

Submitting Merchant Bank : OSK INVESTMENT BANK BERHAD
Company Name : FOCUS POINT HOLDINGS BERHAD
Stock Name : FOCUSP
Date Announced : 06/08/2010

Subject:

FOCUS POINT HOLDINGS BERHAD (“FOCUS POINT” OR “COMPANY”)

- (A) CLARIFICATION RELATING TO SALES OF CONTACT LENSES;**
- (B) INVESTMENT MERITS;**
- (C) EXIT OPTION; AND**
- (D) INDICATIVE TIMETABLE AND NEW LISTING DATE**

Contents:

This announcement is issued by OSK Investment Bank Berhad (“OSK”), on behalf of the Board of Directors of Focus Point. The expressions applied in this announcement shall have the same meanings ascribed to them as set out in the Prospectus of Focus Point dated 30 June 2010 (“Prospectus”).

This announcement should also be read in conjunction with the Prospectus.

CLARIFICATION RELATING TO SALES OF CONTACT LENSES

As mentioned in Focus Point’s announcement dated 27 July 2010, there was, among other things, an allegation that there have been instances at some of the Company’s professional eye care centres whereby contact lenses are prescribed and/or dispensed by personnel who are not qualified to do so. Focus Point wishes to provide the following clarifications:

1. As set out in the Prospectus, according to the Optical Act 1991 (“**Act**”), only optometrists or qualified opticians that have fulfilled certain conditions under the Act, are allowed to prescribe and dispense contact lenses.
2. Disposable contact lenses currently represent the majority of Focus Point’s contact lens sales. While it is common industry-wide practice in Malaysia for the sale of disposable contact lenses to be conducted over-the-counter, such practice is actually in contravention of the Act. Focus Point risks possible action for contravening the Act where its outlets prescribe or dispense contact lenses (whether conventional or disposable) without the presence of an optometrist or qualified optician. A person who is convicted under the Act for prescribing or dispensing contact lenses without an optometrist or qualified optician is subject to a fine not exceeding RM1,000 for the first offence. The Promoters of Focus Point have undertaken to fully indemnify Focus Point and any of its officers against any charge, fine or penalty imposed against the Company or any of its officers in relation to the prescription or dispensing of contact lenses at Focus Point outlets without the presence of an optometrist or qualified optician, prior to 27 July 2010.
3. As of today, Focus Point has ceased the prescription and dispensing of contact lenses from outlets that do not have either an optometrist or optician who is qualified to prescribe or dispense contact lenses. Prior to this cessation, as at 31 December 2009, 38 of the Group’s 64 professional eye care centres were found to have been dispensing contact lenses over-the-counter without an optometrist or optician who is qualified to prescribe or dispense contact lenses. The remaining outlets of the Group are serviced by 13 optometrists and 3 opticians qualified to prescribe and dispense contact lenses, including optometrists and/or qualified opticians who practice in multiple outlets. There may be instances whereby certain outlets dispense contact lenses without the physical presence of these qualified personnel. It is also the responsibility of Focus Point franchisees and licensees to comply with all statutes, bye-laws, regulations and requirements of any government or other competent authority relating to their own operations. It should be noted that each of Focus Point’s professional eye care centres is still serviced by at least one (1) qualified optometrist and/or optician who is able to conduct eye examinations for customers.

4. Focus Point estimates that in the financial years ended 31 December (“FYE”) 2009, FYE 2008 and FYE 2007, approximately 64.80%, 59.99% and 55.53% respectively of total Group sales of contact lens were generated from professional eye care centres that have either an optometrist or an optician who is qualified to prescribe or dispense contact lenses.
5. For illustrative purposes only, assuming a retrospective cessation of the prescription and dispensing of contact lenses from the 38 professional eye care centres above that do not have either an allocated optometrist or optician who is qualified to prescribe or dispense contact lenses, and based on the broad assumption that this illustration would cover all the remaining total Group sales of contact lenses, this illustration retrospectively affects the Focus Point Group as follows:

	Revenue effect (RM million)	% of total Group revenue	Gross profit effect (RM million)	% of total Group gross profit
FYE 2009	4.81	4.85%	2.15	3.68%
FYE 2008	5.27	5.72%	1.98	3.89%
FYE 2007	5.25	6.35%	1.85	4.11%

6. As stated in Focus Point’s Prospectus, for the FYE 2009, the Focus Point Group generated profit after tax and minority interests (PATMI) of approximately RM8.31 million, on the back of approximately RM99.19 million in revenue. The Group also recorded gross profit of approximately RM58.43 million and earnings before interest, taxation, depreciation and amortisation (EBITDA) of RM15.34 million in the FYE 2009.
7. Focus Point also wishes to stress that the above computations relating to contact lens sales are solely for illustrative purposes only. Focus Point wishes to highlight its ongoing efforts to ensure that either an optometrist or optician qualified to prescribe and dispense contact lenses is stationed at at least each of its top 30 professional eye care centres.
8. Whilst there were only 779 registered optometrists and 2,692 registered opticians in Malaysia in 2009, it should be noted that Focus Point has been undertaking various ongoing measures as disclosed in its Prospectus to ensure that it would be able to retain and attract qualified opticians or optometrists to join its professional eye care centres.

INVESTMENT MERITS

Investors are required to consider Focus Point’s investment merits, including but not limited to its competitive strengths, prospects, financial position, and its industry leadership position, as set out in its Prospectus.

EXIT OPTION

Focus Point also wishes to extend an option to investors who have subscribed for Focus Point Shares under the Public Issue or Offer for Sale (“**Investor(s)**”) to exit should they for any reason wish to do so (“**Exit Option**”).

1. Malaysian Issuing House Sdn Bhd (“**MIH**”) will be despatching an Exit Form to all Investors based on the address last maintained with Bursa Malaysia Depository Sdn Bhd (“**Bursa Depository**”). Investors can also obtain a copy of the Exit Form from MIH at the address stated below, OR from Bursa Securities’ website at www.bursamalaysia.com, OR from the newspaper advertisement in New Straits Times and Berita Harian on 7 August 2010.
2. Investors who wish to exercise the Exit Option will have to complete the Exit Form legibly and STRICTLY in accordance with the notes and instructions printed on the Exit Form.

- The completed Exit Form is to be despatched by post OR courier, in either the official envelope provided OR a plain envelope clearly marked "FOCUS POINT EXIT OPTION", to the following address:

Malaysian Issuing House Sdn Bhd (258345-X)

Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
P.O. Box 13269
50804 Kuala Lumpur

OR

DELIVERED BY HAND AND DEPOSITED in the drop-in boxes provided at the front portion of Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan,

OR

SENT BY FACSIMILE to MIH at (03) 7841 8150.

so as to arrive not later than 12.00 noon on 16 August 2010.

- The Exit Form sets out the full instructions for the exercise of the Exit Option and the procedures to be followed. Investors are advised to read the Exit Form and the notes and instructions therein carefully. Exit Forms that do not conform strictly to the specified instructions or which are illegible may not be accepted at the absolute discretion of the Directors of Focus Point.
- The refund in the form of cheques will be despatched by ORDINARY POST to the address last maintained by Investors with Bursa Depository.
- The Exit Option is not expected to have any impact to the total issued and paid-up capital of Focus Point.

INDICATIVE TIMETABLE AND NEW LISTING DATE

The following events are intended to take place on the following tentative dates:

Event	Date
Despatch of Exit Forms / Opening of exit window period	7 August 2010
Closing of exit window period (at 12.00 noon)	16 August 2010
Despatch of notices of allotment / refund cheques	20 August 2010
Listing	23 August 2010

Investors can check on the status of their shareholdings in Focus Point by calling MIH at (03) 7841 8000 or (03) 7841 8289 on 20 August 2010 (during office hours only).

This timetable is indicative and is subject to changes which may be necessary to facilitate the implementation procedures. Nevertheless, it is the intention of the Directors of Focus Point to implement these procedures in the shortest possible time.

This announcement is dated 6 August 2010.