

## FOCUS POINT HOLDINGS BERHAD ("FOCUS POINT" OR THE "COMPANY")

### PROPOSED TRANSFER OF THE LISTING AND QUOTATION OF THE ENTIRE ISSUED SHARE CAPITAL OF FOCUS POINT FROM THE ACE MARKET TO THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") ("PROPOSED TRANSFER")

*(We refer to the announcements dated 6 May 2022 and 5 August 2022 in relation to the Proposed Transfer. Unless otherwise defined, the definitions set out in the previous announcements shall apply herein.)*

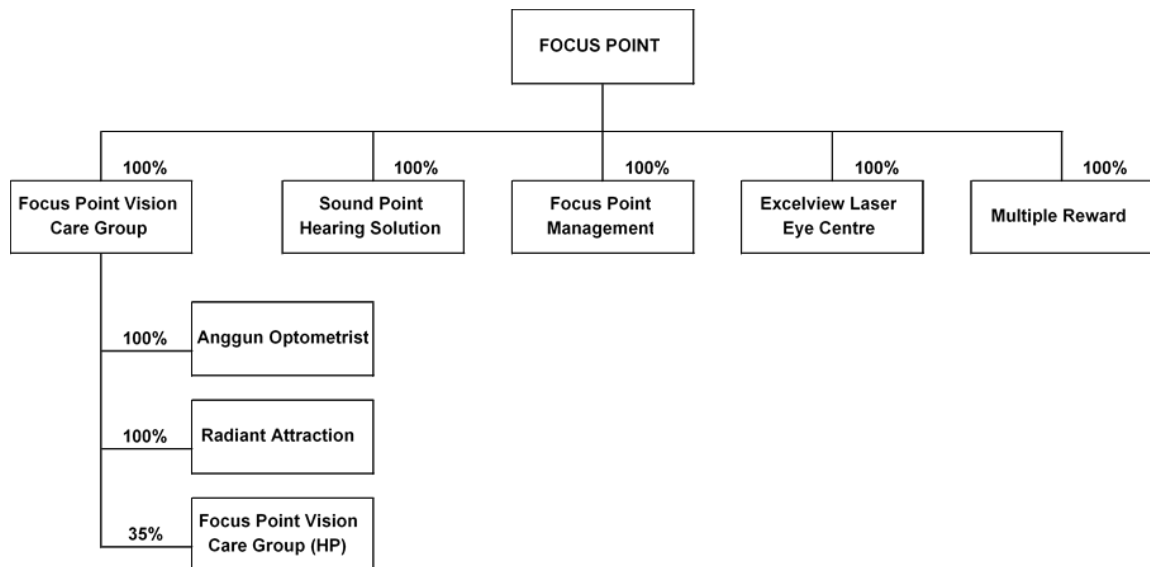
#### 1. INTRODUCTION

On behalf of the Board of Directors of Focus Point, RHB Investment Bank Berhad wishes to announce the following information on Focus Point and its subsidiaries ("**Focus Point Group**" or the "**Group**") pursuant to paragraph 2A.2 of Practice Note 22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") in relation to the Proposed Transfer.

#### 2. INFORMATION ON FOCUS POINT

Focus Point was incorporated in Malaysia under the Companies Act, 1965 on 30 December 2009 as a private limited company under the name of Focus Point Holdings Sdn Bhd and is deemed registered under the Companies Act 2016 ("**Act**"). On 25 January 2010, it was converted into a public limited company. On 23 August 2010, it was listed on the ACE Market of Bursa Securities.

The corporate structure of Focus Point as at 1 November 2022 being the latest practicable date prior to this announcement ("**LPD**") is set out below:



Focus Point is principally an investment holding company whilst the principal activities of its subsidiaries and associate company are set out below:

Name of company	Date and place of incorporation	Effective equity interest %	Principal activities
Focus Point Vision Care Group Sdn Bhd ("Focus Point Vision Care Group")	30.06.1993 Malaysia	100.00	Operation of professional eye care centres, trading of eyewear and eye care products and investment holding
Sound Point Hearing Solution Sdn Bhd	07.05.2010 Malaysia	100.00	Trading of hearing aid solutions and related accessories. However, as at the LPD, it is dormant
Focus Point Management Sdn Bhd	27.06.1998 Malaysia	100.00	Management of franchised professional eye care centres
Excelview Laser Eye Centre Sdn Bhd	24.03.2000 Malaysia	100.00	Provision of medical eye care services
Multiple Reward Sdn Bhd ("Multiple Reward")	22.05.2009 Malaysia	100.00	Provision of food and beverage ("F&B") services

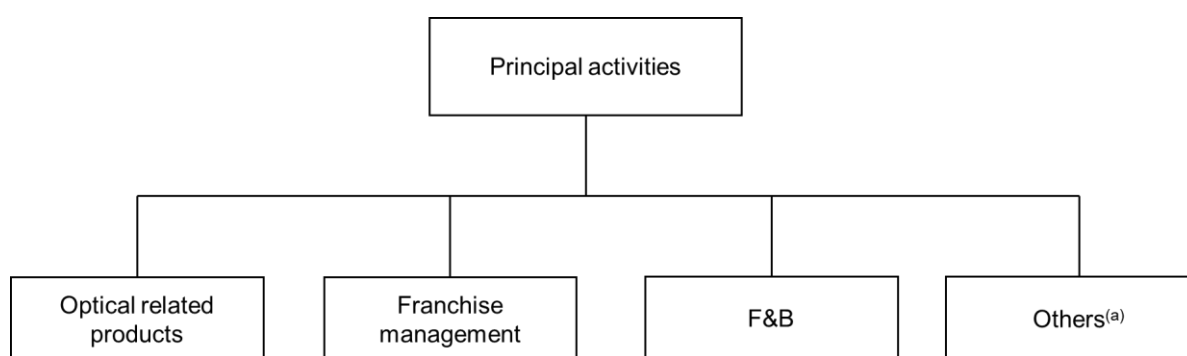
**Subsidiaries of Focus Point Vision Care Group**

Anggun Optometrist Sdn Bhd (formerly known as Esprit Shoppe Sdn Bhd)	29.06.2002 Malaysia	100.00	Retailing of optical and related products. However, as at the LPD, it is dormant
Radiant Attraction Sdn Bhd	09.03.2005 Malaysia	100.00	Retailing of optical and related products. However, as at the LPD, it is dormant

**Associate company of Focus Point Vision Care Group**

Focus Point Vision Care Group (HP) Sdn Bhd	26.01.1996 Malaysia	35.00	Retailing of optical and related products
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The Group's principal activities can be categorised into 4 operating segments as set out below:



**Note:**

(a) Other operating segment comprise of investment holding and laser eye surgery treatment activities.

### 3. ISSUED SHARE CAPITAL AND PUBLIC SHAREHOLDING SPREAD

As at the LPD, the issued share capital of Focus Point is RM40,096,000 comprising 329,999,477 ordinary shares in Focus Point ("**Shares**" or "**Focus Point Shares**").

Pursuant to paragraph 8.02(1) of the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**"), a company is required to meet a public shareholding spread of at least 25% of the total number of listed shares (excluding treasury shares) to be in the hands of a minimum number of 1,000 public shareholders holding not less than 100 shares each.

Based on the Record of Depositors of Focus Point as at the LPD, approximately 30.43% of the issued share capital of the Company (excluding treasury shares) is held by 1,507 public shareholders holding not less than 100 Focus Point Shares each.

Based on the above, Focus Point has satisfied the public shareholding spread requirement of the Listing Requirements.

### 4. MARKET CAPITALISATION

The market capitalisation of Focus Point is approximately RM239.25 million based on the total number of issued shares of Focus Point of 329,999,477 Focus Point Shares and the closing market price of RM0.725 per Share as at the LPD.

### 5. HISTORICAL FINANCIAL INFORMATION

The following table sets out a summary of the audited consolidated financial statements of the Group for the past 3 financial years ended ("**FYE**") up to FYE 31 December 2021 as well as the unaudited consolidated financial statements of the Group for the 6-month financial period ended ("**FPE**") 30 June 2022:

	<-----Audited----->			<-----Unaudited----->	
	<-----FYE 31 December----->			<-----FPE 30 June----->	
	2019	2020	2021	2021	2022
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	191,025	159,612	170,427	77,741	119,385
Cost of sales	(67,577)	(56,609)	(57,631)	(27,637)	(42,347)
Gross profit	123,448	103,003	112,796	50,104	77,038
Other operating income	1,949	1,308	1,151	490	758
Selling and distribution costs	(36,936)	(28,735)	(31,180)	(15,103)	(19,633)
Administrative expenses	(67,858)	(54,311)	(57,054)	(28,342)	(33,829)
Finance costs	(5,728)	(5,629)	(4,969)	(2,126)	(2,564)
Net loss on impairment of financial assets	-	(20)	-	-	-
Share of profit/(loss) in associates, net of tax	362	6	(41)	(32)	121
Share of loss in a joint venture, net of tax <sup>(a)</sup>	(32)	-	-	-	-
Profit before tax (" <b>PBT</b> ")	15,205	15,622	20,703	4,991	21,891

	<-----Audited----->			<-----Unaudited----->	
	<-----FYE 31 December----->			<-----FPE 30 June----->	
	2019	2020	2021	2021	2022
	RM'000	RM'000	RM'000	RM'000	RM'000
Tax expense	(5,317)	(4,985)	(6,655)	(1,729)	(5,590)
<b>Profit after tax ("PAT")</b>	<b>9,888</b>	<b>10,637</b>	<b>14,048</b>	<b>3,262</b>	<b>16,301</b>
Other comprehensive income, net of tax	-	-	-	-	-
<b>Total comprehensive income</b>	<b>9,888</b>	<b>10,637</b>	<b>14,048</b>	<b>3,262</b>	<b>16,301</b>
<b>Profit attributable to:</b>					
Owners of Focus Point	9,888	10,637	14,048	3,262	16,301
Non-controlling interests	-	-	-	-	-
	<b>9,888</b>	<b>10,637</b>	<b>14,048</b>	<b>3,262</b>	<b>16,301</b>
<b>Total comprehensive income attributable to:</b>					
Owners of Focus Point	9,888	10,637	14,048	3,262	16,301
Non-controlling interests	-	-	-	-	-
	<b>9,888</b>	<b>10,637</b>	<b>14,048</b>	<b>3,262</b>	<b>16,301</b>
<b>Other selected financial data:</b>					
Earnings before interest, taxes, depreciation and amortisation ("EBITDA") (RM'000) <sup>(b)</sup>	49,474	56,432	60,189	23,922	43,105
Gross profit margin (%) <sup>(c)</sup>	64.62	64.53	66.18	64.45	64.53
EBITDA margin (%) <sup>(d)</sup>	25.90	35.36	35.32	30.77	36.11
PBT margin (%) <sup>(e)</sup>	7.96	9.79	12.15	6.42	18.34
PAT margin (%) <sup>(f)</sup>	5.18	6.66	8.24	4.20	13.65
Number of Focus Point Shares in issue ('000)	329,999	329,999	329,999	329,999	329,999
EPS (sen)					
- Basic <sup>(g)</sup>	3.00	3.22	4.26	0.99	4.94
- Diluted	-	-	-	-	-
Effective tax rate (%)	34.97	31.91	32.15	34.64	25.53

**Notes:**

- (a) Share of loss in Majestic Ring Sdn Bhd, a 50%-owned joint venture company of Multiple Reward, which was disposed of on 27 December 2019 and ceased to be a joint venture company of Multiple Reward on the same date. Save for the aforementioned, there was no other joint venture company of the Group for the past 3 financial years up to the FYE 31 December 2021.

(b) The table below sets out a reconciliation of the PBT to EBITDA:

	←-----FYE 31 December----->			←-----FPE 30 June----->	
	2019 RM'000	2020 RM'000	2021 RM'000	2021 RM'000	2022 RM'000
<b>PBT</b>	15,205	15,622	20,703	4,991	21,891
Adjusted for:-					
Finance costs	5,728	5,629	4,969	2,126	2,564
Depreciation of property, plant and equipment	6,150	6,106	6,599	3,251	3,674
Depreciation of right-of-use assets	23,100	29,768	28,723	13,216	14,398
Interest income	(709)	(693)	(805)	338	578
<b>EBITDA</b>	<b>49,474</b>	<b>56,432</b>	<b>60,189</b>	<b>23,922</b>	<b>43,105</b>

(c) Gross profit margin is computed based on the gross profit over revenue of the Group.

(d) EBITDA margin is computed based on the EBITDA over revenue of the Group.

(e) PBT margin is computed based on the PBT over revenue of the Group.

(f) PAT margin is computed based on the PAT over revenue of the Group.

(g) Calculated based on the PAT attributable to the owners of Focus Point divided by 329,999,477 Focus Point Shares in issue for the respective financial year/period.

The review of the financial performance of the Group is as follows:

#### **FYE 31 December 2020 compared to FYE 31 December 2019**

The Group's revenue decreased by approximately RM31.41 million or 16.44% from RM191.03 million recorded in the FYE 31 December 2019 to RM159.61 million in the FYE 31 December 2020. The lower revenue was mainly attributable to the following:

- i. lower sales attained by the Group's optical related products segment as a result of temporary suspension of its retail outlet operations due to the lockdown during the Movement Control Order ("MCO") imposed from 18 March 2020 to 3 May 2020 ("First MCO Period") and the subsequent restricted movement control arising from the Coronavirus disease 2019 ("COVID-19") pandemic resulted in reduction in footfall in the shopping mall and hypermarket where majority of the Group's retail outlets are located; and
- ii. decrease in revenue from the franchise management segment by approximately RM1.30 million or 29.55% from RM4.40 million recorded in the FYE 31 December 2019 to RM3.10 million in the FYE 31 December 2020 mainly attributable to lower royalty fees received from the franchise outlets for the Group's optical related products segment as a result of the First MCO Period.

The decrease in revenue was offset by the increase in revenue for the F&B segment which increase by approximately RM2.39 million or 14.29% from RM16.72 million recorded in the FYE 31 December 2019 to RM19.11 million in the FYE 31 December 2020. This was mainly attributable to the increase in contribution from the corporate sales from RM3.21 million recorded in the FYE 31 December 2019 to RM9.62 million in FYE 31 December 2020.

The Group's gross profit decreased by approximately RM20.45 million or 16.56% from RM123.45 million recorded in the FYE 31 December 2019 to RM103.00 million in the FYE 31 December 2020. This was mainly attributable to lower revenue generated by the optical related products segment due to the First MCO Period which led to a drop of RM19.61 million in its gross profit.

The Group recorded an overall gross profit margin of 64.53% for the FYE 31 December 2020 which is fairly consistent with the gross profit margin of 64.62% recorded in the FYE 31 December 2019 despite a lower gross profit recorded in the FYE 31 December 2020.

The Group's PBT increased by approximately RM0.41 million or 2.70% from RM15.21 million for the FYE 31 December 2019 to RM15.62 million in the FYE 31 December 2020. This was mainly attributable to rental rebates support received from the landlords of shopping malls and hypermarkets during the First MCO Period as well as the Wage Subsidy Programme from the Malaysian Government.

In line with the increase in the PBT, the PBT margin of the Group also increased from 7.96% in the FYE 31 December 2019 to a PBT margin of 9.79% in the FYE 31 December 2020.

#### **FYE 31 December 2021 compared to FYE 31 December 2020**

The Group's revenue increased by approximately RM10.82 million or 6.78% from RM159.61 million recorded in the FYE 31 December 2020 to RM170.43 million in the FYE 31 December 2021. The higher revenue was mainly attributable to higher sales attained by all the Group's business segments, as a result of the reopening of economic activities and easing of COVID-19 restrictions by the Malaysian Government in the 4<sup>th</sup> quarter of FYE 31 December 2021, resulting in increase in footfall in shopping malls and hypermarkets where majority of the Group's retail outlets are located.

The Group's gross profit increased by approximately RM9.79 million or 9.51% from RM103.00 million recorded in the FYE 31 December 2020 to RM112.80 million in the FYE 31 December 2021. This was mainly attributable to increase in revenue in the Group's optical related products and F&B segments.

In line with the above, the Group's overall gross profit margin had increased from approximately 64.53% in the FYE 31 December 2020 to 66.18% in the FYE 31 December 2021.

The Group's PBT increased by approximately RM5.08 million or 32.52% from RM15.62 million in the FYE 31 December 2020 to RM20.70 million in the FYE 31 December 2021. This was in line with the increase in revenue of the Group due to the easing of COVID-19 restrictions in the country which allowed all the outlets to operate without restrictions, the continued rental rebates support received from the landlords of shopping malls and hypermarkets as well as the continuation of the Wage Subsidy Programme received from the Malaysian Government.

In line with the increase in PBT, the PBT margin of the Group also increased from approximately 9.79% in the FYE 31 December 2020 to a PBT margin of 12.15% in the FYE 31 December 2021.

#### **FPE 30 June 2022 compared to FPE 30 June 2021**

The Group's revenue increased by approximately RM41.65 million or 53.58% from RM77.74 million recorded in the FPE 30 June 2021 to RM119.39 million in the FPE 30 June 2022. The higher revenue was mainly attributable to higher sales attained by all the Group's business segments in FPE 30 June 2022 as compared to the sales attained in FPE 30 June 2021 which was under phases of the MCO.

The Group's gross profit increased by approximately RM26.94 million or 53.77% from RM50.10 million recorded in the FPE 30 June 2021 to RM77.04 million in the FPE 30 June 2022. This was mainly in line with the increase in revenue by all the Group's business segments.

In line with the above, the Group's recorded an overall gross profit margin of 64.53% in the FPE 30 June 2022 which is fairly consistent with the overall gross profit margin of 64.45% in the FPE 30 June 2021.

The Group's PBT increased by approximately RM16.90 million or 338.68% from RM4.99 million in the FPE 30 June 2021 to RM21.89 million in the FPE 30 June 2022. This was mainly attributable to the higher contribution from the higher revenue attained by all the Group's business segments.

In line with the increase in PBT, the PBT margin of the Group also increased from approximately 6.42% in the FPE 30 June 2021 to a PBT margin of 18.33% in the FPE 30 June 2022.

This announcement is dated 11 November 2022.