

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

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

	Individual quarter		Cumulative quarter	
	30-09-13 RM'000	30-09-12 RM'000	30-09-13 RM'000	30-09-12 RM'000
Revenue	36,993	31,658	107,417	97,407
Cost of sales	(16,681)	(13,377)	(48,171)	(42,020)
Gross profit	20,312	18,281	59,246	55,387
Other income	906	727	2,840	2,804
Selling and distribution expenses	(7,536)	(7,055)	(21,720)	(20,515)
Administrative and general expenses	(11,971)	(10,539)	(34,748)	(31,166)
Interest expense	(344)	(224)	(936)	(631)
Interest income	106	115	339	387
Share of profits in associates	48	46	161	120
Profit before tax	1,521	1,351	5,182	6,386
Tax expense	(254)	(715)	(2,241)	(2,416)
Profit for the period	1,267	636	2,941	3,970
Profit attributable to:				
Owners of the Parent	1,285	635	2,969	3,968
Non-controlling interests	(18)	1	(28)	2
	1,267	636	2,941	3,970
Total comprehensive income attributable to:				
Owners of the Parent	1,285	635	2,969	3,968
Non-controlling interests	(18)	1	(28)	2
	1,267	636	2,941	3,970
Earnings per share attributable to owners of the Parent:				
Basic (sen)	0.78	0.38	1.80	2.40
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 2012 and the accompanying explanatory notes attached to the interim financial report.

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

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

	As at 30-09-13 RM'000 (Unaudited)	As at 31-12-12 RM'000 (Audited)
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	35,442	30,534
Investments in associates	422	435
Deferred tax assets	282	283
Trade and other receivables	485	611
	36,631	31,863
Current assets		
Inventories	32,481	32,152
Trade and other receivables	17,562	18,608
Current tax assets	53	172
Cash and cash equivalents	12,818	16,100
	62,914	67,032
TOTAL ASSETS	99,545	98,895
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Parent		
Share capital	33,000	33,000
Reserves	21,794	20,475
	54,794	53,475
Non-controlling interests	27	55
TOTAL EQUITY	54,821	53,530
Non-current liabilities		
Borrowings	5,120	4,381
Deferred income	799	978
Deferred tax liabilities	1,203	1,203
	7,122	6,562
Current liabilities		
Borrowings	17,517	16,936
Trade and other payables	18,949	20,430
Deferred income	437	479
Current tax liabilities	699	958
	37,602	38,803
TOTAL LIABILITIES	44,724	45,365
TOTAL EQUITY AND LIABILITIES	99,545	98,895
 Net assets per share attributable to owners of the Parent (sen)	33.21	32.41

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial report.

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 2013	33,000	7,096	13,379	53,475	55	53,530
Profit for the period	-	-	2,969	2,969	(28)	2,941
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	2,969	2,969	(28)	2,941
Transactions with owners						
Dividend paid	-	-	(1,650)	(1,650)	-	(1,650)
Total transaction with owners	-	-	(1,650)	(1,650)	-	(1,650)
At 30 September 2013	33,000	7,096	14,698	54,794	27	54,821

	←— 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 2012	33,000	7,096	9,903	49,999	(9)	49,990
- Effects of the adoption of MFRSs	-	-	741	741	-	741
Balance as at 1 January 2012, as restated	33,000	7,096	10,644	50,740	(9)	50,731
Profit for the period	-	-	3,968	3,968	2	3,970
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	3,968	3,968	2	3,970
Transactions with owners						
Changes in equity interest in a subsidiary	-	-	-	-	79	79
Dividend paid	-	-	(3,300)	(3,300)	-	(3,300)
Total transaction with owners	-	-	(3,300)	(3,300)	79	(3,221)
At 30 September 2012	33,000	7,096	11,312	51,408	72	51,480

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 2012 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 9 months ended 30 September 2013 RM'000	For the 9 months ended 30 September 2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5,182	6,386
Adjustments for :		
Depreciation	3,844	3,062
Other non-cash items	1,441	1,470
Operating profit before working capital changes	10,467	10,918
Changes in inventories	(630)	1,902
Changes in trade and other receivables	1,173	59
Changes in trade and other payables	(1,982)	(7,777)
Cash generated from operations	9,028	5,102
Tax refunded	100	-
Income taxes paid	(2,480)	(2,371)
Net cash generated from operating activities	6,648	2,731
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,649)	(1,897)
Proceeds from disposal of property, plant and equipment	282	31
Interest received	211	172
Increase in share capital in a subsidiary	-	80
Dividend received from an associate	175	158
Net cash used in investing activities	(4,981)	(1,456)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(936)	(631)
Uplift/(Placement) of fixed deposits pledged to licensed banks	1,321	(508)
Net drawdown/(repayment) of bankers' acceptances	346	(42)
Net repayment of hire purchase liabilities	(1,597)	(1,057)
Repayments of term loans	(88)	(301)
Dividend paid	(1,650)	(3,300)
Net cash used in financing activities	(2,604)	(5,839)
Net decrease in cash and cash equivalents	(937)	(4,564)
Cash and cash equivalents at beginning of year	4,299	7,488
Cash and cash equivalents at end of year	3,362	2,924

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (cont'd)
(The figures have not been audited)

	For the 9 months ended 30 September 2013 RM'000	For the 9 months ended 30 September 2012 RM'000
<i>Cash and cash equivalents comprise :</i>		
Cash and bank balances	4,484	2,924
Fixed deposits with licensed banks	8,334	7,000
	12,818	9,924
Less : Bank overdraft included in borrowings	(2,562)	-
	10,256	9,924
Less : Fixed deposits pledged to licensed banks	(6,894)	(7,000)
	3,362	2,924

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 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 third quarter ended 30 September 2013

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 2012.

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 2012, except for the adoption of the following standards applicable to the Group's financial year beginning 1 January 2013.

	<u>Effective date</u>
Amendments to MFRS 101, <i>Presentation of Financial Statements</i> - <i>Presentation of Items of Other Comprehensive Income</i>	1 July 2012
MFRS 3, <i>Business Combinations (2004)</i>	1 January 2013
MFRS 10, <i>Consolidated Financial Statements</i>	1 January 2013
MFRS 11, <i>Joint Arrangements</i>	1 January 2013
MFRS 12, <i>Disclosure of Interests in Other Entities</i>	1 January 2013
MFRS 13, <i>Fair Value Measurement</i>	1 January 2013
MFRS 119, <i>Employee Benefits (2011)</i>	1 January 2013
MFRS 127, <i>Consolidated and Separate Financial Statements</i>	1 January 2013
MFRS 127, <i>Separate Financial Statements (2011)</i>	1 January 2013
MFRS 128, <i>Investments in Associates and Joint Ventures (2011)</i>	1 January 2013
Amendments to MFRS 7, <i>Financial Instruments : Disclosures</i> - <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
Amendments to MFRS 10, <i>Consolidated Financial Statements</i> - <i>Transition Guidance</i>	1 January 2013
Amendments to MFRS 11, <i>Joint Arrangements</i> - <i>Transition Guidance</i>	1 January 2013
Amendments to MFRS 12, <i>Disclosure of Interests in Other Entities</i> - <i>Transition Guidance</i>	1 January 2013
<i>Annual Improvements 2009-2011 Cycle</i>	1 January 2013

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.

A2. Auditors' reports

The auditors' report on the audited financial statements of the Group for the financial year ended 31 December 2012 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.

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Notes to the Interim Financial Report for the third quarter ended 30 September 2013

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

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

An interim single-tier tax exempt dividend of 1 sen (2012 : 1 sen) per share in respect of the financial year ending 31 December 2013 was declared on 27 August 2013 and paid on 31 October 2013.

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** : Franchise management relating to optical and related products
- **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.

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Notes to the Interim Financial Report for the third quarter ended 30 September 2013

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 30 September 2013 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	93,233	3,222	9,848	4,339	110,642
Inter-segment revenue	(165)	(60)	-	(3,000)	(3,225)
External revenue	93,068	3,162	9,848	1,339	107,417
Segment results	8,091	747	(3,046)	(174)	5,618
Interest income	321	8	5	5	339
Interest expense	(730)	-	(174)	(32)	(936)
Share of profit of associates	161	-	-	-	161
Profit / (loss) before tax	7,843	755	(3,215)	(201)	5,182
Assets					
Segment assets	77,881	1,737	17,554	1,616	98,788
Investments in associates	422	-	-	-	422
Total assets	78,303	1,737	17,554	1,616	99,210
Liabilities					
Segment liabilities	32,290	2,279	7,489	764	42,822
Total liabilities	32,290	2,279	7,489	764	42,822

The segmental information for the financial period ended 30 September 2012 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	93,403	3,085	95	4,510	101,093
Inter-segment revenue	-	(86)	-	(3,600)	(3,686)
External revenue	93,403	2,999	95	910	97,407
Segment results	6,565	790	(435)	(410)	6,510
Interest income	364	4	-	19	387
Interest expense	(609)	-	(9)	(13)	(631)
Share of profit of associates	120	-	-	-	120
Profit / (loss) before tax	6,440	794	(444)	(404)	6,386
Assets					
Segment assets	79,324	1,167	3,590	1,750	85,831
Investments in associates	434	-	-	-	434
Total assets	79,758	1,167	3,590	1,750	86,265
Liabilities					
Segment liabilities	29,873	2,188	1,285	749	34,095
Total liabilities	29,873	2,188	1,285	749	34,095

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Notes to the Interim Financial Report for the third quarter ended 30 September 2013

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

A8. Segmental reporting (cont'd)

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.

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 30-09-13 RM'000	As at 31-12-12 RM'000
Branches		
Not later than one (1) year	19,294	14,703
Later than one (1) year and not later than five (5) years	17,399	13,076
Later than five (5) years	-	-
	36,693	27,779
Franchisees		
Not later than one (1) year	6,795	6,489
Later than one (1) year and not later than five (5) years	3,295	4,378
	10,090	10,867

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 30-09-13 RM'000	As at 31-12-12 RM'000
Capital expenditure in respect of purchase of property, plant and equipment		
- Contracted but not provided for	122	747
	122	747

This represents capital commitment mainly in respect of renovation and purchase of equipment for the food and beverage business.

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Notes to the Interim Financial Report for the third quarter ended 30 September 2013

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

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. Changes in composition of the Group

On 25 June 2013, Multiple Reward Sdn Bhd ("MRSB"), a wholly-owned subsidiary of the Company, acquired one (1) ordinary share of RM1.00 in Original Reward Sdn Bhd ("ORSB") for a cash consideration of RM1.00, representing 50% of the then total paid up share capital of ORSB. Concurrently, Ong Hung Heng ("OHH") acquired the other one (1) ordinary share of RM1 in ORSB for a cash consideration of RM1.00, representing 50% of the then issued and paid up share capital of ORSB. Further on 26 June 2013, MRSB, OHH and Lim Kim Sow ("LKS") subscribed for 1,019, 489 and 490 new ordinary shares of RM1.00 each in ORSB for a cash consideration of RM1,019, RM489 and RM490 respectively. The issued and paid up share capital of ORSB was then increased from RM2.00 comprising two (2) ordinary shares of RM1.00 each to RM2,000.00 comprising 2,000 ordinary shares of RM1.00 each. ORSB was then a 51%-owned subsidiary of MRSB.

Subsequent to the signing of a Shareholders' Agreement on 31 October 2013 between MRSB, OHH and LKS ("Shareholders"), the Shareholders had on 1 November 2013 subscribed for 49,980, 24,010 and 24,010 new ordinary shares of RM1.00 each respectively in ORSB ("Subscription"). The issued and paid up share capital of ORSB was then increased from RM2,000 comprising 2,000 ordinary shares of RM1.00 each to RM100,000 comprising 100,000 ordinary shares of RM1.00 each.

A13. Changes in contingent liabilities and contingent assets

There was no contingent liability or contingent asset as at the end of the current quarter.

A14. Related party transactions

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

	Individual quarter		Cumulative quarter	
	30-09-13 RM'000	30-09-12 RM'000	30-09-13 RM'000	30-09-12 RM'000
Associate :				
Sale of eyewear and eye care products	398	308	1,137	1,182
Licensing fee	33	33	100	96
Company in which a Director of the Company has substantial financial interests :				
Rental of premises	60	-	180	-

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 third quarter ended 30 September 2013

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

Group revenue for the current quarter was recorded at RM37 million, an increase of 17% compared with the corresponding quarter of RM31.7 million. On year-to-date basis, the Group recorded revenue of RM107.4 million compared with RM97.4 million of the corresponding period, an increase of 10%. Higher revenue was mainly attributed to the contribution from the food and beverage segment which commenced business in the third quarter of the corresponding year.

Profit before tax ("PBT") for the current quarter of RM1.5 million was 13% higher compared with RM1.4 million of the corresponding quarter. On year-to-date basis, PBT decreased by 19% to RM5.2 million from RM6.4 million of the corresponding period. The decline in PBT was due mainly to operating loss incurred by the food and beverage segment which has offset the improved PBT of the optical and related products segment.

Profit after tax ("PAT") doubled to RM1.3 million in the current quarter compared with RM0.6 million of the corresponding quarter. Group tax relief was applied by the Group in the current quarter resulting in lower tax expense for the current quarter. PAT on year-to-date basis was RM2.9 million compared with RM4.0 million of the corresponding period, representing a decrease of 26%. The decrease was fairly in line with the decrease in PBT.

Optical and related products segment

The optical related products segment continued to be the main contributor of the Group's revenue with contribution of 84% and 87% in the current quarter and current period respectively. Revenue for the current quarter was marginally higher by 2% at RM30.9 million compared with RM30.2 million of the corresponding quarter. The increase in revenue was mainly attributed to higher sales attained by retail outlets and higher sales to franchisees. On year-to-date basis, revenue was marginally lower by 0.4% at RM93.1 million compared with RM93.4 million of the corresponding period.

Profit before tax ("PBT") for the current quarter at RM2.3 million was 38% higher compared with RM1.7 million of the corresponding quarter due largely to saving in certain operating expenses. PBT on year-to-date basis at RM7.8 million was 22% higher compared with RM6.4 million of the corresponding period. The improved in PBT was mainly due to saving in certain operating expenses.

Franchise management segment

Revenue for the current quarter was RM1.0 million, consistent with the corresponding quarter. On year-to-date basis, revenue was RM3.2 million which also grew by 5% compared with RM3.0 million of the corresponding period. Generally, higher business volume of the franchisees was recorded, hence higher royalty income was recognised which had resulted in higher revenue. However, profit before tax for the current quarter at RM0.19 million and current period at RM0.76 million were 23% and 5% lower compared with RM0.25 million and RM0.79 million of the corresponding quarter and corresponding period respectively due to higher management fee incurred.

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Notes to the Interim Financial Report for the third quarter ended 30 September 2013

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 (cont'd)

Food and beverage segment

For the current quarter, the segment recorded revenue of RM4.6 million and operating loss of RM1 million while on year-to-date basis, the segment recorded revenue of RM9.8 million and operating loss of RM3.2 million. The operating loss was due mainly to start-up expenses including staff cost as well as advertising and promotional expenses. Three (3) additional outlets were opened during the current quarter to further expand its presence in Klang Valley.

B2. Comparison with immediate preceding quarter's results

	Current quarter RM'000	Immediate preceding quarter RM'000	Variance %
Revenue	36,993	34,548	7%
Profit before tax	1,521	1,283	19%

Group's revenue increased by RM2.4 million or 7% due to higher contribution from the food & beverage segment which saw an increase in revenue by RM1.5 million while the optical and related products segment also recorded an improved revenue by RM0.9 million. Group profit before tax increased by RM0.2 million or 19% compared with the immediate preceding quarter as a result of reduced operating loss of the F&B segment.

B3. Prospect

The Malaysian economy recorded a stronger growth of 5.0% in 3rd quarter of 2013 (Q2 2013: 4.4%) with domestic demand continuing to drive growth by expanding 8.3% (Q2 2013: 7.4%). On a quarter-on-quarter seasonally adjusted basis, the economy recorded a growth of 1.7% (Q2 2013: 1.4%).

Expansion of domestic demand was due to continued growth in household and business spending, and public sector expenditure. In 3rd quarter, private consumption expanded by 8.2%, while growth in public consumption moderated to 7.8% (Q2 2013: 11.8%). The services and manufacturing sectors expanded further, supported by domestic demand and the improvement in trade activity. The services sector expanded by 5.9% in the 3rd quarter (Q2 2013: 5.0%), supported by domestic demand and an improvement in trade and manufacturing activities. Within the services sector, wholesale and retail trade services grew by 5.9% (Q2 2013: 5.0%). MIER retail trade index improved further from 104.9 in 2nd quarter of 2013 to 107.9 in 3rd quarter of 2013. (Source: Malaysian Economy Third Quarter 2013, Ministry of Finance Malaysia)

Going into 4th quarter of 2013, Malaysia's domestic demand is expected to remain firm, supported by sustainable private consumption, capital spending in the domestic-oriented industries and the on-going implementation of infrastructure projects. The Group is cautiously optimistic of the optical and related products business and will continue to expand its outlets in selected locations while consolidating the non-performing outlets. The revenue contribution from the food & beverage ("F&B") business increased from RM3.1 million in 2nd quarter of 2013 to RM4.6 million in 3rd quarter of 2013 due to the opening of additional six (6) F&B outlets for the 9 months period ended 30 September 2013. Notwithstanding the initial growing phase requirement to establish our F&B business, the Board is cautiously optimistic that the expansion plan of F&B outlets is expected to contribute positively to the Group in the longer term.

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Notes to the Interim Financial Report for the third quarter ended 30 September 2013

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

B4. Profit forecast or profit guarantee

This is not applicable to the Group.

B5. Profit before tax

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

	Individual quarter		Cumulative quarter	
	30-09-13 RM'000	30-09-12 RM'000	30-09-13 RM'000	30-09-12 RM'000
Depreciation	1,235	1,041	3,844	3,062
Bad debts written off	-	3	-	3
Provision for trade and other receivables	-	-	-	83
Inventories written off	104	102	301	304
Provision for inventories	-	-	-	-
Loss/(gain) on disposal of quoted or unquoted investments	-	-	-	-
Loss on disposal of property, plant and equipment	22	4	89	22
Impairment loss on property, plant and equipment	-	-	-	-
Foreign exchange loss/(gain)	269	71	279	(10)
Loss/(gain) on derivatives	-	-	-	-
Exceptional items	-	-	-	-

B6. Income tax expense

	Individual quarter		Cumulative quarter	
	30-09-13 RM'000	30-09-12 RM'000	30-09-13 RM'000	30-09-12 RM'000
Current tax:				
Current	377	769	2,331	2,470
Prior year	(134)	(30)	(91)	(30)
	243	739	2,240	2,440
Deferred tax:				
Current	-	(24)	(10)	(24)
Prior year	11	-	11	-
	11	(24)	1	(24)
Total	254	715	2,241	(2,416)

The current effective tax rates (other than the current quarter where group tax relief was applied) were higher than statutory tax rate due mainly to certain capital expenditure not qualified for capital allowances and certain expenses non deductible for tax purpose.

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Notes to the Interim Financial Report for the third quarter ended 30 September 2013

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

B7. Status of corporate proposals

On 31 October 2013, Multiple Reward Sdn Bhd (“MRSB”), a wholly-owned subsidiary of the Company, entered into a Shareholders’ Agreement with Ong Hung Heng and Lim Kim Sow to undertake a joint venture to carry on the business of operating one or more restaurants offering Japanese cuisine through a joint venture company, namely Original Reward Sdn Bhd (“ORSB”) (“Joint Venture”).

The Joint Venture is expected to contribute positively to the future earnings of the Group. It will not have any material effect on the earnings and net tangible assets of the Group for the financial year ending 31 December 2013.

B8. Borrowings

	As at 30-09-13 RM'000	As at 31-12-12 RM'000
Short term borrowings		
Secured:		
Banker acceptances	11,698	11,352
Bank overdraft	2,562	3,586
Term loans	1,034	486
Hire purchase liabilities	2,223	1,512
	17,517	16,936
Long term borrowings		
Secured:		
Term loans	1,317	1,431
Hire purchase liabilities	3,803	2,950
	5,120	4,381
Total borrowings	22,637	21,317

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 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 third quarter ended 30 September 2013

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 for the period attributable to owners of the Parent by the weighted average number of ordinary shares in issue during the period.

	Individual quarter		Cumulative quarter	
	30-09-13	30-09-12	30-09-13	30-09-12
Profit attributable to owners of the Parent (RM'000)	1,285	635	2,969	3,968
Weighted average number of ordinary shares in issue ('000)	165,000	165,000	165,000	165,000
Basic earnings per share (sen)	0.78	0.38	1.80	2.40

B12. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the Group as at 30 September 2013, into realised and unrealised profits/losses is as follows:-

	As at 30-09-13 RM'000	As at 31-12-12 RM'000
Total retained profits of the Group :		
- Realised	33,636	32,689
- Unrealised	(921)	(920)
	32,715	31,769
Total share of retained profits from associates :		
- Realised	166	161
- Unrealised	(5)	(5)
	161	156
Total	32,876	31,925
Less : Consolidation adjustments	(18,178)	(18,546)
Total retained profits of the Group	14,698	13,379

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/losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities 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 November 2013.