

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

### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual quarter		Cumulative quarter	
	30-06-19 RM'000	30-06-18 RM'000	30-06-19 RM'000	30-06-18 RM'000
Revenue	45,891	41,934	91,625	82,913
Cost of sales	(17,947)	(16,076)	(35,008)	(32,679)
Gross profit	27,944	25,858	56,617	50,234
Other income	1,708	955	2,986	2,237
Selling and distribution expenses	(8,845)	(8,573)	(18,383)	(17,136)
Administrative and general expenses	(16,546)	(16,295)	(33,268)	(32,219)
Interest expense	(1,691)	(603)	(2,290)	(1,240)
Interest income	51	39	96	70
Share of profit in associates	87	78	178	192
Share of loss in joint venture	(50)	(18)	(86)	(28)
Profit before tax	2,658	1,441	5,850	2,110
Tax expense	(975)	(638)	(2,018)	(1,284)
Profit for the period	1,683	803	3,832	826
<b>Profit attributable to:</b>				
Owners of the Parent	1,683	803	3,832	826
Non-controlling interests	-	-	-	-
	1,683	803	3,832	826
<b>Total comprehensive profit attributable to:</b>				
Owners of the Parent	1,683	803	3,832	826
Non-controlling interests	-	-	-	-
	1,683	803	3,832	826
<b>Earnings per share attributable to owners of the Parent:</b>				
Basic (sen)	1.02	0.49	2.32	0.50
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 2018 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 30-06-19 RM'000 (Unaudited)	As at 31-12-18 RM'000 (Audited)
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	46,736	46,770
Right-of-use assets	49,722	-
Investment in associates	771	698
Investment in joint venture	72	158
Other investment	210	-
Deferred tax assets	254	247
Trade and other receivables	905	1,017
	98,670	48,890
<b>Current assets</b>		
Inventories	49,394	46,033
Trade and other receivables	23,364	24,088
Current tax assets	2	1
Cash and bank balances	10,582	9,422
	83,342	79,544
<b>TOTAL ASSETS</b>	182,012	128,434
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	40,096	40,096
Retained earnings	17,876	17,184
<b>TOTAL EQUITY</b>	57,972	57,280
<b><u>LIABILITIES</u></b>		
<b>Non-current liabilities</b>		
Borrowings	12,317	12,411
Lease Liabilities	26,238	-
Deferred income	1,774	1,806
Deferred tax liabilities	983	1,290
	41,312	15,507
<b>Current liabilities</b>		
Borrowings	21,229	26,571
Lease Liabilities	24,744	-
Trade and other payables	33,272	26,121
Current tax liabilities	2,163	1,706
Deferred income	1,320	1,249
	82,728	55,647
<b>TOTAL LIABILITIES</b>	124,040	71,154
<b>TOTAL EQUITY AND LIABILITIES</b>	182,012	128,434
 <b>Net assets per share attributable to owners of the Parent (sen)</b>	 35.13	 34.72

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial report.

# FOCUS POINT

## 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 →		Total attributable to owners of the parent RM'000	Total equity RM'000
	Non- distributable	Distributable		
	Share capital RM'000	Retained earnings RM'000		
<b>At 1 January 2019</b>	40,096	17,184	57,280	57,280
Impact arising from adoption of MFRS 16	-	(665)	(665)	(665)
<b>At 1 January 2019, as restated</b>	40,096	16,519	56,615	56,615
Profit for the period	-	3,832	3,832	3,832
Other comprehensive income	-	-	-	-
Total comprehensive income	-	3,832	3,832	3,832
<b>Transactions with owners</b>				
Dividend paid	-	(2,475)	(2,475)	(2,475)
Total transaction with owners	-	(2,475)	(2,475)	(2,475)
<b>At 30 June 2019</b>	40,096	17,876	57,972	57,972

	← Attributable to owners of the Parent →		Total attributable to owners of the parent RM'000	Total equity RM'000
	Non- distributable	Distributable		
	Share capital RM'000	Retained earnings RM'000		
<b>At 1 January 2018</b>	40,096	12,248	52,344	52,344
Impact arising from adoption of MFRS 15	-	(1,024)	(1,024)	(1,024)
<b>At 1 January 2018, as restated</b>	40,096	11,224	51,320	51,320
Profit for the period	-	826	826	826
Other comprehensive income	-	-	-	-
Total comprehensive income	-	826	826	826
<b>At 30 June 2018</b>	40,096	12,050	52,146	52,146

The Company has initially applied MFRS 16, *Leases* using modified retrospective approach and measures the right-of-use assets as if MFRS 16 had been applied with no restatement of comparative information.

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 2018 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 6 months ended 30 June 2019 RM'000	For the 6 months ended 30 June 2018 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	5,850	2,110
Adjustments for:		
Depreciation	4,085	4,062
Right-of-use assets amortisation	9,391	-
Lease interest	1,104	-
Other non-cash items	1,926	1,875
Operating profit before working capital changes	22,356	8,047
Changes in inventories	(3,835)	(2,457)
Changes in trade and other receivables	1,014	1,995
Changes in trade and other payables	(2,917)	(1,795)
Cash generated from operations	16,618	5,790
Tax refunded	1	-
Income taxes paid	(1,667)	(638)
<b>Net cash generated from operating activities</b>	<b>14,952</b>	<b>5,152</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(787)	(2,501)
Proceeds from disposal of property, plant and equipment	11	40
Purchase of other investment	(210)	-
Interest received	95	70
Dividend received from an associate	105	105
<b>Net cash used in investing activities</b>	<b>(786)</b>	<b>(2,286)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(1,186)	(1,240)
(Placement)/Uplift of fixed deposits pledged to licensed banks	(2,128)	1,197
Net drawdown of banker's acceptance	532	2,736
Net repayment of hire purchase	(3,616)	(1,872)
Net repayment of term loan	(747)	(446)
Repayment of revolving credit	(2,961)	(254)
Dividend paid	(2,475)	-
<b>Net cash (used in)/from financing activities</b>	<b>(12,581)</b>	<b>121</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,585</b>	<b>2,987</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,533</b>	<b>(1,359)</b>
<b>Cash and cash equivalents at end of period</b>	<b>3,118</b>	<b>1,628</b>

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

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

	For the 6 months ended 30 June 2019 RM'000	For the 6 months ended 30 June 2018 RM'000
<i>Cash and cash equivalents comprise:</i>		
Cash and bank balances	3,115	3,219
Fixed deposits with licensed banks	7,467	4,924
	<hr/> 10,582	<hr/> 8,143
Less : Bank overdraft included in borrowings	(1,028)	(2,271)
	<hr/> 9,554	<hr/> 5,872
Less : Fixed deposits pledged to licensed banks	(6,436)	(4,244)
	<hr/> 3,118	<hr/> 1,628

The Company has initially applied MFRS 16, *Leases* using modified retrospective approach and measures the right-of-use assets as if MFRS 16 had been applied with no restatement of comparative information.

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 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 second quarter ended 30 June 2019

#### 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 2018.

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 2017, except for the adoption of the following standards applicable to the Group's financial year beginning 1 January 2018.

<b>Title</b>	<b>Effective Date</b>
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
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance contracts</i>	See MFRS 4 Paragraphs 46 and 48

The initial application of the aforesaid applicable standards, amendments or interpretations, except for MFRS 9 Financial Instruments and MFRS 15 Revenue from Contracts with Customers, the impact of which has been disclosed in this announcement, 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:

<b>Title</b>	<b>Effective Date</b>
MFRS 16 <i>Leases</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

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

### Notes to the Interim Financial Report for the second quarter ended 30 June 2019

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

##### A1. Basis of preparation (cont'd)

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.

The initial application of the accounting standards, amendments and interpretations that are effective from 1 January 2019 do not have any material financial impacts to the current and prior financial year of the Company except as mentioned below:

##### (i) MFRS 16, *Leases*

MFRS 16, *Leases* which is effective from 1 January 2019 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluation the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use assets representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Company has adopted the standard using modified retrospective approach, under which the cumulative effect of initial recognition is recognized in retained earnings. The Company measured the right-of-use assets as if MFRS 16 had always been applied with no restatement of comparative information. The following table shows the impact of changes to the statements of financial position of the Company resulting from the adoption of MFRS 16, *Leases* as at 1 January 2019:

	As at 31 December 2018 RM'000	Initial Recognition RM'000	As at 1 January 2019 RM'000
<b>Non-current assets</b>			
Right-of-use assets	-	59,114	59,114
Deferred tax assets	247	4	251
<b>Non-current liabilities</b>			
Lease liabilities	-	(39,008)	(39,008)
Deferred tax liabilities	(1,290)	206	(1,084)
<b>Current liabilities</b>			
Lease liabilities	-	(20,981)	(20,981)
<b>Equity</b>			
Distributable retained earnings	(17,184)	665	(16,519)

##### A2. Auditors' reports

The auditors' report on the audited financial statements of the Group for the financial year ended 31 December 2018 was not subject to any qualification.

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

### Notes to the Interim Financial Report for the second quarter ended 30 June 2019

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

##### 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

A single-tier interim dividend of 1.5 sen per share amounting to RM2,475,000 for the financial year ending 31 December 2019 was paid on 31 May 2019 to the shareholders of the Company whose names appear in the Record of Depository on 17 May 2019.

##### 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.



# FOCUS POINT

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

### Notes to the Interim Financial Report for the second quarter ended 30 June 2019

#### 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 June 2019 is as follows:-

	Optical and related products RM'000	Franchise management RM'000	Food and beverage RM'000	Others RM'000	Inter- segment elimination RM'000	Total RM'000
<b>Revenue</b>						
Total revenue	80,975	1,630	8,434	5,493	(4,907)	91,625
<b>Segment results</b>	7,176	684	223	4,781	(4,912)	7,952
Interest income	362	77	21	8	(372)	96
Interest expense	(2,149)	-	(497)	(16)	372	(2,290)
Share of profit in associates	178	-	-	-	-	178
Share of loss in joint venture	-	-	(86)	-	-	(86)
<b>Profit/(Loss) before tax</b>	<b>5,567</b>	<b>761</b>	<b>(339)</b>	<b>4,773</b>	<b>(4,912)</b>	<b>5,850</b>
<b>Assets</b>						
Segment assets	180,252	4,972	12,215	51,078	(67,604)	180,913
Investment in associates	771	-	-	-	-	771
Investment in joint venture	-	-	72	-	-	72
<b>Total assets</b>	<b>181,023</b>	<b>4,972</b>	<b>12,287</b>	<b>51,078</b>	<b>(67,604)</b>	<b>181,756</b>
<b>Liabilities</b>						
Segment liabilities	111,055	3,175	26,112	1,442	(20,890)	120,894
<b>Total liabilities</b>	<b>111,055</b>	<b>3,175</b>	<b>26,112</b>	<b>1,442</b>	<b>(20,890)</b>	<b>120,894</b>

The segmental information for the financial period ended 30 June 2018 is as follows:-

	Optical and related products RM'000	Franchise management RM'000	Food and beverage RM'000	Others RM'000	Inter- segment elimination RM'000	Total RM'000
<b>Revenue</b>						
Total revenue	74,249	1,553	6,485	637	(11)	82,913
<b>Segment results</b>	3,408	597	(936)	(35)	82	3,116
Interest income	333	77	18	7	(365)	70
Interest expense	(1,150)	-	(455)	-	365	(1,240)
Share of profit in associates	192	-	-	-	-	192
Share of loss in joint venture	-	-	(28)	-	-	(28)
<b>Profit/(Loss) before tax</b>	<b>2,783</b>	<b>674</b>	<b>(1,401)</b>	<b>(28)</b>	<b>82</b>	<b>2,110</b>
<b>Assets</b>						
Segment assets	130,833	5,053	9,773	49,473	(68,769)	126,363
Investment in associates	719	-	-	-	-	719
Investment in joint venture	-	-	235	-	-	235
<b>Total assets</b>	<b>131,552</b>	<b>5,053</b>	<b>10,008</b>	<b>49,473</b>	<b>(68,769)</b>	<b>127,317</b>
<b>Liabilities</b>						
Segment liabilities	64,544	4,228	22,519	1,475	(20,322)	72,444
<b>Total liabilities</b>	<b>64,544</b>	<b>4,228</b>	<b>22,519</b>	<b>1,475</b>	<b>(20,322)</b>	<b>72,444</b>

# FOCUS POINT

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

### Notes to the Interim Financial Report for the second quarter ended 30 June 2019

#### 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 June 2019 included impact from adoption of MFRS 16 is as follow:

	Optical and related products RM'000	Franchise management RM'000	Food and beverage RM'000	Others RM'000	Inter- segment elimination RM'000	Total RM'000
<b>Profit/(Loss) before tax</b>	5,567	761	(339)	4,773	(4,912)	5,850
MFRS 16 impact:						
- Lease rental	(9,586)	-	(423)	(102)	-	(10,111)
- Right-of-use assets amortisation	8,904	-	394	93	-	9,391
- Lease interest	1,048	-	40	16	-	1,104
	366	-	11	7	-	384
<b>Profit/(Loss) before tax before MFRS 16 adjustment</b>	<b>5,933</b>	<b>761</b>	<b>(328)</b>	<b>4,780</b>	<b>(4,912)</b>	<b>6,234</b>

##### 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. Capital Commitments

Capital commitments not provided for in the financial statements as at 30 June 2019 are as follows:

	As at 30-06-19 RM'000	As at 31-12-18 RM'000
Capital expenditure in respect of purchase of property, plant and equipment		
- Contracted but not provided for	1,079	2
- Approved but not contracted for	-	-
	<u>1,079</u>	<u>2</u>

This represents capital commitment in respect of property and optical equipment.

##### 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.

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

### Notes to the Interim Financial Report for the second quarter ended 30 June 2019

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

##### A12. Change in composition of the Group

There was no change in composition of the Group during the current quarter.

The following sub-subsidiaries of the Company have submitted the application to strike-off the name of the company under Section 550 of the Companies Act 2016:-

No.	Name of Company	Date of submission
1.	Eye-Zed Sdn Bhd (sub-subsidiary)	17 May 2019
2.	Truesight Eyewear Optical Sdn Bhd (sub-subsidiary)	17 July 2019
3.	Care Point Optical Sdn Bhd (sub-subsidiary)	17 July 2019
4.	Opulence Optometry Sdn Bhd (sub-subsidiary)	17 July 2019

##### 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	
	30-06-19 RM'000	30-06-18 RM'000	30-06-19 RM'000	30-06-18 RM'000
Sale of eyewear and eye care products	294	275	521	592
Licensing fee	38	39	77	78
Rental of premises	60	60	120	120

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 second quarter ended 30 June 2019

#### 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

##### 6-month ended 30 June 2019

Group revenue at RM91.6 million was 11% higher compared with RM82.9 million of the corresponding period. The increase in Group revenue was mainly attributed to higher sales attained by the optical and related products as well as food and beverage businesses. The Group recorded higher profit before tax ("PBT") at RM5.9 million compared with RM2.1 million of the corresponding period. The outstanding performance was attributed to the overall improvement in operating results of the three (3) businesses, out of which the contribution from the optical and related products segment was the most significant. Consequently, the Group also recorded profit after tax of RM3.8 million, substantially higher compared with RM0.8 million of the corresponding period.

##### **Optical and related products segment**

Optical and related products segment recorded higher revenue at RM81.0 million compared with RM74.2 million of the corresponding period, representing an increase of 9%. Revenue contribution from the new outlets amounted to RM2.1 million, representing 3% of total retail outlet revenue. On existing outlets, revenue was 7% higher as compared with the corresponding period. Profit before tax ("PBT") at RM5.6 million was 100% higher compared with RM2.8 million of the corresponding period. The increase in PBT was attributed to attainment of higher revenue and rebate income.

##### **Franchise management segment**

Revenue at RM1.6 million was in line with the corresponding period. The segment recorded profit before tax at RM0.8 million, 13% higher compared with RM0.7 million of the corresponding period.

##### **Food and beverage segment**

The segment recorded revenue at RM8.4 million, 30% higher compared with RM6.5 million of the corresponding period mainly due to higher contribution from corporate sales which commenced in quarter 4, 2018.

Owing to higher sales and lower operating expenses, higher gross profit margin attained. Loss before tax at RM0.3 million was 76% lower compared with RM1.4 million of the corresponding period.

##### 3-month ended 30 June 2019

Group revenue at RM45.9 million was 9% higher compared with RM41.9 million of the corresponding quarter, attributed to higher revenue attained by the optical and related products as well as food and beverage businesses. For Group profit before tax, it was recorded at RM2.7 million, 84% higher compared with RM1.4 million of the corresponding quarter, attributed mainly to improved performance in operating results of the three (3) businesses.

However, before adjusting for the adoption of MFRS 16, *Leases*'s impact, profit before tax for quarter will be RM3.0 million, an increase of 111% compared with RM1.4 million of the corresponding quarter as per below table:

	<b>Individual quarter</b>	
	<b>30-06-19</b>	<b>30-06-18</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Profit before tax</b>		
MFRS 16 impact:		
- Lease rental	2,658	1,441
- Right-of-use assets amortisation	(10,111)	-
- Lease interest	9,391	-
	1,104	-
	384	-
<b>Profit before tax (before MFRS 16 adjustment)</b>	<b>3,042</b>	<b>1,441</b>

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

### Notes to the Interim Financial Report for the second quarter ended 30 June 2019

#### 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 RM45.9 million was 0.3% higher compared with RM45.7 million of the immediate preceding quarter due to higher sales attained by the optical and related products as well as food and beverage businesses. Consequently, the Group registered profit before tax at RM2.7 million, 17% lower compared with RM3.2 million of the immediate preceding quarter in view of lower profitability attained by the optical and related products business.

##### B3. Prospect

We will continue to enhance our optical business's tactical branding, and advertising & promotional activities for sustainable growth. It is our on-going effort to open new outlets at strategic locations and at the same time consolidating non-performing outlets. Launching of new store concepts to compete is also a necessity to stay relevant. The Group opened 9 new outlets (included 2 franchised outlets) in the first 6 months and targets to open 8 new outlets in the second half of 2019.

In respect of the food & beverage business, much emphasis would be placed on strengthening its operation and cost saving to further improve its performance. The Group is also active in expanding Komugi licensing business abroad and its corporate sales business. The Group opened 1 new own Komugi outlet and 3 new licensed outlets in overseas in the first 6 months and expecting to open 4 new licensed outlets in the second half of 2019.

Premised upon the above, the Group believes it can deliver a satisfactory performance for 2019.

##### B4. Financial estimate, forecast, projection or internal target

This is not applicable to the Group.

##### B5. Profit before tax

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

	Individual quarter		Cumulative quarter	
	30-06-19 RM'000	30-06-18 RM'000	30-06-19 RM'000	30-06-18 RM'000
Depreciation	2,076	2,032	4,085	4,062
Right-of-use assets amortisation	9,391	-	9,391	-
Bad debts written off	15	-	30	-
(Reversal of Impairment loss)/impairment loss on on trade and other receivables	(49)	17	(218)	56
Inventories written off	121	104	232	206
Inventories written down	121	115	242	231
Loss/(gain) on disposal of property, plant and equipment	6	(1)	25	9
Impairment loss on property, plant and equipment	158	-	158	151
Property, plant and equipment written-off	336	12	449	218
Realised loss/(gain) on foreign currency transactions (net)	24	(39)	1	(108)
Net fair value gain on derivative	-	-	-	(2)

# FOCUS POINT

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

### Notes to the Interim Financial Report for the second quarter ended 30 June 2019

#### 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	
	30-06-19 RM'000	30-06-18 RM'000	30-06-19 RM'000	30-06-18 RM'000
<b>Current tax:</b>				
Current	1,068	630	2,122	1,277
<b>Deferred tax:</b>				
Current	(93)	8	(104)	7
Total	975	638	2,018	1,284

The Group effective current tax rates for 2019 and 2018 were higher than prima facie tax rate due principally to certain capital expenditure not qualified for tax purpose and certain expenses non deductible for tax purpose.

##### B7. Status of corporate proposals

The corporate proposal announced but not completed as at the date of this interim financial report is as follows:

###### (i) Proposed Bonus Issue

On 9 July 2019, RHB Investment Bank Berhad (“RHB”), on behalf of the Board of Directors (“Board”) of Focus Point Holdings Berhad (“FPHB”), announced that the Company is proposing to undertake the proposed bonus issue of up to 55,000,000 new FPHB Shares (“Bonus Share(s)”) on the basis of 1 Bonus Share for every 3 existing FPHB Shares held on an entitlement date to be determined later (“Proposed Bonus Issue”).

On 18 July 2019, RHB on behalf of the Board announced that Bursa Malaysia Securities Berhad had, vide its letter dated 18 July 2019 approved the listing of and quotation for the Bonus Shares to be issued pursuant to the Proposed Bonus Issue.

The Proposed Bonus Issue was approved at an Extraordinary General Meeting held on 19 August 2019. Barring any unforeseen circumstances, the Proposed Bonus Issue is expected to be completed by the fourth quarter of calendar year 2019.

##### B8. Borrowings

	As at 30-06-19 RM'000	As at 31-12-18 RM'000
<b>Short term</b>		
Secured:		
Banker’s acceptance	13,620	13,088
Bank overdraft	1,028	3,580
Term loan	1,561	1,554
Hire purchase	5,020	5,388
Revolving credit	-	2,961
	<u>21,229</u>	<u>26,571</u>
<b>Long term</b>		
Secured:		
Term loan	8,002	8,756
Hire purchase	4,315	3,655
	<u>12,317</u>	<u>12,411</u>
<b>Total borrowings</b>	<u>33,546</u>	<u>38,982</u>

The above borrowings were denominated in Ringgit Malaysia.

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

### Notes to the Interim Financial Report for the second quarter ended 30 June 2019

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

##### **B9. Material litigation**

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

##### **B10. Dividend**

An interim single-tier dividend of 1 sen (2018 : 1 sen) per share in respect of financial year ending 31 December 2019 was declared on 13 August 2019 and to be paid on 13 September 2019.

##### **B11. Earnings per share**

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

	Individual quarter		Cumulative quarter	
	30-06-19	30-06-18	30-06-19	30-06-18
Profit attributable to owners of the Parent (RM'000)	1,683	803	3,832	826
Weighted average number of ordinary shares in issue ('000)	165,000	165,000	165,000	165,000
Basic earnings per share (sen)	1.02	0.49	2.32	0.50

##### **B12. 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 August 2019.