-U)**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (cont'd)**
(The figures have not been audited)

	For the 12 months ended 31 December 2016 RM'000	For the 12 months ended 31 December 2015 RM'000
<i>Cash and cash equivalents comprise:</i>		
Cash and bank balances	3,262	4,590
Fixed deposits with licensed banks	9,223	7,209
	12,485	11,799
Less : Bank overdraft included in borrowings	(6,042)	(5,317)
	6,443	6,482
Less : Fixed deposits pledged to licensed banks	(8,673)	(6,659)
	(2,230)	(177)

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial report.

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

Notes to the Interim Financial Report for the fourth quarter ended 31 December 2016

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

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134 : *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 December 2015, except for the adoption of the following standards applicable to the Group's financial year beginning 1 January 2016.

Title	Effective Date
MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to MFRS 101 <i>Disclosure Initiative</i>	1 January 2016
Amendments to MFRS 116 and MFRS 138 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 116 and MFRS 141 <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to MFRS 127 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to MFRSs <i>Annual Improvements to 2012-2014 Cycle</i>	1 January 2016

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

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

Title	Effective Date
Amendments to MFRS 12 <i>Annual Improvements to MFRS Standards 2014 – 2016 Cycle</i>	1 January 2017
Amendments to MFRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to MFRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS 9 as issued by IASB in July 2014)</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018

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

Notes to the Interim Financial Report for the fourth quarter ended 31 December 2016

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

A1. Basis of preparation (continued)

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

Title	Effective Date
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 And 48
MFRS 16 <i>Leases</i>	1 January 2019
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

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

A2. Auditors' reports

The auditors' report on the audited financial statements of the Group for the financial year ended 31 December 2015 was not subject to any qualification.

A3. Seasonal or cyclical factors

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

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

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

A5. Material changes in estimates

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

A6. Changes in debts and equity securities

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

A7. Dividend paid

No dividend was paid during the quarter.

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

Notes to the Interim Financial Report for the fourth quarter ended 31 December 2016

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

A8. Segmental reporting

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

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

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

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

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

	Optical and related products RM'000	Franchise management RM'000	Food and beverage RM'000	Others RM'000	Total RM'000
Revenue					
Total revenue	142,571	3,492	15,308	1,150	162,521
Inter-segment revenue	(542)	(18)	(19)	-	(579)
External revenue	<u>142,029</u>	<u>3,474</u>	<u>15,289</u>	<u>1,150</u>	<u>161,942</u>
Segment results	8,299	(414)	(5,312)	(374)	2,199
Interest income	405	3	35	13	456
Interest expense	(2,133)	-	(273)	(2)	(2,408)
Share of profit of associates	396	-	-	-	396
Profit/(Loss) before tax	<u>6,967</u>	<u>(411)</u>	<u>(5,550)</u>	<u>(363)</u>	<u>643</u>
Assets					
Segment assets	116,484	1,614	11,835	1,319	131,252
Investments in associates	696	-	-	-	696
Total assets	<u>117,180</u>	<u>1,614</u>	<u>11,835</u>	<u>1,319</u>	<u>131,948</u>
Liabilities					
Segment liabilities	68,678	2,235	6,219	216	77,348
Total liabilities	<u>68,678</u>	<u>2,235</u>	<u>6,219</u>	<u>216</u>	<u>77,348</u>

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Notes to the Interim Financial Report for the fourth quarter ended 31 December 2016

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

A8. Segmental reporting (cont'd)

The segmental information for the financial period ended 31 December 2015 is as follows:-

	Optical and related products RM'000	Franchise management RM'000	Food and beverage RM'000	Others RM'000	Total RM'000
Revenue					
Total revenue	131,268	3,795	18,661	2,360	156,084
Inter-segment revenue	(396)	(51)	(45)	(1,000)	(1,492)
External revenue	130,872	3,744	18,616	1,360	154,592
Segment results					
Segment assets	12,693	17	(6,801)	(227)	5,682
Interest income	420	2	84	14	520
Interest expense	(1,504)	-	(414)	(14)	(1,932)
Share of profit of associates	323	-	-	-	323
Profit/(Loss) before tax	11,932	19	(7,131)	(227)	4,593
Assets					
Segment assets	105,543	1,504	14,336	1,373	122,756
Investments in associates	685	-	-	-	685
Total assets	106,228	1,504	14,336	1,373	123,441
Liabilities					
Segment liabilities	57,452	2,572	7,274	225	67,523
Total liabilities	57,452	2,572	7,274	225	67,523

Geographical information

The Group operates only in Malaysia.

A9. Valuation of property, plant and equipment

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

FOCUS POINT HOLDINGS BERHAD (Company No. : 884238-U)**Notes to the Interim Financial Report for the fourth quarter ended 31 December 2016****Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 : Interim Financial Reporting****A10. Commitment****(a) Operating lease commitment**

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

	As at 31-12-16 RM'000	As at 31-12-15 RM'000
Branches		
Not later than one (1) year	30,395	28,681
Later than one (1) year and not later than five (5) years	36,301	26,429
	<u>66,696</u>	<u>55,110</u>
Franchisees		
Not later than one (1) year	5,203	5,858
Later than one (1) year and not later than five (5) years	2,254	3,025
	<u>7,457</u>	<u>8,883</u>

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

(b) Capital commitment

	As at 31-12-16 RM'000	As at 31-12-15 RM'000
Capital expenditure in respect of purchase of property, plant and equipment		
- Contracted but not provided for	5,065	4,681
- Approved but not contracted for	-	-
	<u>5,065</u>	<u>4,681</u>

This represents capital commitment mainly in respect of properties.

A11. Subsequent event

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

A12. Change in composition of the Group

There was no change in composition in the current quarter.

FOCUS POINT HOLDINGS BERHAD (Company No. : 884238-U)**Notes to the Interim Financial Report for the fourth quarter ended 31 December 2016****Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 : Interim Financial Reporting****A13. Change in contingent liability**

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

A14. Related party transactions

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

	Individual quarter		Cumulative quarter	
	31-12-16	31-12-15	31-12-16	31-12-15
	RM'000	RM'000	RM'000	RM'000
Sale of eyewear and eye care products	399	378	1,430	1,402
Licensing fee	45	41	163	154
Rental of premises	60	88	276	356
Purchase of beers and alcoholic drinks	-	2	3	12
Purchase of transportation service	-	4	1	16

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

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

Notes to the Interim Financial Report for the fourth quarter ended 31 December 2016

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

B1. Review of performance

12-month ended 31 December 2016

Group revenue at RM161.9 million was 5% higher compared with RM154.6 million of the corresponding year. The increase in revenue was attributed to the contribution from the optical and related products segment. The Group recorded profit before tax (“PBT”) at RM0.6 million compared with RM4.6 million of the corresponding year. PBT decreased due mainly to lower contribution from the optical and related products segment. Consequently, the Group recorded loss after tax of RM1.3 million compared with profit after tax at RM1.2 million of the corresponding year.

Optical and related products segment

Optical and related products segment recorded revenue at RM142.0 million compared with RM130.9 million of the corresponding year, an increase of 8%. The segment attained higher number of outlets during the year at 113 (2015 : 109) resulting in higher retail outlets’ revenue at RM126.8 million compared with RM113.9 million of the corresponding year, representing an increase of 11%. Albeit the increase in revenue, the segment registered lower profit before tax (“PBT”) at RM7.0 million compared with RM11.9 million of the corresponding year. The decrease in PBT was attributed to the increase in operating expenses and lower other operating income attained.

Franchise management segment

Revenue at RM3.5 million was lower by 7% compared with RM3.7 million of the corresponding year. The decline in revenue was attributed mainly to lower royalty fee income as a result of lower retail sales attained by franchisees. The segment recorded loss before tax at RM0.4 million compared with profit before tax at RM0.02 million of the corresponding year due to lower revenue attained and higher management fee charged by the optical and related products segment.

Food and beverage segment

The segment recorded revenue at RM15.3 million, 18% lower compared with RM18.6 million of the corresponding year. The decline in revenue was owing mainly to the exit of Japanese restaurants’ business since December 2015.

Loss before tax at RM5.6 million was lower by 22% compared with RM7.1 million of the corresponding year. The improvement was mainly attributed to saving in expenses and higher gross profit margin attained.

3-month ended 31 December 2016

Group revenue at RM40.7 million was higher by 1% compared with RM40.1 million of the corresponding quarter while Group profit before tax at RM2.0 million was 18% lower compared with RM2.4 million of the corresponding quarter. Lower profit before tax was mainly attributed to lower contribution from the optical and related products segment.

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

Notes to the Interim Financial Report for the fourth quarter ended 31 December 2016

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

B2. Comparison with immediate preceding quarter's results

Group revenue at RM40.7 million was higher by 4% compared with RM39.1 million of the immediate preceding quarter. The Group registered profit before tax of RM2.0 million compared with loss before tax at RM0.8 million of the immediate preceding quarter due mainly to improved performance of the optical and related products segments.

B3. Prospect

The country's economy expanded by 4.5% in the fourth quarter, marginally higher than 4.3% in the third quarter. The growth was backed by domestic activities and favourable net exports. Overall, the Malaysian economy registered a growth rate of 4.2% (2015 : 5.0%). Private sector demand remained strong, sustaining a growth of 6% in the fourth quarter (Q3 2016 : 6.0%) underpinned by resilient private consumption and investment activities. Domestic demand grew moderately by 3.3% (Q3 2016 : 4.6%) following lower public sector expenditure. Private consumption grew steadily by 6.2% (Q3 2016 : 6.4%) supported by stable labour market conditions and wage growth. The continued expansion in consumer spending was reflected in major consumption indicators such as food sales, which rose 11.2%, motorcycle sales rose 8.5% and credit card spending rose 2.5%.

Moving forward in 2017, the weak Ringgit Malaysia, unpredictable economic situation, subsidy cut, increasing petrol prices coupled with rising cost of living would undoubtedly have some impact on consumer sentiment and spending. The Board remains concerned over these factors and amid these challenges, the management is committed to focus on productivity and cost containment at all times to strengthen the operation of the businesses.

The Group will be striving to improve the performance for 2017 which is forecasted to be another challenging year.

B4. Financial estimate, forecast, projection or internal target

This is not applicable to the Group.

B5. Profit/(loss) before tax

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

	Individual quarter		Cumulative quarter	
	31-12-16 RM'000	31-12-15 RM'000	31-12-16 RM'000	31-12-15 RM'000
Depreciation	1,957	1,794	7,651	6,980
Bad debts written off	-	-	-	-
Impairment loss on trade and other receivables	306	-	306	-
Inventories written off	106	167	427	437
Inventories written down	114	91	512	208
Loss/(gain) on disposal of quoted or unquoted investments	-	-	-	-
Gain on disposal of a subsidiary	-	-	(192)	-
Loss on disposal of property, plant and equipment	3	660	388	666
Impairment loss on property, plant and equipment	98	653	249	653
Property, plant and equipment written-off	552	98	1,551	469
Realised loss on foreign currency transactions (net)	7	279	32	526
Unrealised (gain)/loss on derivatives	(34)	144	(86)	(7)
Exceptional items	-	-	-	-

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Notes to the Interim Financial Report for the fourth quarter ended 31 December 2016

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

B6. Income tax expense

	Individual quarter		Cumulative quarter	
	31-12-16 RM'000	31-12-15 RM'000	31-12-16 RM'000	31-12-15 RM'000
Current tax:				
Current	578	1,385	1,614	2,923
Prior year	17	(10)	(45)	159
	<u>595</u>	<u>1,375</u>	<u>1,569</u>	<u>3,082</u>
Deferred tax:				
Current	322	337	322	331
Prior year	30	(26)	35	(20)
	<u>352</u>	<u>311</u>	<u>357</u>	<u>311</u>
Total	<u>947</u>	<u>1,686</u>	<u>1,926</u>	<u>3,393</u>

The Group effective current tax rates for 2016 and 2015 were lower than prima facie tax rate due principally to application of group tax relief.

B7. Status of corporate proposals

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

B8. Borrowings

	As at 31-12-16 RM'000	As at 31-12-15 RM'000
Short term borrowings		
Secured:		
Banker acceptance	16,392	15,122
Bank overdraft	6,042	5,317
Term loan	2,562	1,817
Hire purchase	5,779	4,193
Revolving credit	1,015	-
	<u>31,790</u>	<u>26,449</u>
Long term borrowings		
Secured:		
Term loan	6,522	2,539
Hire purchase	5,335	3,548
	<u>11,857</u>	<u>6,087</u>
Total borrowings	<u>43,647</u>	<u>32,536</u>

The above borrowings were denominated in Ringgit Malaysia.

B9. Material litigation

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

B10. Dividend

No dividend was declared in the current quarter.

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

Notes to the Interim Financial Report for the fourth quarter ended 31 December 2016

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

B11. Earnings per share

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

	Individual quarter		Cumulative quarter	
	31-12-16	31-12-15	31-12-16	31-12-15
Profit/(loss) attributable to owners of the Parent (RM'000)	1,053	792	(1,198)	1,331
Weighted average number of ordinary shares in issue ('000)	165,000	165,000	165,000	165,000
Basic earnings/(loss) per share (sen)	0.64	0.48	(0.73)	0.81

B12. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the Group as at 31 December 2016, into realised and unrealised profits/losses is as follows:-

	As at 31-12-16 RM'000	As at 31-12-15 RM'000
Total retained profits of the Group :		
- Realised	30,876	31,838
- Unrealised	(1,700)	(1,343)
	29,176	30,495
Total share of retained profits from associates :		
- Realised	403	330
- Unrealised	(7)	(7)
	396	323
Total	29,572	30,818
Less : Consolidation adjustments	(16,866)	(16,831)
Total retained profits of the Group	12,706	13,987

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

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

B13. Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors on 28 February 2017.