

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

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

	Individual quarter		Cumulative quarter	
	31-12-13 RM'000	31-12-12 RM'000	31-12-13 RM'000	31-12-12 RM'000
Revenue	40,034	33,171	147,451	130,578
Cost of sales	(16,664)	(12,809)	(64,835)	(54,829)
Gross profit	23,370	20,362	82,616	75,749
Other income	1,262	933	4,102	3,737
Selling and distribution expenses	(7,362)	(6,558)	(29,082)	(27,073)
Administrative and general expenses	(13,681)	(11,531)	(48,429)	(42,697)
Interest expense	(389)	(450)	(1,325)	(1,081)
Interest income	100	299	439	686
Share of profits in associates	58	36	219	156
Profit before tax	3,358	3,091	8,540	9,477
Tax expense	(1,418)	(1,042)	(3,659)	(3,458)
Profit for the period	1,940	2,049	4,881	6,019
Profit attributable to:				
Owners of the Parent	1,982	2,067	4,951	6,035
Non-controlling interests	(42)	(18)	(70)	(16)
	1,940	2,049	4,881	6,019
Total comprehensive income attributable to:				
Owners of the Parent	1,982	2,067	4,951	6,035
Non-controlling interests	(42)	(18)	(70)	(16)
	1,940	2,049	4,881	6,019
Earnings per share attributable to owners of the Parent:				
Basic (sen)	1.20	1.25	3.00	3.66
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 31-12-13 RM'000 (Unaudited)	As at 31-12-12 RM'000 (Audited)
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	35,867	30,534
Investments in associates	419	435
Deferred tax assets	297	283
Trade and other receivables	442	611
	37,025	31,863
Current assets		
Inventories	33,606	32,152
Trade and other receivables	20,132	18,608
Current tax assets	46	172
Cash and cash equivalents	14,098	16,100
	67,882	67,032
TOTAL ASSETS	104,907	98,895
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Parent		
Share capital	33,000	33,000
Reserves	22,126	20,475
	55,126	53,475
Non-controlling interests	34	55
TOTAL EQUITY	55,160	53,530
Non-current liabilities		
Borrowings	5,112	4,381
Deferred income	854	978
Deferred tax liabilities	1,397	1,203
	7,363	6,562
Current liabilities		
Borrowings	21,555	16,936
Trade and other payables	19,320	20,430
Deferred income	450	479
Current tax liabilities	1,059	958
	42,384	38,803
TOTAL LIABILITIES	49,747	45,365
TOTAL EQUITY AND LIABILITIES	104,907	98,895
Net assets per share attributable to owners of the Parent (sen)	33.41	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	-	-	4,951	4,951	(70)	4,881
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	4,951	4,951	(70)	4,881
Transactions with owners						
Changes in equity interest in a subsidiary	-	-	-	-	49	49
Dividend paid	-	-	(3,300)	(3,300)	-	(3,300)
Total transaction with owners	-	-	(3,300)	(3,300)	49	(3,251)
At 31 December 2013	33,000	7,096	15,030	55,126	34	55,160

	← 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	-	-	6,035	6,035	(16)	6,019
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	6,035	6,035	(16)	6,019
Transactions with owners						
Changes in equity interest in a subsidiary	-	-	-	-	80	80
Dividend paid	-	-	(3,300)	(3,300)	-	(3,300)
Total transaction with owners	-	-	(3,300)	(3,300)	80	(3,220)
At 31 December 2012	33,000	7,096	13,379	53,475	55	53,530

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 12 months ended 31 December 2013 RM'000	For the 12 months ended 31 December 2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,540	9,477
Adjustments for :		
Depreciation	6,091	4,151
Other non-cash items	2,039	2,203
Operating profit before working capital changes	16,670	15,831
Changes in inventories	(1,754)	1,478
Changes in trade and other receivables	(1,408)	(1,319)
Changes in trade and other payables	(1,608)	(3,344)
Cash generated from operations	11,900	12,646
Tax refunded	110	140
Income taxes paid	(3,362)	(2,536)
Net cash generated from operating activities	8,648	10,250
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,963)	(6,660)
Proceeds from disposal of property, plant and equipment	324	83
Interest received	268	230
Dividend received from an associate	210	193
Net cash used in investing activities	(5,161)	(6,154)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,325)	(892)
Uplift/(Placement) of fixed deposits pledged to licensed banks	1,168	(1,723)
Net drawdown of bankers' acceptances	2,152	441
Net repayment of hire purchase liabilities	(3,121)	(1,529)
Net repayment of term loans	(358)	(362)
Ordinary share capital contributed by non-controlling interests of a subsidiary	49	80
Dividend paid	(3,300)	(3,300)
Net cash used in financing activities	(4,735)	(7,285)
Net decrease in cash and cash equivalents	(1,248)	(3,189)
Cash and cash equivalents at beginning of year	4,299	7,488
Cash and cash equivalents at end of year	3,051	4,299

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

	For the 12 months ended 31 December 2013 RM'000	For the 12 months ended 31 December 2012 RM'000
<i>Cash and cash equivalents comprise :</i>		
Cash and bank balances	5,751	7,885
Fixed deposits with licensed banks	8,347	8,215
	14,098	16,100
Less : Bank overdraft included in borrowings	(4,000)	(3,586)
	10,098	12,514
Less : Fixed deposits pledged to licensed banks	(7,047)	(8,215)
	3,051	4,299

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.

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Notes to the Interim Financial Report for the fourth quarter ended 31 December 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 fourth quarter ended 31 December 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 ended 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 fourth quarter ended 31 December 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 31 December 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	126,756	4,149	15,114	4,806	150,825
Inter-segment revenue	(294)	(80)	-	(3,000)	(3,374)
External revenue	126,462	4,069	15,114	1,806	147,451
Segment results	12,952	777	(4,253)	(269)	9,207
Interest income	418	9	5	7	439
Interest expense	(1,005)	-	(279)	(41)	(1,325)
Share of profit of associates	219	-	-	-	219
Profit / (loss) before tax	12,584	786	(4,527)	(303)	8,540
Assets					
Segment assets	81,936	1,304	19,222	1,683	104,145
Investments in associates	419	-	-	-	419
Total assets	82,355	1,304	19,222	1,683	104,564
Liabilities					
Segment liabilities	34,444	2,331	9,880	636	47,291
Total liabilities	34,444	2,331	9,880	636	47,291

The segmental information for the financial period ended 31 December 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	123,903	4,087	1,426	5,716	135,132
Inter-segment revenue	(38)	(91)	-	(4,425)	(4,554)
External revenue	123,865	3,996	1,426	1,291	130,578
Segment results	10,231	1,044	(1,072)	(487)	9,716
Interest income	655	6	1	24	686
Interest expense	(1,008)	-	(47)	(26)	(1,081)
Share of profit of associates	156	-	-	-	156
Profit / (loss) before tax	10,034	1,050	(1,118)	(489)	9,477
Assets					
Segment assets	85,792	1,746	8,771	1,696	98,005
Investments in associates	435	-	-	-	435
Total assets	86,227	1,746	8,771	1,696	98,440
Liabilities					
Segment liabilities	35,028	2,468	4,944	764	43,204
Total liabilities	35,028	2,468	4,944	764	43,204

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Notes to the Interim Financial Report for the fourth quarter ended 31 December 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 31-12-13 RM'000	As at 31-12-12 RM'000
Branches		
Not later than one (1) year	18,225	14,703
Later than one (1) year and not later than five (5) years	14,172	13,076
Later than five (5) years	-	-
	32,397	27,779
Franchisees		
Not later than one (1) year	7,053	6,489
Later than one (1) year and not later than five (5) years	3,162	4,378
	10,215	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 31-12-13 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	18	747

This represents capital commitment mainly in respect of set up cost as well as furniture and fittings.

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

ORSB was consolidated as subsidiary in the current quarter.

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:-

	Individual quarter		Cumulative quarter	
	31-12-13 RM'000	31-12-12 RM'000	31-12-13 RM'000	31-12-12 RM'000
Associate :				
Sale of eyewear and eye care products	331	285	1,468	1,467
Licensing fee	37	34	137	130
Company in which a Director of the Company has substantial financial interests :				
Rental of premises	60	60	240	60

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Notes to the Interim Financial Report for the fourth quarter ended 31 December 2013

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

A14. Related party transactions (cont'd)

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.

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 RM40.0 million, an increase of 21% compared with the corresponding quarter of RM33.2 million. On year-to-date basis, the Group recorded revenue of RM147.5 million compared with RM130.6 million of the corresponding year, an increase of 13%. Higher revenue was mainly attributed to the contribution from the food and beverage segment which commenced business merely in the third quarter of the corresponding year.

Profit before tax ("PBT") for the current quarter of RM3.4 million was 9% higher compared with RM3.1 million of the corresponding quarter. The increase was due to higher contribution from the optical and related products segment. Nevertheless, on year-to-date basis, PBT decreased by 10% to RM8.5 million from RM9.5 million of the corresponding year. The decline in PBT was due mainly to higher operating loss incurred by the food and beverage segment which had offset the higher PBT attained by the optical and related products segment.

With the higher PBT and application of group tax relief, profit after tax ("PAT") for the current quarter at RM1.9 million was 5% lower compared with corresponding quarter of RM2.0 million. PAT on year-to-date basis was RM4.9 million compared with RM6.0 million of the corresponding year, representing a decrease of 19% and was fairly consistent with the decline 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 83% and 86% in the current quarter and current year respectively. Revenue for the current quarter was higher by 10% at RM33.4 million compared with RM30.5 million of the corresponding quarter. On year-to-date basis, revenue was also higher by 2% at RM126.5 million compared with RM123.9 million of the corresponding year. The increase in revenue was mainly attributed to higher sales attained by retail outlets and higher sales to franchisees.

Profit before tax ("PBT") for the current quarter at RM4.7 million was 32% higher compared with RM3.6 million of the corresponding quarter while PBT on year-to-date basis at RM12.6 million was 25% higher compared with RM10.0 million of the corresponding year. The improved PBT was due mainly to higher revenue attained, improved gross profit margin and savings in certain operating expenses.

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Notes to the Interim Financial Report for the fourth quarter ended 31 December 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 (continued)

Franchise management segment

Revenue for the current quarter was RM0.907 million, 9% lower compared with RM0.997 million of the corresponding quarter. Lower business volume of the franchisees was recorded in the current quarter, hence lower royalty income was recognised which had resulted in lower revenue. On year-to-date basis, revenue was RM4.1 million, grew by 2% compared with RM4.0 million of the corresponding year. Profit before tax (“PBT”) for the current quarter at RM0.031 million was 88% lower compared with RM0.256 million of the corresponding quarter due to lower revenue attained and higher management fee incurred. On year-to-date basis, PBT at RM0.786 million was 25% lower compared with RM1.050 million of the corresponding year due to higher management fee incurred.

Food and beverage segment

For the current quarter, the segment recorded revenue of RM5.3 million and operating loss of RM1.3 million while on year-to-date basis, the segment recorded revenue of RM15.1 million and operating loss of RM4.5 million. The operating loss was due mainly to start-up expenses including staff cost as well as advertising and promotional expenses. One (1) additional outlet was 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	40,034	36,993	8%
Profit before tax	3,358	1,521	121%

Group's revenue increased by RM3.0 million or 8% due to higher contribution from the optical and related products segment as well as the food & beverage segment.

Group profit before tax also increased by RM1.8 million or 121% as a result of improved PBT of the optical and related products segment.

B3. Prospect

The national economy is expected to remain resilient at above 5% mark in 2014, backed by sustainable domestic demand and strong investments from implementation of projects under the Economic Transformation Plan (ETP). Nevertheless, the proposed increase in toll prices, the municipal assessments in Kuala Lumpur, as well as the increase in electricity tariffs and public transportation can be threatening to consumer spending growth.

Going into 2014, the Group is cautiously optimistic of the optical and related products business amid this highly competitive industry and will continue to expand its outlets in selected locations while consolidating the non-performing outlets. As to the food & beverage (“F&B”) business, the revenue contribution from the business increased from RM1.4 million in 2012 to RM15.1 million in 2013 due to the opening of additional seven (7) new F&B outlets. This F&B business is expanding and moving forward, the Group will continue to expand its F&B outlets at selected locations and the F&B business is expected to contribute positively to the Group in the longer term.

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Notes to the Interim Financial Report for the fourth quarter ended 31 December 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	
	31-12-13 RM'000	31-12-12 RM'000	31-12-13 RM'000	31-12-12 RM'000
Depreciation	2,247	1,089	6,091	4,151
Bad debts written off	-	3	-	6
Provision for trade and other receivables	54	-	54	83
Inventories written off	123	130	424	434
Provision for inventories	12	-	12	-
Loss/(gain) on disposal of quoted or unquoted investments	-	-	-	-
(Gain)/loss on disposal of property, plant and equipment	(29)	103	60	125
Impairment loss on property, plant and equipment	-	98	-	98
Foreign exchange loss/(gain)	69	(4)	348	(14)
Loss/(gain) on derivatives	-	-	-	-
Exceptional items	-	-	-	-

B6. Income tax expense

	Individual quarter		Cumulative quarter	
	31-12-13 RM'000	31-12-12 RM'000	31-12-13 RM'000	31-12-12 RM'000
Current tax:				
Current	1,240	1,096	3,571	3,566
Prior year	(1)	(19)	(92)	(49)
	1,239	1,077	3,479	3,517
Deferred tax:				
Current	(26)	(117)	(36)	(141)
Prior year	205	82	216	82
	179	(35)	180	(59)
Total	1,418	1,042	3,659	3,458

The current effective tax rates for 2013 and 2012 were higher than prima facie tax rate due mainly to no group relief was applied on certain losses of a subsidiary to set off the Group profit, 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 fourth quarter ended 31 December 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 51%-owned subsidiary, 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 ended 31 December 2013.

B8. Borrowings

	As at 31-12-13 RM'000	As at 31-12-12 RM'000
Short term borrowings		
Secured:		
Banker acceptances	13,504	11,352
Bank overdraft	4,000	3,586
Term loans	1,536	486
Hire purchase liabilities	2,515	1,512
	21,555	16,936
Long term borrowings		
Secured:		
Term loans	1,053	1,431
Hire purchase liabilities	4,059	2,950
	5,112	4,381
Total borrowings	26,667	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

The Board of Directors is pleased to declare a second interim single-tier dividend of 1 sen (2012: nil) per share for the financial year ended 31 December 2013. Together with the first interim single-tier dividend of 1 sen (2012 : 1 sen) per share already declared and paid, this represents a total single-tier dividend of 2 sen (2012: 1 sen) per share for the financial year ended 31 December 2013. The entitlement date will be determined on the basis of the record of depositors as at 16 April 2014 and the payment date shall be 30 April 2014.

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

Notes to the Interim Financial Report for the fourth quarter ended 31 December 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	
	31-12-13	31-12-12	31-12-13	31-12-12
Profit attributable to owners of the Parent (RM'000)	1,982	2,067	4,951	6,035
Weighted average number of ordinary shares in issue ('000)	165,000	165,000	165,000	165,000
Basic earnings per share (sen)	1.20	1.25	3.00	3.66

B12. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the Group as at 31 December 2013, into realised and unrealised profits/losses is as follows:-

	As at 31-12-13 RM'000	As at 31-12-12 RM'000
Total retained profits of the Group :		
- Realised	34,328	32,689
- Unrealised	(1,100)	(920)
	33,228	31,769
Total share of retained profits from associates :		
- Realised	224	161
- Unrealised	(5)	(5)
	219	156
Total	33,447	31,925
Less : Consolidation adjustments	(18,417)	(18,546)
Total retained profits of the Group	15,030	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 25 February 2014.