

12. FINANCIAL INFORMATION (Cont'd)

(d) Reliance and vulnerability to imports of eyewear and eye care products

Our provision of professional eye care services also involves the prescription and dispensing of eyewear, which include, amongst others, prescription frames and lenses, contact lenses, sunglasses and contact lens solutions. In view of the emerging perception on eyewear as fashion items, the ability to provide an extensive range of eyewear brands at competitive prices is crucial to our business.

However, the local production of prescription frames and lenses, and sunglasses in Malaysia is relatively small along with the absence of contact lens manufacturer. As such, we rely highly on the imports of eyewear and eye care products from overseas sources. Any interruptions in the supply of eyewear and eye care products would adversely affect our outlets' operations and thereafter our profitability.

Nevertheless, there are numerous sources of supply of eyewear products overseas.

(Source: Independent Assessment of the Professional Eye Care Industry in Malaysia prepared by Vital Factor)

Our Board believes that our rapport and long established business relationships with our fellow suppliers would place us in a better position during goods procurement process.

12.2.3 Material changes in sales/revenue

A discussion on the reasons on material changes in our revenue for the past three (3) financial years up to the FYE 2009 is set out in Section 12.2.1 of this Prospectus.

12.2.4 Impact of foreign exchange/interest rates/commodity prices

As set out in Section 4.2.10 of this Prospectus, a significant portion of our business transactions are carried out in foreign currencies as our overseas purchases are primarily in USD, Euro and HKD. Our plans to expand into other overseas markets may also further increase our exposure to foreign exchange risks. Hence, we currently adopt prudent foreign currency management procedures in hedging against foreign currency fluctuations through the locking in of foreign currency rates at the time of order placement. As all our receivables and assets are denominated in local currency, we only monitor our trade payables which are payable in foreign currencies on a monthly basis to provide us with the basis on the amount of foreign currencies to be locked in. This gives us an indication to the appropriate payment methods to adopt, i.e. through bank transfer to the respective suppliers at the prevailing spot rates or hedge against the foreign currencies through forward contract(s) maintained with financial institution(s). The payment method is dependent on the prevailing foreign exchange rates as well as our forecast on the foreign exchange fluctuations in the future.

For the financial years under review, our historical financial performance was not materially affected by foreign exchange, interest rates and commodity prices.

12. FINANCIAL INFORMATION (Cont'd)

12.2.5 Impact of inflation

For the financial years under review, our historical financial performance has not been materially affected by the impact of inflation. Although we are able to pass on any increase in the price of eyewear and eye care products to our customers, we cannot assure you that any future increases in inflation rates will not have an impact on our business and performance.

12.2.6 Government/Economic/Fiscal/Monetary policies

Risks relating to government, economic, fiscal and monetary policies, which may materially affect our operation, are set out Sections 4.4.1 and 4.4.2 of this Prospectus. For the financial years under review, our historical financial performance was not materially affected by the government, economic, fiscal and monetary policies.

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12. FINANCIAL INFORMATION (Cont'd)

12.3 Reporting Accountants' Letter on the Pro Forma Consolidated Financial Information

(Prepared for inclusion in this Prospectus)



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50250 Kuala Lumpur
Malaysia

The Board of Directors
Focus Point Holdings Berhad
Unit 1, 3 & 5-1, Jalan PJU 1/37
Dataran Prima
473D1 Petaling Jaya
Selangor Darul Ehsan

22 June 2010
Our ref: BDO/SCT/CKW

Dear Sirs

FOCUS POINT HOLDINGS BERHAD ("Focus Point" or "the Company") PROFORMA CONSOLIDATED FINANCIAL INFORMATION

We have reviewed the proforma consolidated financial information of Focus Point and its subsidiaries ("Focus Point Group" or "the Group") for the three (3) financial years ended ("FYE") 31 December 2007, 31 December 2008 and 31 December 2009, with the accompanying notes thereon (stamped by us for identification purpose only) prepared for illustration purpose only. These proforma consolidated financial information are prepared based on the audited financial statements of the Company and Focus Point Group, after making certain assumptions and such adjustments to show the effects on:-

- (a) the consolidated financial results of Focus Point Group for the financial years under review had Focus Point Group structure as of the date of the prospectus been in existence throughout the financial years under review;
- (b) the financial position of Focus Point Group as at 31 December 2009 had Focus Point Group structure as of the date of the prospectus been in existence on 31 December 2009; and
- (c) the consolidated cash flows of Focus Point Group for the FYE 31 December 2009 had Focus Point Group structure as of the date of the prospectus been in existence throughout the FYE 31 December 2009.

As the proforma consolidated financial information has been prepared for illustrative purposes only, such information, because of its nature, may not reflect the Focus Point Group's actual financial results, financial position and cash flows. Further, such information does not predict the Group's future financial position, results and cash flows.

The proforma consolidated financial information has been prepared for inclusion in the prospectus of Focus Point to be dated 30 June 2010 in connection with the listing of and quotation for the entire issued and paid-up share capital of Focus Point on the ACE Market of Bursa Malaysia Securities Berhad.

It is the sole responsibility of the Directors of Focus Point Group to prepare the proforma consolidated financial information in accordance with the requirements of the Prospectus Guidelines - Equity and Debt issued by Securities Commission ("Prospectus Guidelines"). Our responsibility is to form an opinion as required by the Prospectus Guidelines on the proforma consolidated financial information.

In providing this opinion, we are not updating or re-issue any reports or opinion previously made by us on any financial information used in the compilation of the proforma consolidated financial information, nor do we accept the responsibility for such reports or opinions beyond that is owed to those to whom those letter or opinions were addressed by us at the date of their issue.

12. FINANCIAL INFORMATION (Cont'd)




Our work consisted primarily of comparing the unadjusted financial information presented with their audited financial statements, considering the adjustments and discussing the proforma consolidated financial information with management of Focus Point Group. Our works involve no independent examination of any of the underlying financial information other than our audit of the financial statements of Focus Point Group for the FYE 31 December 2007, 31 December 2008 and 31 December 2009 and financial statements of the Company for the financial period from 30 December 2009 (date of incorporation) to 31 December 2009 prepared in accordance with applicable approved Financial Reporting Standards in Malaysia ("FRS").

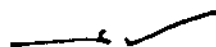
In our opinion:

- (a) the proforma consolidated financial information of Focus Point Group together with the accompanying notes, which are prepared for illustrative purposes only, have been properly prepared on the bases and assumptions as set out in the notes thereon, and such bases are consistent with the accounting policies adopted by Focus Point Group, unless otherwise stated;
- (b) the audited financial statements used in the preparation of the proforma consolidated financial information, have been prepared in accordance with applicable approved FRS in Malaysia and the proforma consolidated financial information have been properly prepared in a manner consistent with the format of the financial statements adopted by Focus Point Group;
- (c) each material adjustment made to the information used in the preparation of the proforma consolidated financial information are appropriate for the purposes of preparing the proforma consolidated financial information.

This letter has been prepared solely for the purpose stated above, in connection with the listing of and quotation for the entire issued and paid-up share capital of Focus Point on the ACE Market of Bursa Malaysia Securities Berhad. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,


BDO
AF : 0206
Chartered Accountants


Tang Seng Choon
2011/12/11 (J)
Chartered Accountant

12. FINANCIAL INFORMATION (Cont'd)**Focus Point Holdings Berhad (Company No. 884238-U)
Proforma Consolidated Financial Information****1. PROFORMA GROUP, BASIS OF PREPARATION AND LISTING SCHEME****1.1 Proforma Group**

The proforma consolidated financial information of Focus Point Holdings Berhad ("Focus Point" or "the Company") and its subsidiaries ("Focus Point Group" or "the Group"), are prepared for illustrative purposes only. The relevant financial years of Focus Point Group for this Report cover the financial year ended ("FYE") 31 December 2007, 31 December 2008 and 31 December 2009.

The proforma consolidated financial information of Focus Point Group has been prepared on the assumption that the Group had been in existence throughout the FYE 31 December 2007, FYE 31 December 2008 and FYE 31 December 2009 ("Relevant Financial Years"). The proforma consolidated financial information comprises the following:-

Section 2 - Proforma Consolidated Income Statements for the Relevant Financial Years;
Section 3 - Proforma Consolidated Balance Sheets as at 31 December 2009; and
Section 4 - Proforma Consolidated Cash Flow Statement for the FYE 31 December 2009.

1.2 Basis of preparation

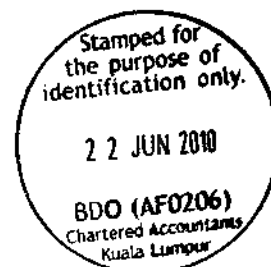
The audited financial statements used in the preparation of this Report for the financial years under review were not subject to any qualification, except for an emphasis of matter, which highlights on the going concern basis of preparing the financial statements in the auditors' report of Opulence Optometry Sdn. Bhd. ("Opulence Optometry") for the FYE 31 December 2007, FYE 31 December 2008 and FYE 31 December 2009 as a result of its losses that have led to capital deficiency, and its current liabilities exceeding its current assets. The continuation of Opulence Optometry as a going concern is dependent on Opulence Optometry's ability to receive continuous financial support from Focus Point Vision Care Sdn. Bhd. ("Focus Point Vision Care") to meet its obligations as and when they fall due.

The proforma consolidated financial information has been prepared in accordance with applicable approved Financial Reporting Standards in Malaysia ("FRS") and accounting principles generally accepted in Malaysia and are consistent with those previously adopted in the preparation of the audited financial statements of the Group for the FYE 31 December 2009, and after incorporating adjustments that are appropriate for the preparation of the proforma consolidated financial information.

Elimination of intra-group transactions has also been made on the assumption that Focus Point Group had been in existence throughout the financial years under review.

The proforma consolidated balance sheets were also prepared, together with the accompanying notes thereto, which have been prepared solely for illustrative purposes, to show the effects of the listing scheme disclosed in Section 1.3 had the listing scheme been implemented and completed on 31 December 2009.

The proforma consolidated financial information, because of its nature, may not reflect the Focus Point Group's actual financial results, financial position and cash flows. Further, such information does not predict the Group's future financial position, results and cash flows.



12. FINANCIAL INFORMATION (Cont'd)**Focus Point Holdings Berhad (Company No. 884238-U)
Proforma Consolidated Financial Information****1. PROFORMA GROUP, BASIS OF PREPARATION AND LISTING SCHEME (continued)****1.3 Listing Scheme**

In conjunction with and as an integral part of the listing of Focus Point on the ACE Market of Bursa Securities, the Company undertakes the following transactions:

1.3.1 Acquisition

On 14 April 2010, the Company entered into a conditional sale and purchase agreement with the vendors of Focus Point Vision Care for the acquisition of 10,000,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Focus Point Vision Care, for a total consideration of RM24,760,395 based on the audited consolidated net assets of Focus Point Vision Care as at 31 December 2009 of RM24,760,395. The purchase consideration was satisfied by the issuance of 123,799,990 new shares in the Company at an issue price of approximately RM0.20 per share (the "Share(s)"). The Acquisition was completed on 14 April 2010.

The new Shares issued pursuant to the Acquisition rank *pari passu* in all respects with the existing issued Shares including voting rights and rights to all dividends and distributions, the entitlement date of which are subsequent thereof.

1.3.2 Internal restructuring

On 14 April 2010, the Company undertook an internal restructuring, by entering into a conditional sale and purchase agreement with Focus Point Vision Care for the acquisitions of the following:

- (i) 50,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Focus Point Management Sdn. Bhd. ("Focus Point Management"), for a total consideration of RM3,380,693 based on the audited net assets of Focus Point Management as at 31 December 2009 of RM3,380,693; and
- (ii) 300,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Excelview Laser Eye Centre Sdn. Bhd. ("Excelview Laser Eye Centre"), for a total consideration of RM793,725 based on the audited net assets of Excelview Laser Eye Centre as at 31 December 2009 of RM793,725.

The Internal Restructuring has then resulted in the corporate structure of the Group being segregated into three (3) core business segments, being the operation of professional eye care centres, franchising of professional eye care centres and provision of medical eye care services.



12. FINANCIAL INFORMATION (Cont'd)**Focus Point Holdings Berhad (Company No. 884238-U)
Proforma Consolidated Financial Information****1. PROFORMA GROUP, BASIS OF PREPARATION AND LISTING SCHEME (continued)****1.3 Listing Scheme (continued)****1.3.3 Public issue**

Pursuant to the Public Issue, 41,200,000 new Shares at an Issue Price of RM0.39 per Share are to be allocated in the following manner:

- (i) 10,000,000 Public Issue Shares will be made available for application by the eligible directors, employees and franchisees who have contributed to the success and development of Focus Point Group; and
- (ii) 22,950,000 Public Issue Shares will be allocated by way of private placement to identified investors; and
- (iii) 8,250,000 Public Issue Shares will be made available for application by the Malaysian public, to be allocated via ballot, of which at least 50% is to be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.

The Public Issue Shares will rank *pari passu* in all respects with our existing issued Shares including voting rights and rights to all dividends and distributions, the entitlement date of which are subsequent thereof.

Upon completion of the Public Issue, the issued and paid-up share capital will increase from RM24,760,000 comprising 123,800,000 Shares to RM33,000,000 comprising 165,000,000 Shares.

1.3.4 Offer for Sale

In conjunction with the Listing Scheme, the Company will undertake an offer for sale of up to 15,800,000 Shares to identified inventors at an Offer Price of RM0.39 per Share.

The Selling Shareholder, namely Datin Goh Poi Eong, is offering up to 15,800,000 Offer Shares for sale, representing approximately 9.58% of the enlarged issued and paid-up share capital of Focus Point Group.

1.3.5 Listing and quotation

The Company have obtained approval from Bursa Securities for the admission to the Official List and for the listing of and quotation for the entire enlarged issued and paid-up share capital of RM33,000,000 comprising 165,000,000 Shares on the ACE Market of Bursa Securities.

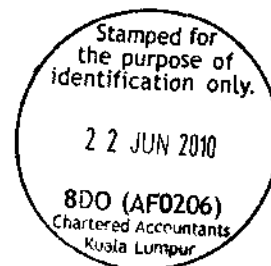


12. FINANCIAL INFORMATION (Cont'd)

*Facus Point Holdings Berhad (Company No. 884238-U)
Proforma Consolidated Financial Information*

2. PROFORMA CONSOLIDATED INCOME STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2007, 31 DECEMBER 2008 AND 31 DECEMBER 2009 (continued)

	Financial years ended 31 December		
	2007 RM'000	2008 RM'000	2009 RM'000
Revenue	82,615	92,193	99,192
Cost of sales	(37,695)	(41,234)	(40,766)
Gross profit	44,920	50,959	58,426
Other operating income	887	1,021	1,121
Selling and distribution costs	(16,372)	(18,218)	(17,451)
Administrative expenses	(25,247)	(26,112)	(29,469)
Finance costs	(853)	(717)	(749)
Share of profits/(losses) in associates	23	51	(8)
Profit before tax	3,358	6,984	11,870
Tax expense	(2,780)	(1,988)	(3,541)
Profit for the financial year	578	4,996	8,329
Attributable to:			
Equity holders of the Company	465	4,941	8,314
Minority interests	113	55	15
	578	4,996	8,329



12. FINANCIAL INFORMATION (Cont'd)

Focus Point Holdings Berhad (Company No. 884238-U)
Proforma Consolidated Financial Information

2. PROFORMA CONSOLIDATED INCOME STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2007, 31 DECEMBER 2008 AND 31 DECEMBER 2009 (continued)

	Financial years ended 31 December		
	2007 RM'000	2008 RM'000	2009 RM'000
Earnings before interest, depreciation, tax and amortisation ("EBIDTA") (RM'000)	6,183	10,167	15,338
Number of ordinary shares of RM0.20 each ('000)	123,800	123,800	123,800
Weighted average number of ordinary shares of RM0.20 each ('000)	123,800	123,800	123,800
Gross earnings per share (sen)	2.62	5.60	9.58
Net earnings per share (sen)	0.38	3.99	6.72
Gross profit ("GP") margin (%)	54.37	55.27	58.90
Profit before tax margin (%)	4.06	7.58	11.97
EBIDTA margin (%)	7.48	11.03	15.46
Effective tax rate (%)	82.79	28.47	29.83

NOTES TO THE PROFORMA CONSOLIDATED INCOME STATEMENTS

- The GP margin is computed by dividing the gross profit by revenue earned in the respective financial years.
- The profit before tax margin is computed by dividing the profit before tax by revenue earned in the respective financial years.
- The gross earnings per share is computed by dividing the profit before tax by the number of ordinary shares in issue of 123,800,000 Shares after the Public Issue.
- The net earnings per share is computed by dividing the net profit for the respective financial years by the number of ordinary shares in issue of 123,800,000 Shares after the Public Issue.
- Inter-company transactions between the companies within the Group for each of the financial years under review have been eliminated on consolidation.
- No exceptional or extraordinary item was recorded during the financial years under review.



12. FINANCIAL INFORMATION (Cont'd)**Focus Point Holdings Berhad (Company No. 884238-U)
Proforma Consolidated Financial Information****2. PROFORMA CONSOLIDATED INCOME STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2007, 31 DECEMBER 2008 AND 31 DECEMBER 2009 (continued)****NOTES TO THE PROFORMA CONSOLIDATED INCOME STATEMENTS (continued)**

- (g) The proforma consolidated income statement of the Group for the FYE 31 December 2007 has been adjusted to exclude the income statements of Focus Preference Sdn. Bhd. and Focus Point Vision Care Group (HP) Sdn. Bhd. as both of these companies were disposed during the FYE 31 December 2007.
- (h) The proforma consolidated income statements of the Group for the FYE 31 December 2007 and 31 December 2008 have been adjusted to incorporate the income statements of Esprit Shoppe Sdn. Bhd. for the FYE 31 December 2007 and 31 December 2008 as it was acquired during the FYE 31 December 2009.
- (i) The proforma consolidated income statements of the Group for the FYE 31 December 2007 and 31 December 2008 have been adjusted to incorporate the income statements of Multiple Reward Sdn. Bhd. for the FYE 31 December 2007 and 31 December 2008 as it was acquired during the FYE 31 December 2009.
- (j) The proforma consolidated income statement of the Group for the FYE 31 December 2007 has been adjusted to incorporate the income statements of Eye-Zed Sdn. Bhd. for the FYE 31 December 2007 as it was acquired during the FYE 31 December 2008.
- (k) The proforma consolidated income statements of the Group for the FYE 31 December 2007 and 31 December 2008 have been adjusted to exclude the income statements of Image Now Branding and Design Sdn. Bhd. as it was disposed during the FYE 31 December 2008.
- (l) The proforma consolidated income statements of the Group for the FYE 31 December 2007, 31 December 2008 and 31 December 2009 have been adjusted to exclude the income statements of Focus Point Properties Sdn. Bhd. as it was disposed during the FYE 31 December 2009.

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12. FINANCIAL INFORMATION (Cont'd)

Focus Point Holdings Berhad (Company No. 884238-U)
 Proforma Consolidated Financial Information

3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009

The Proforma Consolidated Balance Sheets of the Group as at 31 December 2009 have been prepared for illustrative purposes only and after making such adjustments as considered necessary assuming that the Focus Point Group had been in existence as at 31 December 2009.

Section	As at 31 December 2009 RM'000	Proforma			
		I After the Acquisition RM'000	II After Proforma I and the internal restructuring RM'000	III After Proforma II and the Public Issue RM'000	IV After Proforma III and the utilisation of proceeds RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	-	17,147	17,147	17,147	26,091
Investments in associates	-	428	428	428	428
Other investments	-	500	500	500	500
Goodwill on consolidation	-	247	247	247	247
Deferred tax assets	-	182	182	182	182
Trade and other receivables	-	1,044	1,044	1,044	1,044
	-	19,548	19,548	19,548	28,492
Current assets					
Inventories	-	18,883	18,883	18,883	18,883
Trade and other receivables	-	16,531	16,531	16,531	16,531
Current tax assets	-	58	58	58	58
Cash and cash equivalents	(1)	8,081	8,081	24,149	11,905
	(1)	43,553	43,553	59,621	47,377
TOTAL ASSETS	(1)	63,101	63,101	79,169	75,869

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the purpose of
identification only.
22 JUN 2010
BDO (AF0206)
Chartered Accountants
Kuala Lumpur

12. FINANCIAL INFORMATION (Cont'd)

Focus Point Holdings Berhad (Company No. B84238-U)
 Proforma Consolidated Financial Information

3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2DD9 (continued)

Section	As at 31 December 2009 RM'000	Proforma			
		I After the Acquisition RM'000	II After Proforma I and the internal restructuring RM'000	III After Proforma II and the Public Issue RM'000	IV After Proforma III and the utilisation of proceeds RM'000
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	(1)	24,760 ⁽²⁾	24,760 ⁽²⁾	33,000	33,000
Share premium	-	(6)	(6)	7,828	7,020
Accumulated losses	(6)	(6)	(6)	(6)	(998)
Minority interests	(6)	24,754	24,754	40,822	39,022
TOTAL EQUITY	(6)	25,276	25,276	41,344	39,544
LIABILITIES					
Non-current liabilities	-	696	696	696	696
Deferred tax liabilities	-	4,161	4,161	4,161	4,161
Borrowings	-	822	822	822	822
Trade and other payables	-	5,679	5,679	5,679	5,679

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 22 JUN 2010
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 Chartered Accountants
 Kuala Lumpur

12. FINANCIAL INFORMATION (Cont'd)

Focus Point Holdings Berhad (Company No. 884238-U)
 Proforma Consolidated Financial Information

3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009 (continued)

Section	As at 31 December 2009 RM'000	Proforma			
		I After the Acquisition RM'000	II After Proforma I and the internal restructuring RM'000	III After Proforma II and the Public Issue RM'000	IV After Proforma III and the utilisation of proceeds RM'000
LIABILITIES (continued)					
Current liabilities					
Trade and other payables	6	18,388	18,388	18,388	18,388
Borrowings	-	12,481	12,481	10,981	10,981
Current tax liabilities	-	1,277	1,277	1,277	1,277
TOTAL LIABILITIES	6	32,146	32,146	30,646	30,646
TOTAL EQUITY AND LIABILITIES					
Net assets	(1)	63,101	63,101	75,869	75,869
Number of ordinary shares assumed in issue ('000)	(1)	24,754	24,754	40,822	39,022
Net assets per ordinary share (RM)	0.20	123,800 0.20	123,800 0.20	165,000 0.25	165,000 0.24

(1) Represents RM2

(2) Represents RM397

(3) Represents 10 ordinary shares of RM0.20 each

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22 JUN 2010

BDO (AF0206)
Chartered Accountants
Kuala Lumpur

12. FINANCIAL INFORMATION (Cont'd)**Focus Point Holdings Berhad (Company No. 884238-U)**
Proforma Consolidated Financial Information**3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009 (continued)****3.1 PROFORMA ADJUSTMENTS TO THE PROFORMA CONSOLIDATED BALANCE SHEETS****(A) PROFORMA I**

The proforma I is stated after the Acquisition of Focus Point Vision Care by Focus Point.

Focus Point had acquired the entire issued and paid-up share capital of Focus Point Vision Care of RM10,000,000, comprising 10,000,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM24,760,395 based on the audited consolidated net assets of Focus Point Vision Care as at 31 December 2009, satisfied entirely by the issuance of 123,799,990 new Shares in Focus Point, at an issue price of approximately RM0.20 per Share. The Acquisition was completed on 14 April 2010.

(B) PROFORMA II

The proforma II is stated after proforma I and after the internal restructuring.

On 14 April 2010, the Company undertook an internal restructuring, by entering into a conditional sale and purchase agreement with Focus Point Vision Care for the acquisition of the following:

- (i) 50,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Focus Point Management, for a total consideration of RM3,380,693 based on the audited net assets of Focus Point Management as at 31 December 2009 of RM3,380,693; and
- (ii) 300,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Excelview Laser Eye Centre, for a total consideration of RM793,725 based on the audited net assets of Excelview Laser Eye Centre as at 31 December 2009 of RM793,725.

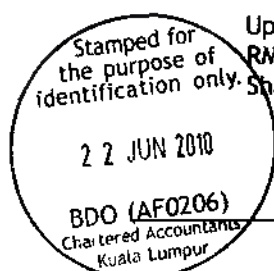
(C) PROFORMA III

The proforma III is stated after proforma II and after the incorporation of the Public issue.

Pursuant to the Public Issue, 41,200,000 new Shares at an Issue Price of RM0.39 per Share are to be allocated in the following manner:

- (i) 10,000,000 Public Issue Shares will be made available for application by the eligible directors, employees and franchisees who have contributed to the success and development of Focus the Focus Point Group; and
- (ii) 22,950,000 Public Issue Shares will be allocated by way of private placement to identified investors; and
- (iii) 8,250,000 Public Issue Shares will be made available for application by the Malaysian public, to be allocated via ballot, of which at least 50% is to be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.

Upon completion of the Public Issue, the issued and paid-up share capital will increase from RM24,760,000 comprising 123,800,000 Shares to RM33,000,000 comprising 165,000,000 Shares.



12. FINANCIAL INFORMATION (Cont'd)**Focus Point Holdings Berhad (Company No. 884238-U)
Proforma Consolidated Financial Information**

3. **PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009 (continued)**
- 3.1 **PROFORMA ADJUSTMENTS TO THE PROFORMA CONSOLIDATED BALANCE SHEETS (continued)**
- (D) **PROFORMA IV**

The gross proceeds arising from the Public Issue amounting to RM16,068,000 are expected to be utilised by Focus Point Group in the following manner:

	RM'000
Expansion of new outlets	7,744
Upgrade and refurbishment of existing outlets	1,200
Repayment of bank borrowings	1,500
Working capital	3,824
Estimated listing expenses	<u>1,800</u>
	<u>16,068</u>

The listing expenses are estimated at RM1,800,000 of which an amount of RM808,000 in respect of share issue expenses will be set off against the share premium account and the balance of RM992,000 will be charged to retained earnings.

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12. FINANCIAL INFORMATION (Cont'd)

Focus Point Holdings Berhad (Company No. 884238-U)
Proforma Consolidated Financial Information3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009 (continued)
3.1 PROFORMA ADJUSTMENTS TO THE PROFORMA CONSOLIDATED BALANCE SHEETS (continued)
(E) SHARE CAPITAL AND RESERVES

The movements in the share capital and reserves of Focus Point Group are as follows:

	Share capital RM'000	Non-distributable			Sub-total RM'000	Minority interest RM'000	Total RM'000
		Share premium RM'000	Accumulated losses RM'000	Share premium RM'000			
As at 31 December 2009	(1). 24,760	-	(6)	(6)	(6)	-	(6)
Acquisition of Focus Point Vision Care	24,760	(2).	-	(2).	24,760	522	25,282
Proforma I	24,760	(2).	(6)	(6)	24,754	522	25,276
Internal restructuring	-	-	-	-	-	-	-
Proforma II	24,760	(2).	(6)	(6)	24,754	522	25,276
Public issue	8,240	7,828	-	-	16,068	-	16,068
Proforma III	33,000	7,828	(6)	(6)	40,822	522	41,344
Utilisation of proceeds	-	(808)	(992)	(992)	(1,800)	-	(1,800)
Proforma IV	33,000	7,020	(998)	(998)	39,022	522	39,544

⁽¹⁾ Represents RM2⁽²⁾ Represents RM397Stamped for
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12. FINANCIAL INFORMATION (Cont'd)**Focus Point Holdings Berhad (Company No. 884238-U)
Proforma Consolidated Financial Information****3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009 (continued)****3.1 PROFORMA ADJUSTMENTS TO THE PROFORMA CONSOLIDATED BALANCE SHEETS (continued)****(F) PROPERTY, PLANT AND EQUIPMENT**

The movements of property, plant and equipment are as follows:

	RM'D00
As at 31 December 2009	-
Acquisition of Focus Point Vision Care	<u>17,147</u>
Proforma I	17,147
Internal restructuring	<u>-</u>
Proforma II	17,147
Public issue	<u>-</u>
Proforma III	17,147
Utilisation of proceeds	
- Expansion of new outlets	7,744
- Upgrade and refurbishment of existing outlets	<u>1,200</u>
Proforma IV	<u>26,091</u>

(G) CASH AND CASH EQUIVALENTS

The movements of cash and cash equivalents are as follows:

	RM'000
As at 31 December 2009	(1)
Acquisition of Focus Point Vision Care	<u>8,081</u>
Proforma I	8,081
Internal restructuring	<u>-</u>
Proforma II	8,081
Proceeds from public issue	<u>16,068</u>
Proforma III	24,149
Utilisation of proceeds	
- Expansion of new outlets	(7,744)
- Upgrade and refurbishment of existing outlets	(1,200)
- Repayment of bank borrowings	(1,500)
- Estimated listing expenses	<u>(1,800)</u>
Proforma IV	<u>11,905</u>

⁽¹⁾ Represents RM2



12. FINANCIAL INFORMATION (Cont'd)**Focus Point Holdings Berhad (Company No. 884238-U)
Proforma Consolidated Financial Information**

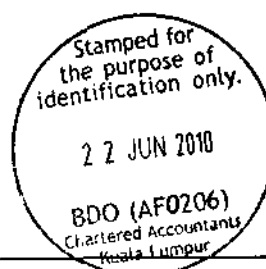
3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009 (continued)
 3.2 NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009
 3.2.1 PROPERTY, PLANT AND EQUIPMENT

	As at 31 December 2009 RM'000
Net carrying amount	
At valuation	
Freehold properties	3,052
At cost	
Alarm and security system	41
Computers	1,394
Freehold properties	598
Furniture and fittings	3,630
Lab tools and equipment	369
Motor vehicles	1,981
Office equipment	163
Optical equipment	2,999
Renovation and electrical installations	2,685
Signboards	235
	17,147
Utilisation of proceeds	
- Expansion of new outlets	7,744
- Upgrade and refurbishment of existing outlets	1,200
	26,091

The freehold properties with net carrying amounts of RM3,650,000 have been pledged as securities for banking facilities granted to the Group.

3.2.2 INVESTMENTS IN ASSOCIATES

	As at 31 December 2009 RM'000
Unquoted equity shares, at cost	221
Acquisition of shares in an associate	172
Share of post-acquisition reserves	35
	428



12. FINANCIAL INFORMATION (Cont'd)**Focus Point Holdings Berhad (Company No. 884238-U)
Proforma Consolidated Financial Information****3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009 (continued)****3.2 NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009****3.2.3 OTHER INVESTMENT**

	As at 31 December 2009 RM'000
Quoted in Malaysia, at cost	
- Unit trust	500

The unit trust has been pledged as security for banking facilities granted to the Group.

3.2.4 GOODWILL ON CONSOLIDATION

	As at 31 December 2009 RM'DDD
Cost	272
Less: Impairment losses	(25)
Carrying amount	247

3.2.5 DEFERRED TAX ASSETS/ LIABILITIES

(a) The deferred tax assets and liabilities are made up of the following:

	As at 31 December 2009 RM'000
Balance as at 1 January 2009	487
Recognised in income statement	27
Balance as at 31 December 2009	514

	As at 31 December 2009 RM'D00
Presented after appropriate offsetting:	
Deferred tax assets, net	(182)
Deferred tax liabilities, net	696
	514



12. FINANCIAL INFORMATION (Cont'd)

Focus Point Holdings Berhad (Company No. 884238-U)
Proforma Consolidated Financial Information

3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009 (continued)

3.2 NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009

3.2.5 DEFERRED TAX ASSETS/ LIABILITIES (continued)

(b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax liabilities

	Property, plant and equipment RM'000
At 1 January 2009	525
Recognised in the income statement	171
	<hr/>
At 31 December 2009	696
	<hr/>

Deferred tax assets

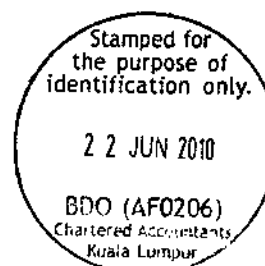
	Deferred franchise fees RM'DDD	Unabsorbed capital allowances RM'000	Total RM'000
At 1 January 2009	(35)	(3)	(38)
Recognised in the income statement	(144)	-	(144)
	<hr/>	<hr/>	<hr/>
At 31 December 2009	(179)	(3)	(182)
	<hr/>	<hr/>	<hr/>

(c) The amount of temporary differences for which no deferred tax assets have been recognised in the balance sheet are as follows:

	2009 RM'000
Unused tax losses	59
Unabsorbed capital allowances	29
	<hr/>
	88
	<hr/>

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised.

The deductible temporary differences do not expire under the current tax legislation.



12. FINANCIAL INFORMATION (Cont'd)**Focus Point Holdings Berhad (Company No. 884238-U)**
Proforma Consolidated Financial Information

3. **PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009 (continued)**
- 3.2 **NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009 (continued)**
- 3.2.6 **TRADE RECEIVABLES AND OTHER RECEIVABLES**

	As at 31 December 2009 RM'000
Trade receivables	
Non-current assets	
Third parties	1,044
Current assets	
Third parties	7,655
Companies in which Directors of the Company have substantial financial interests	458
Amounts owing by associates	821
	8,934
Less: Allowance for doubtful debts	(214)
	8,720
Other receivables, deposits and prepayments	
Other receivables	
- Third parties	467
- Amounts owing by associates	12
- Companies in which Directors of the Company have substantial financial interests	15
	494
Deposits	6,300
Prepayments	1,017
	7,811
	16,531

- (a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from cash terms to 60 days from date of invoice.
- (b) Included in trade receivables of the Group are amounts owing by franchisees for the sale of non-trade goods and fixed assets by Focus Point Vision Care amounting to RM4,205,000 of which RM3,161,000 are current.
- (c) All trade and other receivables are denominated in Ringgit Malaysia ("RM").

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12. FINANCIAL INFORMATION (Cont'd)**Focus Point Holdings Berhad (Company No. 884238-U)**
Proforma Consolidated Financial Information**3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009 (continued)****3.2 NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009 (continued)****3.2.7 INVENTORIES**

	As at 31 December 2009 RM'DDD
At cost	
- Optical and related products	944
- Operation consumables	29
	<u>973</u>
At net realisable value	
Optical and related products	<u>17,910</u>
	<u>18,883</u>

3.2.8 CURRENT TAX ASSETS/LIABILITIES

	As at 31 December 2009 RM'000
Current tax assets	
Corporate income tax	<u>58</u>
Current tax liabilities	
Corporate income tax	<u>1,277</u>

3.2.9 CASH AND CASH EQUIVALENTS

	As at 31 December 2009 RM'000
Cash and bank balances	7,368
Deposits with licensed banks	<u>4,537</u>
	<u>11,905</u>

(a) Bank balances are deposits held at call with licensed banks, which are denominated in RM.

(b) The fixed deposits with licensed banks have been pledged as securities for banking facilities granted to the Group.

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12. FINANCIAL INFORMATION (Cont'd)**Focus Point Holdings Berhad (Company No. 884238-U)**
Proforma Consolidated Financial Information**3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009 (continued)****3.2 NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009 (continued)****3.2.10 SHARE CAPITAL**

The details of the changes in the issued and paid up share capital of the Company since the date of incorporation are as follows:

Date of allotment	No of shares allotted	Cumulative no of shares allotted	Par value (RM)	Consideration	Cumulative total issued and paid-up share capital (RM)
30 December 2009	2	2	1.00	Subscriber's shares	2
1 April 2010	10	10	0.20	Subdivision of shares from RM1.00 each to RM0.20 each	2
14 April 2010	123,799,990	123,800,000	0.20	Full purchase consideration for the Acquisition	24,760,000
(1)	41,200,000	165,000,000	0.20	Public issue	33,000,000

(1) As stated in Proforma III, new shares to be issued pursuant to the Public issue

3.2.11 SHARE PREMIUM

The share premium is in respect of the proceeds in excess of the nominal value of shares issued pursuant to the Public Issue after deducting the estimated listing expenses of approximately RM808,000 as disclosed in Section 3.1 (E).

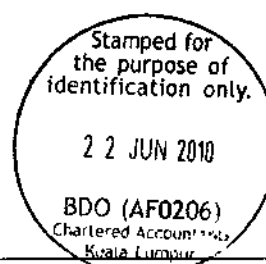
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12. FINANCIAL INFORMATION (Cont'd)**Focus Point Holdings Berhad (Company No. 884238-U)
Proforma Consolidated Financial Information****3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009 (continued)****3.2 NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009 (continued)****3.2.12 BORROWINGS**

	As at 31 December 2009 RM'000
Current liabilities	
Term loans	810
Bankers' acceptances	10,642
Hire-purchase liabilities	1,029
	<u>12,481</u>
Repayments using proceeds from public issue	<u>(1,500)</u>
	<u>10,981</u>
Non-current liabilities	
Term loans	3,031
Hire-purchase liabilities	1,130
	<u>4,161</u>

- (a) Certain bank borrowings of the Group are secured by:
- (i) a corporate guarantee from Focus Point Vision Care ;
 - (ii) personal guarantees from the Directors of Focus Point Vision Care;
 - (iii) a charge over the Focus Point Vision Care's freehold properties with a net carrying amounts of RM3,650,000; and
 - (iv) a charge over the Focus Point Vision Care's other investment in unit trust of RM500,000; and
 - (v) a charge over the Focus Point Vision Care's fixed deposits of RM4,537,000.
- (b) the weighted average effective interest rate of term loans of the Group is 6.71% per annum.
- (c) The weighted average effective interest rate of bankers' acceptances of the Group is 3.62% per annum.
- (d) The weighted average effective interest rate of hire-purchase liabilities of the Group is 5.76% per annum.
- (e) All borrowings are denominated in RM.



12. FINANCIAL INFORMATION (Cont'd)**Focus Point Holdings Berhad (Company No. 884238-U)**
Proforma Consolidated Financial Information

3. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009 (continued)
- 3.2 NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009 (continued)
- 3.2.13 TRADE AND OTHER PAYABLES

	As at 31 December 2009 RM'000
Non-current	
Trade payables	
Third parties	822
Current	
Trade payables	
Third parties	9,861
Other payables and accruals	
Other payables	
- Third parties	2,941
Directors of the Company	86
Amounts owing to associates	49
Deposits received	3,207
Accruals	2,244
	8,527
	18,388

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Focus Point Vision Care Group by suppliers range from 30 to 90 days from date of invoice.
- (b) Included in the trade payables of the Focus Point Vision Care are franchise fees amounting to RM1,092,000 of which RM270,000 are current. The franchise fees have been deferred and recognised over the period of the respective franchise agreements in line with the services to be rendered.
- (c) Included in the deposits received of the Focus Point Vision Care Group is a sinking fund amounting to RM476,456, which is in respect of funds received from the franchisee for the repair and maintenance of the franchise outlets.
- (d) The currency exposure profile of payables are as follows:

	As at 31 December 2009 RM'000
European euro	984
United States dollar	1,180
Hong Kong dollar	1
Singapore dollar	1
Ringgit Malaysia	17,044
	19,210

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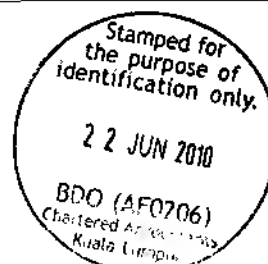
12. FINANCIAL INFORMATION (Cont'd)

Focus Point Holdings Berhad (Company No. 884238-U)
Proforma Consolidated Financial Information

4. PROFORMA CONSOLIDATED CASH FLOW STATEMENT FOR THE FYE 31 DECEMBER 2009

The Proforma Consolidated Cash Flow Statement for the FYE 31 December 2009, for which the Directors of Focus Point Group are solely responsible, are prepared for illustrative purposes only and is based on the audited financial statements of the Focus Point Group after making such adjustments considered necessary assuming that the Focus Point Group had been in existence throughout the FYE 31 December 2009 and adjusted for the proceeds from the Public Issue and proposed utilisation of funds.

	FYE 31 December 2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before tax	11,870
Adjustments for:	
Allowance for doubtful debts	169
Bad debts written off	35
Depreciation of property, plant and equipment	2,719
Gain on disposal of property, plant and equipment	(32)
Interest expense	696
Interest income	(105)
Inventories written down	480
Property, plant and equipment written off	206
Share of losses in associates	8
Operating profit before working capital changes	16,046
Changes in working capital:	
Increase in inventories	(4,961)
Increase in trade and other receivables	(723)
Decrease in trade and other payables	(2,478)
Cash generated from operations	7,884
Tax paid	(3,103)
Net cash from operating activities	4,781
CASH FLOWS FROM INVESTING ACTIVITIES	
Dividend paid	(3,000)
Interest received	68
Proceeds from issuance of shares to minority interest shareholders of subsidiary	74
Proceeds from disposal of property, plant and equipment	704
Purchase of property, plant and equipment utilising: -	
- working capital	(4,234)
- proceeds from public issue	(8,944)
Net cash used in investing activities	(15,332)



12. FINANCIAL INFORMATION (Cont'd)

Focus Point Holdings Berhad (Company No. 884238-U)
Proforma Consolidated Financial Information4. PROFORMA CONSOLIDATED CASH FLOW STATEMENT FOR THE FYE 31 DECEMBER 2009
(continued)

	FYE 31 December 2009 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES	
Drawdown of bankers' acceptances	897
Drawdown of term loans	3,050
Interest paid	(696)
Placements of fixed deposits pledged to licensed banks	(104)
Proceeds from public issue	16,068
Payments of listing expenses	(1,800)
Repayment of bank borrowings using proceeds from public issue	(1,500)
Repayments of hire-purchase liabilities	(1,058)
Repayments of term loans	(488)
Net cash from financing activities	14,369
Net increase in cash and cash equivalents	3,818
Cash and cash equivalents at the beginning of the financial year	3,550
Cash and cash equivalents at the end of the financial year	7,368

Cash and cash equivalents

Cash and cash equivalents included in the Proforma Consolidated Cash Flow Statements comprise the following Proforma Consolidated Balance Sheet amounts:

	As at 31 December 2009 RM'000
Cash and bank balances	7,368
Deposits with a licensed bank	4,537
As per Proforma Consolidated Balance Sheet - Proforma IV	11,905
Less: Deposits pledged to a licensed bank as securities	(4,537)
As per Proforma Consolidated Cash Flow Statement	7,368



12. FINANCIAL INFORMATION (Cont'd)

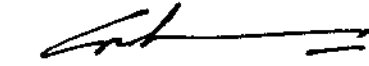
Focus Point Holdings Berhad (Company No. 884238-U)
Proforma Consolidated Financial Information

APPROVAL BY THE BOARD OF DIRECTORS

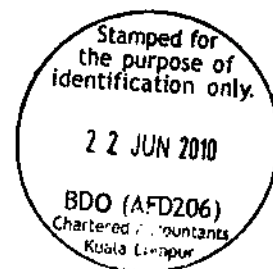
Approved and adopted by the Board of Directors in accordance with a resolution dated 22 June 2010.



.....
DATO' LIAW CHOON LIANG
DIRECTOR
Focus Point Holdings Berhad



.....
DATIN GOH POI EONG
DIRECTOR
Focus Point Holdings Berhad



12. FINANCIAL INFORMATION (Cont'd)**12.4 Capitalisation and Indebtedness**

You should read the financial information presented below together with the Reporting Accountants' letter on our Pro forma Consolidated Financial Information and the Reporting Accountants' Report, together with the notes, assumptions and bases thereto, as set out in Sections 12.3 and 13 of this Prospectus respectively.

The following table sets out our pro forma consolidated cash and cash equivalents, capitalisation and indebtedness as at 31 December 2009 to show the effects of our Flotation Exercise and the use of proceeds arising from the IPO on the assumptions that the transactions had been effected on that date:

	Pro forma audited as at 31 December 2009 after the Acquisition (RM'000)	After the IPO and utilisation of proceeds (RM'000)
Cash and cash equivalents	8,081	11,905
Indebtedness		
Short-term indebtedness		
- Secured	12,481	10,981
- Unsecured	-	-
Long-term indebtedness		
- Secured	4,161	4,161
- Unsecured	-	-
Total indebtedness	16,642	15,142
Total shareholders' equity	24,754	39,022
Total capitalisation and indebtedness	41,396	54,164

As at 31 December 2009, none of our borrowings are guaranteed. The indirect and contingent liabilities of our Group are set out in Section 12.5.6 of this Prospectus.

12.5 Liquidity and Capital Resources**12.5.1 Working capital**

We have been financing our operations through cash generated from our operating activities and external sources of funds. Our external sources of funds mainly comprise bank borrowings.

Our principal sources of liquidity as at 31 December 2009 are set out below:

	(RM'000)
Cash and bank balances	3,544
Deposits with licensed banks	4,537
Bank borrowings	16,642

12. FINANCIAL INFORMATION (Cont'd)

As at 31 December 2009, we have total current assets of approximately RM43.55 million and current liabilities of approximately RM32.15 million, translated to approximately RM11.40 million of net working capital and a current ratio of 1.36 times. The current assets mainly comprise inventories, trade receivables, other receivables, as well as cash and cash equivalents. Please refer to Section 12.5.9 of this Prospectus for the key financial ratios of our trade receivables, trade payables and inventories.

We are of the opinion that, after taking into consideration our current cash flow position together with the proceeds arising from the Public Issue and banking facilities available, as well as our capacity to obtain further institutional financing based on our debt to equity ratio of 0.39 times (based on our pro forma consolidated balance sheets as at 31 December 2009 after incorporating the effects of our Flotation Exercise and the use of proceeds arising from the IPO), we will have sufficient working capital for a period of twelve (12) months from the issue date of this Prospectus.

12.5.2 Cash flow

Our Group's pro forma consolidated cash flow for the FYE 2009 is set out below:

	FYE 2009 (RM'000)*
Net cash generated from operating activities	4,781
Net cash used in investing activities	(6,388)
Net cash generated from financing activities	1,601
Net increase in cash and cash equivalents	(6)
Cash and cash equivalents at the beginning of year	3,550
Cash and cash equivalents at the end of year	<u>3,544</u>

Note:

* Our pro forma consolidated cash flow statement has been prepared before taking into account the Public Issue and utilisation of proceeds.

Cash flows generated from operating activities

During the FYE 2009, our Group generated net cash flow for operating activities of approximately RM4.78 million. Out of this, approximately RM4.96 million were used to purchase inventories as higher demand for eyewear and eye care products were anticipated from our franchised outlets and the re-branding of our "Opulence" outlets. In addition, approximately RM723,000 was used to finance our Group's accounts receivables as a result of increasing number of franchisees, whilst approximately RM2.48 million was used to settle the amounts due to our suppliers.

12. FINANCIAL INFORMATION (Cont'd)***Cash flows used in investing activities***

During the FYE 2009, we acquired certain property, plant and equipments for the setting up of an additional thirteen (13) new outlets during the year and renovated a few of our outlets at a cost of approximately RM3.06 million. We also purchased certain property, plant and equipments for the extension of our head office at a cost of approximately RM1.17 million. During the same year, our Group has received approximately RM704,000 from the disposal of certain plants and equipment. In addition, our Group has paid dividends of approximately RM3.00 million to our shareholders.

Cash flow generated from financing activities

During the FYE 2009, our Group's net cash flow generated from our financing activities was mainly attributable from the additional drawdown of term loan to finance the increasing purchase of eyewear and eye care products as we have opened ten (10) additional new outlets during the year. During the FYE 2009, out of ten (10) additional new outlets, four (4) of the new outlets have been converted into franchised outlets. Furthermore, a drawdown on our bankers' acceptance was made for the purpose of repaying term loans, hire purchase and interest payment, as well as additional deposit pledged with a licenced bank, to switch our bank borrowings from one (1) bank to another which offered us higher trade facilities.

12.5.3 Borrowings

As at 31 December 2009, we have total outstanding local borrowings, all of which are interest-bearing, amounting to approximately RM16.64 million comprising the following:

	(RM'000)
Short-term borrowings	12,481
Long-term borrowings	4,161
	<u>16,642</u>
Gearing ratio as at 31 December 2009 (times)	0.67
Gearing ratio after IPO and utilisation of proceeds (times)	0.39

We have no outstanding foreign interest-bearing borrowings as at 31 December 2009.

We have not defaulted on any payment of interest or principal sum throughout the past one (1) financial year preceding the date of this Prospectus.

12.5.4 Breach of terms and conditions/covenants associated with credit arrangement/bank loan

To the best of our Board's knowledge, as at LPD, we are not in breach of any term and condition or covenant associated with credit arrangement or bank loan, which can materially affect our financial results or business operations, or the investments by holders of securities in our Group.

12. FINANCIAL INFORMATION (Cont'd)**12.5.5 Types of financial instruments used**

As at LPD, the types of financial instruments that we used are as follows:

Type of financial instruments used	Maturity date	Interest rate
Term loans	Last instalments ranging from August 2011 to March 2015	Ranging from 1.25% above bank's base-lending rate; or 1.75% to 2% over three (3) years effective cost of funds; or fixed rate of 6% to 6.25%
Bankers' acceptances	Between 90 to 180 days	Between 1.25% above the acceptance commission, which is equivalent to overall rate of 4%
Letter of credit	Between 60 to 90 days	0.10% per month with minimum of RM100 per issue
Hire purchase	Not applicable	Between 2.22% to 4.76%
Overdraft	Not applicable	Within 1% to 1.75% above the bank's base-lending rate

The majority of our bank borrowings comprise bankers' acceptances which are necessary to finance our working capital requirements, i.e. payments for the purchase of eyewear and eye care products. Furthermore, a portion of our eyewear and eye care products which are purchased from our overseas sources are denominated in USD, Euro and HKD. In view of this, we would hedge against foreign currency fluctuations through locking in foreign currency rates at the time of order placement, such as entering into forward contracts with our suppliers to hedge against fluctuations in the prices of these eyewear and eye care products. We monitor our trade payables which are payable in foreign currencies on a monthly basis to provide us with the basis on the amount of foreign currencies to be locked in. This gives us an indication to the appropriate payment methods to adopt, i.e. through bank transfer to the respective suppliers at the prevailing spot rates or hedge against the foreign currencies through forward contract(s) maintained with financial institution(s). The payment method is dependent on the prevailing foreign exchange rates as well as our forecast on the foreign exchange fluctuations in the future. By hedging forward, we minimise our foreign exchange exposure risk.

12.5.6 Indirect/Contingent liabilities

Save as disclosed below, as at LPD, we do not have any indirect or material contingent liability that may have a material and adverse impact on our financial position:

(RM'000)

For wholly- and partially-owned professional eye care outlets*Contracted but not provided for:*

Rental payment of outlets to landlords and shopping centres	
- within one (1) year	9,630
- more than one (1) year but less than five (5) years	6,074

For franchised and licensed professional eye care outlets*Contracted but not provided for:*

Rental payment of outlets to landlords and shopping centres	
- within one (1) year	5,861
- more than one (1) year but less than five (5) years	3,442

Total	25,007
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12. FINANCIAL INFORMATION (Cont'd)

Our Group has back-to-back arrangements with our franchisees on the rented business premises where our Group enters into rental agreement with the respective landlords, thereafter sub-lease the business premises to our franchisees. The rental expenses for these business premises are borne by the franchisees. Furthermore, it should be noted that in the event of any default in rental payment by our franchisees, our franchisees are bound and our interests are protected by the terms and conditions stated in the respective franchise agreements.

12.5.7 Material capital commitments

Save for the purchase of property, optical equipments and renovation on new outlets which was approved by our Board but not contracted for, amounting to approximately RM439,040, as at LPD, we do not have any material capital commitment, which upon becoming enforceable may have a material and adverse impact on our financial position. The said capital expenditure would be financed through our internally-generated funds and/or proceeds to be raised from the Public Issue.

12.5.8 Material litigation/arbitration

As at LPD, we are not engaged in any material litigation or arbitration, either as plaintiff or defendant, which has or might have material effects on our business or financial position, and our Directors do not know of any proceeding pending and threatened, and of any fact likely to give rise to any proceeding which might materially and adversely affect our business or financial position.

12.5.9 Key financial ratios

The key financial ratios of our Group are as follows:

	<----- Pro forma ----->		
	FYE 2007	FYE 2008	FYE 2009
Trade receivables turnover (days)			
▪ Excluding retail transactions ⁽¹⁾	185	170	180
▪ Including retail transactions	28	30	38
Trade payables turnover (days)			
▪ Excluding deferred franchise fees	129	99	88
▪ Including deferred franchise fees	129	102	96
Inventory turnover (days)	145	126	149
Current ratio (times)	1.20	1.19	1.36

Note:

(1) *The retail sales are transacted in cash terms.*

Trade receivables

We practice close monitoring of our credit policy and take reasonable steps to ensure collections are within the credit period granted. Our retail transactions are in cash terms whilst transactions with our franchisees are in credit terms. Our normal credit period given to our franchisees ranges from 30 to 60 days for eyewear and eye care products sold to our franchisees. In support of our franchisees in setting up their new outlets, we also grant initial investment funding to our franchisees, with extended credit terms ranging from one (1) year to three (3) years that varies among franchisees. Our granting of extended credit terms are subject to, amongst others, an assessment of the franchisee by our Franchise Development Department, a location survey on the outlet operated by the franchisee, the franchisee's outlet historical

12. FINANCIAL INFORMATION (Cont'd)

financial track record and financial forecast, as well as the franchisee's payment history.

During the FYE 2009, provision for doubtful debts of approximately RM214,000 for the period of 151 to 360 days as shown in the table below has been recognised in the pro forma consolidated financial statements for the long outstanding debts where the management is of the opinion that the recoverability of these amount are uncertain.

Save for the above, no provision for doubtful debts or bad debts written off has been made for trade receivables in our pro forma consolidated financial statements.

As at 31 December 2009, our trade receivables ageing analysis is as follows:

	0-30 days RM'000	31-60 days RM'000	61-150 days RM'000	151-360 days RM'000	> 12 months RM'000	Total RM'000
Trade receivables [^]	3,295	1,792	2,701	1,146	*1,044	9,978
Less: Provision for doubtful debts	-	-	-	(214)	-	(214)
	3,295	1,792	2,701	932	*1,044	9,764
% of total trade receivables	35.47	18.36	27.67	9.54	8.96	100.00
Subsequent collection as at LPD	2,675	1,373	2,088	587	-	6,723
Outstanding balance as at LPD	620	419	613	345	1,044	3,041

Notes:

[^] Including amount due by our franchisees under the extended credit terms.

* Representing amounts due from our franchisees as a result of extended credit terms granted to them on a case-by-case basis.

As at 31 December 2009, out of the total trade receivables of approximately RM9.76 million, RM8.28 million are within the normal credit period and extended credit period granted to our franchisees whilst the remaining RM1.48 million have exceeded the normal credit period and extended credit period granted to our franchisees.

As at LPD, we have collected approximately RM6.72 million, representing approximately 68.85% of the trade receivables. Our Directors are of the opinion that our outstanding trade receivables are recoverable in full after taking into consideration the well-established relationship between our Group and our franchisees.

Trade payables

As at 31 December 2009, our trade payables ageing analysis is as follows:

	0 – 30 days (RM'000)	31 – 60 days (RM'000)	61 – 90 days (RM'000)	> 91 days (RM'000)	Total (RM'000)
Trade payables	3,986	3,849	1,450	1,398	10,683
% of total trade payables	37.30	36.03	13.57	13.10	100.00

12. FINANCIAL INFORMATION (Cont'd)

The normal credit period granted to us by our suppliers for the purchase of eyewear and eye care products ranges from 30 to 90 days. However, our trade payables turnover was higher for the FYE 2007 and 2008 as our suppliers had granted us a longer credit period during the slowdown in the Malaysian economy.

As revenue contributed by our franchising model has been increasing over the past three (3) financial years under review, we changed the revenue recognition policy for our franchising business from cash basis to accrual basis in 2008. The franchise fees of RM30,000 which are charged to our franchisees for a period of five (5) years have been deferred and recognised over the period of the respective franchise agreements in line with the services to be rendered.

In relation thereto, for the FYE 2008 and 2009, our trade payables comprised purchases of eyewear and eye care products from our suppliers, as well as franchise fees. Included in our trade payables for the FYE 2008 and 2009 are also franchise fees amounting to approximately RM0.75 million and RM1.09 million respectively of which RM162,000 and RM270,000 respectively are current. As such, our trade payables turnovers including the franchise fees are relatively higher during the past two (2) financial years up to FYE 2009.

In view of the good relationships with our major suppliers, there was no significant matter *in dispute with respect to trade payables for the financial years under review*. Neither was there any legal action initiated by any of our suppliers to demand for payment. Trade payables exceeding the normal credit period were not significant as at 31 December 2009.

Inventories

Our inventories turnover period ranged from 126 to 149 days during the past three (3) financial years up to FYE 2009 due to higher purchase of eyewear and eye care products during the financial years under review. This is to cater for the demand of eyewear and eye care products of our increasing number of franchised outlets.

12.6 Material Capital Expenditure and Divestiture

Save as disclosed below, there has been no other material capital expenditure (including interests in other corporations) made by our Group during the past three (3) financial years up to LPD:

	FYE 2007	FYE 2008	FYE 2009	1 January 2010 up to LPD
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Land and buildings	-	620	-	448
Motor vehicles	-	1,455	59	-
Furniture and fittings	969	840	1,083	791
Office and optical equipment	1,239	986	1,203	722
Computer	639	220	1,365	284
Renovation of outlets and installation of electrical appliances	526	1,030	1,176	502
	3,373	5,150	4,886	2,747

The above material capital expenditures were financed by term loans, hire purchases and internally-generated funds.

12. FINANCIAL INFORMATION (Cont'd)

All the material capital expenditures listed above are expenditures within Malaysia. There was no material capital divestiture for the past three (3) financial years up to LPD.

As at the date of this Prospectus, our Group does not have any material capital expenditures or divestitures outside Malaysia.

12.7 Trend Information

As at LPD, to the best of our Directors' knowledge and belief, our operations have not been and are not expected to be affected by any of the following:

- (a) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our financial performance, position and operations other than those discussed in this section, Sections 4, 6 and 7 of this Prospectus;
- (b) material commitment for capital expenditure, save as set out in Section 12.5.7 of this Prospectus;
- (c) unusual, infrequent events or transactions or any significant economic changes that have materially affected our financial performance, positions and operations of our Group save as disclosed in this section and Section 4 of this Prospectus;
- (d) known trends, demands, commitments, events or uncertainties that have resulted in a material impact on our Company revenue and/or profits, save for those have been disclosed in this section, Sections 6 and 7 of this Prospectus;
- (e) known events, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's liquidity and capital resources, other than those disclosed in this section, Section 4, 6 and 7 of this Prospectus; and
- (f) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of our future performance and position other than those disclosed in this section and in Sections 4 and 6.23 of this Prospectus.

Our Board is optimistic about our future prospects and the outlook of the professional eye care industry as set out in Section 7 of this Prospectus, in consideration of our competitive advantages as set out in Section 6.5 of this Prospectus, the factors and trends affecting our future financial condition and results as set out in Section 12.2.2 of this Prospectus and our dedication towards the future plans and strategies of our Group as set out in Section 6.22 of this Prospectus.

12.8 Dividend Policy

Our Company may declare dividends upon the recommendation of our Board and upon approval by a majority of our shareholders at our annual general meeting. Going forward, our ability to pay dividends or make other distributions to our shareholders to allow our shareholders to participate in our Group's profits is subject to various factors such as:

- (a) the level of our cash, marketable financial assets and level of indebtedness;
- (b) our required and expected interest expense, cash flows, profits, return on equity and earnings;
- (c) our expected results of operations; and
- (d) our projected levels of capital expenditure and other investment plans.

13. ACCOUNTANTS' REPORT

(Prepared for inclusion in this Prospectus)



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The Board of Directors
Focus Point Holdings Berhad
Unit 1, 3 & 5-1, Jalan PJU 1/37
Dataran Prima
47301 Petaling Jaya
Selangor Darul Ehsan

22 June 2010
Our ref: B00/SCT/CKW

Dear Sirs

FOCUS POINT HOLDINGS BERHAD ("Focus Point" or the "Company")
ACCOUNTANTS' REPORT (the "Report")

1. INTRODUCTION

This Report has been prepared by BDO, an approved company auditor, for inclusion in the Prospectus of Focus Point to be dated 30 June 2010 in connection with the listing of and quotation for the enlarged issued and paid-up share capital of Focus Point on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Scheme"), and should not be relied on for any other purposes. The details of the Listing Scheme are disclosed in Section 2 of this Report.

2. DETAILS OF THE LISTING SCHEME

In conjunction with and as an integral part of the listing of Focus Point on the ACE Market of Bursa Securities, the Company undertakes the following transactions:

2.1 Acquisition

On 14 April 2010, the Company entered into a conditional sale and purchase agreement with the vendors of Focus Point Vision Care Group Sdn. Bhd. ("Focus Point Vision Care") for the acquisition of 10,000,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Focus Point Vision Care, for a total consideration of RM24,760,395 based on the audited consolidated net assets of Focus Point Vision Care as at 31 December 2009 of RM24,760,395. The purchase consideration was satisfied by the issuance of 123,799,990 new shares in the Company at an issue price of approximately RM0.20 per share (the "Shares"). The Acquisition was completed on 14 April 2010.

The new Shares issued pursuant to the Acquisition rank *pari passu* in all respects with the existing issued Shares including voting rights and rights to all dividends and distributions, the entitlement date of which are subsequent thereof.

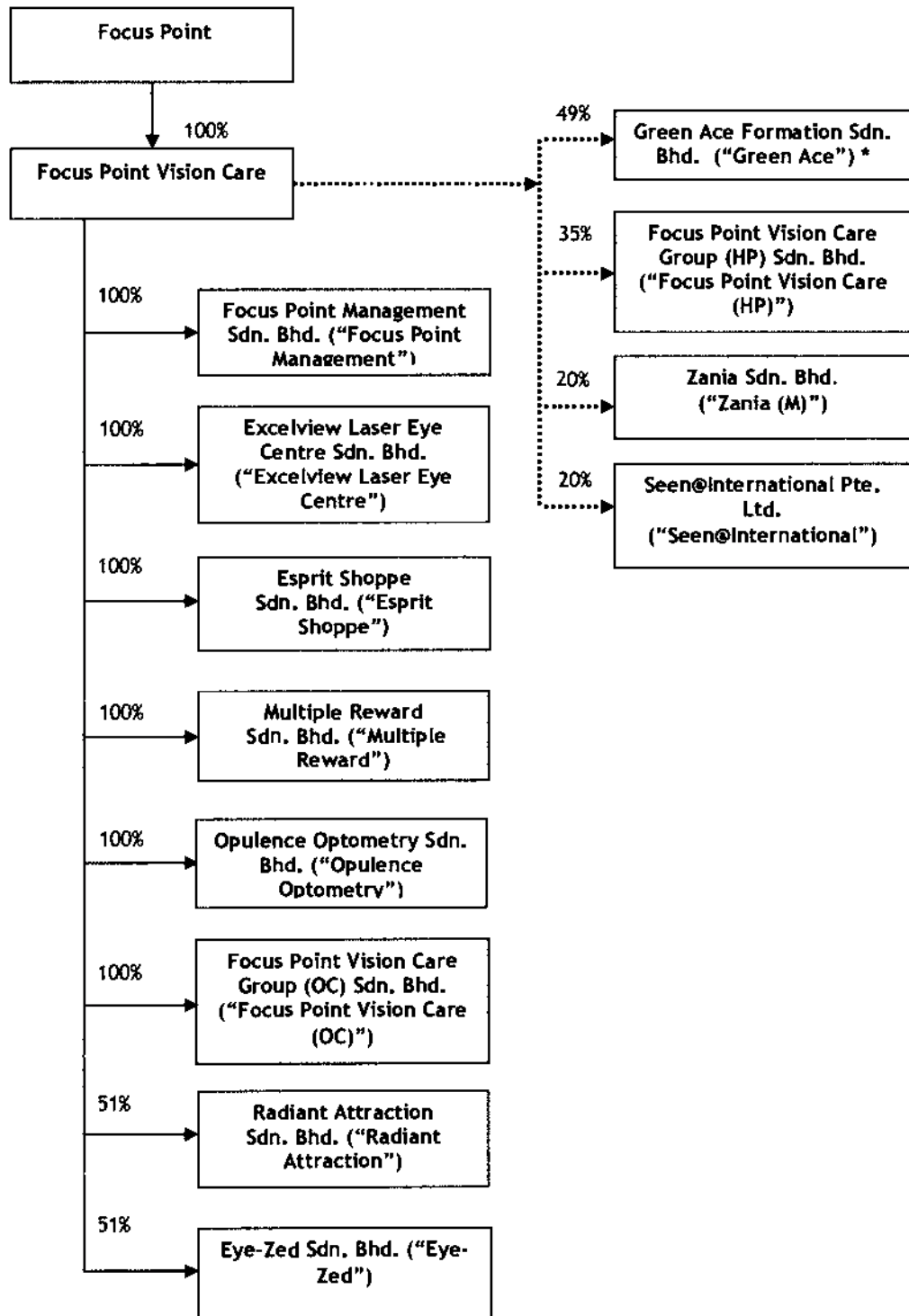
13. ACCOUNTANTS' REPORT (Cont'd)



2. DETAILS OF THE LISTING SCHEME (continued)

2.2 Internal restructuring

Upon completion of the Acquisition, the corporate structure of Focus Point and Focus Point Vision Care and its subsidiaries ("Focus Point Group" or the "Group") is depicted as follows:



Note:

* In members' voluntary winding up.

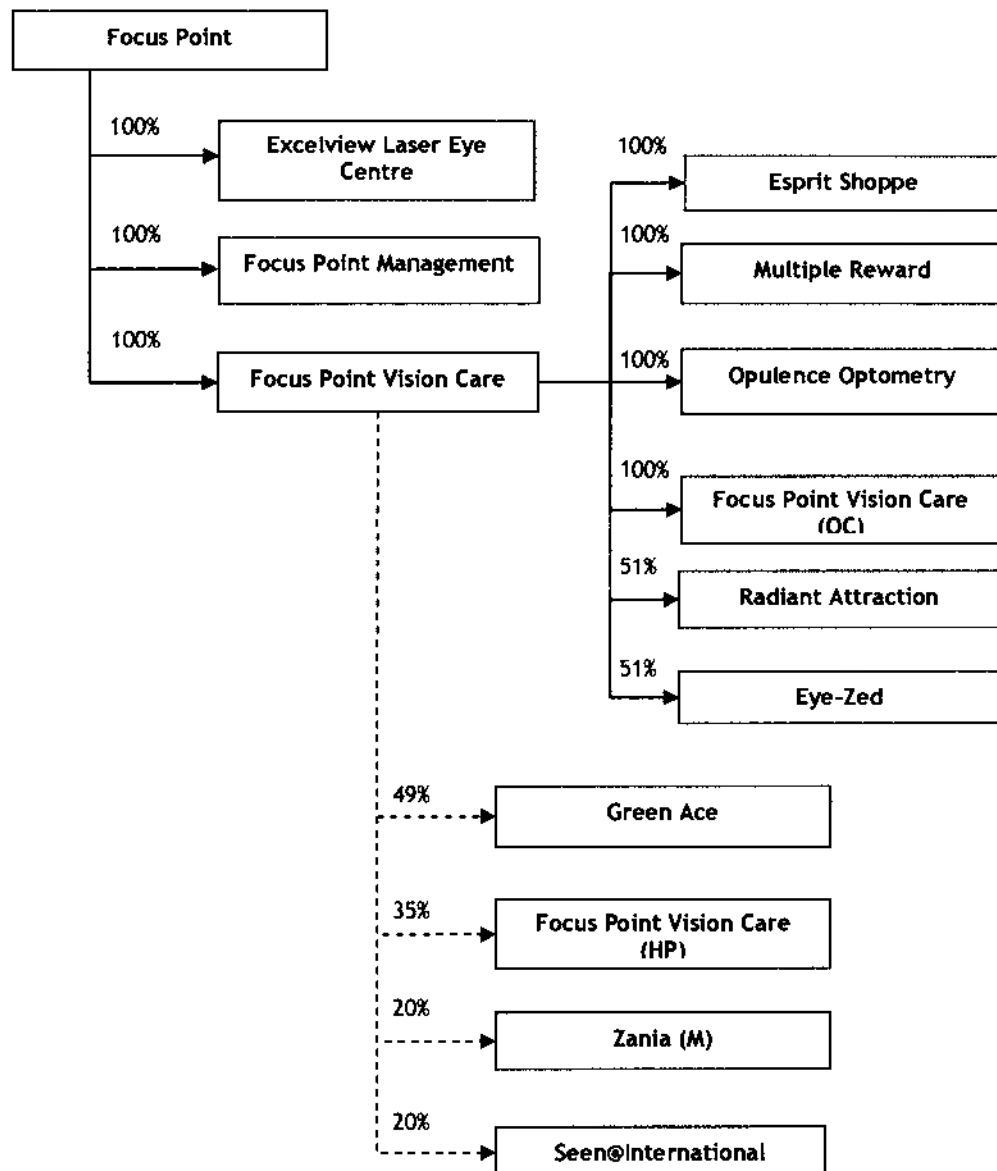
13. ACCOUNTANTS' REPORT (Cont'd)



2. DETAILS OF THE LISTING SCHEME (continued)

2.2 Internal restructuring (continued)

On 14 April 2010, the Company undertook an internal restructuring, which resulted in the corporate structure of Focus Point Group being segregated into three (3) core business segments, being the operation of professional eye care centres, franchising of professional eye care centres and provision of medical eye care services. Upon completion of the Internal Restructuring, the group corporate structure is depicted as follows:



13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

2. DETAILS OF THE LISTING SCHEME (continued)

2.2 Internal restructuring (continued)

On 14 April 2010, the Company undertook an internal restructuring, by entering into a conditional sale and purchase agreement with Focus Point Vision Care for the acquisitions of the following:

- (i) 50,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Focus Point Management, for a total consideration of RM3,380,693 based on the audited net assets of Focus Point Management as at 31 December 2009 of RM3,380,693; and
- (ii) 300,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Excelview Laser Eye Centre, for a total consideration of RM793,725 based on the audited net assets of Excelview Laser Eye Centre as at 31 December 2009 of RM793,725.

2.3 Public issue

Pursuant to the Public Issue, 41,200,000 new Shares at an Issue Price of RM0.39 per Share are to be allocated in the following manner:

- (i) 10,000,000 Public Issue Shares will be made available for application by the eligible directors, employees and franchisees who have contributed to the success and development of the Group; and
- (ii) 22,950,000 Public Issue Shares will be allocated by way of private placement to identified investors; and
- (iii) 8,250,000 Public Issue Shares will be made available for application by the Malaysian public, to be allocated via ballot, of which at least 50% is to be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.

The Public Issue Shares will rank *pari passu* in all respects with our existing issued Shares including voting rights and rights to all dividends and distributions, the entitlement date of which are subsequent thereof.

Upon completion of the Public Issue, the issued and paid-up share capital will increase from RM24,760,000 comprising 123,800,000 Shares to RM33,000,000 comprising 165,000,000 Shares.

2.4 Offer for Sale

In conjunction with the Listing Scheme, the Company will undertake an offer for sale of up to 15,800,000 Shares to identified inventors at an Offer Price of RM0.39 per Share.

The Selling Shareholder, namely Oatin Goh Poi Eong, is offering up to 15,800,000 Offer Shares for sale, representing approximately 9.58% of the enlarged issued and paid-up share capital.

2.5 Listing and quotation

The Company have obtained approval from Bursa Securities for the admission to the Official List and for the listing of and quotation for the entire enlarged issued and paid-up share capital of RM33,000,000 comprising 165,000,000 Shares on the ACE Market of Bursa Securities.

13. ACCOUNTANTS' REPORT (Cont'd)

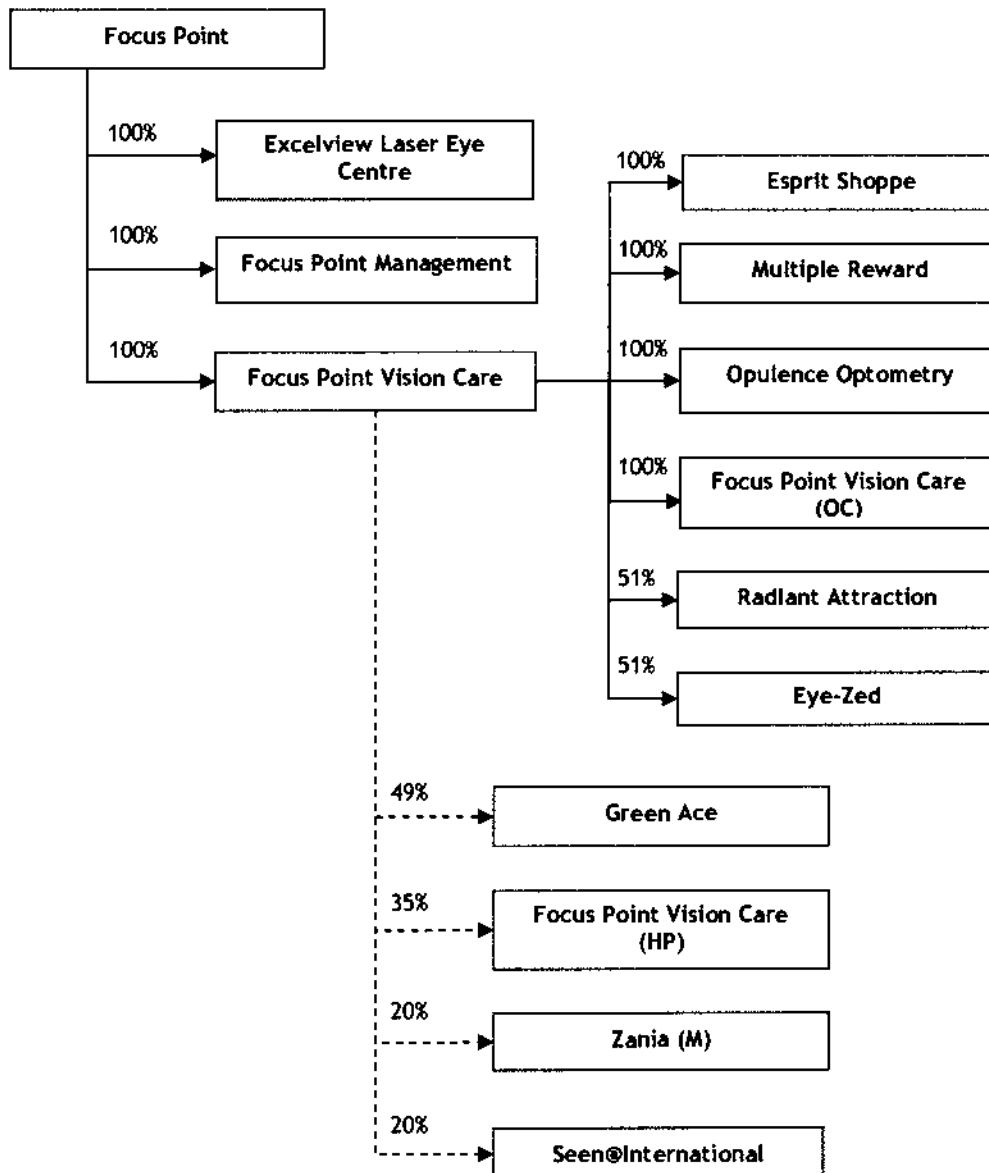


3. GENERAL INFORMATION

The Company was incorporated and domiciled in Malaysia under the Companies Act, 1965 on 30 December 2009 as a private limited company and subsequently changed its status to become a public limited company on 25 January 2010. The registered office of the Company is located at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

3.1 Group structure

As at the date of this Report, the corporate structure of Focus Point Group is as follows:



13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

3. GENERAL INFORMATION (continued)

3.2 Principal activities

The principal activity of the Company is investment holding whilst the details of the subsidiaries and associates as at the date of this Report are as follows:

Subsidiaries	Date of Incorporation	Place of Incorporation	Paid-up Capital	Effective equity interest (%)	Principal activities
Focus Point Vision Care	30 June 1993	Malaysia	RM10,000,000	100	Operation of professional eye care centres, trading of eyewear and eye care products and investment holding
Focus Point Management	27 June 1998	Malaysia	RM50,000	100	Management of franchised professional eye care centres
Excelview Laser Eye Centre	24 March 2000	Malaysia	RM300,000	100	Provision of medical eye care services
<i>Subsidiaries of Focus Point Vision Care</i>					
Esprit Shoppe	29 June 2002	Malaysia	RM100	100	Retailing of optical and related products
Multiple Reward	22 May 2009	Malaysia	RM100,000	100	Retailing of optical and related products
Opulence Optometry	19 October 2005	Malaysia	RM2	100	Retailing of optical and related products
Focus Point Vision Care Group (OC)	10 September 1999	Malaysia	RM300,000	100	Ceased operations since 2006 in order to consolidate its operations under Focus Point Vision Care and has remained dormant

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

3. GENERAL INFORMATION (continued)

3.2 Principal activities (continued)

Subsidiaries	Date of Incorporation	Place of Incorporation	Paid-up Capital	Effective share interest (%)	Principal activities
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*Subsidiaries of
Focus Point
Vision Core
(continued)*

Radiant Attraction	9 March 2005	Malaysia	RM250,000	51	Retailing of optical and related products
Eye-Zed	2 April 2008	Malaysia	RM300,000	51	Retailing of optical and related products

Associates	Date of Incorporation	Place of Incorporation	Paid-up Capital (RM)	Effective share interest (%)	Principal activities
------------	-----------------------	------------------------	----------------------	------------------------------	----------------------

*Associates of
Focus Point
Vision Core*

Green Ace	5 February 2007	Malaysia	RM100,000	49	In the process of members' voluntary winding up
Focus Point Vision Care Group (HP)	26 January 1996	Malaysia	RM80,003	35	Retailing of optical and related products
Zania (M)	28 September 2006	Malaysia	RM100	20	Ceased operations since 2007 in order to consolidate its operations under Focus Point Vision Care and has remained dormant
Seen@International	18 September 2009	Singapore	SGD350,000	20	Retailing of optical and related products

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
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4. SHARE CAPITAL

The Company was incorporated with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each. At an Extraordinary General Meeting held on 1 April 2010, the Company subdivided its authorised share capital into 500,000 ordinary shares of RM0.20 each. Subsequently, the Company increase its authorised share capital from RM100,000 divided into 500,000 shares of RM0.20 each to RM50,000,000 by creation of 249,500,000 new shares of RM0.20 each.

The details of the changes in the issued and paid up share capital of the Company since the date of incorporation are as follows:

Date of alteration	No of Shares altered	Cumulative no of Shares altered	Per share (RM)	Consideration	Cumulative total issued and paid-up share capital (RM)
30 December 2009	2	2	1.00	Subscriber's shares	2
1 April 2010	10	10	0.20	Subdivision of shares from RM1.00 each to RM0.20 each	2
14 April 2010	123,799,990	123,800,000	0.20	Full purchase consideration for the Acquisition	24,760,000

Upon completion of the Public Issue and Offer for Sale ("IPO") as set out in Section 2 of this Report, the issued and fully paid-up share capital of the Company will be enlarged to RM33,000,000 comprising 165,000,000 Shares.

5. DIVIDEND

No dividend was declared by the Company since the date of its incorporation.

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13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

6. RELEVANT FINANCIAL PERIODS AND AUDITORS

Set out below are the relevant financial periods of the audited financial statements presented for the purpose of this Report ("Relevant Financial Periods") and the auditors of the respective companies within the Focus Point Group for the Relevant Financial Periods:

Companies	Relevant Financial Periods	Auditors
Focus Point	Financial period from 30 December 2009 (date of incorporation) to 31 December 2009	BDO
Focus Point Vision Care and its subsidiaries excluding Esprit Shoppe, Eye-Zed, Radiant Attraction and Multiple Reward	Financial year ended ("FYE") 31 December 2007 FYE 31 December 2008 FYE 31 December 2009	BDO BDO BDO
Focus Point Management	FYE 31 December 2007 FYE 31 December 2008 FYE 31 December 2009	BDO BDO BDO
Excelview Laser Eye Centre	FYE 31 December 2007 FYE 31 December 2008 FYE 31 December 2009	BDO BDO BDO
Esprit Shoppe	FYE 31 December 2007 FYE 31 December 2008 FYE 31 December 2009	Messrs Steven Lim & Associates Messrs Steven Lim & Associates BDO
Eye-Zed	Financial period from 2 April 2008 (date of incorporation) to 31 December 2008 FYE 31 December 2009	BDO BDO
Radiant Attraction	FYE 31 December 2007 FYE 31 December 2008 FYE 31 December 2009	Messrs JK Huan & Co Messrs JK Huan & Co BDO
Multiple Reward	Financial period from 22 Mar 2009 (date of incorporation) to 31 December 2009	BDO

The financial statements of all the companies within the Group for the Relevant Financial Periods were not subject to any audit qualification, except for an emphasis of matter, which highlights on the going concern basis of preparing the financial statements in the auditors' report of Opulence Optometry Sdn. Bhd. ("Opulence Optometry") for the FYE 31 December 2007, FYE 31 December 2008 and FYE 31 December 2009 as a result of its losses that have led to capital deficiency, and its current liabilities exceeding its current assets. The continuation of Opulence Optometry as a going concern is dependent on Opulence Optometry's ability to receive continuous financial support from Focus Point Vision Care to meet its obligations as and when they fall due.

The audited reports of Focus Point and Focus Point Vision Care Group for the Relevant Financial Periods are disclosed in Appendix 1 of this Report.

13. ACCOUNTANTS' REPORT (Cont'd)**7. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

This Report is prepared on a basis consistent with the accounting policies adopted by the Group as disclosed in Section 7.1 of this Report.

The financial statements of the Group for the FYE 31 December 2007 and 31 December 2008 had been previously prepared in accordance with applicable approved Private Entity Reporting Standards in Malaysia ("PERS") and the provisions of the Companies Act, 1965. The Group have adopted the applicable approved Financial Reporting Standards in Malaysia ("FRS") and IC Interpretations for the FYE 31 December 2009 and the effects of these adoptions are disclosed in Section 7.2 of this Report.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's functional currency.

7.1 Significant accounting policies

The significant accounting policies set out below have been applied consistently to all periods presented in the Group's financial statements.

(a) Basis of accounting

The financial statements of the Group have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of these financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Section 7.3 of this Report. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group made up to the end of the financial year using the purchase method of accounting.

Under the purchase method of accounting, the cost of business combination is measured at the aggregate of fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

At the acquisition date, the cost of business combination is allocated to identifiable assets acquired, liabilities assumed and contingent liabilities in the business combination which are measured initially at their fair values at the acquisition date. The excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If the cost of business combination is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:

- (i) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and
- (ii) recognise immediately in profit or loss any excess remaining after that reassessment.

13. ACCOUNTANTS' REPORT (Cont'd)**7. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.1 Significant accounting policies (continued)****(b) Basis of consolidation (continued)**

When a business combination includes more than one exchange transaction, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

Subsidiaries are consolidated from the date of acquisition, which is the date on which the Group effectively obtains control, until the date on which the Group ceases to control the subsidiaries. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the existence and effect of potential voting rights that are currently convertible or exercisable are taken into consideration.

Intragroup balances, transactions and unrealised gains and losses on intragroup transactions are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

The gain or loss on disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of goodwill and the cumulative amount of any exchange differences that relate to the subsidiary, is recognised in the consolidated income statement.

Minority interest is that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Group. It is measured at the minority's share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minority's share of changes in the subsidiaries' equity since that date.

Where losses applicable to the minority in a subsidiary exceed the minority's interest in the equity of that subsidiary, the excess and any further losses applicable to the minority are allocated against the Group's interest except to the extent that the minority has a binding obligation and is able to make additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the Group's interest until the minority's share of losses previously absorbed by the Group has been recovered.

Minority interest is presented in the consolidated balance sheet within equity and is presented in the consolidated statement of changes in equity separately from equity attributable to equity holders of the Company.

Minority interest in the results of the Group is presented in the consolidated income statement as an allocation of the total profit or loss for the financial year between minority interest and equity holders of the Company.

Transactions with minority interests are treated as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in profit or loss. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary.

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

7. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

7.1 Significant accounting policies (continued)

(b) Basis of consolidation (continued)

Prior to 1 January 2009, the reserve on consolidation or negative goodwill arising on consolidation was not recognised as income and was presented as a separate item in the balance sheet as equity.

During the financial year ended 31 December 2009, Focus Point Vision Care Group adopted FRS 3 *Business Combinations*. On adoption of FRS 3, the reserve on consolidation had been retrospectively adjusted and the balance as at 1 January 2008 of RM906,000 has been restated and transferred to retained earnings.

The reserve on consolidation for the FYE 31 December 2007 has not been retrospectively adjusted as the Group has elected for the exemption as permitted in paragraph 15 and Appendix B of FRS 1 *First-time Adoption of Financial Reporting Standards* for the purpose of transitional provision.

The effects on the adoption of FRS 3 to the financial statements are disclosed in Section 9.2.4, Section 9.2.33 and Section 9.2.34 of this Report. However, the adoption of FRS 3 has no impact on the separate financial statements of the Company.

(c) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

After initial recognition, property, plant and equipment except for freehold properties are stated at cost less any accumulated depreciation and any accumulated impairment losses. The freehold properties are stated at valuation, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The freehold properties are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at balance sheet date. The surplus arising from such revaluations is credited to shareholders' equity as a revaluation reserve and any subsequent deficit is offset against such surplus to the extent of a previous increase for the same property. In all other cases, the deficit will be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

13. ACCOUNTANTS' REPORT (Cont'd)



7. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

7.1 Significant accounting policies (continued)

(c) Property, plant and equipment and depreciation (continued)

Depreciation is calculated to write off the cost or valuation of assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Alarm and security system	20%
Computers	33 ¹ / ₃ %
Freehold properties	2%
Furniture and fittings	10%
Lab tools and equipment	10%
Motor vehicles	10% - 20%
Office equipment	20%
Optical equipment	10%
Renovation and electrical installations	10%
Signboards	20%

Freehold properties comprise freehold land and buildings. Freehold land is not depreciated. Depreciation has been provided on certain freehold land as the Group has not been able to segregate the cost of the buildings from the cost of the related freehold land. The Directors are of the opinion that the depreciation of the freehold land has no material effect on the financial statements of the Group.

At each balance sheet date, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write-down is made if the carrying amount exceeds the recoverable amount (see Section 7.1(g) of this Report on impairment of assets).

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.

13. ACCOUNTANTS' REPORT (Cont'd)



7. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

7.1 Significant accounting policies (continued)

(d) Leases and hire purchase

(i) Finance leases and hire purchase

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards of ownership of the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the Group's incremental borrowing rate is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

(ii) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

(e) Investments

(i) Subsidiaries

A subsidiary is an entity in which the Group and the Company has power to control the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

An investment in subsidiary, which is eliminated on consolidation, is stated in the Company's separate financial statements at cost less impairment losses, if any. On disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

(ii) Associates

An associate is an entity over which the Group and the Company have significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

In the Company's separate financial statements, an investment in associate is stated at cost less impairment losses, if any.

13. ACCOUNTANTS' REPORT (Cont'd)**7. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.1 Significant accounting policies (continued)****(e) Investments (continued)****(ii) Associates (continued)**

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated balance sheet is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the investments.

The interest in the associate is the carrying amount of the investment in the associate under the equity method together with any long term interest that, in substance, form part of the Group's net interest in the associate.

The Group's share of the profit or loss of the associate during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The Group's share of those changes is recognised directly in equity of the Group.

Unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in the associate equals to or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. When the reporting dates of the financial statements are not coterminous, the share of results is arrived at using the latest audited financial statements for which the difference in reporting dates is no more than three (3) months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

Upon disposal of an investment in associate, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)



7. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

7.1 Significant accounting policies (continued)

(e) Investments (continued)

(iii) Other investments

Non-current investments other than investments in subsidiaries, associates, jointly controlled entities and investment properties are stated at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

All current investments are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investments.

Upon disposal of such investment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

(f) Goodwill

Goodwill acquired in a business combination is recognised as an asset at the acquisition date and is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill arising on acquisition of an associate is the excess of cost of investment over the Group's share of the net fair value of net assets of the associates' identifiable assets, liabilities and contingent liabilities at the date of acquisition.

Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised. The excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of investment is included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

(g) Impairment of assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries and associates), inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill or intangible asset might be impaired.

13. ACCOUNTANTS' REPORT (Cont'd)**7. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.1 Significant accounting policies (continued)****(g) Impairment of assets (continued)**

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's CGU or groups of CGU that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation reserve to the extent of the surplus credited from the previous revaluation for the same asset with the excess of the impairment loss charged to profit or loss.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation reserve account of the same asset. However, to the extent that an impairment loss in the same revalued asset was previously recognised in profit or loss, a reversal of that impairment loss is also recognised in profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)



7. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

7.1 Significant accounting policies (continued)

(h) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of optical and related products is determined using weighted average method whereas the cost of operation consumables is determined using the first-in, first-out formula. The cost of inventories comprises all costs of purchase plus the cost of bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

(i) Financial instruments recognised on the balance sheets

Financial instruments are recognised on the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and losses and gains relating to a financial instrument or a component that is a financial liability shall be recognised as income or expense in profit or loss. Distributions to holders of an equity instrument are debited directly to equity, net of any related tax effect. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

(a) Receivables

Trade receivables and other receivables, including amounts owing by associates and related parties, are carried at anticipated realisable value. Known bad debts are written off and specific allowance is made for debts considered to be doubtful of collection.

Receivables are not held for trading purposes.

13. ACCOUNTANTS' REPORT (Cont'd)



7. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

7.1 Significant accounting policies (continued)

(i) Financial instruments (continued)

(i) Financial instruments recognised on the balance sheets (continued)

(b) Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits and other short term, highly liquid investments with original maturities of three (3) months or less, which are readily convertible to cash and are subject to insignificant risk of changes in value.

(c) Payables

Liabilities for trade and other amounts payable, including amounts owing to associates and related parties, are recognised at fair value of the consideration to be paid in the future for goods and services received.

(d) Interest bearing loans and borrowings

All loans and borrowings are recognised at the fair value of the consideration received less directly attributable costs.

(e) Equity instruments

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Dividends to shareholders are recognised in equity in the period in which they are declared.

(ii) Financial instruments not recognised on the balance sheets

The Group is party of financial instruments that comprise foreign currency forward contracts. These instruments are not recognised in the financial statements on inception.

(a) Foreign currency forward contracts

Foreign currency forward contracts are used to hedge foreign exposures as a result of receipts and payments in foreign currency. Any gains or losses arising from contracts entered into as hedges of anticipated future transactions are deferred until the dates of such transactions at which time they are included in the measurement of such transactions.

All other gains or losses relating to hedged instruments are recognised in profit or loss in the same period as the exchange differences on the underlying hedged items.

13. ACCOUNTANTS' REPORT (Cont'd)



7. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

7.1 Significant accounting policies (continued)

(j) Finance cost

All finance cost are recognised as expense in profit or loss in the period in which they are incurred.

(k) Income taxes

Taxes in the income statements comprise current tax and deferred tax.

(i) Current tax

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or loss for a period.

Current tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted by the balance sheet date.

(ii) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profits will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profits will be available, such reductions will be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax will be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different accounting period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

Deferred tax assets and liabilities should be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

13. ACCOUNTANTS' REPORT (Cont'd)**7. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.1 Significant accounting policies (continued)****(l) Provisions**

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Where the effect of the time value of money is material, the amount of a provision will be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

(m) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

13. ACCOUNTANTS' REPORT (Cont'd)



7. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

7.1 Significant accounting policies (continued)

(n) Employee benefits

(i) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial period when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) Defined contribution plan

The Company and its subsidiaries make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

(o) Foreign currency transactions and translations

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(ii) Foreign currency translations and balances

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling at that date unless hedged by forward foreign exchange contracts, in which case the rates specified in such a forward contracts are used. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

13. ACCOUNTANTS' REPORT (Cont'd)**7. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.1 Significant accounting policies (continued)****(p) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the Group's activities as follows:

(i) Sale of goods

Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods has been transferred to the customer and where the Group retains neither continuing managerial involvement over the goods, which coincides with delivery of goods and acceptance by customers.

(ii) Services

Revenue from services rendered is recognised upon performance of services.

(iii) Franchise fee income

Franchise fee income is recognised on accrual basis over the period of the respective franchise agreements unless collectability is in doubt.

(iv) Royalty fee income

Royalty fee income is recognised on accrual basis unless collectability is in doubt.

(v) Interest income

Interest income is recognised in the income statement on an accrual basis.

(vi) Rental income

Rental income is recognised on accrual basis unless collectability is in doubt.

(vii) Dividend income

Dividend income is recognised when the right to receive payment is established.

13. ACCOUNTANTS' REPORT (Cont'd)



*Focus Point Holdings Berhad (Company No. 884238-U)
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7. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

7.1 Significant accounting policies (continued)

(q) Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group enterprises within a single element.

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13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

7. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

7.2 Adoption of New FRS, Amendments to FRS and IC interpretations

7.2.1 Amendments to FRS and new FRS adopted

The Group has adopted all the following FRS, amendments to FRS and IC Interpretations that are effective on or before 1 January 2009 for the preparation of the financial statements for the FYE 31 December 2007, 31 December 2008 and 31 December 2009:

FRS 1	<i>First-time Adaptation of Financial Reporting Standards</i>
FRS 2	<i>Share-based Payment</i>
FRS 3	<i>Business Combinations</i>
FRS 5	<i>Non-current Assets Held for Sale and Discontinued Operations</i>
FRS 6	<i>Exploration for and Evaluation of Mineral Resources</i>
FRS 101	<i>Presentation of Financial Statements</i>
FRS 102	<i>Inventories</i>
FRS 107	<i>Cash Flow Statements</i>
FRS 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>
FRS 110	<i>Events after the Balance Sheet Date</i>
FRS 111	<i>Construction Contracts</i>
FRS 112	<i>Income Taxes</i>
FRS 114 ₂₀₀₄	<i>Segment Reporting</i>
FRS 116	<i>Property, Plant and Equipment</i>
FRS 117	<i>Leases</i>
FRS 118	<i>Revenue</i>
FRS 119	<i>Employee Benefits</i>
FRS 119	<i>Amendment to Financial Reporting Standard FRS 119 Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures</i>
FRS 120	<i>Accounting for Government Grants and Disclosure of Government Assistance</i>
FRS 121	<i>The Effects of Changes in Foreign Exchange Rates</i>
FRS 121	<i>Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation</i>
FRS 123 ₂₀₀₄	<i>Borrowing Costs</i>
FRS 124	<i>Related Party Disclosures</i>
FRS 125 ₂₀₀₄	<i>Accounting for Investments</i>
FRS 126	<i>Accounting and Reporting by Retirement Benefit Plans</i>
FRS 127	<i>Consolidated and Separate Financial Statements</i>
FRS 128	<i>Investments in Associates</i>
FRS 129	<i>Financial Reporting in Hyperinflationary Economies</i>
FRS 131	<i>Interests in Joint Ventures</i>
FRS 132	<i>Financial Instruments: Disclosure and Presentation</i>
FRS 133	<i>Earnings Per Share</i>
FRS 134 ₂₀₀₄	<i>Interim Financial Reporting</i>
FRS 136	<i>Impairment of Assets</i>
FRS 137	<i>Provisions, Contingent Liabilities and Contingent Assets</i>
FRS 138	<i>Intangible Assets</i>
FRS 140	<i>Investment Property</i>
FRS 201 ₂₀₀₄	<i>Property Development Activities</i>
FRS 202 ₂₀₀₄	<i>General Insurance Business</i>
FRS 203 ₂₀₀₄	<i>Life Insurance Business</i>
FRS 204 ₂₀₀₄	<i>Accounting for Aquaculture</i>
FRS i-1 ₂₀₀₄	<i>Presentation of Financial Statements of Islamic Financial Institutions</i>

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

7. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

7.2 Adoption of New FRS, Amendments to FRS and IC interpretations (continued)

7.2.1 Amendments to FRS and new FRS adopted (continued)

IC Interpretation 107	<i>Introduction of the Euro</i>
IC Interpretation 110	<i>Government Assistance - No Specific Relation to Operating Activities</i>
IC Interpretation 112	<i>Consolidation - Special Purpose Entities</i>
IC Interpretation 113	<i>Jointly Controlled Entities - Non Monetary Contributions by Ventures</i>
IC Interpretation 115	<i>Operating Leases - Incentives</i>
IC Interpretation 121	<i>Income Taxes - Recovery of Revalued Non-Depreciable Assets</i>
IC Interpretation 125	<i>Income Taxes - Changes in the Tax Status of an Entity or its Shareholders</i>
IC Interpretation 127	<i>Evaluating the Substance of Transactions Involving the Legal Form of a Lease</i>
IC Interpretation 129	<i>Disclosure - Service Concession Arrangements</i>
IC Interpretation 131	<i>Reserve - Barter Transactions Involving Advertising Transactions</i>
IC Interpretation 132	<i>Intangible Assets - Web Site Costs</i>
IC Interpretation 201	<i>Preliminary and Pre-operating Expenditure</i>
IC Interpretation 1	<i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i>
IC Interpretation 2	<i>Members' Shares in Co-operative Entities and Similar Instruments</i>
IC Interpretation 5	<i>Rights to Interests arising From Decommissioning, Restoration and Environmental Rehabilitation Funds</i>
IC Interpretation 6	<i>Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment</i>
IC Interpretation 7	<i>Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies</i>
IC Interpretation 8	<i>Scope of FRS 2 Share-based payment</i>

FRS 2, FRS 5, FRS 6, FRS 111, FRS 120, FRS 126, FRS 129, FRS 131, FRS 140, FRS 201₂₀₀₄, FRS 202₂₀₀₄, FRS 203₂₀₀₄, , FRS 204₂₀₀₄, FRS i-1₂₀₀₄ and abovementioned IC Interpretations are not relevant to the Group during the financial year/period under review.

The effects on the adoption of FRS 3 are disclosed in Section 9.2.4, Section 9.2.33 and Section 9.2.34 of this Report. However, the adoption of FRS 3 has no impact on the separate financial statements of Focus Point Vision Care. The adoption of the rest of the FRS does not have any significant financial impact on Focus Point Vision Care Group other than the form of presentation and disclosure.

Accordingly, Focus Point Vision Care Group has prepared an opening FRS balance sheet in accordance with FRS 1, which is set out in Section 9.2.34 of this Report.

13. ACCOUNTANTS' REPORT (Cont'd)



7. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

7.2 Adoption of New FRS, Amendments to FRS and IC interpretations (continued)

7.2.2 Framework for the Preparation and Presentation of Financial Statements ("Framework") is effective for financial year beginning on 1 July 2007.

The Framework sets out the concepts that underlie the preparation and presentation of financial statements for external users. It is not a Malaysian Accounting Standards Board ("MASB") approved accounting standard as defined in paragraph 11 of FRS 101 and hence, does not define standards for any particular measurement or disclosure issue.

7.2.3 Early adoption of new FRS

The Group early adopted FRS 4 *Insurance Contracts* in accordance with the transitional provisions in paragraphs 41 to 45 of FRS 4. These transitional provisions require the following:

- (i) Simultaneous adoption of *Financial Guarantee Contracts* (Amendments to IAS 39 and IFRS 4) issued by the International Accounting Standards Board ('IASB') in August 2005. This pronouncement permits the accounting policy choice of scoping financial guarantee contracts in accordance with FRS 139 *Financial Instruments: Recognition and Measurement*, or as insurance contracts in accordance with FRS 4; and
- (ii) The disclosure requirements in FRS 4 need not apply to comparative information that relates to annual periods beginning before 1 January 2010.

Consequentially, the Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in FRS 4. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At every reporting date, the Group shall assess whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities shall only be removed from the balance sheet when, and only when, it is extinguished via a discharge, cancellation or expiration.

The early adoption of FRS 4 does not result in any adjustment to recognised items of assets, liabilities, income and expenses of the Group in both, the current year and prior years. Financial guarantees of Focus Point Vision Care Group are disclosed in Section 9.2.26 of this Report.

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

7. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

7.2 Adoption of New FRS, Amendments to FRS and IC Interpretations (continued)

7.2.4 New FRS, Amendments to FRS and IC Interpretations not adopted

- (a) FRS 8 *Operating Segment* and the consequential amendments resulting from FRS 8 are mandatory for annual financial periods beginning on or after 1 July 2009.

FRS 8 sets out the requirements for disclosure of information on an entity's operating segments, products and services, the geographical areas in which it operates and its customers.

The requirements of this Standard are based on the information about the components of the entity that management uses to make decisions about operating matters. This Standard requires identification of operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance.

This Standard also requires the amount reported for each operating segment item to be the measure reported to the chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance. Segment information for prior years that is reported as comparative information for the initial year of application would be restated to conform to the requirements of this Standard.

The adoption of this Standard will only be changed to the presentation of the Group's business segment, because the Group has determined that the business segments identified currently are the same as that under FRS 8.

- (b) FRS 7 *Financial Instruments: Disclosures* and the consequential amendments resulting from FRS 7 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 7 replaces the disclosure requirements of the existing FRS 132 *Financial Instruments: Disclosure and Presentation*.

This Standard applies to all risks arising from a wide array of financial instruments and requires the disclosure of the significance of financial instruments for an entity's financial position and performance. By virtue of the exemption provided under paragraph 44AB of FRS 7, the impact of applying FRS 7 on the consolidated financial statements upon first adoption of the FRS as required by paragraph 30(b) of FRS 10B *Accounting Policies, Change in Accounting Estimates and Errors* is not disclosed.

- (c) FRS 123 *Borrowing Costs* and the consequential amendments resulting from FRS 123 are mandatory for annual periods beginning on or after 1 January 2010.

This Standard removes the option of immediately recognising as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. However, capitalisation of borrowing costs is not required for assets measured at fair value, and inventories that are manufactured or produced in large quantities on a repetitive basis, even if they take a substantial period of time to get ready for use or sale.

The Group does not expect any impact on the financial statements arising from the adoption of this Standard.

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

7. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

7.2 Adoption of New FRS, Amendments to FRS and IC interpretations (continued)

7.2.4 New FRS, Amendments to FRS and IC Interpretations not adopted (continued)

- (d) FRS 139 *Financial Instruments: Recognition and Measurement* and the consequential amendments resulting from FRS 139 are mandatory for annual financial periods beginning on or after 1 January 2010.

This Standard establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted. By virtue of the exemption provided under paragraph 103AB of FRS 139, the impact of applying FRS 139 on the financial statements upon first adoption of the FRS as required by paragraph 30(b) of FRS 108 is not disclosed.

- (e) Amendments to FRS 2 *Share-based Payment: Vesting Conditions and Cancellations* are mandatory for annual financial periods beginning on or after 1 January 2010.

These amendments clarify that vesting conditions comprise service conditions and performance conditions only. Cancellations by parties other than the Group are accounted for in the same manner as cancellations by the Group itself and features of a share-based payment that are non-vesting conditions are included in the grant date fair value of the share-based payment.

Amendments to FRS 2 is not relevant to the Group's operations.

- (f) Amendments to FRS 1 *First-time Adoption of Financial Reporting Standards* and FRS 127 *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* is mandatory for annual periods beginning on or after 1 January 2010.

These amendments allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The cost method of accounting for an investment has also been removed pursuant to these amendments.

The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

- (g) IC Interpretation 9 *Reassessment of Embedded Derivatives* is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the subsequent reassessment of embedded derivatives unless there is a change in the terms of the host contract that significantly modifies the cash flows that would otherwise be required by the host contract.

IC Interpretation 9 is not relevant to the Group's operations.

13. ACCOUNTANTS' REPORT (Cont'd)



7. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

7.2 Adoption of New FRS, Amendments to FRS and IC interpretations (continued)

7.2.4 New FRS, Amendments to FRS and IC Interpretations not adopted (continued)

- (h) IC Interpretation 10 *Interim Financial Reporting and Impairment* is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

The Group does not expect any impact on the financial statements arising from the adoption of this Interpretation in the future.

- (i) IC Interpretation 11 *FRS 2 - Group and Treasury Share Transactions* is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation requires share-based payment transactions in which the Group receives services from employees as consideration for its own equity instruments to be accounted for as equity-settled, regardless of the manner of satisfying the obligations to the employees.

IC Interpretation 11 is not relevant to the Group's operations.

- (j) IC Interpretation 13 *Customer Loyalty Programmes* is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation requires the separation of award credits as a separately identifiable component of sales transactions involving the award of free or discounted goods or services in the future. The fair value of the consideration received or receivable from the initial sale shall be allocated between the award credits and the other components of the sale.

IC Interpretation 13 is not relevant to the Group's operations.

- (k) IC Interpretation 14 *FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation applies to all post-employment defined benefits and other long-term employee defined benefits. This Interpretation clarifies that an economic benefit is available if the Group can realise it at some point during the life of the plan or when the plan liabilities are settled, and that it does not depend on how the Group intends to use the surplus.

A right to refund is available to the Group in stipulated circumstances and the economic benefit available shall be measured as the amount of the surplus at the balance sheet date less any associated costs. If there are no minimum funding requirements, the economic benefit available shall be determined as a reduction in future contributions as the lower of the surplus in the plan and the present value of the future service cost to the Group. If there is a minimum funding requirement for contributions relating to the future accrual of benefits, the economic benefit available shall be determined as a reduction in future contributions at the present value of the estimated future service cost less the estimated minimum funding required in each financial period.

IC Interpretation 14 is not relevant to the Group's operations.

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

7. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

7.2 Adoption of New FRS, Amendments to FRS and IC interpretations (continued)

7.2.4 New FRS, Amendments to FRS and IC Interpretations not adopted (continued)

- (l) FRS 101 *Presentation of Financial Statements* is mandatory for annual periods beginning on or after 1 January 2010.

FRS 101 sets out the overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.

This Standard introduces the titles 'statement of financial position' and 'statement of cash flows' to replace the current titles 'balance sheet' and 'cash flow statement' respectively. A new statement known as the 'statement of comprehensive income' is also introduced in this Standard whereby all non-owner changes in equity are required to be presented in either one statement of comprehensive income or in two statements (i.e. a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

This Standard also introduces a new requirement to present a statement of financial position as at the beginning of the earliest comparative period if there are applications of retrospective restatements that are defined in FRS 108, or when there are reclassifications of items in the financial statements.

Additionally, FRS 101 requires the disclosure of reclassification adjustments and income tax relating to each component of other comprehensive income, and the presentation of dividends recognised as distributions to owners together with the related amounts per share in the statement of changes in equity or in the notes to the financial statements.

This Standard introduces a new requirement to disclose information on the objectives, policies and processes for managing capital based on information provided internally to key management personnel as defined in FRS 124 *Related Party Disclosures*. Additional disclosures are also required for puttable financial instruments classified as equity instruments.

Apart from the new presentation and disclosure requirements described, the Group does not expect any other impact on the consolidation financial statements arising from the adoption of this Standard.

- (m) Amendments to FRS 139, FRS 7 and IC Interpretation 9 are mandatory for annual periods beginning on or after 1 January 2010.

These amendments permit reclassifications of non-derivative financial assets (other than those designated at fair value through profit or loss upon initial recognition) out of the fair value through profit or loss category in rare circumstances. Reclassifications from the available-for-sale category to the loans and receivables category are also permitted provided there is intention and ability to hold that financial asset for the foreseeable future. All of these reclassifications shall be subjected to subsequent reassessments of embedded derivatives.

These amendments also clarifies the designation of one-sided risk in eligible hedged items and streamlines the terms used throughout the Standards in accordance with the changes resulting from FRS 101.

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

7. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

7.2 Adoption of New FRS, Amendments to FRS and IC interpretations (continued)

7.2.4 New FRS, Amendments to FRS and IC Interpretations not adopted (continued)

- (m) Amendments to FRS 139, FRS 7 and IC Interpretation 9 are mandatory for annual periods beginning on or after 1 January 2010 (continued).

By virtue of the exemptions provided under paragraphs 103AB of FRS 139 and 44AB of FRS 7, the impact of applying these amendments on the consolidated financial statements upon first adoption of the FRS 139 and FRS 7 respectively as required by paragraph 30(b) of FRS 108 are not disclosed. However, IC Interpretation 9 is not relevant to the Group's operations.

- (n) Amendments to FRS 132 Financial Instruments: Presentation is mandatory for annual periods beginning on or after 1 January 2010.

These amendments require certain puttable financial instruments, and financial instruments that impose an obligation to deliver to counterparties a pro rata share of the net assets of the entity only on liquidation to be classified as equity.

Puttable financial instruments are defined as financial instruments that give the holder the right to put the instrument back to the issuer for cash, or another financial asset, or are automatically put back to the issuer upon occurrence of an uncertain future event or the death or retirement of the instrument holder.

Presently, the Group does not expect any impact on the consolidated financial statements arising from the adoption of this Standard. However, the Group is in the process of assessing the impact of this Standard in conjunction with the implementation of FRS 139 and would only be able to provide further information in the next annual financial statements.

- (o) Improvements to FRSS (2009) are mandatory for annual periods beginning on or after 1 January 2010.

(i) Amendment to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* clarifies that the disclosure requirements of this Standard specifically apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations. Amendment to FRS 5 is not relevant to the Group's operations.

(ii) Amendment to FRS 8 clarifies the consistency of disclosure requirement for information about profit or loss, assets and liabilities. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.

(iii) Amendment to FRS 107 *Statement of Cash Flows* clarifies the classification of cash flows arising from operating activities and investing activities. Cash payments to manufacture or acquire assets held for rental to others and subsequently held for sale, and the related cash receipts, shall be classified as cash flows from operating activities. Expenditures that result in a recognised asset in the statement of financial position are eligible for classification as cash flows from investing activities. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.

13. ACCOUNTANTS' REPORT (Cont'd)



7. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

7.2 Adoption of New FRS, Amendments to FRS and IC interpretations (continued)

7.2.4 New FRS, Amendments to FRS and IC Interpretations not adopted (continued)

- (o) Improvements to FRSs (2009) are mandatory for annual periods beginning on or after 1 January 2010 (continued).
- (iv) Amendment to FRS 108 clarifies that only Implementation Guidance issued by the MASB that are integral parts of FRSs is mandatory. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.
 - (v) Amendment to FRS 110 *Events after the Reporting Period* clarifies the rationale for not recognising dividends declared after the reporting date but before the financial statements are authorised for issue. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.
 - (vi) Amendment to FRS 116 Property, Plant and Equipment removes the definition pertaining the applicability of this Standard to property that is being constructed or developed for future use as investment property but do not yet satisfy the definition of 'investment property' in FRS 140 *Investment Property*. This amendment also replaces the term 'net selling price' with 'fair value less costs to sell', and clarifies that proceeds arising from routine sale of items of property, plant and equipment shall be recognised as revenue in accordance with FRS 11B Revenue rather than FRS 5. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.
 - (vii) Amendment to FRS 117 *Leases* removes the classification of leases of land and of buildings, and instead, requires assessment of classification based on the risks and rewards of the lease itself. The reassessment of land elements of unexpired leases shall be made retrospectively in accordance with FRS 108. The Group does not expect any impact on the financial statements arising from the adoption of this amendment.
 - (viii) Amendment to FRS 118 clarifies reference made on the term 'transaction costs' to the definition in FRS 139. The Group does not expect any impact on the financial statements arising from the adoption of this amendment.
 - (ix) Amendment to FRS 119 *Employee Benefits* clarifies the definitions in this Standard by consistently applying settlement dates within twelve (12) months in the distinction between short-term employee benefits and other long-term employee benefits. This amendment also provides additional explanations on negative past service cost and curtailments. The Group does not expect any impact on the financial statements arising from the adoption of this amendment.
 - (x) Amendment to FRS 120 *Accounting for Government Grants and Disclosure of Government Assistance* streamlines the terms used in this Standard in accordance with the new terms used in FRS 101. Amendment to FRS 120 is not relevant to the Group's operations.

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

7. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

7.2 Adoption of New FRS, Amendments to FRS and IC interpretations (continued)

7.2.4 New FRS, Amendments to FRS and IC Interpretations not adopted (continued)

- (o) Improvements to FRSs (2009) are mandatory for annual periods beginning on or after 1 January 2010 (continued).
- (xi) Amendment to FRS 123 clarifies that interest expense calculated using the effective interest rate method described in FRS 139 qualifies for recognition as borrowing costs. The Group does not expect any impact on the financial statements arising from the adoption of this amendment.
- (xii) Amendment to FRS 127 *Consolidated and Separate Financial Statements* clarifies that investments measured at cost shall be accounted for in accordance with FRS 5 when they are held for sale in accordance with FRS 5. The Group does not expect any impact on the financial statements arising from the adoption of this amendment.
- (xiii) Amendment to FRS 128 *Investments in Associates* clarifies that investments in associates held by venture capital organisations, or mutual funds, unit trusts and similar entities shall make disclosures on the nature and extent of any significant restrictions on the ability of associates to transfer funds to the investor in the form of cash dividends, or repayment of loans or advances. This amendment also clarifies that impairment loss recognised in accordance with FRS 136 *Impairment of Assets* shall not be allocated to any asset, including goodwill, that forms the carrying amount of the investment. Accordingly, any reversal of that impairment loss shall be recognised in accordance with FRS 136. The Group does not expect any impact on the financial statements arising from the adoption of this amendment.
- (xiv) Amendment to FRS 129 *Financial Reporting in Hyperinflationary Economies* streamlines the terms used in this Standard in accordance with the new terms used in FRS 101. This amendment also clarifies that assets and liabilities that are measured at fair value are exempted from the requirement to apply historical cost basis of accounting. Amendment to FRS 129 is not relevant to the Group's operations.
- (xv) Amendment to FRS 131 *Interests in Joint Ventures* clarifies that venturers' interests in jointly controlled entities held by venture capital organisations, or mutual funds, unit trusts and similar entities shall make disclosures on related capital commitments. This amendment also clarifies that a listing and description of interests in significant joint ventures and the proportion of ownership interest held in jointly controlled entities shall be made. Amendment to FRS 131 is not relevant to the Group's operations.
- (xvi) Amendment to FRS 134 *Interim Financial Reporting* clarifies the need to present basic and diluted earnings per share for an interim period when the entity is within the scope of FRS 133 *Earnings Per Share*. The Group does not expect any impact on the financial statements arising from the adoption of this amendment.

13. ACCOUNTANTS' REPORT (Cont'd)



7. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

7.2 Adoption of New FRS, Amendments to FRS and IC interpretations (continued)

7.2.4 New FRS, Amendments to FRS and IC Interpretations not adopted (continued)

- (o) Improvements to FRSs (2009) are mandatory for annual periods beginning on or after 1 January 2010 (continued).
- (xvii) Amendment to FRS 136 clarifies the determination of allocation of goodwill to each cash-generating unit whereby each unit shall not be larger than an operating segment as defined in FRS 8 before aggregation. This amendment also requires additional disclosures if the fair value less costs to sell is determined using discounted cash flow projections. Presently, the Group does not expect any impact on the financial statements arising from the adoption of this amendment. However, the Group is in the process of assessing the impact of this Standard in conjunction with the implementation of FRS 8 and would only be able to provide further information in the next annual financial statements.
- (xviii) Amendment to FRS 138 *Intangible Assets* clarifies the examples provided in this Standard in measuring the fair value of an intangible asset acquired in a business combination. This amendment also removes the statement on the rarity of situations whereby the application of the amortisation method for intangible assets results in a lower amount of accumulated amortisation than under the straight line method. The Group does not expect any impact on the financial statements arising from the adoption of this amendment.
- (xix) Amendment to FRS 140 clarifies that properties that are being constructed or developed for future use as investment property are within the definition of 'investment property'. This amendment further clarifies that if the fair value of such properties cannot be reliably determinable but it is expected that the fair value would be readily determinable when construction is complete, the properties shall be measured at cost until either its fair value becomes reliably determinable or construction is completed, whichever is earlier. Amendment to FRS 140 is not relevant to the Group's operations.
- (p) FRS 1 *First-time Adoption of Financial Reporting Standards* is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 1 and shall be applied when the Group adopts FRSs for the first time via the explicit and unreserved statement of compliance with FRSs. An opening FRS statement of financial position shall be prepared and presented at the date of transition to FRS, whereby:

- (i) All assets and liabilities shall be recognised in accordance with FRSs;
- (ii) Items of assets and liabilities shall not be recognised if FRSs do not permit such recognition;
- (iii) Items recognised in accordance with previous General Accepted Accounting Principles ("GAAP") shall be reclassified in accordance with FRSs; and
- (iv) All recognised assets and liabilities shall be measured in accordance with FRSs.

All resulting adjustments shall therefore be recognised directly in retained earnings at the date of transition to FRSs.

The Group does not expect any impact on the financial statements arising from the adoption of this Standard.

13. ACCOUNTANTS' REPORT (Cont'd)



7. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

7.2 Adoption of New FRS, Amendments to FRS and IC interpretations (continued)

7.2.4 New FRS, Amendments to FRS and IC Interpretations not adopted (continued)

- (q) FRS 3 *Business Combinations* is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 3 and now includes business combinations involving mutual entities and those achieved by way of contract alone. Any non-controlling interest in an acquiree shall be measured at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The time limit on the adjustment to goodwill due to the arrival of new information on the crystallisation of deferred tax benefits shall be restricted to the measurement period resulting from the arrival of the new information. Contingent liabilities acquired arising from present obligations shall be recognised, regardless of the probability of outflow of economic resources.

Acquisition-related costs shall be accounted for as expenses in the periods in which the costs are incurred and the services are received. Consideration transferred in a business combination, including contingent consideration, shall be measured and recognised at fair value at acquisition date.

In business combinations achieved in stages, the acquirer shall remeasure its previously held equity interest at its acquisition date fair value and recognise the resulting gain or loss in profit or loss.

The Group does not expect any impact on the financial statements arising from the adoption of this Standard.

- (r) FRS 127 *Consolidated and Separate Financial Statements* is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 127 and replaces the current term 'minority interest' with a new term 'non-controlling interest' which is defined as the equity in a subsidiary that is not attributable, directly or indirectly, to a parent. Accordingly, total comprehensive income shall be attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Group loses control of a subsidiary, any gains or losses are recognised in profit or loss and any investment retained in the former subsidiary shall be measured at its fair value at the date when control is lost.

As at the FYE 31 December 2009, Focus Point Vision Care Group reports minority interests of RM522,079. The Group expects to reclassify this as non-controlling interests and remeasure the non-controlling interests prospectively in accordance with the transitional provisions of FRS 127.

13. ACCOUNTANTS' REPORT (Cont'd)



7. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

7.2 Adoption of New FRS, Amendments to FRS and IC interpretations (continued)

7.2.4 New FRS, Amendments to FRS and IC Interpretations not adopted (continued)

- (s) Amendments to FRSs are mandatory for annual periods beginning on or after 1 July 2010, except for Amendments to FRS 139 which is mandatory for annual periods beginning on or after 1 January 2010.
- (i) Amendments to FRS 2 *Share-based Payments* clarifies that transactions in which the entity acquired goods as part of the net assets acquired in a business combination or contribution of a business on the formation of a joint venture are excluded from the scope of this Standard. Amendments to FRS 2 are not relevant to the Group's operations.
 - (ii) Amendments to FRS 5 clarifies that non-current asset classified as held for distribution to owners acting in their capacity as owners are within the scope of this Standard. The amendment also clarifies that in determining whether a sale is highly probable, the probability of shareholders' approval, if required in the jurisdiction, shall be considered. In a sale plan involving loss of control of a subsidiary, all assets and liabilities of that subsidiary shall be classified as held for sale, regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale. Discontinued operations information shall also be presented. Non-current asset classified as held for distribution to owners shall be measured at the lower of its carrying amount and fair value less costs to distribute. Amendments to FRS 5 is not relevant to the Group's operations.
 - (iii) Amendments to FRS 138 clarifies that the intention of separating an intangible asset is irrelevant in determining the identifiability of the intangible asset. In a separate acquisition and acquisition as part of a business combination, the price paid by the Group reflects the expectations of the Group of an inflow of economic benefits, even if there is uncertainty about the timing or the amount of the inflow. Accordingly, the probability criterion is always considered to be satisfied for separately acquired intangible assets. The useful life of a reacquired right recognised as an intangible asset in a business combination shall be the remaining contractual period of the contract in which the right was granted, and do not include renewal periods. In the case of a reacquired right in a business combination, if the right is subsequently reissued to a third party, the related carrying amount shall be used in determining the gain or loss on reissue. The Group does not expect any impact on the financial statements arising from the adoption of this amendment.
 - (iv) Amendments to FRS 139 remove the scope exemption on contracts for contingent consideration in a business combination. Accordingly, such contracts shall be recognised and measured in accordance with the requirements of FRS 139. The Group does not expect any impact on the financial statements arising from the adoption of this amendment.
 - (v) Amendments to IC Interpretation 9 clarifies that embedded derivatives in contracts acquired in a business combination, combination of entities or business under common controls, or the formation of a joint venture are excluded from this Interpretation. Amendments to IC Interpretation 9 is not relevant to the Group's operations.

13. ACCOUNTANTS' REPORT (Cont'd)



7. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

7.2 Adoption of New FRS, Amendments to FRS and IC interpretations (continued)

7.2.4 New FRS, Amendments to FRS and IC Interpretations not adopted (continued)

- (t) IC Interpretation 12 *Service Concession Arrangements* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to operators for public-to-private service concession arrangements, whereby infrastructure within the scope of this Interpretation shall not be recognised as property, plant and equipment of the operator. The operator shall recognise and measure revenue in accordance with FRS 111 *Construction Contracts* and FRS 118 for the services performed. The operator shall also account for revenue and costs relating to construction or upgrade services in accordance with FRS 111.

Consideration received or receivable by the operator for the provision of construction or upgrade services shall be recognised at its fair value. If the consideration consists of an unconditional contractual right to receive cash or another financial asset from the grantor, it shall be classified as a financial asset. Conversely, if the consideration consists of a right to charge users of the public service, it shall be classified as an intangible asset.

IC Interpretation 12 is not relevant to the Group's operations.

- (u) IC Interpretation 15 *Agreements for the Construction of Real Estate* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to the accounting for revenue and associated expenses by entities undertaking construction or real estate directly or via subcontractors. Within a single agreement, the entity may contract to deliver goods or services in addition to the construction of real estate. Such an agreement shall therefore, be split into separately identifiable components.

An agreement for the construction of real estate shall be accounted for in accordance with FRS 111 if the buyer is able to specify the major structural elements of the design of the real estate before construction begins and/or specify major structural changes once construction is in progress. Accordingly, revenue shall be recognised by reference to the stage of completion of the contract.

An agreement for the construction of real estate in which buyers only have limited ability to influence the design of the real estate or to specify only minor variations to the basic designs is an agreement for the sale of goods in accordance with FRS 118. Accordingly, revenue shall be recognised by reference to the criteria in paragraph 14 of FRS 118 (e.g. transfer of significant risks and rewards, no continuing managerial involvement nor effective control, reliable measurement, etc.).

IC Interpretation 15 is not relevant to the Group's operations.

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

7. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

7.2 Adoption of New FRS, Amendments to FRS and IC interpretations (continued)

7.2.4 New FRS, Amendments to FRS and IC Interpretations not adopted (continued)

- (v) IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation* is mandatory for annual periods beginning on or after 1 July 2010 (continued).

This Interpretation applies to hedges undertaken on foreign currency risk arising from net investments in foreign operations and the Group wishes to qualify for hedge accounting in accordance with FRS 139.

Hedge accounting is applicable only to the foreign exchange differences arising between the functional currency of the foreign operation and the functional currency of any parent (immediate, intermediate or ultimate parent) of that foreign operation. An exposure to foreign currency risk arising from a net investment in a foreign operation may qualify for hedge accounting only once in the consolidated financial statements.

Hedging instruments designated in the hedge of a net investment in a foreign operation may be held by any companies within the Group, as long as the designation, documentation and effectiveness requirements of FRS 139 are met.

IC Interpretation 16 is not relevant to the Group's operations.

- (w) IC Interpretation 17 *Distributions of Non-cash Assets to Owners* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to non-reciprocal distributions of non-cash assets by the Group to its owners in their capacity as owners, as well as distributions that give owners a choice of receiving either non-cash assets or a cash alternative. This Interpretation also applies to distributions in which all owners of the same class of equity instruments are treated equally.

The liability to pay a dividend shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the Group. The liability shall be measured at the fair value of the assets to be distributed. If the Group gives its owners a choice of receiving either a non-cash asset or a cash alternative, the dividend payable shall be estimated by considering the fair value of both alternatives and the associated probability of the owners' selection.

At the end of each reporting period, the carrying amount of the dividend payable shall be remeasured and any changes shall be recognised in equity. At the settlement date, any difference between the carrying amounts of the assets distributed and the carrying amount of the dividend payable shall be recognised in profit or loss.

IC Interpretation 17 is not relevant to the Group's operations.

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

7. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

7.2 Adoption of New FRS, Amendments to FRS and IC interpretations (continued)

7.2.4 New FRS, Amendments to FRS and IC Interpretations not adopted (continued)

- (x) Amendments to FRS 132 is mandatory for annual periods beginning on or after 1 January 2010 and 1 March 2010 in respect of the transitional provisions in accounting for compound financial instruments and classification of rights issues respectively.

These amendments remove the transitional provisions in respect of accounting for compound financial instruments issued before 1 January 2003 pursuant to FRS 132²⁰⁰⁴ Financial Instruments: Disclosure and Presentation. Such compound financial instruments shall be classified into its liability and equity components when FRS 139 first applies.

The amendments also clarifies that rights, options or warrants to acquire a fixed number of the Group's own equity instruments for a fixed amount of any currency shall be classified as equity instruments rather than financial liabilities if the Group offers the rights, options or warrants pro rata to all of its own existing owners of the same class of its own non-derivative equity instruments.

The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

- (y) Amendment to FRS 1 Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters is mandatory for annual periods beginning on or after 1 January 2011.

This amendment permits a first-time adopter of FRSs to apply the exemption of not restating comparatives for the disclosures required in Amendments to FRS 7 (see Section 7.2.4 (z) of this Report).

The Group does not expect any impact on the financial statements arising from the adoption of this amendment.

- (z) Amendments to FRS 7 Improving Disclosures about Financial Instruments is mandatory for annual periods beginning on or after 1 January 2011.

These amendments require enhanced disclosures of fair value of financial instruments based on the fair value hierarchy, including the disclosure of significant transfers between Level 1 and Level 2 of the fair value hierarchy as well as reconciliations for fair value measurements in Level 3 of the fair value hierarchy.

By virtue of the exemption provided under paragraph 44G of FRS 7, the impact of applying these amendments on the financial statements upon first adoption of FRS 7 as required by paragraph 30(b) of FRS 108 are not disclosed.

13. ACCOUNTANTS' REPORT (Cont'd)

*Focus Point Holdings Berhad (Company No. 884238-U)
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7. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**7.3 Significant accounting estimates and judgements****7.3.1 Critical judgements made in applying accounting policies**

In the process of applying the Group's accounting policies, the Directors are of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements.

7.3.2 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Impairment of goodwill on consolidation

The Group determines whether goodwill on consolidation is impaired at least on an annual basis. This requires an estimation of the value-in-use of the subsidiaries to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are disclosed in Section 9.2.13 of this Report.

(b) Deferred tax assets

Deferred tax assets are recognised for all deferred franchise fee, unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(c) Allowance for doubtful debts

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of allowance for doubtful debts. Where expectations differ from the original estimates, the differences will impact the carrying amount of receivables.

(d) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on its size and its business risk.

13. ACCOUNTANTS' REPORT (Cont'd)

Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

7. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**7.3 Significant accounting estimates and judgements (continued)****7.3.2 Key sources of estimation uncertainty (continued)****(e) Write down for obsolete or slow moving inventories**

The Group writes down its obsolete or slow moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

8. FINANCIAL INFORMATION AND LIMITATION

Focus Point Group will only exist upon the completion of the Acquisition as mentioned in Section 2.1. For the purpose of this Report, the audited financial statements of Focus Point and Focus Point Vision Care Group were presented.

The financial information of Focus Point and Focus Point Vision Care Group as presented in Section 9.1 and Section 9.2 respectively, are based on the audited financial statements, modified appropriately, for the purpose of this Report.

The scope of work conducted in the preparation of this Report does not constitute an audit in accordance with the approved standards of auditing in Malaysia.

All information are extracted from the audited financial statements except those in *italics*, which are prepared based on calculation, representation and/or explanation provided by the managements of the Group.

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13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS

9.1 Focus Point

9.1.1 Income statement of Focus Point

The income statement of Focus Point, which is extracted from the audited financial statements for the financial period from 30 December 2009 (date of incorporation) to 31 December 2009 is set out below:

Section	30 December 2009 to 31 December 2009 RM'000
Revenue	-
Cost of sales	-
Gross profit	-
Administrative expenses	(6)
Loss before tax	(6)
9.1.5	
Tax expense	-
Loss for the financial period	(6)
<i>Loss before interest, depreciation, tax and amortisation ("LBIDTA") (RM'000)</i>	(6)
<i>Number of ordinary shares of RM1.00 each</i>	*
<i>Gross loss per share (RM'000)</i>	(3)
<i>Net loss per share (RM'000)</i>	(3)
<i>Gross profit ("GP") margin (%)</i>	n/o
<i>Loss before tax margin (%)</i>	n/a
<i>Effective tax rate (%)</i>	-

Note:

- * - represents 2 ordinary shares
n/a - represents not applicable

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.1 Focus Point (continued)

9.1.2 Balance sheet of Focus Point

The balance sheet of Focus Point, which is extracted from the audited financial statements as at 31 December 2009 is set out below:

Section	As at 31 December 2009 RM'000
ASSET	
Current asset	
Cash in hand	**
	**
TOTAL ASSET	**
EQUITY AND LIABILITIES	
Equity attributable to equity holders of the Company	
Share capital	9.1.6 **
Accumulated losses	(6)
CAPITAL DEFICIENCY	(6)
LIABILITIES	
Current liabilities	
Other payables	9.1.7 6
TOTAL LIABILITIES	6
TOTAL EQUITY AND LIABILITIES	**
<i>Number of ordinary shares of RM1.00 each</i>	*
<i>Net liabilities ("NL") (RM)</i>	(6)

Note:

- * - represents 2 ordinary shares
- ** - represents RM2.00

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.1 Focus Point (continued)

9.1.3 Cash flow statements of Focus Point

The cash flow statement of Focus Point, which is extracted from the audited financial statements for the financial period from 30 December 2009 (date of incorporation) to 31 December 2009 is set out below:

	30 December 2009 to 31 December 2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before tax/Operating loss before changes in working capital	(6)
Increase in other payables	6
Net changes in operating activities	-
CASH FLOWS FROM FINANCING ACTIVITY	
Proceeds from issuance of shares	**
Net cash from financing activity^	**
Net increase in cash and cash equivalents^	**
Cash and cash equivalents^ at date of incorporation	-
Cash and cash equivalents^ at end of financial period	**

Note:

^ - Cash and cash equivalents comprise cash in hand.

** - represents RM2.00

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13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.1 Focus Point (continued)

9.1.4 Statements of changes in equity of Focus Point

The statement of changes in equity of Focus Point, which is extracted from the audited financial statements for the financial period from 30 December 2009 (date of incorporation) to 31 December 2009 is set out below:

	Share capital RM'000	Accumulated losses RM'000	Total RM'000
Balance as at 30 December 2009, date of incorporation	**	-	**
Loss for the financial period	-	(6)	(6)
Balance at 31 December 2009	**	(6)	(6)

Note:

** - represents RM2.00

9.1.5 Loss before tax

	30 December 2009 to 31 December 2009 RM'000
Loss before tax is arrived at after charging:	
Auditors' remuneration	3

9.1.6 Share capital

	31 December 2009 RM'000
Ordinary shares of RM1.00 each:	
Authorised	100
Issued and fully paid-up:	
As at date of incorporation/31 December 2009	**

Note:

** - represents RM2.00

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.1 Focus Point (continued)

9.1.7 Trade and other payables

	31 December 2009 RM'000
Other payables and accruals	
Other payables	
- Company in which the Directors of the Company have substantial financial interests	3
Accruals	3
	6

Amount owing to a company in which the Directors of the Company have substantial financial interests represents advances and payments on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

Other payables are denominated in RM.

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13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group

9.2.1 Consolidated income statements of Focus Point Vision Care Group

The consolidated income statements of Focus Point Vision Care Group, which are extracted from the audited financial statements for the past three (3) financial years up to FYE 31 December 2009, are set out below:

	Section	Financial year ended 31 December		
		2007 RM'000	2008 RM'000	2009 RM'000
Revenue	9.2.5	87,524	90,120	98,307
Cost of sales	9.2.6	(39,341)	(40,427)	(40,534)
Gross profit		48,183	49,693	57,773
Other operating income		13,489	1,269	1,122
Selling and distribution costs		(16,633)	(17,772)	(17,245)
Administrative expenses		(27,852)	(25,783)	(29,167)
Finance costs	9.2.7	(921)	(706)	(739)
Share of profits/(losses) in associates		41	51	(8)
Profit before tax	9.2.8	16,307	6,752	11,736
Tax expense	9.2.9	(2,702)	(1,896)	(3,541)
Profit for the financial year		13,605	4,856	8,195
Attributable to:				
Equity holders of the Company		13,444	4,801	8,179
Minority interests		161	55	16
		13,605	4,856	8,195

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.1 Consolidated income statements of Focus Point Vision Care Group (continued)

	Financial years ended 31 December		
	2007	2008	2009
<i>Earnings before interest, depreciation, tax and amortisation ("E8IDTA") (RM'000)</i>	18,972	9,557	15,046
<i>Number of ordinary shares of RM1.00 each ('000)</i>	6,000	10,000	10,000
<i>Weighted average number of ordinary shares of RM1.00 each ('000)</i>	6,000	10,000	10,000
<i>Gross earnings per share (RM)</i>	2.72	0.68	1.17
<i>Net earnings per share (RM)</i>	2.27	0.48	0.82
<i>Gross profit ("GP") margin (%)</i>	55.05	55.14	58.77
<i>Profit before tax margin (%)</i>	18.63	7.49	11.94
<i>E8IOTA margin (%)</i>	21.68	10.60	15.31
<i>Effective tax rate (%)</i>	16.57	28.08	30.17

The consolidated income statement of Focus Point Vision Care Group for the FYE 31 December 2007 included the results of Focus Preference Sdn. Bhd. ("Focus Preference") and Focus Point Vision Care (HP) to the date of disposals as the said subsidiaries were disposed by Focus Point Vision Care Group during the FYE 31 December 2007.

In addition, the consolidated income statements of Focus Point Vision Care Group for the FYE 31 December 2007 and 31 December 2008 did not include the results of Esprit Shoppe and Multiple Reward as the said subsidiaries were only acquired by Focus Point Vision Care Group during the FYE 31 December 2009.

The consolidated income statements of Focus Point Vision Care Group for the FYE 31 December 2007 did not include the results of Eye-Zed as the said subsidiary was only acquired by Focus Point Vision Care Group during the FYE 31 December 2008.

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.1 Consolidated income statements of Focus Point Vision Care Group (continued)

The audited results of Focus Preference and Focus Point Vision Care (HP) for FYE 31 December 2007 are as follows:

FYE 31 December	Focus Preference 2007 RM'000	Focus Point Vision Care (HP) 2007 RM'000
Revenue	9,953	3,101
Gross profit	2,429	1,243
Profit before tax	996	147
Profit after tax	757	147

* For details on the disposal of subsidiaries, please refer to Section 9.2.29 of this Report.

The audited results of Esprit Shoppe, Multiple Reward and Eye-Zed for FYE 31 December 2007 and 31 December 2008 are as follows:

FYE 31 December	Esprit Shoppe		Multiple Reward		Eye-Zed	
	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000
Revenue	2,077	2,646	-	-	-	374
Gross profit	1,117	1,282	-	-	-	228
Profit before tax	426	413	-	-	-	(31)
Profit after tax	334	321	-	-	-	(31)

* For details on the acquisition of subsidiaries, please refer to Section 9.2.30 of this Report.

There were no audited results for Multiple Reward for the FYE 31 December 2007 and 31 December 2008 as Multiple Reward was only incorporated during the FYE 31 December 2009. As for Eye-Zed, there were no audited results for the FYE 31 December 2007 as Eye-Zed was only incorporated during the FYE 31 December 2008.

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.2 Consolidated balance sheets of Focus Point Vision Care Group

The consolidated balance sheets of Focus Point Vision Care Group, which are extracted from the audited financial statements for the past three (3) financial years up to FYE 31 December 2009, are set out below:

Section	As at 31 December			
	2007 RM'000	2008 RM'000	2009 RM'000	
ASSETS				
Non-current assets				
Property, plant and equipment	9.2.10	13,045	15,134	17,147
Investment in associates	9.2.11	248	264	428
Other investment	9.2.12	-	500	500
Goodwill on consolidation	9.2.13	-	-	247
Deferred tax assets	9.2.14	-	38	182
Trade and other receivables	9.2.15	-	1,165	1,044
Total non-current assets		13,293	17,101	19,548
Current assets				
Inventories	9.2.16	13,875	14,192	18,883
Trade and other receivables	9.2.15	11,960	15,476	16,534
Current tax assets		115	96	58
Cash and cash equivalents	9.2.17	11,262	8,296	8,081
Total current assets		37,212	38,060	43,556
TOTAL ASSETS		50,505	55,161	63,104
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the company				
Share capital	9.2.18	6,000	10,000	10,000
Reserves	9.2.19	10,780	9,581	14,760
		16,780	19,581	24,760
Minority interests		183	385	522
TOTAL EQUITY		16,963	19,966	25,282

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.2 Consolidated balance sheets of Focus Point Vision Care Group (continued)

Section	As at 31 December			
	2007 RM'000	2008 RM'000	2009 RM'000	
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	9.2.14	847	507	696
Borrowings	9.2.20	895	2,224	4,161
Trade and other payables	9.2.24	-	588	822
Total non-current liabilities		1,742	3,319	5,679
Current liabilities				
Trade and other payables	9.2.24	21,298	19,558	18,385
Borrowings	9.2.20	9,068	11,428	12,481
Current tax liabilities		1,434	890	1,277
Total current liabilities		31,800	31,876	32,143
TOTAL LIABILITIES		33,542	35,195	37,822
TOTAL EQUITY AND LIABILITIES		50,505	55,161	63,104
<i>No. of ordinary shares of RM1.00 each in issue ('000)</i>		6,000	10,000	10,000
<i>Net assets</i>		16,963	19,966	25,282
<i>Net assets per ordinary share of RM1.00 each</i>		2.83	2.00	2.53
<i>Trade receivables' turnover period (days)</i>		19	43	36
<i>Trade payables' turnover period (days)</i>		112	95	96
<i>Inventories turnover period (days)</i>		129	128	170
<i>Gearing ratio (times)</i>		0.59	0.68	0.66

13. ACCOUNTANTS' REPORT (Cont'd)



9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.2 Consolidated balance sheets of Focus Point Vision Care Group (continued)

The consolidated balance sheets of Focus Point Vision Care Group as at 31 December 2007 and 31 December 2008 did not include the balance sheets of Esprit Shoppe and Multiple Reward as the said subsidiaries were only acquired by Focus Point Vision Care Group during the FYE 31 December 2009.

The consolidated balance sheet of Focus Point Vision Care Group as at FYE 31 December 2007 did not include the balance sheet of Eye-Zed as the said subsidiary was only acquired by Focus Point Vision Care Group during the FYE 31 December 2008.

The summarised balance sheets of Esprit Shoppe, Multiple Reward and Eye-Zed as at 31 December 2007 and 31 December 2008 are as follows:

	Esprit Shoppe		Multiple Reward		Eye-Zed	
	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000
ASSETS						
Non-current assets	116	732	-	-	-	133
Current assets	1,070	722	-	-	-	200
TOTAL ASSETS	1,186	1,454	-	-	-	333
EQUITY AND LIABILITIES						
Total equity	760	615	-	-	-	269
LIABILITIES						
Non-current liabilities	10	299	-	-	-	-
Current liabilities	416	540	-	-	-	64
TOTAL LIABILITIES	426	839	-	-	-	64
TOTAL EQUITY AND LIABILITIES	1,186	1,454	-	-	-	333

* For details on the acquisitions of subsidiaries, please refer to Section 9.2.30 of this Report.

13. ACCOUNTANTS' REPORT (Cont'd)



9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.3 Consolidated cash flow statements of Focus Point Vision Care Group

The consolidated cash flow statements of Focus Point Vision Care Group, which are extracted from the audited financial statements for the past three (3) financial years up to FYE 31 December 2009, are set out below:

Section	Financial years ended 31 December		
	2007 RM'000	2008 RM'000	2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	16,307	6,752	11,736
Adjustments for:			
Allowance for doubtful debts	9.2.15	·	45
Bad debts written off		2,015	18
Deposits forfeited		·	65
Depreciation of property, plant and equipment	9.2.10	1,962	2,366
Loss on disposal of subsidiary	9.2.29	·	·
Gain on disposal of subsidiaries	9.2.29	(12,459)	(252)
Loss/(Gain) on disposal of property, plant and equipment		369	(276)
Goodwill written off		·	15
Impairment loss on goodwill	9.2.13	25	·
Interest expenses	9.2.7	792	654
Interest income		(89)	(214)
Inventories written down	9.2.16	600	·
Property, plant and equipment written off	9.2.10	65	73
Share of (profits)/losses of associates		(41)	(51)
Operating profit before working capital changes		9,546	9,195
Increase in inventories		(2,284)	(317)
Decrease/(Increase) in trade and other receivables		1,414	(5,651)
Increase/(Decrease) in trade and other payables		224	(749)
Cash generated from operations		8,900	2,478
Tax paid		(1,790)	(2,852)
Tax refunded		·	53
Net cash from/(used in) operating activities		7,110	(321)
			6,860

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.3 Consolidated cash flow statements of Focus Point Vision Care Group (continued)

Section	Financial years ended 31 December			
	2007 RM'000	2008 RM'000	2009 RM'000	
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of a business operation	9.2.25	-	(138)	-
Acquisitions of subsidiaries, net of cash and cash equivalents	9.2.30	(297)	-	(997)
Acquisitions of associates	9.2.11	(79)	-	(172)
Acquisitions of other investments		-	(500)	-
Repayments by/(Advances to) associates		(1,119)	792	-
Dividends paid	9.2.27	(10,190)	(2,000)	(3,000)
Interest received		89	214	68
Proceeds from issuance of shares to minority interest shareholders of subsidiary		-	147	73
Proceeds from disposal of property, plant and equipment		825	959	704
Disposal of subsidiaries, net of cash and cash equivalents	9.2.29	16,777	(3)	(7)
Purchase of property, plant and equipment	9.2.10	(2,434)	(3,596)	(8,079)
Net cash from/(used in) investing activities		3,572	(4,125)	(11,410)
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of bankers' acceptances		256	2,203	897
Drawdown of term loans		168	1,182	6,032
Interest paid		(792)	(654)	(696)
Placements of fixed deposits pledged to licensed banks		(701)	(2,315)	(104)
Repayments of hire-purchase liabilities		(919)	(1,012)	(1,005)
Repayments of term loans		(689)	(470)	(488)
Net cash used in/(from) financing activities		(2,677)	(1,066)	4,636
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		8,005	(5,512)	86
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF FINANCIAL YEAR		965	8,970	3,458
CASH AND CASH EQUIVALENTS AS AT END OF FINANCIAL YEAR	9.2.17	8,970	3,458	3,544

13. ACCOUNTANTS' REPORT (Cont'd)



9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.4 Consolidated statements of changes in equity

The consolidated statements of changes in equity of Focus Point Vision Care Group, which are extracted from the audited financial statements for the past three (3) financial years up to FYE 31 December 2009, are set out below:

FYE 31 December 2007	Section	Share capital RM'000	Non-distributable - >		Distributable		Total RM'000	Minority interests RM'000	Total equity RM'000
			Revaluation reserve RM'000	Reserve on consolidation RM'000	Retained earnings RM'000				
Balance as at 31 December 2006		6,000	559	1,123	6,061		13,743	477	14,220
Acquisition of a subsidiary		-	-	396	-		396	-	396
Realisation of reserve on consolidation		-	-	(613)	-		(613)	(455)	(1,068)
Profit for the financial year, representing total income and expenses for the financial year		-	-	-	13,444		13,444	161	13,605
Dividends paid	9.2.27	-	-	-	(10,190)		(10,190)	-	(10,190)
Balance as at 31 December 2007		6,000	559	906	9,315		16,780	183	16,963

Note:

The reserve on consolidation for the FYE 31 December 2007 has not been retrospectively adjusted as the Group has elected for the exemption as permitted in paragraph 15 and Appendix B of FRS 1.

13. ACCOUNTANTS' REPORT (Cont'd)



9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.4 Consolidated statements of changes in equity (continued)

The consolidated statements of changes in equity of Focus Point Vision Care Group, which are extracted from the audited financial statements for the past three (3) financial years up to FYE 31 December 2009, are set out below: (continued)

FYE 31 December 2008	Section	Share capital RM'000	< - Non-distributable - >		Distributable Retained earnings RM'000	Total RM'000	Minority interests RM'000	Total Equity RM'000
			Revaluation reserve RM'000	Reserve on consolidation RM'000				
Balance as at 31 December 2007, as previously reported		6,000	559	906	9,315	16,780	183	16,963
Effects of adoption of FRS 3 Business Combinations	9.2.34	-	-	(906)	906	-	-	-
Balance as at 31 December 2007, as restated		6,000	559	-	10,221	16,780	183	16,963
Profit for the financial year, representing total income and expenses for the financial year		-	-	-	4,801	4,801	55	4,856
Dividends paid	9.2.27	-	-	-	(2,000)	(2,000)	-	(2,000)
Bonus issue	9.2.18	4,000	-	-	(4,000)	-	-	-
Ordinary shares contributed by minority shareholders of a subsidiary		-	-	-	-	-	147	147
Balance as at 31 December 2008, as restated		10,000	559	-	9,022	19,581	385	19,966

13. ACCOUNTANTS' REPORT (Cont'd)



9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.4 Consolidated statements of changes in equity (continued)

The consolidated statements of changes in equity of Focus Point Vision Care Group, which are extracted from the audited financial statements for the past three (3) financial years up to FYE 31 December 2009, are set out below: (continued)

FYE 31 December 2009	Section	Share capital RM'000	< - Non-distributable - >		Distributable Retained earnings RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
			Revaluation reserve RM'000	Reserve on consolidation RM'000				
Balance as at 31 December 2008, as previously reported		10,000	559	906	8,116	19,581	385	19,966
Effects of adoption of FRS 3 Business Combinations	9.2.33	-	-	(906)	906	-	-	-
Balance as at 31 December 2008, as restated		10,000	559	-	9,022	19,581	385	19,966
Profit for the financial year, representing total income and expenses for the financial year		-	-	-	8,179	8,179	16	8,195
Dividends paid	9.2.27	-	-	-	(3,000)	(3,000)	-	(3,000)
Ordinary shares contributed by minority shareholders of a subsidiary		-	-	-	-	-	121	121
Balance at 31 December 2009		10,000	559	-	14,201	24,760	522	25,282

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.5 Revenue

	2007 RM'000	2008 RM'000	2009 RM'000
Sale of goods	83,884	86,131	94,153
Services rendered	2,043	2,017	1,610
Royalty income	1,332	1,918	2,393
Franchisee fee income	265	54	151
	87,524	90,120	98,307

9.2.6 Cost of sales

	2007 RM'000	2008 RM'000	2009 RM'000
Inventories sold	38,639	39,549	39,985
Services rendered	702	878	549
	39,341	40,427	40,534

9.2.7 Finance costs

	2007 RM'000	2008 RM'000	2009 RM'000
Bank charges	129	52	43
Interest expense on:			
- hire-purchase	207	148	129
- term loans	77	67	153
- bankers' acceptances	397	426	386
- bank overdrafts	111	13	28
	921	706	739

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.8 Profit before tax

	Section	2007 RM'000	2008 RM'000	2009 RM'000
Profit before tax is arrived at after charging:				
Auditors' remuneration		86	95	132
Allowance for doubtful debts	9.2.15	-	45	169
Bad debts written off		2,015	18	35
Depreciation of property, plant and equipment	9.2.10	1,962	2,366	2,719
Deposits forfeited		-	65	-
Directors' remuneration:				
- fees		-	30	-
- emoluments other than fees		1,719	1,809	2,397
Goodwill written off		-	15	-
Impairment loss on goodwill	9.2.13	25	-	-
Interest expense on:				
- hire-purchase		207	147	129
- term loans		77	67	153
- bankers' acceptances		397	426	386
- bank overdrafts		111	13	28
Inventories written down	9.2.16	600	-	480
Property, plant and equipment written off	9.2.10	65	73	206
Loss on disposal of property, plant and equipment		369	-	-
Loss on disposal of a subsidiary	9.2.29	-	-	1
Realised loss on foreign currency transactions		-	31	24
Rental of premises		9,201	10,298	12,205
And crediting:				
Gain on disposal of subsidiaries	9.2.29	12,459	252	-
Gain on disposal of property, plant and equipment		-	276	32
Interest income		89	214	105
Realised gain on foreign currency transactions		78	-	-
Rental income		479	230	232
Waiver of debts		57	-	-

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUOITEO FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.9 Tax expense

	2007 RM'000	2008 RM'000	2009 RM'000
Current tax expense based on profit for the financial year	1,390	2,089	3,483
Deferred tax (Section 9.2.14)	298	(107)	4
	1,688	1,982	3,487
Under/(Over) provision in prior years:			
- Income tax	533	185	31
- Deferred tax (Section 9.2.14)	481	(271)	23
	1,014	(86)	54
	2,702	1,896	3,541

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13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.9 Tax expense (continued)

The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of Focus Point Vision Care Group are as follows:

	2007 RM'000	2008 RM'000	2009 RM'000
Profit before tax	16,307	6,752	11,736
Taxation at Malaysian statutory tax rate of 25% (2008: 26%, 2007: 27%)	4,403	1,755	2,934
Tax effect in respect of:			
Expenses not deductible for tax purposes	1,188	655	822
Non-taxable income	(3,837)	(388)	(284)
Reduction in tax rate on small scale company	(58)	(42)	-
Utilisation of previously unrecognised tax losses	(5)	-	-
Utilisation of previously unabsorbed capital allowances	(3)	-	-
Unused tax losses and unabsorbed capital allowances not recognised in loss making subsidiaries	-	2	15
	1,688	1,982	3,487
Under/(Over) provided in prior years:			
- income tax	533	185	31
- deferred tax	481	(271)	23
Tax expenses for the financial year	2,702	1,896	3,541

The Malaysian income tax is calculated at the statutory tax rate of 25% (2008: 26%, 2007: 27%) of the estimated taxable profits for the fiscal year. The Malaysian statutory tax rate has been reduced to 25% from the fiscal year of assessment 2009 from the previous financial years rate of 26% and 27%. The computation of deferred tax reflects these changes.

13. ACCOUNTANTS' REPORT (Cont'd)



9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.10 Property, plant and equipment

2009	Balance as at 1.1.2009 RM'000	Subsidiaries acquired RM'000	Subsidiaries disposed RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Balance as at 31.12.2009 RM'000
At valuation	3,630	-	-	-	-	-	3,630
Freehold properties							
At cost							
Alarm and security system	257	-	-	6	(15)	-	248
Computers	1,677	16	-	1,365	(44)	(106)	2,908
Freehold properties	620	-	(3,836)	3,836	-	-	620
Furniture and fittings	5,202	69	-	1,083	(510)	(96)	5,748
Lab tools and equipment	2,007	-	-	-	-	-	2,007
Motor vehicles	2,437	666	-	59	(6)	-	3,156
Office equipment	584	6	-	59	(29)	(30)	590
Optical equipment	5,133	166	-	1,003	(342)	(1)	5,959
Renovation and electrical installations	3,240	15	-	1,176	(273)	(127)	4,031
Signboards	586	3	-	135	(34)	(18)	672
	25,373	941	(3,836)	8,722	(1,253)	(378)	29,569

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.10 Property, plant and equipment (continued)

2009	Balance as at 1.1.2009 RM'000	Subsidiaries acquired RM'000	Charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Balance as at 31.12.2009 RM'000
Accumulated depreciation	505	-	73	-	-	578
At valuation						
Freehold properties						
At cost						
Alarm and security system	175	-	44	(12)	-	207
Computers	1,191	13	446	(36)	(100)	1,514
Freehold properties	10	-	12	-	-	22
Furniture and fittings	1,839	27	522	(245)	(25)	2,118
Lab tools and equipment	1,438	-	200	-	-	1,638
Motor vehicles	579	145	454	(3)	-	1,175
Office equipment	394	-	71	(17)	(21)	427
Optical equipment	2,588	29	480	(136)	(1)	2,960
Renovation and electrical installations	1,146	1	328	(108)	(21)	1,346
Signboards	374	2	89	(24)	(4)	437
	10,239	217	2,719	(581)	(172)	12,422

13. ACCOUNTANTS' REPORT (Cont'd)

BDOFocus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.10 Property, plant and equipment (continued)

2008	Balance as at 1.1.2008 RM'000	Subsidiaries disposed RM'000	Acquisition of a business operation RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Balance as at 31.12.2008 RM'000
At valuation	3,630	-	-	-	-	-	3,630
Freehold properties							
At cost							
Alarm and security system	235	(23)	-	45	-	-	257
Computers	1,607	(24)	4	220	(130)	-	1,677
Freehold properties	-	-	-	620	-	-	620
Furniture and fittings	4,640	(14)	30	841	(274)	(21)	5,202
Lab tools and equipment	2,005	-	-	2	-	-	2,007
Motor vehicles	1,002	-	-	1,454	(19)	-	2,437
Office equipment	510	(10)	2	107	(24)	(1)	584
Optical equipment	4,888	(1)	66	730	(449)	(101)	5,133
Renovation and electrical installations	2,522	(36)	19	1,030	(291)	(4)	3,240
Signboards	545	(2)	2	102	(56)	(5)	586
	21,584	(110)	123	5,151	(1,243)	(132)	25,373

13. ACCOUNTANTS' REPORT (Cont'd)

BDOFocus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.10 Property, plant and equipment (continued)

2008	Balance as at 1-1-2008 RM'000	Subsidiaries disposed RM'000	Charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Balance as at 31-12-2008 RM'000
Accumulated depreciation	432	-	73	-	-	505
At valuation						
Freehold properties						
At cost						
Alarm and security system	153	(22)	44	-	-	175
Computers	897	(4)	362	(64)	-	1,191
Freehold properties	-	-	10	-	-	10
Furniture and fittings	1,477	(3)	468	(101)	(2)	1,839
Lab tools and equipment	1,237	-	201	-	-	1,438
Motor vehicles	270	-	315	(6)	-	579
Office equipment	343	(1)	67	(14)	(1)	394
Optical equipment	2,409	-	473	(241)	(53)	2,588
Renovation and electrical installations	989	(16)	275	(102)	-	1,146
Signboards	332	(2)	78	(31)	(3)	374
	8,539	(48)	2,366	(559)	(59)	10,239

13. ACCOUNTANTS' REPORT (Cont'd)



9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.10 Property, plant and equipment (continued)

2007	Balance as at 1.1.2007 RM'000	Subsidiary acquired RM'000	Subsidiaries disposed RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Reclassifications RM'000	Balance as at 31.12.2007 RM'000
At valuation	3,911	-	-	-	(281)	-	-	3,630
Freehold properties								
At cost								
Alarm and security system	214	22	-	1	(2)	-	-	235
Computers	1,280	7	(196)	640	(108)	(16)	-	1,607
Freehold land	119	-	-	-	(119)	-	-	-
Furniture and fittings	4,166	5	(181)	968	(327)	(43)	52	4,640
Lab tools and equipment	3,662	-	(1,877)	220	-	-	-	2,005
Motor vehicles	1,716	-	-	-	(714)	-	-	1,002
Office equipment	625	1	(82)	29	(45)	(18)	-	510
Optical equipment	4,854	1	(223)	895	(581)	(6)	(52)	4,888
Renovation and electrical installations	2,435	29	(282)	526	(168)	(18)	-	2,522
Signboards	501	2	(8)	95	(42)	(3)	-	545
	23,483	67	(2,849)	3,374	(2,387)	(104)	-	21,584

13. ACCOUNTANTS' REPORT (Cont'd)



9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.10 Property, plant and equipment (continued)

2007	Balance as at 1.1.2007 RM'000	Subsidiary acquired RM'000	Subsidiaries disposed RM'000	Charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Reclassifications RM'000	Balance as at 31.12.2007 RM'000
Accumulated depreciation								
At valuation	403	-	-	76	(47)	-	-	432
Freehold properties								
At cost	97	14	-	44	(2)	-	-	153
Alarm and security system	865	7	(159)	284	(88)	(12)	-	897
Computers	1,277	2	(82)	414	(169)	(17)	52	1,477
Furniture and fittings	1,457	-	(413)	193	-	-	-	1,237
Lab tools and equipment	331	-	-	148	(209)	-	-	270
Motor vehicles	365	-	(37)	62	(44)	(3)	-	343
Office equipment	2,593	-	(97)	457	(488)	(4)	(52)	2,409
Optical equipment	995	9	(116)	220	(117)	(2)	-	989
Renovation and electrical installations	306	1	(7)	64	(31)	(1)	-	332
Signboards								
	8,689	33	(911)	1,962	(1,195)	(39)	-	8,539

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUOITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.10 Property, plant and equipment (continued)

	2007 RM'000	2008 RM'000	2009 RM'000
Net carrying amount			
At valuation			
Freehold properties	3,198	3,125	3,052
At cost			
Alarm and security system	82	82	41
Computers	710	486	1,394
Freehold properties	-	610	598
Furniture and fittings	3,163	3,363	3,630
Lab tools and equipment	768	569	369
Motor vehicles	732	1,858	1,981
Office equipment	167	190	163
Optical equipment	2,479	2,545	2,999
Renovation and electrical installation	1,533	2,094	2,685
Signboards	213	212	235
	<u>13,045</u>	<u>15,134</u>	<u>17,147</u>

(a) Focus Point Vision Care Group made the following cash payments to purchase property, plant and equipment:

	2007 RM'000	2008 RM'000	2009 RM'000
Purchase of property, plant and equipment	3,374	5,151	8,722
Financed by hire-purchase arrangements	(940)	(1,555)	(643)
Cash payments on purchase of property, plant and equipment	<u>2,434</u>	<u>3,596</u>	<u>8,079</u>

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13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.10 Property, plant and equipment (continued)

(b) The net carrying amounts of the Focus Vision Care Group's property, plant and equipment acquired under hire-purchase arrangements are as follows:

	2007 RM'000	2008 RM'000	2009 RM'000
Alarm and security system	1	-	-
Computers	282	171	194
Furniture and fittings	906	522	468
Lab tools and equipment	313	279	245
Motor vehicles	732	1,786	1,929
Office equipment	36	23	17
Optical equipment	157	428	541
Renovation and electrical installations	488	277	381
Signboards	14	2	2
	<u>2,929</u>	<u>3,488</u>	<u>3,777</u>

(c) Net carrying amounts of property, plant and equipment pledged as securities for banking facilities granted to Focus Point Vision Care Group are as follows:

	2007 RM'000	2008 RM'000	2009 RM'000
Freehold properties	<u>3,198</u>	<u>3,735</u>	<u>3,650</u>

(d) Freehold properties of Focus Point Vision Care Group were revalued in August 2003 based on the open market value determined by independent professional valuers. The cost of the revalued freehold properties of Focus Point Vision Group have not been disclosed due to the unavailability of information and records.

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13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.11 Investments in associates

	Section	2007 RM'000	2008 RM'000	2009 RM'000
Unquoted equity shares, at cost		28	221	221
Acquisition of shares in associates	9.2.3	79	-	172
Amount transfer from dilution of a subsidiary to associate	9.2.29	114	-	-
Share of post-acquisition reserves		27	43	35
		<u>248</u>	<u>264</u>	<u>428</u>

The summarised financial information of the associates is as follows:

	2007 RM'000	2008 RM'000	2009 RM'000
Assets and liabilities			
Current assets	2,271	1,501	2,957
Non-current assets	437	223	2,818
Total assets	<u>2,708</u>	<u>1,724</u>	<u>5,775</u>
Current liabilities	1,648	539	2,131
Non-current liabilities	25	25	1,552
Total liabilities	<u>1,673</u>	<u>564</u>	<u>3,683</u>
Results			
Revenue	2,283	5,906	5,530
Profit for the financial year	<u>66</u>	<u>257</u>	<u>124</u>

The details of the associates are disclosed in the Section 3.2 of this Report.

During the FYE 31 December 2007, Focus Point Vision Care:

- acquired 50% equity interest in Green Ace comprising 1 ordinary share of RM1.00 each at par for a total cash consideration of RM1.00. Subsequently, on 5 July 2007, Green Ace increased its issued and paid up share capital to 100,000 ordinary shares of RM1.00 each at par, of which Focus Point Vision Care subscribed for additional 48,999 ordinary shares of RM1.00 each in Green Ace at par for a total cash consideration of RM48,999. By virtue of these subscriptions, Focus Point Vision Care's equity interest in Green Ace had been diluted to 49%;
- acquired 20% equity interest in Zania (M) comprising 20 ordinary shares of RM1.00 each at par for a total cash consideration of RM30,000; and

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.11 investments in associates (continued)

During the FYE 31 December 2007, Focus Point Vision Care: (continued)

- (c) disposed 25% of its equity interest in Focus Point Vision Care (HP) comprising 20,001 ordinary shares of RM1.00 each at par for a total cash consideration of RM325,599. By virtue of this disposal, Focus Point Vision Care's equity interest in HP had been diluted to 35% and subsequently was accounted for as an investment in associate.

During the FYE 31 December 2009, Focus Point Vision Care:

- (a) acquired 20% equity interests in Seen@International, comprising 70,000 ordinary shares of SGD1.00 or equivalent to RM2.4595 each at par for a total cash consideration of RM172,165.

9.2.12 Other investment

	2007 RM'000	2008 RM'000	2009 RM'000
Non-current			
Quoted in Malaysia, at cost			
- Unit trust	-	500	500
<hr/>			
Market value of investment:			
Quoted in Malaysia			
- Unit trust	-	476	484
<hr/>			

The Directors are of the opinion that the decline in the market value of the unit trust has no implication on the carrying amount as the unit trust is capital protected by the issuer for the first thirty-six (36) months. The Directors does not have any intention to dispose of the investment within the next 36 months.

The unit trust is pledged as securities for banking facilities granted to Focus Point Vision Care Group.

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.13 Goodwill on consolidation

	2007 RM'000	2008 RM'000	2009 RM'000
As at 1 January	25	25	25
Addition	-	-	247
Less: Accumulated impairment losses	(25)	(25)	(25)
As at 31 December	-	-	247

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGUs based on value-in-use. The recoverable amount was determined on value-in-use basis using cash flow projections based on financial budgets approved by the management covering a two (2)-years period. The discount rate applied to the cash flow projections was 5.36% (2008: 0% and 2007: 0%) based on the weighted average cost of capital of Focus Point Vision Care Group.

9.2.14 Deferred tax

(a) The deferred tax assets and liabilities are made up of the following:

	2007 RM'000	2008 RM'000	2009 RM'000
Balance as at 1 January	112	847	469
Addition through acquisition of a subsidiary	-	-	18
Subsidiaries disposed	(44)	-	-
Recognised in income statements (Section 9.2.9)	779	(378)	27
Balance as at 31 December	847	469	514
Presented after appropriate offsetting:			
Deferred tax assets, net	-	(38)	(182)
Deferred tax liabilities, net	847	507	696
	847	469	514

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13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.14 Deferred tax (continued)

- (b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax liabilities of Focus Point Vision Care Group

	Property, plant and equipment RM
At 1 January 2009	507
Recognised in the income statements	189
At 31 December 2009	696
At 1 January 2008	847
Recognised in the income statements	(340)
At 31 December 2008	507
At 1 January 2007	114
Subsidiaries disposed	(46)
Recognised in the income statements	779
At 31 December 2007	847

Deferred tax assets of Focus Point Vision Care Group

	Deferred franchise fees RM	Unabsorbed capital allowances RM	Total RM
At 1 January 2009	(35)	(3)	(38)
Recognised in the income statements	(144)	-	(144)
At 31 December 2009	(179)	(3)	(182)
At 1 January 2008	-	-	-
Recognised in the income statements	(35)	(3)	(38)
At 31 December 2008	(35)	(3)	(38)
At 1 January 2007	-	2	2
Subsidiary disposed	-	(2)	(2)
At 31 December 2007	-	-	-

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.14 Deferred tax liabilities (continued)

- (c) The amount of temporary differences for which no deferred tax assets have been recognised in the balance sheet are as follows:

	2007 RM'000	2008 RM'000	2009 RM'000
Unused tax losses	-	16	59
Unabsorbed capital allowances	-	12	29
	-	28	88

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised.

The deductible temporary differences do not expire under the current tax legislation.

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13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.15 Trade and other receivables

	2007 RM'000	2008 RM'000	2009 RM'000
Non-current			
Trade receivables			
Third parties	-	1,165	1,044
Current			
Trade receivables			
Third parties	4,066	8,019	7,655
Companies in which Directors of Focus Point Vision Care have substantial financial interests	576	1,200	458
Amounts owing by associates	-	327	821
	4,642	9,546	8,934
Less: Allowance for doubtful debts	-	(45)	(214)
	4,642	9,501	8,720
Other receivables, deposits and prepayments			
Other receivables			
- Third parties	1,283	228	467
- Amounts owing by associates	1,142	40	12
- Companies in which Directors of Focus Point Vision Care have substantial financial interests	73	169	18
	2,498	437	497
Deposits	4,441	5,078	6,300
Prepayments	379	460	1,017
	7,318	5,975	7,814
	11,960	15,476	16,534

(a) Trade receivables are non-interest bearing and the normal credit terms granted by Focus Point Vision Care Group range from cash terms to 60 days from date of invoice.

(b) Included in trade receivables of Focus Point Vision Care Group are amounts owing by franchisees for the sale of non-trade goods and fixed assets by Focus Point Vision Care amounting to RM4,205,000 (2008: RM5,059,000 and 2007: RM433,000) of which RM3,161,000 (2008: RM3,894,000 and 2007: RM433,000) are current.

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.15 Trade and other receivables (continued)

(c) The amounts owing by associates represent balances arising from trade transactions and payments made on behalf, which are unsecured, interest-free and are payable upon demand in cash and cash equivalents.

(d) Amount owing by companies in which Directors of Focus Point Vision Care have substantial financial interests represent balances arising from trade transactions, advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents. The amounts owing from companies in which Directors of the Company have substantial financial interests of RM18,354 that were included in other receivables, deposits and prepayments were fully settled subsequent to FYE 31 December 2009.

(e) All the trade and other receivables are denominated in RM.

9.2.16 Inventories

	2007 RM'000	2008 RM'000	2009 RM'000
At cost			
Optical and related products	1,709	704	944
Operation consumables	41	23	29
	1,750	727	973
At net realisable value			
Optical and related products	12,125	13,465	17,910
	13,875	14,192	18,883

The inventories are net of inventories written down as follows:

	2007 RM'000	2008 RM'000	2009 RM'000
Inventories written down	600	-	480

Inventories written down are included in cost of sales.

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13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUOITEO FINANCIAL STATEMENTS (continued)

9.2 Focus Point PVCG Group (continued)

9.2.17 Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	2007 RM'000	2008 RM'000	2009 RM'000
Cash and bank balances	3,182	3,901	3,544
Fixed deposits with licensed banks	8,080	4,395	4,537
As stated in balance sheets	11,262	8,296	8,081
Bank overdrafts included in borrowings (Section 9.2.20)	(211)	(443)	-
	11,051	7,853	8,081
Less: Fixed deposits pledged to licensed banks	(2,081)	(4,395)	(4,537)
As stated cash flow statements	8,970	3,458	3,544

- (a) Bank balances are deposits held at call with licensed banks, which are denominated in RM.
- (b) Fixed deposits with licensed banks of Focus Point Vision Care Group have an average maturity period of 365 days (2008: 365 days and 2007: 365 days) with weighted average interest rate of 2.50% (2008: 3.39% and 2007: 3.22%) per annum.
- (c) Included in the fixed deposits with licensed banks of Focus Point Vision Care Group are RM4,537,000 (2008: RM4,395,000 and 2007: RM2,080,000) pledged to licensed banks as securities for banking facilities granted to Focus Point Vision Care Group.
- (d) Information on financial risk of cash and cash equivalents are disclosed in Section 9.2.32 of this Report.

9.2.18 Share capital

	2007 RM'000	2008 RM'000	2009 RM'000
Ordinary shares of RM1.00 each:			
Authorised	10,000	10,000	10,000
Issued and fully paid-up:			
Balance as at 1 January	6,000	6,000	10,000
Bonus issue	-	4,000	-
Balance as at 31 December	6,000	10,000	10,000

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITEO FINANCIAL STATEMENTS (continued)

9.2 Focus Point PVCG Group (continued)

9.2.18 Share capital (continued)

During the FYE 31 December 2008, the issued and fully paid-up share capital of Focus Point Vision Care Group was increased from RM6,000,000 to RM10,000,000 by way of bonus issue of 4,000,000 ordinary shares of RM1.00 each at par through capitalisation of RM4,000,000 from retained earnings.

The holders of the abovementioned ordinary shares are entitled to receive dividends as and when declared by Focus Point Vision Care and are entitled to one vote per ordinary share at meetings of Focus Point Vision Care. All ordinary shares rank *pari passu* with regard to Focus Point Vision Care's residual assets.

9.2.19 Reserves

	2007 RM'000	2008 RM'000	2009 RM'000
Non-distributable:			
Revaluation reserve	559	559	559
Distributable:			
Retained earnings	10,221	9,022	14,201
	10,780	9,581	14,760

(a) Revaluation reserve

The asset revaluation reserve is used to record the increase and decrease in the fair value of freehold properties.

(b) Retained earnings

Effective 1 January 2008, Focus Point Vision Care is given the option to make an irrevocable election to move to a single tier system or continue to use its tax credit under Section 108 of the Income Tax Act, 1967 for the purpose of dividend distribution until the tax credit is fully utilised or latest by 31 December 2013.

Focus Point Vision Care has fully utilised the tax credit under Section 108 of the Income Tax Act, 1967 during the FYE 31 December 2009 and consequently moved to a single tier system.

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point PVCG Group (continued)

9.2.20 Borrowings

	Section	2007 RM'000	2008 RM'000	2009 RM'000
Current liabilities				
Term loans	9.2.21	525	375	810
Bankers' acceptances		7,542	9,745	10,642
Hire-purchase liabilities	9.2.22	790	865	1,029
Bank overdrafts	9.2.23	211	443	-
		<u>9,068</u>	<u>11,428</u>	<u>12,481</u>
Non-current liabilities				
Term loans	9.2.21	43	905	3,031
Hire-purchase liabilities	9.2.22	852	1,319	1,130
		<u>895</u>	<u>2,224</u>	<u>4,161</u>
Total borrowings				
Term loans	9.2.21	568	1,280	3,841
Bankers' acceptances		7,542	9,745	10,642
Hire-purchase liabilities	9.2.22	1,642	2,184	2,159
Bank overdrafts	9.2.23	211	443	-
		<u>9,963</u>	<u>13,652</u>	<u>16,642</u>

- (a) Certain bank borrowings of Focus Point Vision Care Group are secured by:
- (i) a corporate guarantee from Focus Point Vision Care;
 - (ii) personal guarantees from the Directors of Focus Point Vision Care;
 - (iii) a charge over Focus Point Vision Care Group's freehold properties with a net carrying amounts of RM3,650,000 (2008: RM3,735,000 and 2007: RM3,198,000) as disclosed in Section 9.2.10 of this Report;
 - (iv) a charge over Focus Point Vision Care Group's other investment in unit trust of RM500,000 (2008: RM500,000 and 2007: Nil) as disclosed in Section 9.2.12 of this Report; and
 - (v) a charge over Focus Point Vision Care Group's fixed deposits of RM4,537,000 (2008: RM4,395,000 and 2007: RM2,080,000) as disclosed in Section 9.2.17 of this Report.
- (b) The weighted average effective interest rate of bankers' acceptances of Focus Point Vision Care Group is 3.62% (2008: 4.37% and 2007: 4.88%) per annum.
- (c) All borrowings are denominated in RM.

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUOITEO FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.21 Term loans

Term loans of Focus Point Vision Care Group are secured by:

- (a) a corporate guarantee from Focus Point Vision Care;
- (b) personal guarantees from the Directors of Focus Point Vision Care;
- (c) a charge over Focus Point Vision Care Group's freehold properties with a net carrying amounts of RM3,650,000 (2008: RM3,735,000 and 2007: RM3,198,000) as disclosed in Section 9.2.10 of this Report;
- (d) a charge over Focus Point Vision Care Group's fixed deposits of RM4,537,000 (2008: RM4,395,000 and 2007: RM2,080,000) as disclosed in Section 9.2.17 of this Report;
- (e) a charge over Focus Point Vision Care Group's other investment on unit trust of RM500,000 (2008: RM500,000 and 2007: Nil) as disclosed in Section 9.2.12 to this Report; and
- (f) the weighted average effective interest rate of term loans of Focus Point Vision Care Group is 6.71% (2008: 8.13% and 2007: 8.22%).

The term loans are repayable in 12 monthly instalments and there are no fixed repricing periods for these loans.

Information on financial risks of term loans and their remaining maturity is disclosed in Section 9.2.32 of this Report.

9.2.22 Hire-purchase liabilities

	2007 RM'000	2008 RM'000	2009 RM'000
Minimum hire-purchase payments			
- not later than one (1) year	878	970	1,123
- later than one (1) year and not later than five (5) years	904	1,395	1,182
Total minimum hire-purchase payments	1,782	2,365	2,305
Less: Future interest charges	(140)	(181)	(146)
Present value of hire- purchase liabilities	1,642	2,184	2,159

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUOITEO FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.22 Hire-purchase liabilities (continued)

	2007 RM'000	2008 RM'000	2009 RM'000
Repayable as follows:			
Current liabilities:			
- not later than one (1) year	790	865	1,029
Non-current liabilities:			
- later than one (1) year and not later than five (5) years	852	1,319	1,130
	<u>1,642</u>	<u>2,184</u>	<u>2,159</u>
	2007 %	2008 %	2009 %
Weighted average effective interest rate:			
Hire-purchase liabilities	<u>7.32</u>	<u>6.09</u>	<u>5.76</u>

Information on financial risks of hire-purchase liabilities is disclosed in Section 9.2.32 of this Report.

9.2.23 Bank overdrafts

Bank overdrafts of Focus Point Vision Care Group are secured by:

- a corporate guarantee from Focus Point Vision Care;
- personal guarantees from the Directors of Focus Point Vision Care;
- a charge over Focus Point Vision Care Group's freehold properties with a net carrying amounts of RM3,650,000 (2008: RM3,735,000 and 2007: RM3,198,000) as disclosed in Section 9.2.10 of this Report; and
- a charge over Focus Point Vision Care Group's fixed deposits of RM4,537,000 (2008: RM4,395,000 and 2007: RM2,080,000) as disclosed in Section 9.2.17 of this Report.

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.24 Trade and other payables

	2007 RM'000	2008 RM'000	2009 RM'000
Non-current			
Trade payables			
Third parties	-	587	822
Current			
Trade payables			
Third parties	12,034	9,927	9,861
Companies in which a Director of Focus Point Vision Care has substantial financial interests	14	-	-
	12,048	9,927	9,861
Other payables and accruals			
Other payables			
- Third parties	4,196	4,109	2,941
- Companies in which a Director of Focus Point Vision Care has substantial financial interests	179	53	-
Directors of Focus Point Vision Care	610	190	86
Amounts owing to associates	24	24	49
Deposits received	1,664	2,719	3,207
Accruals	2,577	2,536	2,241
	9,250	9,631	8,524
	21,298	19,558	18,385

- (a) Trade payables are non-interest bearing and the normal credit terms granted to Focus Point Vision Care Group by suppliers range from 30 to 90 days from date of invoice.
- (b) Included in the trade payables of Focus Point Vision Care Group are franchise fees amounting to RM1,092,000 (2008: RM750,000 and 2007: Nil) of which RM270,000 (2008: RM162,000 and 2007: Nil) are current. The franchise fees have been deferred and recognised over the period of the respective franchise agreements in line with the services to be rendered.
- (c) The amounts owing to associates represent balances arising from trade transactions and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.
- (d) The amounts owing to the Directors of Focus Point Vision Care Group represent advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents. These amounts were settled subsequent to FYE 31 December 2009.

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point PVCG Group (continued)

9.2.24 Trade and other payables (continued)

(e) Included in the deposits received of Focus Point Vision Care Group is a sinking fund amounting to RM476,000 (2008: RM358,000 and 2007: RM283,000), which is in respect of funds received from the franchisee for the repair and maintenance of the franchise outlets.

(f) The currency exposure profile of payables are as follows:

	2007 RM'000	2008 RM'000	2009 RM'000
European euro	493	891	984
United States dollar	811	789	1,181
Hong Kong dollar	-	43	1
Singapore dollar	-	2	1
Chinese renminbi	41	-	-
Ringgit Malaysia	19,953	18,420	17,040
	<u>21,298</u>	<u>20,145</u>	<u>19,207</u>

9.2.25 Acquisition of business operations and assets

During the FYE 31 December 2008, Focus Point Vision Care Group completed the acquisition of the business operations and some of the assets of Vogue Square Sdn. Bhd., a retailer of optical and related products. The fair values of the assets acquired were as follows:

	2008 RM'000
Property, plant and equipment (Section 9.2.10)	123
Goodwill	<u>15</u>
Cash outflow on acquisition	<u>138</u>

The Directors had since written off the goodwill during the FYE 31 December 2008.

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.26 Commitments and contingent liabilities

(a) Operating lease commitments

Focus Point Vision Care Group has entered into non-cancellable lease agreements for business premises, resulting in future rental commitments. Focus Point Vision Care Group has aggregate future minimum lease commitments as at the balance sheet date as follows:

	2007 RM'000	2008 RM'000	2009 RM'000
Branches			
Not later than one (1) year	6,932	7,495	11,555
Later than one (1) year and not later than five (5) years	4,210	3,987	10,138
Later than five (5) years	-	-	81
	<hr/> 11,142	<hr/> 11,482	<hr/> 21,774
Franchisees			
Not later than one (1) year	3,477	4,325	6,185
Later than one (1) year and not later than five (5) years	2,062	3,185	4,198
	<hr/> 5,539	<hr/> 7,510	<hr/> 10,383

Focus Point Vision Care has back-to-back arrangement with its franchisees on the rental commitments. Focus Point Vision Care would enter into rental agreements for the business premises with third parties and subsequently, sub-lease these business premises to their franchisees. The rental expenses would be borne by their franchisees.

(b) Capital commitments

	2007 RM'000	2008 RM'000	2009 RM'000
Capital expenditure in respect of purchase of property, plant and equipment:			
Contracted but not provided for	440	-	403
	<hr/> 440	<hr/> -	<hr/> 403

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.26 Commitments and contingent liabilities (continued)

(c) Contingent liabilities

	2007 RM'000	2008 RM'000	2009 RM'000
Corporate guarantee given to banks for credit facilities granted to subsidiaries - secured	474	200	35

The Directors are of the view that the chances of the banks to call upon the corporate guarantees are remote. Accordingly, the fair values of the above secured corporate guarantees given to the subsidiaries for credit facilities are negligible.

9.2.27 Dividends

	2007 RM'000	2008 RM'000	2009 RM'000
Dividends paid			
- First interim	2,190	2,000	1,500
- Second interim	8,000	.	1,500
	10,190	2,000	3,000

9.2.28 Employee benefits

	2007 RM'000	2008 RM'000	2009 RM'000
Wages, salaries and bonuses	15,577	15,888	16,677
Contributions to defined contribution plan	1,712	1,742	1,846
Social security contributions	225	232	235
Other benefits	3,800	4,357	4,349
	21,314	22,219	23,107

Included in the employee benefits of Focus Point Vision Care Group are Directors' remuneration amounting RM2,397,000 (2008: RM1,839,000 and 2007: RM1,719,000).

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.29 Disposal of subsidiaries

- (a) During the FYE 31 December 2007, Focus Point Vision Care disposed 25% of its equity interests in Focus Point Vision Care (HP) comprising 20,001 ordinary shares of RM1.00 each at par for a total cash consideration of RM325,599. By virtue of this disposal, Focus Point Vision Care's equity interest in Focus Point Vision Care (HP) had been diluted to 35% and subsequently was accounted for as an investment in associate.

Details of the net assets disposed and cash inflow on disposal of the subsidiary were as follows:

	2007 RM'000
Property, plant and equipment	221
Inventories	751
Trade and other receivables	731
Cash and cash equivalents	135
Trade and other payables	(763)
Other non-current liabilities	(26)
	<hr/>
Total assets disposed	1,049
Less: Reserve on consolidation	(378)
Minority interests	(455)
Transfer to associate	(114)
	<hr/>
Net assets disposed	102
Gain on disposal of a subsidiary	224
	<hr/>
Total disposal consideration	326
Less: Cash and cash equivalents disposed	(135)
	<hr/>
Cash inflow on disposal of a subsidiary	191
	<hr/>

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13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.29 Disposal of subsidiaries

- (a) During the FYE 31 December 2007, Focus Point Vision Care disposed 25% of its equity interests in Focus Point Vision Care (HP) comprising 20,001 ordinary shares of RM1.00 each at par for a total cash consideration of RM325,599. By virtue of this disposal, Focus Point Vision Care's equity interest in Focus Point Vision Care (HP) had been diluted to 35% and subsequently was accounted for as an investment in associate (continued).

The effects of this disposal on the financial results of Focus Point Vision Group during the FYE 31 December 2007 were as follows:

	2007* RM'000
Revenue	3,101
Less: Cost of sales	<u>(1,858)</u>
	1,243
Less: Administrative expenses	<u>(1,096)</u>
Profit before tax	147
Tax expense	<u>-</u>
Profit after tax	147
Gain on disposal of a subsidiary	<u>224</u>
Increase in Focus Point Vision Care Group's net profit	<u>371</u>

* Financial results up to date of disposal

The effects of this disposal on the financial position of Focus Point Vision Care Group during the FYE 31 December 2007 were as follows:

	2007 RM'000
Property, plant and equipment	221
Inventories	751
Trade and other receivables	731
Cash and cash equivalents	135
Trade and other payables	(763)
Other non-current liabilities	<u>(26)</u>
Total assets disposed	1,049
Less: Minority interests	(455)
Transfer to associate	<u>(114)</u>
Decrease in Focus Point Vision Care Group's share of net assets	<u>480</u>

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.29 Disposal of subsidiaries (continued)

- (b) During the FYE 31 December 2007, Focus Point Vision Care disposed its entire equity interests in Focus Preference comprising 3,000,000 ordinary shares of RM1.00 each at par for a total cash consideration of RM16,897,297. Prior to the disposal, Focus Point Vision Care had subscribed for an additional 2,500,000 ordinary shares of RM1.00 each at par.

Details of the net assets disposed and cash inflow on disposal of the subsidiary were as follows:

	2007 RM'000
Property, plant and equipment	1,717
Inventories	2,229
Trade and other receivables	3,748
Tax recoverable	69
Cash and cash equivalents	311
Trade and other payables	(3,167)
Other non-current liabilities	(10)
	<hr/>
Total assets disposed	4,897
Less: Reserve on consolidation	(235)
Gain on disposal of a subsidiary	12,235
	<hr/>
Total disposal consideration	16,897
Less: Cash and cash equivalents disposed	(311)
	<hr/>
Cash inflow on disposal of a subsidiary	16,586
	<hr/>

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13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.29 Disposal of subsidiaries (continued)

(b) During the FYE 31 December 2007, Focus Point Vision Care disposed its entire equity interests in Focus Preference comprising 3,000,000 ordinary shares of RM1.00 each at par for a total cash consideration of RM16,897,297. Prior to the disposal, Focus Point Vision Care had subscribed for an additional 2,500,000 ordinary shares of RM1.00 each at par (continued).

The effects of this disposal on the financial results of Focus Point Vision Care Group during the FYE 31 December 2007 were as follows:

	2007* RM'000
Revenue	9,953
Less: Cost of sales	<u>(6,359)</u>
	3,594
Add/(Less):	
Other operating income	165
Administrative expenses	<u>(2,995)</u>
Profit before tax	764
Tax expense	<u>-</u>
Profit after tax	764
Gain on disposal of a subsidiary	<u>12,235</u>
Increase in Focus Point Vision Care Group's net profit	<u>12,999</u>

* Financial results up to date of disposal

The effects of this disposal on the financial position of Focus Point Vision Care Group during the FYE 31 December 2007 were as follows:

	2007 RM'000
Property, plant and equipment	1,717
Inventories	2,229
Trade and other receivables	3,748
Tax recoverable	69
Cash and cash equivalents	311
Trade and other payables	(3,167)
Other non-current liabilities	<u>(10)</u>
Decrease in Focus Point Vision Care Group's share of net assets	<u>4,897</u>

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.29 Disposal of subsidiaries (continued)

- (c) During the FYE 31 December 2008, Focus Point Vision Care's subsidiary, namely Focus Point Management disposed 100% of its equity interest in Image Now Branding and Design Sdn. Bhd. ("Image Now Branding and Design") comprising 2 ordinary shares of RM1.00 each at par for a total cash consideration of RM2.00.

Details of the net liabilities disposed and cash outflow on disposal of the subsidiary were as follows:

	2008 RM'000
Property, plant and equipment	62
Trade and other receivables	85
Cash and cash equivalents	3
Trade and other payables	<u>(402)</u>
Net liabilities disposed	(252)
Gain on disposal of a subsidiary	<u>252</u>
Net proceeds from disposal	.**
Less: Cash and cash equivalents	<u>(3)</u>
Cash outflow on disposal of a subsidiary	<u><u>(3)</u></u>

** represents RM2

The effects of this disposal on the financial results of Focus Point Vision Care Group during the FYE 31 December 2008 were as follows:

	2008* RM'000
Revenue	28
Less: Cost of sales	<u>(11)</u>
	17
Less:	
Administrative expenses	<u>(86)</u>
Loss before tax	(69)
Tax expense	<u>-</u>
Loss after tax	(69)
Gain on disposal of a subsidiary	<u>252</u>
Increase in Focus Point Vision Care Group's net profit	<u><u>183</u></u>

* Financial results up to date of disposal

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUOITEO FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.29 Disposal of subsidiaries (continued)

- (c) During the FYE 31 December 2008, Focus Point Vision Care's subsidiary, namely Focus Point Management disposed 100% of its equity interest in Image Now Branding and Design Sdn. Bhd. ("Image Now Branding and Design") comprising 2 ordinary shares of RM1.00 each at par for a total cash consideration of RM2.00 (continued).

The effects of this disposal on the financial position of Focus Point Vision Care Group during the FYE 31 December 2008 were as follows:

	2008 RM'000
Property, plant and equipment	62
Trade and other receivables	85
Cash and cash equivalents	3
Trade and other payables	<u>(402)</u>
Decrease in Focus Point Vision Care Group's share of net assets	<u>(252)</u>

- (d) During the FYE 31 December 2009, Focus Point Vision Care's subsidiary, namely Focus Point Management subscribed for an additional 99,998 ordinary shares of RM1.00 each in Focus Point Properties Sdn. Bhd. ("Focus Point Properties"), a company incorporated in Malaysia for a cash consideration of RM99,998 on 11 September 2009. Subsequently, it disposed its entire equity interests in Focus Point Properties comprising 100,000 ordinary shares of RM 1.00 each at par for a total cash consideration of RM75,000.

Details of the net assets disposed and cash outflow on disposal of the subsidiary were as follows:

	2009 RM'000
Property, plant and equipment	3,836
Cash and cash equivalents	83
Trade and other payables	(860)
Term loan	<u>(2,983)</u>
Net assets disposed	76
Loss on disposal of a subsidiary	<u>(1)</u>
Net proceeds from disposal	75
Less: Cash and cash equivalents	<u>(82)</u>
Cash outflow on disposal of a subsidiary	<u>(7)</u>

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.29 Disposal of subsidiaries (continued)

- (d) During the FYE 31 December 2009, Focus Point Vision Care's subsidiary, namely Focus Point Management subscribed for an additional 99,998 ordinary shares of RM 1.00 each in Focus Point Properties Sdn. Bhd. ("Focus Point Properties"), a company incorporated in Malaysia for a cash consideration of RM99,998 on 11 September 2009. Subsequently, it disposed its entire equity interests in Focus Point Properties comprising 100,000 ordinary shares of RM 1.00 each at par for a total cash consideration of RM75,000 (continued).

The effects of this disposal on the financial results of Focus Point Vision Care Group during the FYE 31 December 2009 are as follows:

	2009* RM'000
Revenue	-
Less: Cost of sales	-
	<u>-</u>
Less:	
Administrative expenses	(2)
	<u>(2)</u>
Loss before tax	(2)
Tax expense	-
	<u>-</u>
Loss after tax	(2)
Loss on disposal of a subsidiary	(1)
	<u>(1)</u>
Decrease in Focus Point Vision Care Group's net profit	<u>(3)</u>

* Financial results up to date of disposal

The effects of this disposal on the financial position of Focus Point Vision Care Group during the FYE 31 December 2009 are as follows:

	2009 RM'000
Property, plant and equipment	3,836
Cash and cash equivalents	83
Trade and other payables	(860)
Term loan	(2,983)
	<u>(2,983)</u>
Decrease in Focus Point Vision Care Group's share of net assets	<u>76</u>

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.30 Acquisition of subsidiaries

- (a) During the FYE 31 December 2007, Focus Point Vision Care acquired the entire equity interests in Focus Point Vision Care (OC) comprising 300,000 ordinary shares of RM1.00 each at par for a total cash consideration of RM300,000.

The acquisition had the following effects on Focus Point Vision Care Group's assets and liabilities on acquisition date:

	2007 RM'000
Property, plant and equipment	34
Trade and other receivables	1,003
Cash and cash equivalents	3
Tax recoverable	6
Trade and other payables	<u>(348)</u>
Net assets acquired	696
Reserve on consolidation	<u>(396)</u>
Total purchase consideration discharged by cash	300
Less: Cash and cash equivalents acquired	<u>(3)</u>
Cash outflow on acquisition of a subsidiary	<u>297</u>

The effects of this acquisition on the financial results of Focus Point Vision Care Group during the FYE 31 December 2007 were as follows:

	2007 RM'000
Revenue	5,489
Less: Cost of sales	<u>(2,968)</u>
	2,521
Add/(Less):	
Other operating income	100
Administrative expenses	(2,579)
Finance costs	<u>(3)</u>
Profit before tax	39
Tax expense	<u>(15)</u>
Increase in Focus Point Vision Care Group's net profit	<u>24</u>

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.30 Acquisition of subsidiaries (continued)

- (a) During the FYE 31 December 2007, Focus Point Vision Care acquired the entire equity interests in Focus Point Vision Care (OC) comprising 300,000 ordinary shares of RM1.00 each at par for a total cash consideration of RM300,000 (continued).

The effects of this acquisition on the financial position of Focus Point Vision Care Group during the FYE 31 December 2007 were as follows:

	2007 RM'000
Property, plant and equipment	525
Inventories	1,549
Trade and other receivables	3,195
Cash and cash equivalents	186
Trade and other payables	(4,702)
Borrowings	(22)
Current tax payable	(9)
	<u>722</u>
Increase in Focus Point Vision Care Group's share of net assets	<u>722</u>

- (b) During the FYE 31 December 2008, Focus Point Vision Care acquired 51% equity interests in Eye-Zed comprising 153,000 ordinary shares of RM1.00 each at par for a total cash consideration of RM153,000 on its date of incorporation.

The acquisition has no effect on Focus Point Vision Care Group's assets and liabilities on acquisition date.

The effects of this acquisition on the financial results of Focus Point Vision Care Group during the FYE 31 December 2008 were as follows:

	2008 RM'000
Revenue	374
Less: Cost of sales	<u>(146)</u>
	228
Less:	
Administrative expenses	(255)
Selling and distribution costs	<u>(4)</u>
Loss before tax	(31)
Tax expense	<u>-</u>
Decrease in Focus Point Vision Care Group's net profit	<u>(31)</u>

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.30 Acquisition of subsidiaries (continued)

- (b) During the FYE 31 December 2008, Focus Point Vision Care acquired 51% equity interests in Eye-Zed comprising 153,000 ordinary shares of RM1.00 each at par for a total cash consideration of RM153,000 on its date of incorporation (continued).

The effects of this acquisition on the financial position of Focus Point Vision Care Group during the FYE 31 December 2008 were as follows:

	2008 RM'000
Property, plant and equipment	114
Inventories	107
Trade and other receivables	64
Cash and cash equivalents	48
Trade and other payables	(33)
	<hr/>
Increase in Focus Point Vision Care Group's share of net assets	300
	<hr/>

- (c) During the FYE 31 December 2009, Focus Point Vision Care acquired the entire equity interests in Esprit Shoppe comprising 100 ordinary shares of RM1.00 each at par for a total cash consideration of RM1,000,000.

The acquisition had the following effects on Focus Point Vision Care Group's assets and liabilities on acquisition date:

	Fair value recognised on acquisition RM'000	Acquiree's carrying amount RM'000
Property, plant and equipment	662	662
Inventories	220	220
Trade and other receivables	421	421
Cash and cash equivalents	44	44
Tax recoverable	26	26
Trade and other payables	(265)	(265)
Deferred taxation	(18)	-
Hire purchase creditors	(336)	(336)
	<hr/>	<hr/>
Net assets acquired	754	772
Goodwill on consolidation	246	
	<hr/>	
Total purchase consideration discharged by cash	1,000	
Less: Cash and cash equivalents acquired	(44)	
	<hr/>	
Cash outflow on acquisition of a subsidiary	956	
	<hr/>	

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.30 Acquisition of subsidiaries (continued)

- (c) During the FYE 31 December 2009, Focus Point Vision Care acquired the entire equity interests in Esprit Shoppe comprising 100 ordinary shares of RM1.00 each at par for a total cash consideration of RM1,000,000 (continued).

The effects of this acquisition on the financial results of Focus Point Vision Care Group during the FYE 31 December 2009 are as follows:

	2009 RM'000
Revenue	968
Less: Cost of sales	<u>(445)</u>
	523
Add/(Less):	
Other operating income	.**
Administrative expenses	(372)
Selling and distribution costs	<u>(66)</u>
Profit before tax	85
Tax expense	<u>(75)</u>
Increase in Focus Point Vision Care Group's net profit	<u>10</u>

** represents RM379

If the acquisition had occurred on 1 January 2009, Focus Point Vision Care Group's results would have been as follows:

	2009 RM'000
Revenue	99,018
Profit for the financial year	<u>8,318</u>

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13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.30 Acquisition of subsidiaries (continued)

(d) During the FYE 31 December 2009, Focus Point Vision Care acquired the 51% equity interests in Multiple Reward comprising 51,000 ordinary shares of RM1.00 each at par for a total cash consideration of RM51,000.

The acquisition had the following effects on Focus Point Vision Care Group's assets and liabilities on acquisition date:

	Fair values recognised on acquisition RM'000	Acquiree's carrying amounts RM'000
Property, plant and equipment	62	62
Inventories	105	105
Trade and other receivables	72	72
Cash and cash equivalents	10	10
Trade and other payables	(151)	(151)
Net assets acquired	98	98
Less: Minority interests	(48)	
Focus Point Vision Care Group's share of net assets	50	
Goodwill on consolidation	1	
Total purchase consideration discharged by cash	51	
Less: Cash and cash equivalents acquired	(10)	
Cash outflow on acquisition of a subsidiary	41	

The effects of this acquisition on the financial results of Focus Point Vision Care Group during the FYE 31 December 2009 are as follows:

	2009 RM'000
Revenue	59
Less: Cost of sales	(37)
	22
Less:	
Administrative expenses	(56)
Selling and distribution costs	(1)
Loss before tax	(35)
Tax expense	-
Decrease in Focus Point Vision Care Group's net profit	(35)

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.30 Acquisition of subsidiaries (continued)

(d) During the FYE 31 December 2009, the Focus Point Vision Care acquired the 51% equity interests in Multiple Reward comprising 51,000 ordinary shares of RM1.00 each at par for a total cash consideration of RM51,000 (continued).

If the acquisition had occurred on 1 January 2009, Focus Point Vision Care Group's results would have been as follows:

	2009 RM'000
Revenue	98,481
Profit for the financial year	<u>8,177</u>

9.2.31 Related party disclosures

(a) Identities of related parties

Parties are considered to be related to Focus Point Vision Care Group if Focus Point Vision Care Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where Focus Point Vision Care Group and the party are subject to common control or common significant influence. Related parties may be individuals or other parties.

Related parties of Focus Point Vision Care Group include:

- (i) Direct and indirect subsidiaries as disclosed in Section 3.2 of this Report;
- (ii) Direct and indirect associates as disclosed in Section 3.2 of this Report; and
- (iii) Key management personnel, which comprises persons (including the Directors of Focus Point Vision Care) having authority and responsibility for planning, deciding and controlling the activities of Focus Point Vision Care Group directly or indirectly.

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13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.31 Related party disclosures (continued)

(b) Significant related parties transactions

In addition to the transactions detailed elsewhere in the financial statements, Focus Point Vision Care Group had the following transactions with related parties during the financial year:

	2007 RM'000	2008 RM'000	2009 RM'000
<u>Associates:</u>			
Sale of goods	736	1,077	1,900
Purchases of goods	-	117	-
Management fees received/ receivables	91	97	106
<u>Companies in which Directors of Focus Point Vision Care have substantial financial interests</u>			
Sale of goods	595	1,560	1,526
Accounting and administration fee received/receivables	-	-	3
Marketing charges	-	72	666
Supporting fee received/receivables	-	19	98
<u>Directors</u>			
Disposal of shares of a subsidiary (Section 9.2.29)	-	..*	75

*represents RM2

The related party transactions described above were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.

(c) Compensation of key management personnel

The remuneration of Directors and other key management personnel during the financial year was as follows:

	2007 RM'000	2008 RM'000	2009 RM'000
Short term employee benefits	1,534	1,646	2,157
Contributions to defined contribution plans	185	193	240
	<u>1,719</u>	<u>1,839</u>	<u>2,397</u>

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.32 Financial instruments

(a) Financial risk management objectives and policies

Focus Point Vision Care Group's financial risk management objective is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

Focus Point Vision Care Group operates within an established risk management framework that is regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to Focus Point Vision Care Group financial risk management policies. Focus Point Vision Care Group is exposed mainly to foreign currency risk, interest rate risk, liquidity and cash flow risk and credit risk. Information on the management of the related exposures is detailed below.

(i) Foreign currency risk

During the financial year, Focus Point Vision Care Group had exposure of foreign exchange risk on purchases that are denominated in currencies other than Ringgit Malaysia. The currency that gives rise to this risk is primarily the United States dollar, European euro, Hong Kong dollar and Singapore dollar. The Company monitors its foreign currency exposure on an ongoing basis.

Focus Point Vision Care Group has entered into foreign currency forward contracts to manage exposures to currency risk for payables, which are denominated in a currency other than the functional currency of Focus Point Vision Care Group.

The notional amount and maturity date of the forward foreign contracts outstanding as at 31 December 2009 were as follows:

Contract	Expiry date	Contract amounts Euro'000	RM Equivalent RM'000
Purchase contracts used to hedge anticipated purchases	27 January 2010	<u>43</u>	<u>211</u>

The unrecognised gain as at 31 December 2009 on the open contract that hedge anticipated future foreign currency purchases amounting to RM1,701 are deferred and will be recognised when the related purchases are transacted, at which time they are included in the measurement of the transactions.

(ii) Interest rate risk

Interest rate risks mainly arise from Focus Point Vision Care Group's borrowings. Focus Point Vision Care Group borrows at both, fixed and floating rates of interest to generate the desired interest profile and to manage Focus Point Vision Care Group's exposure to interest rate fluctuations.

13. ACCOUNTANTS' REPORT (Cont'd)



9. AUOITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.32 Financial instruments (continued)

(a) Financial risk management objectives and policies (continued)

(ii) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the balance sheet date and the remaining maturities of Focus Point Vision Care Group's financial instruments that are exposed to interest rate risk:

Section	Weighted average effective interest rate %	Within 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	More than 5 years RM'000	Total RM'000
At 31 December 2009								
Fixed rates								
Fixed deposits	2.50	4,537	-	-	-	-	-	4,537
Hire-purchase liabilities	5.76	(1,029)	(1,130)	-	-	-	-	(2,159)
Floating rates								
Bankers' acceptances	3.62	(10,642)	-	-	-	-	-	(10,642)
Term loans	6.71	(810)	(2,539)	(349)	(74)	(69)	-	(3,841)

13. ACCOUNTANTS' REPORT (Cont'd)



9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.32 Financial Instruments (continued)

(a) Financial risk management objectives and policies (continued)

(ii) Interest rate risk (continued)

Section	Weighted average effective interest rate %	Within 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	More than 5 years RM'000	Total RM'000
At 31 December 2008								
Fixed rates								
Fixed deposits	3.39	4,395	-	-	-	-	-	4,395
Hire-purchase liabilities	6.09	(865)	(1,319)	-	-	-	-	(2,184)
Floating rates								
Bankers' acceptances	4.37	(9,745)	-	-	-	-	-	(9,745)
Term loans	8.13	(375)	(905)	-	-	-	-	(1,280)
Bank overdrafts	7.50	(443)	-	-	-	-	-	(443)

13. ACCOUNTANTS' REPORT (Cont'd)



9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.32 Financial instruments (continued)

(a) Financial risk management objectives and policies (continued)

(ii) Interest rate risk (continued)

Section	Weighted average effective interest rate %	Within 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	More than 5 years RM'000	Total RM'000
At 31 December 2007								
Fixed rates								
Fixed deposits	9.2.17 3.22	8,080	-	-	-	-	-	8,080
Hire-purchase liabilities	9.2.22 7.32	(790)	(493)	(315)	(44)	-	-	(1,642)
Floating rates								
Bankers' acceptances	9.2.20 4.88	(7,542)	-	-	-	-	-	(7,542)
Term loans	9.2.21 8.22	(211)	-	-	-	-	-	(211)
Bank overdrafts	9.2.23 8.41	(568)	-	-	-	-	-	(568)

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. B84238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.32 Financial instruments (continued)

(a) Financial risk management objectives and policies (continued)

(iii) Liquidity and cash flow risk

Focus Point Vision Care Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. As part of its overall prudent liquidity management, Focus Point Vision Care Group maintains sufficient levels of cash or cash equivalents to meet its working capital requirements.

(iv) Credit risk

Focus Point Vision Care Group's primary exposure to credit risk arises through trade and other receivables. Exposure to credit risk is monitored by management on an ongoing basis.

Other financial assets of Focus Point Vision Care Group with exposure to credit risk include cash and fixed deposits, which are placed with financial institutions with good credit standing.

At balance sheet date, there is no significant concentration of credit risk. The maximum exposure of credit risk is represented by the carrying amount of each financial asset.

(b) Fair values

The carrying amounts of the financial instruments of Focus Point Vision Care Group as at the balance sheet date approximate their fair values due to the relatively short term maturity of the financial instruments except as set out below:

	Section	Carrying amount RM'000	Fair value RM'000
At 31 December 2009			
Recognised - non-current			
Other investment	9.2.12	500	484
Trade receivables	9.2.15	1,044	991
Term loans	9.2.21	(3,031)	(2,800)
Hire-purchase liabilities	9.2.22	(1,130)	(1,068)
Trade payables	9.2.24	(822)	(780)
Unrecognised			
Forward foreign exchange contracts	9.2.32	-	2

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUOITEO FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.32 Financial instruments (continued)

(b) Fair values

The carrying amounts of the financial instruments of Focus Point Vision Care Group as at the balance sheet date approximate their fair values due to the relatively short term maturity of the financial instruments except as set out below: (continued)

	Section	Carrying amount RM'000	Fair value RM'000
At 31 December 2008			
Recognised - non-current			
Other investment	9.2.12	500	476
Trade receivables	9.2.15	1,165	1,094
Term loans	9.2.21	(905)	(837)
Hire-purchase liabilities	9.2.22	(1,319)	(1,244)
Trade payables	9.2.24	(588)	(552)
At 31 December 2007			
Recognised - non-current			
Term loans	9.2.21	(43)	(39)
Hire-purchase liabilities	9.2.22	(852)	(769)

The methods and assumptions used by management to determine the fair values of the financial instruments are as follows:

(i) Other investment - Quoted investment in Malaysia

The fair value of quoted investment in Malaysia is determined by reference to the exchange quoted market bid prices at the close of the business on the balance sheet date.

(ii) Term loans and hire-purchase liabilities

The fair value of these borrowings are estimated based on the future contractual cash flows discounted at current market interest rates available for similar financial instruments and of the same remaining maturities.

(iii) Trade payables

The fair values were calculated based on a discount rate of Focus Point Vision Care Group's weighted average cost of capital of 5.36% (2008: 6.52% and 2007: 7.21%).

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUOITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.32 Financial instruments (continued)

(b) Fair values (continued)

(iv) Trade receivables

The fair values were calculated based on a discount rate of Focus Point Vision Care Group's weighted average cost of capital of 5.36% (2008: 6.52% and 2007: 7.21%).

The carrying amounts of trade receivables have not been written down to their fair values as the Directors are of the opinion that the amounts would be recoverable at their carrying amounts.

(v) Forward foreign exchange contracts

The fair values of the forward foreign exchange contracts are the amounts that would be payable upon termination of the outstanding positions arising and are determined by reference to the differences between the contracted rates and the forward exchange rates as at the balance sheet date applied to contract of similar amounts and maturity profile.

9.2.33 Comparative figures

Certain comparative figures for the relevant financial period have been restated/reclassified due to the following reasons:

- (a) Effects arising from the adoption of FRS 3 Business Combinations, which have resulted in retrospective adjustments. The reserve on consolidation has been restated and transferred to retained earnings.

	As previously reported RM'000	Effects on adoption of FRS 3 RM'000	As restated RM'000
31 December 2008			
Statement of changes in equity			
Reserve on consolidation	906	(906)	-
Retained earnings	8,116	906	9,022

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUOITEO FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.33 Comparative figures (continued)

Certain comparative figures for the relevant financial period have been restated/reclassified due to the following reasons: (continued)

(b) Reclassifications of certain comparative figures to conform with current year's presentation:

	As previously reported	Reclassification	As restated
	RM'000	RM'000	RM'000
31 December 2007			
Income Statement			
Selling and distribution costs	16,829	(196)	16,633
Administrative expenses	27,656	196	27,852
31 December 2008			
Balance Sheet			
Non-current assets			
Trade receivables	-	1,165	1,165
Deferred tax assets	-	38	38
Current assets			
Trade and other receivables	16,273	(797)	15,476
Amount owing by associates	368	(368)	-
Non-current liabilities			
Deferred tax liabilities	(469)	(38)	(507)
Trade and other payables	-	(588)	(588)
Current liabilities			
Trade and other payables	(20,122)	564	(19,558)
Amount owing to an associate	(24)	24	-
Income Statement			
Selling and distribution costs	(23,421)	5,649	(17,772)
Administrative expenses	(20,134)	(5,649)	(25,783)
Profit before tax	6,769	(17)	6,752
Share of profits in associates	68	(17)	51
Tax expense	(1,913)	17	(1,896)

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.34 Effects on adoption of FRS

Focus Point Vision Care Group's opening balance sheet as at 1 January 2008 has been presented to comply with FRS 1 *First-time Adoption of Financial Reporting Standards* as this is Focus Point Vision Care Group's first set of FRS financial statements.

	PERS RM'000	Adjustments RM'000	FRS RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	13,045		13,045
Investments in associates	248		248
Goodwill on consolidation	-		-
	13,293		13,293
Current assets			
Inventories	13,875		13,875
Trade and other receivables	11,960		11,960
Current tax assets	115		115
Cash and cash equivalents	11,262		11,262
	37,212		37,212
TOTAL ASSETS	50,505		50,505
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	6,000		6,000
Reserve on consolidation	906	(906)*	-
Revaluation Reserve	559		559
Retained earnings	9,315	906*	10,221
	16,780		16,780
Minority interests	183		183
TOTAL EQUITY	16,963		16,963

13. ACCOUNTANTS' REPORT (Cont'd)



Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

9. AUDITED FINANCIAL STATEMENTS (continued)

9.2 Focus Point Vision Care Group (continued)

9.2.34 Effects on adoption of FRS (continued)

Focus Point Vision Care Group's opening balance sheet as at 1 January 2008 has been presented to comply with FRS 1 *First-time Adoption of Financial Reporting Standards* as this is Focus Point Vision Care Group's first set of FRS financial statements (continued).

	PERS RM'000	Adjustments RM'000	FRS RM'000
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	847		847
Borrowings	895		895
	1,742		1,742
Current liabilities			
Trade and other payables	21,298		21,298
Borrowings	9,068		9,068
Current tax payable	1,434		1,434
	31,800		31,800
TOTAL LIABILITIES	33,542		33,542
TOTAL EQUITY AND LIABILITIES	50,505		50,505

Note:

* During the FYE 31 December 2009, Focus Point Vision Care Group adapted FRS 3 and has restated and transferred its reserve on consolidation into retained earnings (see Section 9.2.33 of this Report). However, the adaptation of FRS 3 has no impact on Focus Point Vision Care's financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)

*Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report*

10. SUBSEQUENT EVENTS

Significant subsequent events between the date of the last financial statements used in the preparation of this Report and the date of this Report, which will affect materially the contents of this Report, are as follows:

- (a) On 14 April 2010, Focus Point entered into a conditional sale and purchase agreement with the vendors of Focus Point Vision Care for the acquisition of 10,000,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Focus Point Vision Care, for a total consideration of RM24,760,395 based on the audited consolidated net assets of Focus Point Vision Care as at 31 December 2009 of RM24,760,395. The purchase consideration was satisfied by the issuance of 123,799,990 new shares in Focus Point at an issue price of approximately RM0.20 per share.
- (b) On 14 April 2010, the Company undertook an internal restructuring, by entering into a conditional sale and purchase agreement with Focus Point Vision Care for the acquisition of the following:
 - (i) 50,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Focus Point Management, for a total consideration of RM3,380,693 based on the audited net assets of Focus Point Management as at 31 December 2009 of RM3,380,693; and
 - (ii) 300,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Excelview Laser Eye Centre, for a total consideration of RM793,725 based on the audited net assets of Excelview Laser Eye Centre as at 31 December 2009 of RM793,725.

The Internal Restructuring has then resulted in the corporate structure of the Group being segregated into three (3) core business segments, being the operation of professional eye care centres, franchising of professional eye care centres and provision of medical eye care services.

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13. ACCOUNTANTS' REPORT (Cont'd)





Focus Point Holdings Berhad (Company No. 884238-U)
Accountants' Report

11. AUDITED FINANCIAL STATEMENTS

As at the date of this report, no audited financial statements have been prepared in respect of any period subsequent to 31 December 2009 for Focus Point and Focus Point Vision Care Group.

Yours faithfully


BDO
AF : 0206
Chartered Accountants


Tang Seng Choon
2011/12/11 (J)
Chartered Accountant

13. ACCOUNTANTS' REPORT (Cont'd)Company No:
884238 - UTel: +603 2616 2888
Fax: +603 2616 3190, 2616 3191
www.bdo.myAppendix I
(1 of 8)

7

12th Floor Menara Uni. Asia
1008 Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FOCUS POINT HOLDINGS BERHAD****Report on the Financial Statements**

We have audited the financial statements of Focus Point Holdings Berhad, which comprise the balance sheet as at 31 December 2009 of the Company, and the income statement, statement of changes in equity and cash flow statement of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 43.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

Company No:
884238 - U

Appendix I 8
(2 of 8)



**INDEPENDENT AUOITORS' REPORT TO THE MEMBERS OF
FOCUS POINT HOLDINGS BERHAD (continued)**

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Company as at 31 December 2009 and of the results of the operations of the Company and of the cash flows of the Company for the financial period then ended.

Report on Other Legal and Regulatory Requirements

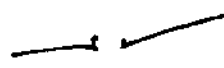
In accordance with the requirements of the Companies Act, 1965, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO
BDO
AF : 0206
Chartered Accountants

Kuala Lumpur
5 April 2010


Tang Seng Choon
2011/12/11 (J)
Chartered Accountant

13. ACCOUNTANTS' REPORT (Cont'd)Company No:
268471 - XAppendix I 8
(3 of 8)
BOO Binder (AF 0206)
Chartered Accountants

 12th Floor Menara Uni.Asia
 1008 Jalan Sultan Ismail
 50250 Kuala Lumpur Malaysia
 Telephone : (603) 2616 2888
 Telefax : (603) 2616 3190, 2616 3191
 Website : www.bdobinder.com

**REPORT OF THE AUDITORS
 TO THE MEMBERS OF FOCUS POINT VISION CARE GROUP SDN. BHD.**

We have audited the financial statements set out on pages 10 to 62. These financial statements are the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the content of this report. The financial statements of the Company as of 31 December 2006 were audited by another firm of chartered accountants whose report dated 12 June 2007 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with applicable approved Private Entity Reporting Standards in Malaysia and the provisions of Companies Act, 1965 so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
 - (ii) the state of affairs of the Group and of the Company as at 31 December 2007 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the financial year then ended;

and

- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

We have considered the financial statements and auditors' report of the subsidiaries of which we have not acted as auditors, as indicated in Note 6 to the financial statements, being financial statements that are included in the consolidated financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)

Company NO:
268471 - X

Appendix I
(4 of 8)

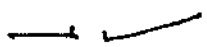


**REPORT OF THE AUDITORS
TO THE MEMBERS OF FOCUS POINT VISION CARE GROUP SDN. BHD.
(continued)**

We are satisfied that the financial statements of the subsidiaries that are consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' report on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under Section 174(3) of the Act.

BDO Binder
BDO Binder
AF : 0206
Chartered Accountants


Tang Seng Choon
2011/12/09(J)
Partner

Petaling Jaya
9 June 2008

13. ACCOUNTANTS' REPORT (Cont'd)

Company No:
268471 - X



BDO Binder (AF 0206)
Chartered Accountants

(5 of 8)

7

12th Floor Menara Uni.Asia
1008 Jalan Sultan Ismail
50250 Kuala Lumpur Malaysia
Telephone : (603) 2616 2888
Facsimile : (603) 2616 3190, 2616 3191
Website : www.bdobinder.com

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FOCUS POINT VISION CARE GROUP SDN. BHD.**

Report on the Financial Statements

We have audited the financial statements of Focus Point Vision Care Group Sdn. Bhd., which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 65.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with applicable approved Private Entity Reporting Standards in Malaysia and the provisions of the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with applicable approved Private Entity Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2008 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the financial year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)

Company No:
268471 - X

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FOCUS POINT VISION CARE GROUP SDN. BHD. (continued)**

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' report of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purpose of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

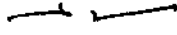
Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO Binder

BDO Binder
AF : 0206
Chartered Accountants

Kuala Lumpur
26 June 2009


Tang Seng Choon
2011/12/09 (J)
Partner

13. ACCOUNTANTS' REPORT (Cont'd)Company No:
268471 - XTel: +603 2616 2888
Fax: +603 2616 3190, 2616 3191
www.bdo.myAppendix I
(7 of 8)

8

12th Floor Menara Uni.Asia
1008 Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FOCUS POINT VISION CARE GROUP SDN. BHD.****Report on the Financial Statements**

We have audited the financial statements of Focus Point Vision Care Group Sdn. Bhd., which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 112.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

Company No:
268471 - X

Appendix I
(8 of 8)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FOCUS POINT VISION CARE GROUP SDN. BHD. (continued)**

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the financial year then ended.

Report on Other Legal and Regulatory Requirements

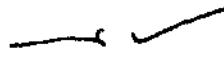
In accordance with the requirements of the Companies Act, 1965, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purpose of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO
BDO
AF : 0206
Chartered Accountants


Tang Seng Choon
2011/12/11 (J)
Chartered Accountant

Kuala Lumpur
24 March 2010

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY

(Prepared for inclusion in this Prospectus)



VITAL FACTOR CONSULTING
Creating Winning Business Solutions

Vital Factor Consulting Sdn Bhd
(Company No. 266797-T)

75C & 77C Jalan SS22/19
Damansara Jaya
47400 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Tel: (603) 7728-0248

Fax: (603) 7728-7248

Email: enquiries@vitalfactor.com

Website: www.vitalfactor.com

8 June 2010

The Board of Directors
Focus Point Holdings Berhad
Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Dear Sirs and Madam

Independent Assessment of the Professional Eye Care Industry

The following is an independent assessment of the Professional Eye Care Industry in Malaysia prepared by Vital Factor Consulting Sdn Bhd for inclusion into the prospectus of Focus Point Holdings Berhad (herein together with all or any one or more of its subsidiaries will be referred as Focus Point Group or the Group) in relation to its listing on the ACE Market of Bursa Malaysia Securities Berhad.

1. BACKGROUND

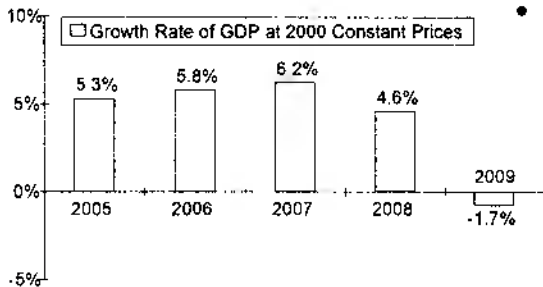
- Focus Point Group is primarily an operator of a chain of professional eye care centres. As at 1 June 2010, the Group had a total of 144 professional eye care centres in Malaysia. This includes fully and partially owned, franchised and licensed centres. As at 1 April 2010, these centres operate under the brand names of "Focus Point", "Focus Point Optical City", "Opulence", "Zania", "Eyefont", "ExcelView" and "Solariz".
- Part of the Group's business activities also includes provision of medical eye care services incorporating refractive surgery using LASIK and cataract surgery. However, this service represents a relatively small proportion of the Group's revenue.
- The assessment of the Professional Eye Care Industry in this report excludes the following:
 - medical eye care sector involving medical practitioners, which are primarily ophthalmologists and orthoptists;
 - pure fashion eyewear retailers who do not provide any form of prescription eyewear products and services;
 - manufacturers or suppliers of eyewear products.

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



VITAL FACTOR CONSULTING
Creating Winning Business Solutions

2. SOCIO-ECONOMIC PERFORMANCE OF MALAYSIA

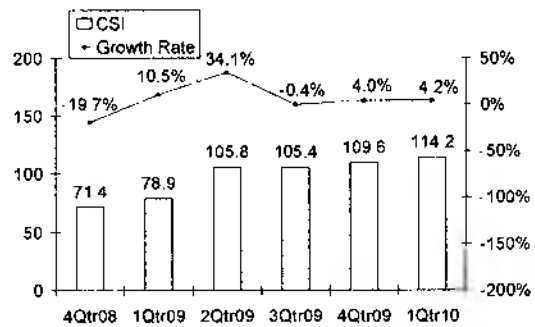


Source: Bank Negara Malaysia

Figure 1. Real GDP Growth

Malaysia's real GDP has been growing every year from 2005 to 2008. The Malaysian economy registered a growth of 4.6% in 2008, amidst the international financial turmoil and sharp deterioration in the global economic environment. Robust domestic demand, in particular private consumption and strong public spending, supported the growth during the year.

- While external demand was strong in the first half of 2008, the sharp and rapid deterioration in the global economic conditions as well as major correction in the commodity prices in the second half led to a contraction in Malaysia's export performance in the latter part of the second half year
- As for 2009, Malaysia's real GDP for the first quarter contracted by 6.2% compared to the same period in the previous year, however the implementation of fiscal stimulus measures by the Malaysian Government has led to the subsequent recovery in the second half of 2009. Overall, Malaysia's real GDP for 2009 contracted moderately by 1.7%. (Source: Bank Negara Malaysia)
- The Malaysian economy registered a real GDP growth of 10.1% in the first quarter of 2010, led by a continuing expansion in domestic demand and stronger external demand. The expansion in domestic demand was supported by higher private consumption and sustained public sector spending. The robust external demand provided further impetus to domestic growth through its spillover effects on production, employment and overall sentiments. All economic sectors recorded positive growth during the first quarter of 2010, led by the strong growth in the manufacturing and service sectors (Source: Bank Negara Malaysia).
- During the fourth quarter of 2008, the Consumer Sentiment Index (CSI) slumped to 71.4 points. The decline in current and expected incomes, and the weak consumer outlook contributed to the decline in the CSI.



Source: Malaysian Institute of Economic Research

Figure 2. Consumer Sentiment Index

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



VITAL FACTOR CONSULTING

Creating Winning Business Solutions

- While the CSI rose to 78.9 points during the first quarter of 2009, it remained below the benchmark 100-point level. Household's current income deteriorated, and the financial and job outlook was subdued. Fears of inflation subsided, and consumers continued to reign in their spending plans.
- After the CSI fell below the benchmark of 100 points for three consecutive quarters, the CSI gained 26.9 points in the second quarter of 2009 to reach 105.8 points. This was contributed by higher employment opportunities, which improved household finances, and the expectations of increases in household income in the future.
- In the fourth quarter of 2009, the CSI increased by 4.0% to 109.6 points compared to the third quarter of 2009. Consumers continued to remain optimistic, albeit cautiously. Favourable current and expected finances, and employment expectations contributed to the growth in the CSI.
- The CSI registered a growth of 4.2% to reach 114.2 points in the first quarter of 2010. The growth is attributable to the continued improvement in current and expected finances, and employment expectations.

(Source: Consumer Sentiments Quarterly Report – Various Issues, Malaysian Institute of Economic Research)

3. OVERALL INDUSTRY STRUCTURE

3.1 Overview of the Eye Care Industry

- Generally the Eye Care Industry is segmented into professional eye care and medical eye care sectors. This is depicted in the figure below:

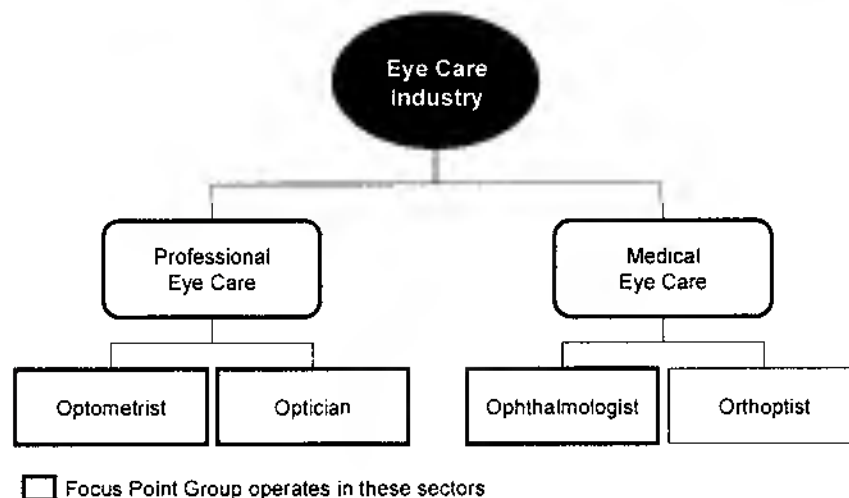


Figure 3 Overview of the Eye Care Industry

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



VITAL FACTOR CONSULTING

Creating Winning Business Solutions

- The professional eye care sector refers to the optometrists and opticians that prescribes and dispense eyewear products in the form of eyeglasses or contact lenses.
 - **Optometrists** are eye care professionals authorised to conduct eye diagnostic tests, manage and treat visual or ocular problems, undertake eye examination, and prescribe and dispense eyewear products including eyeglasses or contact lenses.
 - **Opticians** are eye care professionals authorised to provide fitting and fabrication services of spectacle frames and lenses, and dispense eyewear products. However in Malaysia, opticians are also allowed to undertake eye examinations and prescribe eyewear products including eyeglasses or contact lenses.
- The medical eye care sector refers to the ophthalmologists and orthoptists who are healthcare care specialists concerned with assessing and treating eye problems.
 - **Ophthalmologists** are medically qualified doctors specialising in the medical and surgical care of the eyes and visual system covering the full spectrum of eye examination and diagnosis, medical treatment, prescription, surgery and management of eye problems.
 - **Orthoptists** specialise in the diagnosis and treatment of visual system dysfunctions involving vision, eye movement, eye alignment and binocularity (the ability to focus on an object with both eyes). Orthoptists normally work along side with ophthalmologists.

3.2 Components of the Professional Eye Care Industry

- The components that make-up the professional eye care industry is as follows:

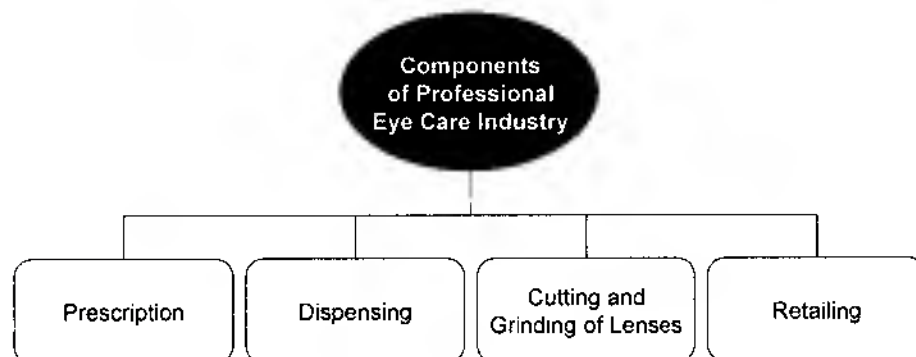


Figure 4 Components of the Professional Eye Care Industry

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



VITAL FACTOR CONSULTING

Creating Winning Business Solutions

- **Prescription:** This is concerned with eye examination to determine the prescription to correct blurred vision. This component is only undertaken by registered optometrists and opticians, and sometimes ophthalmologists.
- **Dispensing:** This is concerned with delivering the prescribed products, which may be in the form of prescription eyeglasses or contact lenses.
- **Cutting and Grinding of Lenses:** This is commonly undertaken by an in-house trained personnel or laboratory from the lens suppliers. This component is commonly associated with the dispensing function.
- **Retailing:** This component covers the retailing of professional services (prescription and dispensing) as well as prescription and fashion eyewear products and accessories.
- In Malaysia, it is common for a professional eye care centre to undertake the entire four components of professional eye care industry. However, some professional eye care centres would outsource the cutting and grinding of lenses to third parties, mainly to lens suppliers.

3.3 Retailing of Professional Eye Care

- Retailing is a key component of the Professional Eye Care Industry. The general structure of the retailing of professional eye care may be depicted as follows:

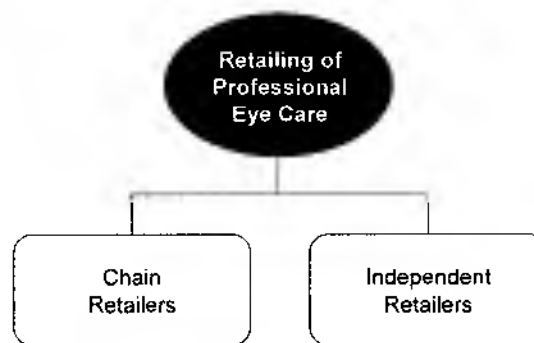


Figure 5 Retailing Structure of Professional Eye Care Industry

- **Chain Retailers** are operators of professional eye care centres that share a common brand name. Chain retailers are defined as those with two or more centres operating under common brand names.
- **Independent Retailers** are primarily operators of single professional eye care centres.

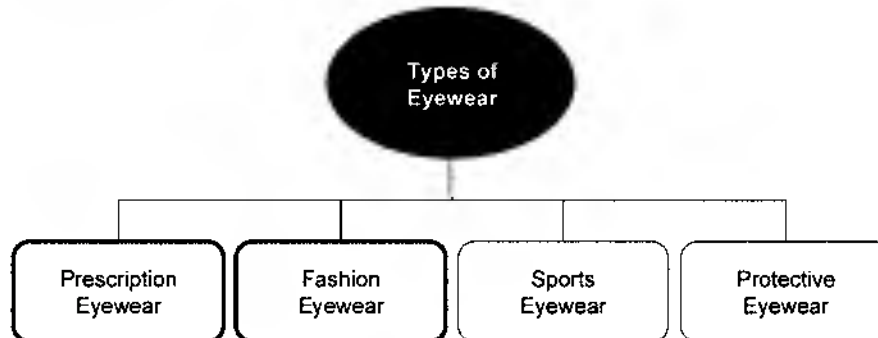
14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



VITAL FACTOR CONSULTING
Creating Winning Business Solutions

3.4 Types of Eyewear Products

- Generally, there are four main categories of eyewear products. This is as depicted in the diagram below:



Focus Point Group mainly sells these types of eyewear

Figure 6 Types of Eyewear Products

- The types of eyewear products that are commonly sold in professional eye care centres are prescription eyewear and fashion eyewear.
 - **Prescription eyewear** refers to eyewear designed for corrective vision. Prescription eyewear can only be prescribed and dispensed by registered optometrists and opticians. Prescription eyewear includes frames, corrective lenses and contact lenses.
 - **Fashion eyewear** is primarily worn for aesthetics purposes and also commonly for protection against glare and ultraviolet rays. As such, most fashion eyewear is focused on sunglasses. However, fashion eyewear also includes various colour tinted glasses and coloured contact lenses.
- Sports eyewear is commonly sold in specialist retail outlets and protective eyewear for industrial use. They are usually available from hardware retail outlets or industrial material suppliers.
 - **Sports eyewear** represents specially designed eyewear worn during sporting activities including among others, swimming, running, cycling, motorcycling, snow sports, surfing and shooting.
 - **Protective eyewear** refers to specially designed eyewear primarily to prevent eye injuries. This type of eyewear is more for industrial use in sectors such as building and construction, manufacturing or outdoor activities. Protective eyewear includes dust goggles, cutting goggles, welding glasses and face shields or visors.

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



VITAL FACTOR CONSULTING

Creating Winning Business Solutions

4. SUBSTITUTE PRODUCTS AND SERVICES

- The provision of eye examination and dispensing of prescription eyeglasses and contact lenses are regarded as essential components within the professional eye care industry.
- However, there are various substitutes for prescription eyeglasses and contact lenses and these are mainly involved in undertaking various surgical procedures used for correcting impairment of vision such as myopia, hyperopia and astigmatism. This includes the following types of refractive eye surgery, which are usually performed by ophthalmologists:
 - LASIK (laser-assisted in situ keratomileusis)
 - LASEK (laser sub-epithelial keratomileusis)
 - PRK (photorefractive keratectomy)
 - Epi-LASIK
 - RK (radial keratotomy)
 - Corneal ring implant
 - Intraocular lens implant
- **LASIK** is a method of eye surgery that uses laser to cut thin flaps in the cornea and alter its shape to correct blurred vision.
- **LASEK** is a surgical procedure in which the outer layer of the cornea is loosen with an alcohol solution and then folded back so that the laser can reshape the exposed cornea. The flap is replaced after the laser applications.
- **PRK** is a surgical procedure in which laser is applied directly to the eye's surface to reshape the cornea. In the process, the outer layer of the eye (epithelium) is destroyed, but it will eventually regrow.
- **Epi-LASIK** is a surgical procedure similar to LASEK but uses different instruments and does not require an alcohol solution to loosen the flap of epithelium.
- **RK** is a surgical procedure in which tiny incisions are made in the cornea, which flattens it and thus reduces nearsightedness and astigmatism.
- **Corneal ring implant** is a surgical procedure where two half circle clear plastics are implanted into the clear dome-shaped of the cornea (front of the eye) in each eye. The two implants in each eye do not cover the central portion of the cornea. Corneal ring implant are used to treat certain diseases of the cornea and also to correct refractive problems (particularly mild nearsightedness).
- **Intraocular lens implant** is a surgical procedure to replace the eye's natural lens with a plastic lens. This procedure is normally undertaken to treat cataract (clouding of the natural eye lens) or to change the eye's optical power to improve vision.
- Corneal ring implant and intraocular lens implant are rarely used for the sole purpose of correcting myopia, hyperopia and astigmatism.

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



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5. GOVERNMENT REGULATIONS, POLICIES AND INCENTIVES

5.1 Registration of Optometrists

- Any person is entitled to be registered as an optometrist as long as the person holds a qualification from a recognised university or institution listed under the Second Schedule of the Optical Act 1991.
- The Malaysian Optical Council may also authorise the registration of any person as an optometrist if the person holds qualifications that are not listed under the Second Schedule but is deemed suitable by the Minister of Health, after consulting the Malaysian Optical Council.

(Source: Optical Act 1991)

5.2 Registration of Opticians

- Any person is entitled to be registered as an optician as long as the person holds a qualification from a recognised university or institution listed under the First Schedule of the Optical Act 1991.
- The Malaysian Optical Council may also authorise the registration of any person as an optician if he or she satisfies the following criteria:
 - holds a qualification which is not specified in the First Schedule but is deemed suitable by the Minister of Health, after consulting the Malaysian Optical Council;
 - was engaged in the practice of prescribing and dispensing ophthalmic lenses for a period of not less than one year immediately prior to the coming into force of the Optical Act 1991;
 - is attending a course leading to any qualifications specified in the First Schedule of the Optical Act 1991;
 - is required to undergo practical training as part of such course, albeit provisionally registered.

(Source: Optical Act 1991)

5.3 Annual Practising Certificate

- According to the Optical Act 1991, a registered optometrists or opticians who intend to practise as an optometrist or optician must have a valid practising certificate which is renewable yearly.

5.4 Prescribing and Dispensing of Contact Lenses

- According to the Optical Act 1991, registered optometrists and opticians are allowed to prescribe and dispense contact lenses. However opticians have to fulfil certain conditions as listed under the Optical Act 1991 before obtaining written permission from the Malaysian Optical Council to prescribe and dispense contact lenses. *(Source: Optical Act 1991)*

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



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5.5 Registration of Franchise

- According to the Franchise Act 1998, it is a requirement to register with the Registrar of Franchise before one is allowed to commence on the franchising business. (Source: *Malaysian Franchise Association*)

5.6 Trademark

- In Malaysia, trademarks are governed by the Trade Marks Act 1976 and Trade Marks Regulation 1997 (Amendment 2001). Trademark registration is not compulsory in Malaysia. (Source: *Intellectual Property Corporation of Malaysia*)
- Trademark registration provides trademark owners with exclusive rights to use their marks in trading. (Source: *Intellectual Property Corporation of Malaysia*)
- The Registrar of Trade Marks is the issuing authority for the registration of trademarks in Malaysia. Registration of trademarks is valid for a period of ten years and may be renewed from time to time.

6. DEMAND AND DEMAND DEPENDENCIES

6.1 Demand

- Revenue generated from the Professional Eye Care Industry is mainly from the sales of eyewear products including prescription eyeglasses, fashion eyewear and contact lenses. However, as there are no specific statistics and data available on the retailing of eyewear products, the assessment of the retailing industry and imports of eyewear products will be used as a proxy to assess the demand for this industry.

Retailing Industry

- Between 2005 and 2009, the GDP of the Wholesale and Retail Industry based on current prices grew at an average annual rate of 9.6%. In the first quarter of 2010, Malaysia's GDP of the Wholesale and Retail Industry based on current prices grew by 13.3% to RM20.6 billion compared to the corresponding period in 2009 (Source: *Bank Negara Malaysia*).
- Between 2005 and 2009, retail trade value grew at an average annual rate of 19.8%. In 2009, retail trade value increased by 5.5% to reach RM122.5 billion compared to RM116.1 billion in 2008.
- In 2006 (based on the latest available data), the retail sales of photographic, optical and precision equipment grew by 22.1% to reach RM1.3 billion compared to the previous year.

(Source: *Department of Statistics*)

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



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Imports of Frames and Mountings for Spectacles

- Between 2005 and 2009, the import value of frames and mountings for spectacles, goggles or the like increased at an average annual rate of 8.5%. In 2009, the import value of this category declined by 22.4% to RM80.3 million compared to the previous year.
- Between 2005 and 2009, the import value of plastic frames and mountings (a sub-sector of frames and mountings for spectacles, goggles or the like) increased at an average annual rate of 11.1%. In 2009, the import value of this category declined by 33.8% to RM7.7 million compared to the previous year.
- Between 2005 and 2009, the import value of frames and mountings, of other materials (a sub-sector of frames and mountings for spectacles, goggles or the like) increased at an average annual rate of 8.2%. However, in 2009, the import value of this category declined by 21.0% to RM72.6 million compared to the previous year.

(Source: Department of Statistics)

Imports of Prescription Lenses

- Between 2005 and 2009, the import value of spectacle lenses grew at an average annual rate of 4.2%. In 2009, the import value of spectacle lenses increased by 0.8% to reach RM74.7 million compared to the previous year.
- Between 2005 and 2009, the import value of spectacle lenses made of glass (a sub-sector of spectacle lenses) increased at an average annual rate of 27.9%. In 2009, the import value of this category grew by 1.8% to reach RM23.1 million compared to the previous year.
- Between 2005 and 2009, the import value of spectacle lenses made of other materials (a sub-sector of spectacle lenses) decreased at an average annual rate of 1.4%. However, in 2009, the import value of this category grew slightly by 0.3% to reach RM51.6 million compared to the previous year.

(Source: Department of Statistics)

Imports of Sunglasses

- Between 2005 and 2009, the import value of sunglasses increased at an average annual rate of 18.6%. In 2009, the import value of sunglasses grew by 23.9% to reach RM109.3 million compared to the previous year.

(Source: Department of Statistics)

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



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Imports of Contact Lenses

- Between 2005 and 2009, the import value of contact lenses increased at an average annual rate of 41.6%. In 2009, the import value of contact lenses grew by 10.8% to reach RM185.8 million compared to the previous year.

(Source: Department of Statistics)

6.2 Demand Dependencies

- As the demand for eyewear products are ultimately dependent on end-consumers, the following factors will have an impact on the Professional Eye Care Industry:
 - population growth;
 - growth in household income;
 - average monthly household expenditure.
- The increase in Malaysia's population will continue to spur the demand for eyewear products:
 - Between 2005 and 2009, the population of Malaysia is forecasted to grow at an average annual rate of 2.0%. In 2009, the population of Malaysia reached 28.3 million. *(Source: Bank Negara Malaysia)*
 - The population of Malaysia is projected to grow at an average rate of 1.6% per annum between 2006 and 2010. It is forecasted that the population in Malaysia will reach approximately 29 million by 2010. *(Source: Ninth Malaysia Plan 2006-2010)*
- The increase in the affluence of Malaysian households determined by household income will mean greater affordability, thus stimulating demand and expenditure on consumer products and services such as eyewear products and services:
 - Between 2007 and 2009, per capita income in Malaysia grew at an average annual rate of 0.8% *(Source: Bank Negara Malaysia)*
 - Between 2004 and 2007, the mean monthly gross household income in Malaysia increased from RM3,249 to RM3,686, which represented an average annual growth rate of 4.3% *(Source: Mid-Term Review of the Ninth Malaysian Plan, 2006-2010)*
 - Between 1998/99 and 2004/05, the average monthly expenditure per household in Malaysia increased at an average annual rate of 3.0% to reach RM1,953 in 2004/05 *(Source: Department of Statistics).*

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



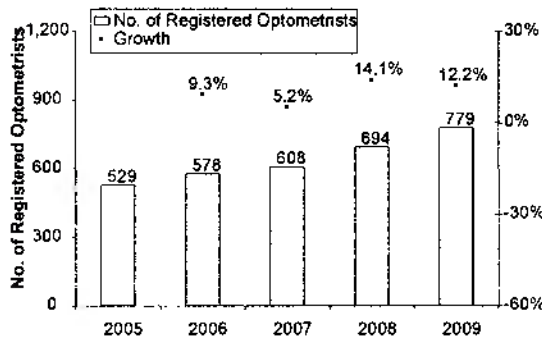
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7. SUPPLY DEPENDENCIES

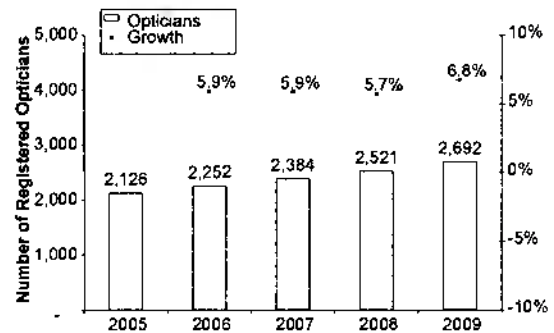
7.1 Professional Eye Care Services

- Professional eye care centres are dependent on the availability of registered optometrists and opticians, as only they are allowed to prescribe and dispense corrective eyeglasses and contact lenses.
- Availability of registered optometrists and opticians is particularly pertinent to operators of chain professional eye care centres. It may affect their ability to expand the number of professional eye care centres, as each centre will require at least one registered optometrist or optician.



Source: Malaysian Optical Council

Figure 7. Number of Registered Optometrists



Source: Malaysian Optical Council

Figure 8. Number of Registered Opticians

- In 2009, there were 779 registered optometrists in Malaysia, representing an increase of 12.2% from the previous year. Between 2005 and 2009, the number of registered optometrists in Malaysia grew at an average annual rate of 10.2%.
- In 2009, there were 2,692 registered opticians in Malaysia, representing an increase of 6.8% from the previous year. Between 2005 and 2009, the number of registered opticians in Malaysia grew at an average annual rate of 6.1%.

7.2 Eyewear Products

- The Professional Eye Care Industry is dependent on the supply of the following eyewear products including:
 - Prescription frames (also referred to as spectacle frames);
 - Prescription lenses (also referred to as spectacle lenses);
 - Sunglasses;
 - Contact lenses.
- As such, the supply of these eyewear products would be crucial to ensure the continuous operation of professional eye care centres.

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



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- However, as eyewear products are consumer-based items, they are available from sources locally as well as overseas. Local production of prescription frames and lenses in Malaysia is relatively small. The majority of prescription frames, lenses, sunglasses and contact lenses in Malaysia are imported from overseas.
- In 2009, imports of spectacle lenses (including lenses made of glass and other materials) increased by 0.8% to reach RM74.7 million. In 2009, some of the major sources of import of spectacle lenses made of glass include, among many others, the PRC, Thailand, Korea, France and the Philippines. Malaysia also imports its spectacle lenses made of other materials other than glass from various countries, including the PRC, Thailand, Japan, Korea and Hong Kong.
- In 2009, import value of frames and mounting made of plastic and other materials for spectacles and other eye care goods decreased by 22.4% to RM80.3 million. Some of the major sources of import of frames and mountings made of plastic for spectacles and other eye care goods were Taiwan, Vietnam, Hong Kong, Singapore and the PRC in 2009. In 2009, some of the major sources of imports of frames and mounting made of materials other than plastic for spectacles and other eye care goods were Hong Kong, the PRC, Japan, Singapore and Korea.
- In 2009, import value of sunglasses increased by 23.9% to reach RM109.3 million. Some of the major sources of imports were Singapore, the PRC, Hong Kong, Italy and the Philippines.
- Between 2005 and 2009, the sales value of the manufacture of spectacle lenses (including frames and lenses) in Malaysia declined at an average annual rate of 13.4%. In 2009, the sales value of the manufacture of spectacle lenses (including frames and lenses) in Malaysia decreased by 19.8% to RM37.4 million compared to the previous year.

(Source: Department of Statistics)

8. COMPETITION

8.1 Nature of Competition in the Industry

- All operators in the Professional Eye Care Industry in Malaysia face normal competitive conditions, which is similar to a free enterprise environment characterised by the following:
 - There are no undue government regulations or licensing requirements with the exception that practising optometrists and opticians must be qualified and registered with the government;
 - The industry is not dominated by a single or small number of operators;
 - Operators may enter and leave the industry freely;
 - No single or small group of operators is large enough to dictate pricing.

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



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- In such an environment, the industry is subjected to normal supply and demand conditions moderated by the price mechanism. Operators compete on product and service differentiations, and other factors of competition.

8.2 Factors of Competition

- As with most free enterprise environments, competition within the Professional Eye Care Industry is based on a number of factors, including:

- Brand name and market reputation;
- Track record;
- Wide choice of eyewear products;
- Exclusive and international eyewear brands;
- Convenience of location;
- Economies of scale

- **Brand Name and Market Reputation**

As the target market for the Professional Eye Care Industry are consumers, brand name and market reputation are key competitive factors in this industry. As such, an established brand name with a strong market reputation that appeals to target customer groups will be able to garner higher customer loyalty from existing customers as well as attract new customers through strong brand equity. In addition, a recognised brand name will be in a stronger position to command higher pricing compared to less prominent brand name operators in the industry.

- **Track Record**

Track record is a competitive factor, as operators with a longer track record would likely have accumulated a larger customer base compared to one that has a shorter track record. A larger customer base would provide an operator with more repeat sales. This is because customers would normally require to re-examine their eyesight, purchase new eyewear or to buy consumables for their contact lenses. In addition, a longer track record would help build operators' brand name and market reputation to attract new customers.

- **Wide Choice of Eyewear Products**

As eyewear in the form of prescription eyeglasses and sunglasses are also considered fashion accessories, having a wide choice of eyewear products would be a distinct competitive advantage. A wide choice of eyewear has the advantage of being able to meet diverse consumer preferences. As the cost of carrying a wide range of eyewear products is high, not all operators are able to provide a wide range of eyewear products.

- **Exclusive and International Eyewear Brands**

As eyewear products are considered fashion accessories, operators that carry international and high profile brands like "GUCCI", "DIOR", "PRADA", "Emporio Armani", "HUGO BOSS", "Christian Dior", "ESCADA", "FENDI", Ermenegildo

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



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Zegna", "LINDBERG", "Ray-Ban", "DKNY", "alain mikli" and "Oakley", would be able to meet the preferences of consumers that are looking for such brands. In addition, if an operator has the exclusive distribution rights to any of these brands, it would enhance its competitive position. As these products are expensive to stock, not many operators would be able to stock a wide range of such international and high profile brands.

- **Convenience of Location**

The Professional Eye Care Industry is primarily a consumer-based industry. As such, operators with professional eye care centres located in high pedestrian traffic areas like shopping centres or major retail centres would have a competitive advantage.

- **Economies of Scale**

Operators who have capabilities to operate a number of professional eye care centres would have stronger negotiation power to obtain better commercial terms from suppliers in terms of product costs, credit terms, logistics arrangement and others. Economies of scale would provide operators with higher gross margin to compete more effectively and also to invest in advertising and promotional activities.

8.3 Competitive Intensity

- Competition among operators of professional eye care centres within Malaysia is based on the following observations:
 - The overall level of competition among operators in the Professional Eye Care Industry in Malaysia is high as there are many players competing in the industry. Nevertheless, the Professional Eye Care Industry in Malaysia is sufficiently large to accommodate many of the operators in the industry.
 - Barriers to entry into the operation of professional eye care centres are relatively low for operators with only one outlet. This is substantiated by the large number of operators in the industry. However, operators with a network of chain professional eye care centres will have an advantage over smaller players due to their economies of scale, thereby reducing operating costs and improving profit margins.
 - An established brand name and good market reputation can also help to reduce the competitive intensity in the Professional Eye Care Industry. Operators who have successfully developed their brand name and market reputation, and have gained recognition will be in a better position to compete in the industry.

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



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8.4 Players in the Industry

- Examples of some of the players in the Professional Eye Care Industry in Malaysia are listed in alphabetical order as follows:
 - A-LOOK Eyewear Sdn Bhd
 - Alpha Optical Group Sdn Bhd
 - Axis Eyewear Group (M) Sdn Bhd
 - Bolton Visioncare Group Sdn Bhd
 - Bright Optical & Contact Lens Centre Sdn Bhd
 - BV Eye Care (M) Sdn Bhd
 - Cambridge Optical & Contact Lens Centre Sdn Bhd
 - Capital Optical Sdn Bhd
 - England Optical Group (M) Sdn Bhd
 - Eyeshop Sdn Bhd
 - **Focus Point Holdings Berhad**
 - Malaya Optical Sdn Bhd
 - Menara Optometry Centre Sdn Bhd
 - Metro Optical Group (Metro Designer Eyewear Sdn Bhd and MOG Eyewear Sdn Bhd)
 - New Mega Optics Sdn Bhd
 - Optical 88 Eye Care (M) Sdn Bhd
 - Optique Paris Miki (M) Sdn Bhd
 - Pro Eyes Optics Sdn Bhd
 - Yes Optical (M) Sdn Bhd.

(Note: The above is not an exhaustive list)

(Source: Primary Market Research undertaken by Vital Factor Consulting Sdn Bhd)

9. BARRIERS TO ENTRY

9.1 Set-up Costs

- The barriers to entry into the Professional Eye Care Industry based on capital requirements (excluding land and building) are **low**.
- The capital requirements of setting-up an independent professional eye care centre would be approximately RM100,000 to RM150,000 which includes renovation costs, basic optical equipment and stocks. A professional eye care centre of this size will generate approximately RM200,000 to RM300,000 per year in revenue.
- At this level of entry, this set-up cost is for one outlet with limited display capacity. Capital costs would start to escalate for an operator that wants to establish a network of professional eye care centres in order to generate higher revenue and to achieve economies of scale.

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



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9.2 Registered Optometrists or Opticians

- To operate a professional eye care centre requires at least a registered optometrist or optician. A registered optometrist would need to be university trained, while a registered optician would need to be university or institution trained or undertaken a recognised course of study and have some years of experience.
- Thus, a barrier to entry is the availability of at least a registered optometrist or optician to operate a professional eye care centre.

10. RELIANCE ON AND VULNERABILITY TO IMPORTS

- The main products used in professional eye care centres are prescription frames and lenses, contact lenses and sunglasses.
- Local production of prescription frames and lenses, and sunglasses in Malaysia is relatively small, while there are no contact lens manufacturers in Malaysia. The majority of prescription frames and lenses, sunglasses, and all contact lenses in Malaysia are imported from overseas.
- As such, there is a high reliance on imports for prescription frames and lenses, contact lenses and sunglasses. Nevertheless, there are numerous sources of supply of eyewear products overseas.

11. THREATS AND RISKS ANALYSIS

11.1 Consumer Scare

- Operators in the Professional Eye Care Industry are sensitive to public opinion. This is because eyewear products, particularly contact lenses are worn on the eye, and may have a negative effect or reaction on the wearer.
- Poor quality eyewear products and services due to lack of expertise and monitoring procedures may cause eye related problems such as eye infection, particularly for wearers of contact lenses. This would have an adverse impact on the market reputation and brand name of the operator.
- In addition, professional eye care centres may be target of sabotage or malicious rumours designed to cause harm to the centres.
- As such, any adverse public opinion or perception would have a significant negative impact on the operator.

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



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Mitigating Factors

- Operators that continually ensure the safe and proper handling of eyewear products would limit significantly the risk of adverse reactions from their eyewear products. Furthermore, keeping the premises clean and hygienic as well as ensuring that the opticians and optometrists practice good hygiene would also avoid incidents of eye infections.

11.2 Global Financial Crisis

- Any prolonged and/or widespread downturn such as those of the recent global financial turmoil has affected the global and Malaysian economies. The provision of eyewear products and services is consumer-based and any downturn in the local economy will reduce disposable income and consumer confidence in spending on discretionary items.
- Nevertheless, consumer spending on eyewear products and services will not reduce drastically as certain eyewear, such as corrective eyeglasses and contact lenses are considered necessities, although demand for fashionable eyewear products, like sunglasses, and accessories may decrease.

Mitigating Factors

- As evidenced in the past, the Malaysian Government's implementation of pro-growth measures to sustain the country's growth momentum, by raising domestic demand to compensate for slower external growth, has helped Malaysian companies to counter some of the effects of the slowdown in the global economy.
- In early November 2008, the Malaysian Government announced a RM7 billion stimulus package, which was channelled into 15 projects to promote business activity, and helped minimise the impact of the global financial crisis.
- On 10 March 2009, the Government tabled a mini budget as part of the second stimulus package. The second stimulus package was to be implemented over 2009 and 2010, and will include RM60 billion in spending and incentives.
- It is expected that these measure will help to generate domestic business activities and domestic consumption, which will in turn help counter the slowdown in the local economy.

11.3 Dependency on Imports of Eyewear Products

- The Professional Eye Care Industry in Malaysia is primarily dependent on imports for their eyewear products. Therefore any shortage or interruption in supply would materially affect operators of professional eye care centres.

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



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Mitigating Factors

- There are numerous sources of supply of eyewear products overseas, particularly for prescription frames and sunglasses. As such, there is a low likelihood of a worldwide shortage of eyewear products that may affect Malaysia.

11.4 Dependency on Optometrists and Opticians

- The operation of professional eye care centres is highly dependent on its optometrists and opticians. This is because only registered optometrists and opticians are authorised to prescribe and dispense eyewear products in Malaysia.
- Any shortages in qualified optometrists and opticians will have a significant impact on the business operations of professional eye care centres, especially for chain operators.

Mitigating Factors

- Operators that make adequate efforts to look after their optometrists and opticians in terms of remuneration and work conditions would be in a better position to attract as well as retain good optometrists and opticians.
- In 2009, there were 779 registered optometrists and 2,692 registered opticians in Malaysia. The number of registered optometrists grew at an average annual rate of 10.2% while the number of registered optician grew at an average annual rate of 6.1% between 2005 and 2009 (*Source: Malaysian Optical Council*).
- The steady increase in the number of registered optometrists and opticians in Malaysia minimises the risk of shortages of these eye care professionals.

11.5 Stock Obsolescence

- Prescription frames and sunglasses are functional as well as fashion items. Consumer preferences change from time to time. As such, operators of professional eye care centres run the risk of holding obsolete stocks. This may affect them financially if they write off obsolete stocks or sell them off at large discounts. Alternatively, if they keep too many obsolete stocks, there would be less display space for new and more contemporary stocks to appeal to consumers.

Mitigating Factors

- Operators would need to be prudent to ensure that their stock purchases meet the needs of constantly changing consumer preferences. Chain operators may have some advantage, as they are able to rotate their stocks among their various outlets.

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



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12. AREAS OF GROWTH AND OPPORTUNITIES

12.1 Building Brand Name and Market Reputation

- Brand name and market reputation are important in the Professional Eye Care Industry to establish customer loyalty and where appropriate, command premium pricing. Apart from the quality of goods and services, brand name and market reputation are key in enabling operators to distinguish themselves from the competitors to win new and retain existing customers.
- There are opportunities for operators to build strong brand names and market reputation by focusing on marketing and promotions.

12.2 Franchising

- Within the Professional Eye Care Industry, there are opportunities for franchising. This system enables operators to expand the number of professional eye care centres with lower requirements for capital investment or involvement in direct management and operations.
- Franchising not only provides franchisors with royalties, but also increases brand awareness as more of their franchised outlets are spread over a wider geographic area.
- Franchising systems are also exportable, thereby providing incremental profits beyond the local market. Local operators of professional eye care centres that have developed successful brand names and market reputation would be able to optimise from the franchising system.

12.3 Export Markets

- Operators of professional eye care centres can expand into overseas countries, either by establishing new outlets themselves or via a franchising system or through joint-ventures with local partners.
- Expanding into overseas countries will enable operators to enlarge their potential market size and increase their geographical diversification.

13. CRITICAL SUCCESS FACTORS

Critical success factors for operators of professional eye care centres include the following:

- **Established Brand Name and Market Reputation:** Established brand names and market reputation for professional eye care centres play a vital role in winning new and retaining existing customers. Operators that have established brand names and market reputation would have better control of their business directions and at the same time create customer loyalty to sustain and grow the business.

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- **Keeping Abreast with Consumer Tastes and Preferences:** It is essential for operators in the Professional Eye Care Industry to keep abreast of consumer tastes and preferences to retain existing customers and to attract new customers. In addition, it will provide operators with the ability to address emerging business opportunities to maximise revenue and profits.
- **Availability of registered optometrists and opticians:** Chain operators who seek to expand their business must be able to attract sufficient registered optometrists and opticians to operate professional eye care centres. Keeping and attracting registered optometrists and opticians are critical, as many of them would seek to operate their own professional eye care centres.
- **Financial Stability:** Operators who are in a healthy financial position will be in a better position to upgrade its facilities including equipments for eye examination, expand its premises to increase capacity, and undertake development of its brand through advertisements and promotions.
- **Selecting the Right Location:** Choosing the right location means taking into consideration demographic factors such as target customers, population density and pedestrian flow. The selection of the right location would impact on the volume of business of a professional eye care centre.

14. INDUSTRY OUTLOOK

14.1 Overall Industry Prognosis

- The medium term outlook for the Professional Eye Care Industry is favourable supported by the following observations:
 - Positive outlook of the Malaysian economy in the near term based on forecast of improving GDP;
 - Improving consumer confidence as demonstrated in the first quarter of 2010, to sustain the retail sector including that of the Professional Eye Care Industry;
 - Demonstrated growth for the retail sector during normal economic conditions;
 - The Professional Eye Care Industry provides necessity products and services to consumers with the need to correct blurred vision;
 - Competition is constrained by the number of registered optometrists and opticians in Malaysia.

14.2 GDP Forecast and Consumer Confidence

- In light of the global financial crisis that has affected Malaysia, there are strong indications that economic conditions in Malaysia are improving and the outlook for the near term, especially 2010, will be better than 2009. This is supported by the following observations:

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



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- While real GDP for 2009 contracted by 1.7%, real GDP for 2010 is forecasted to grow between 4.5% and 5.5%. In the first quarter of 2010, Malaysia's real GDP registered a growth of 10.1%. (Source: *Bank Negara Malaysia*)
- Consumer confidence for the first quarter of 2010 has improved by 45% compared to the first quarter of 2009 in Malaysia. (Source: *Consumer Sentiments Quarterly Report – Various Issues, Malaysian Institute of Economic Research (MIER)*)
- Improved economic conditions combined with stronger consumer confidence will help sustain operators within the Professional Eye Care Industry.

14.3 Historical Sales Performance of Retail Sales

- Retail sales have demonstrated growth during normal economic conditions prior to the global financial crisis:
 - Between 2005 and 2007, the wholesale and retail sector of the Malaysian economy experienced an average annual growth rate of 11.4% (Source: *Bank Negara Malaysia*).
- According to the Department of Statistics, retail sales of spectacles and other optical goods is classified under the "other retail trade of new goods in specialised stores" category.
 - Between 2005 and 2007, the other retail trade of new goods in specialised stores increased at an average annual growth rate of 23.3% (Source: *Department of Statistics*).
- In 2006 (based on the latest available data), the retail sales of photographic, optical and precision equipment grew by 22.1% to reach RM1.271 billion. (Source: *Department of Statistics*)
- In 2008, the GDP of the wholesale and retail industry based on current prices registered a growth of 17.7%. However, in 2009, Malaysia's GDP of the wholesale and retail industry based on current prices declined by 1.9%. Despite the drop in 2009, Malaysia's GDP of the wholesale and retail industry registered an average annual growth of 9.6% between 2005 and 2009. In the first quarter of 2010, Malaysia's GDP of the wholesale and retail industry based on current prices grew by 13.3% compared to the corresponding period in 2009. (Source: *Bank Negara Malaysia*)
- In 2008, the sales value of other retail trade of new goods in specialised stores registered a growth of 26.8% compared to 2007. However, in 2009, the sales value of other retail trade of new goods in specialised stores declined by 0.2% compared to 2008. Again, despite the drop in 2009, the sales value of other retail trade of new goods in specialised stores grew at an average annual rate of 17.8% between 2005 and 2009. (Source: *Department of Statistics*)

14. INDEPENDENT ASSESSMENT OF THE PROFESSIONAL EYE CARE INDUSTRY (Cont'd)



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- As such, it is expected that once Malaysia is fully recovered from the economic slowdown in 2009, the Professional Eye Care Industry would continue to grow. This would augur well for operators of professional eye care centres.

15. MARKET RANKING, SIZE AND SHARE

Market Ranking

- As at 1 June 2010, Focus Point Group had a total of 144 professional eye care centres in Malaysia. Based on the number of professional eye care centres, Focus Point Group ranked **first** compared to other operators of professional eye care centres in Malaysia. (Source: *Vital Factor Consulting Sdn Bhd*)

Market Size

- In 2009, the market size of the Professional Eye Care Industry in Malaysia was estimated at **RM1.3 billion**. This was based on retail sales of "optical equipment", which according to the Department of Statistics, refers to eyewear products. (Source: *Vital Factor Consulting Sdn Bhd*)

Market Share

- In 2009, the revenue derived from Focus Point Group's operations of professional eye care centres, which comprised retail sales revenue from fully and partially owned, franchised and licensed centres was approximately RM136 million. (Source: *Focus Point Group*)
- In 2009, Focus Point Group had a market share of approximately **10%** of the Professional Eye Care Industry in Malaysia based on the Group's retail sales derived from all of its professional eye care centres, which comprised retail sales revenue from fully and partially owned, franchised and licensed centres. (Source: *Vital Factor Consulting Sdn Bhd*)

Vital Factor Consulting Sdn Bhd has prepared this report in an independent and objective manner and has taken all reasonable consideration and care to ensure the accuracy and completeness of the report. It is our opinion that the report represents a true and fair assessment of the industry within the limitations of, among others, secondary statistics and information, and primary market research. Our assessment is for the overall industry and may not necessarily reflect the individual performance of any company. We do not take any responsibilities for the decisions or actions of readers of this document. This report should not be taken as a recommendation to buy or not to buy the shares of any company.

Yours sincerely

15. DIRECTORS' REPORT

(Prepared for inclusion in this Prospectus)



23 June 2010

Registered Office
Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

To: The Shareholders of Focus Point Holdings Berhad ("Focus Point" or the "Company")

Dear Sir/Madam,

On behalf of the Board of Directors of Focus Point, I report that after making due enquiries in relation to the interval date between 31 December 2009, being the date to which the last audited financial statements of Focus Point and its subsidiaries ("**Focus Point Group**") have been made up, and 23 June 2010, being a date not earlier than fourteen (14) days before the issue of this Prospectus:

- (a) the business of the Focus Point Group, in the opinion of the Directors, has been satisfactorily maintained;
- (b) in the opinion of the Directors, save as disclosed in this Prospectus, no circumstance has arisen since the last audited financial statements of the Focus Point Group, which has adversely affected the trading of the value of the assets of the Focus Point Group;
- (c) the current assets of the Focus Point Group appear in the books at values, which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in Section 12.5.6 of this Prospectus, no contingent liability has arisen by reason of any guarantee or indemnity given by the Focus Point Group;
- (e) there has been, since the last audited financial statements of the Focus Point Group, no default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowing in which the Directors are aware of; and
- (f) save as disclosed in the Pro Forma Consolidated Financial Information and the Accountants' Report set out in this Prospectus, since the last audited financial statements of the Focus Point Group, there has been neither any material change to the published reserves nor any unusual factor affecting the profits of the Focus Point Group.

Yours faithfully,
For and on behalf of the Board of Directors
FOCUS POINT HOLDINGS BERHAD


DATO' LIAW CHOON LIANG
President/CEO



Focus Point Holdings Berhad (884238-U)
Unit 1, 3 & 5, Jalan PJU 1/37, Dataran Prima,
47301 Petaling Jaya, Selangor.
Tel: 03-7880 5520 Fax: 03-7880 5530
Website: www.focus-point.com

16. ADDITIONAL INFORMATION

16.1 Share Capital

- (a) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than twelve (12) months after the date of the issue of this Prospectus.
- (b) Save as disclosed in this Prospectus, none of the capital of our Company and our subsidiaries has been issued or was proposed to be issued as fully or partly paid-up in cash or otherwise, within the two (2) years preceding the date of this Prospectus.
- (c) Neither our Company nor our subsidiaries has any capital that is under option, or agreed conditionally or unconditionally to be put under option.
- (d) Save for the IPO Shares reserved for our eligible Directors and employees as set out in Section 3.3 of this Prospectus, there is currently no other scheme for or involving our Directors or employees in the capital of our Company or any of our subsidiaries.
- (e) There is no limitation imposed by the laws of Malaysia and our Articles of Association on the rights of non-resident shareholders to hold or exercise voting rights in respect of our Shares.

16.2 Articles of Association

The following provisions are reproduced from our Articles of Association relating to transfer of securities, remuneration of Directors, voting and borrowing powers of Directors and changes in capital and variation of class rights.

16.2.1 Transfer of securities

The provisions of our Articles of Association in respect of the arrangements for the transfer of our Shares and the restrictions on their free transferability are as follows:

Article 27

The transfer of any listed securities or class of listed securities of the Company, shall be by way of book entry by Bursa Depository in accordance with the Rules of Depository and, notwithstanding Sections 103 and 104 of the Act, but subject to Section 107C(2) of the Act and any exemption that may be made from compliance with Section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such listed securities.

Article 28

Subject to the Rules of Bursa Depository and Listing Requirements, the transfer of any securities may be suspended at such times and for such periods as the Directors may from time to time determine. Ten (10) Market Days' notice, or such other period as may from time to time be specified by Bursa Securities governing the register concerned, of intention to close the register shall be given to Bursa Securities. At least three (3) Market Days prior notice shall be given to the Bursa Depository to prepare the appropriate Record of Depositors.

Article 29

Bursa Depository may refuse to register any transfer of deposited security that does not comply with the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository.

16. ADDITIONAL INFORMATION (Cont'd)

Article 30

Subject to the provisions of the Articles of Association of the Company, the Directors may recognise a renunciation of any share by the allottee thereof in favour of some other person.

16.2.2 Remuneration of Directors

The provisions of our Articles of Association dealing with the remuneration and benefits of our Directors are as follows:

Article 94

The Directors shall be paid by way of fees for their services, such fixed sum (if any) as shall from time to time be determined by the Company in general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine. PROVIDED ALWAYS that:

- (a) fee payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;
- (b) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover;
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting; and
- (d) any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 95

- (1) The Directors shall be paid for all their travelling, hotel and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of the Directors or any committee of the Directors.
- (2) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board provided that in the case of non-executive Directors, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors.

16. ADDITIONAL INFORMATION (Cont'd)

Article 127

The remuneration of a Director holding an executive office pursuant to the Articles of Association of the Company shall subject to Article 94 be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but shall not include a commission on or percentage of turnover.

16.2.3 Voting and borrowing powers of Directors

The provisions of our Articles of Association dealing with the voting and borrowing powers of our Directors are as follows:

Article 99

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or subsidiary company or associate company or any related third party subject to the law including but not limited to the provisions of the Act and the Listing Requirements.

Article 100

The Directors shall not borrow any money or mortgage or charge any of the Company's or its subsidiaries' undertaking, property or uncalled capital, or issue debentures or other securities, whether outright or as security, for any debt, liability or obligation of an unrelated third party.

Article 101

The Directors may establish or arrange any contributory or non-contributory pension or superannuation scheme for the benefit of, or pay a gratuity, pension or emolument to any person who is or has been employed by or in the service of the Company or any subsidiary of the Company, or to any person who is or has been a Director or other officer of and holds or has held salaried employment in the Company or any such subsidiary, and the widow, family or dependants of any such person. The Directors may also subscribe to any association or fund which they consider to be for the benefit of the Company or any such subsidiary or any such person as aforesaid and make payments for or towards any hospital or scholastic expenses and any Director holding such salaried employment shall be entitled to retain any benefit received by him hereunder subject only, where the Act requires, to proper disclosure to the members and the approval of the Company in general meeting.

Article 102

The Directors may exercise all the powers of the Company conferred by the Act in relation to any official seal for use outside Malaysia and in relation to branch registers.

16. **ADDITIONAL INFORMATION (Cont'd)**

Article 107

Subject always to Sections 131, 132E, and 132F of the Act, a Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise nor shall any such contracts, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

Article 122

A Director notwithstanding his interest may, provided that none of the other Directors present disagree, be counted in the quorum present at any meeting whereat any decision is taken upon any contract or proposed contract or arrangement in which he is in any way interested PROVIDED ALWAYS that he has complied with Section 131 and all other relevant provisions of the Act and the Articles of Association of the Company.

Article 123

A Director may vote in respect of:

- (a) any arrangement for giving the Director himself or any other Directors any security or indemnity or any other Directors any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; and
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part, under a guarantee or indemnity or by the deposit of a security.

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16. ADDITIONAL INFORMATION (Cont'd)

16.2.4 Changes in capital and variation of class rights

The provisions of our Articles of Association dealing with changes in capital variations of class rights which are stringent as those provided in the Act are as follows:

Article 8

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the sanction of a special resolution passed at a separate meeting of the shareholders of that class. Where necessary majority of such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of not less than three-fourths (3/4) of the issued shares of that class within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting. To every such separate general meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two (2) persons who are shareholders present in person or represented by proxy, one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution, the provisions of Section 152 of the Act shall with such adaptations as are necessary, apply.

Article 9

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

16.3 Directors and Substantial Shareholders

- (a) The names, addresses and professions of our Directors are set out in the Corporate Directory Section of this Prospectus.
- (b) Save as disclosed in Section 8.10 of this Prospectus, there is no existing or proposed service agreement (other than employment contract) between us and our Directors or key management.
- (c) Please refer to Section 8.1.1 of this Prospectus for the direct and indirect interests of our Promoters and substantial shareholders in the issued and paid-up capital of our Company before and after the IPO.
- (d) Please refer to Section 8.2.1 of this Prospectus for the direct and indirect interests of our Directors in the issued and paid-up capital of our Company before and after the IPO.
- (e) Save as disclosed in Section 10.3 of this Prospectus, none of our Directors or substantial shareholders has any interest, direct or indirect, in any business carrying on a similar trade as us.
- (f) None of our Directors or substantial shareholders has interest in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of our Company and our subsidiaries taken as a whole.

16. ADDITIONAL INFORMATION (Cont'd)

16.4 Material Contracts

Save as disclosed below, we have not entered into any contract which are or may be material (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Prospectus:

- (a) On 22 October 2009, Focus Point Vision Care entered into a settlement agreement with Berjaya Times Square Sdn Bhd ("**BTS**") and Dato' Liaw ("**Guarantor**"), whereby Focus Point Vision Care and the Guarantor have agreed to settle a judgment sum of RM938,752.08 to BTS as full and final settlement sum in twelve (12) monthly instalments;
- (b) On 11 December 2009, Focus Point Vision Care entered into a sale and purchase agreement with Lim Teng Chai and Wong Lee Ling (the "**Said Vendors 1**") to purchase a shop-office known as Parcel No. 109-L3, Level No. 3rd Floor, Prima Square Phase 1, Petaling Jaya measuring approximately 1,480 square feet in area, erected on part of land held under Master Title Geran 35997, Lot No. 102 (formerly held under Grant 6434) in Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor Darul Ehsan and bearing postal address Unit 5-4, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan for a total consideration of RM448,000;
- (c) On 8 March 2010, Focus Point Vision Care made an offer to purchase a shop-office known as Parcel No. 109-L4, Level No. 4th Floor, Block I, Type A-2, Prima Square, Petaling Jaya measuring approximately 1,487 square feet erected on part of land held under Master Title Geran 35997, Lot No. 102 (formerly held under Grant 6434) in Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor Darul Ehsan and bearing postal address Unit 5-5, Block I, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan from Teng Long Huat (Deceased) and Teng Kim Geok (the "**Said Vendors 2**") for a total consideration of RM448,000. Focus Point Vision Care has paid an earnest deposit of RM8,960 to the Said Vendors 2. A sale and purchase agreement will be entered into within fourteen (14) working days after a grant of probate has been obtained for the execution of the Deceased's Will. The said grant of probate was obtained on 13 April 2010 and the parties are currently negotiating on the terms of the sale and purchase agreement;
- (d) On 14 April 2010, Focus Point entered into a conditional sale and purchase agreement with the vendors of Focus Point Vision Care, namely Dato' Liaw and Datin Goh, for the acquisition of 10,000,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Focus Point Vision Care, for a total consideration of RM24,760,395 based on the audited consolidated NA of Focus Point Vision Care as at 31 December 2009 of RM24,760,395;
- (e) On 14 April 2010, Focus Point entered into a conditional sale and purchase agreement with Focus Point Vision Care for the acquisitions of the following:
 - 50,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Focus Point Management, for a total consideration of RM3,380,693 based on the audited NA of Focus Point Management as at 31 December 2009 of RM3,380,693; and
 - 300,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Excelview Laser Eye Centre, for a total consideration of RM793,725 based on the audited NA of Excelview Laser Eye Centre as at 31 December 2009 of RM793,725;

16. ADDITIONAL INFORMATION (Cont'd)

- (f) on 22 June 2010, our Company entered into an Underwriting Agreement with OSK for the underwriting of 18,250,000 Public Issue Shares at an underwriting commission of 2.00% of the total value of the underwritten value at the Issue Price of RM0.39 per Share; and
- (g) on 22 June 2010, our Company entered into a Placement Agent Agreement with OSK for the placement of 22,950,000 Public Issue Shares at the rate of 1.00% and 2.00% of the value of the Shares placed out to investors identified by our Promoters and the Placement Agent respectively, at the Issue Price of RM0.39 per Share.

16.5 Material Litigation and Arbitration

As at LPD, we are not engaged in any material litigation or arbitration, either as plaintiff or defendant, which has or might have material effects on our business or financial position, and our Directors do not know of any proceeding pending and threatened, and of any fact likely to give rise to any proceeding which might materially and adversely affect our business or financial position.

16.6 General Information

During the last financial year and the current financial year, there has been:

- (a) no public take-over offers by third parties in respect of our Shares; and
- (b) no public take-over offers by us in respect of other companies' shares.

16.7 Consents

The Principal Adviser, Sponsor, Underwriter, Placement Agent, Solicitors, Principal Bankers, Registrar, Company Secretary and Issuing House have, before the issue of this Prospectus, given and have not subsequently withdrawn their written consents to the inclusion in this Prospectus of their names in the form and context in which their names appear.

The Auditors and Reporting Accountants have, before the issue of this Prospectus, given and have not subsequently withdrawn their written consents to the inclusion in this Prospectus of their names, letter relating to the Pro forma Consolidated Financial Information and Accountants' Report in the form and context in which they appear in this Prospectus.

The Independent Business and Market Research Consultants has, before the issue of this Prospectus, given and has not subsequently withdrawn its written consent to the inclusion in this Prospectus of its name and the Independent Assessment of the Professional Eye Care Industry in the form and context in which they appear in this Prospectus.

16.8 Documents for Inspection

Copies of the following documents may be inspected at our registered office during normal office hours for a period of twelve (12) months from the date of this Prospectus:

- (a) our Memorandum and Articles of Association;
- (b) the Reporting Accountants' letter relating to the Pro forma Consolidated Financial Information dated 22 June 2010 as included in Section 12.3 of this Prospectus;

16. ADDITIONAL INFORMATION (Cont'd)

- (c) the Accountants' Report dated 22 June 2010 as included in Section 13 of this Prospectus;
- (d) Independent Assessment of the Professional Eye Care Industry dated 8 June 2010 as included in Section 14 of this Prospectus;
- (e) the Directors' Report as included in Section 15 of this Prospectus;
- (f) material contracts as disclosed in Section 16.4 of this Prospectus;
- (g) the letters of consent as referred to in Section 16.7 of this Prospectus; and
- (h) the audited financial statements of our Company and subsidiaries for the past three (3) financial years up to the FYE 2009.

16.9 Responsibility Statements

This Prospectus has been seen and approved by our Directors, Promoters and Selling Shareholder and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

OSK, being our Principal Adviser, Sponsor, Underwriter and Placement Agent, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the IPO.

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17. PROCEDURES FOR APPLICATION AND ACCEPTANCE

17.1 Opening and Closing of Applications

Opening of applications: 10.00 a.m. on 30 June 2010

Closing of applications: 5.00 p.m. on 15 July 2010

or at such other later time and date or dates as our Directors and Underwriter may mutually decide, at their absolute discretion. **We will not accept late applications.**

Our Directors and Underwriter may mutually decide, at their absolute discretion, to extend the closing date and time for application of the IPO to any later date or dates. Should the closing date of the application for the IPO be extended, we will advertise a notice of the extension in widely-circulated English and Bahasa Malaysia newspapers prior to the original closing date of applications for the IPO. Following this, the dates for the balloting of applications for the Public Issue Shares, allotment of the Public Issue Shares and Listing would be extended accordingly.

17.2 Eligibility

You can only apply for our Shares if you fulfil **all** the following:

- (a) You must have a CDS account. If you do not have a CDS account, you may open one (1) by contacting any of the ADAs listed in Section 18 of this Prospectus;
- (b) You must be **one (1)** of the following:
 - (i) A Malaysian citizen who is at least eighteen (18) years old as at the closing date of the application with a Malaysian address; or
 - (ii) A corporation/institution incorporated in Malaysia where, there is a majority of Malaysian citizens on your board of directors/trustee and if you have a share capital, more than half of your issued share capital, excluding preferred share capital is held by Malaysian citizens; or
 - (iii) A superannuation, co-operative, foundation, provident or pension fund established or operating in Malaysia.

We will not accept applications from trustees, persons under eighteen (18) years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations/institution referred to in (b)(ii) or (iii) above or the trustees thereof; and

- (c) You are not a director or employee of MIH, our Issuing House or their immediate family members.

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17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**17.3 Methods of Application**

Applications for the IPO Shares may be made using either of the following ways:

Class of applicants	Application method
Eligible Directors, employees and franchisees who have contributed to our success and development	Pink Application Form only
Identified investors via private placement	Blue Application Form only
Malaysian public (for individuals)	White Application Form or Electronic Share Application ⁽¹⁾ or Internet Share Application ⁽²⁾
Malaysian public (for non individuals, e.g. corporations, institutions, etc)	White Application Form only
Bumiputera investors approved by the MITI	Separate letters/forms delivered to the respective Bumiputera investors

Notes:

- (1) A surcharge of RM2.50 per Electronic Share Application will be charged by the Participating Financial Institution.
- (2) The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institution:
- (a) CIMB Investment Bank Berhad (www.eipocimb.com) – RM2.00 per Internet Share Application via CIMB Bank Berhad or via Malayan Banking Berhad;
 - (b) CIMB Bank Berhad (www.cimbclicks.com.my) – RM2.00 per Internet Share Application for applicants with CDS account held with CIMB Investment Bank Berhad and RM2.50 for applicants with CDS accounts with other ADAs;
 - (c) Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00 per Internet Share Application; and
 - (d) Affin Bank Berhad (www.affinOnline.com) – No fee will be charged for application by their account holders.

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17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

17.4 Procedures for Application

17.4.1 Procedures for application by way of an Application Form

Our eligible directors, employees and franchisees who have contributed to our success and development will be distributed **Pink** Application Forms, letters detailing their allocation and additional letters of instruction. Their application must follow the notes and instructions in the said documents and where relevant, this Prospectus.

Members of the Malaysian public and identified investors applying via the private placement should follow the following procedures in making their applications:

Step 1 : Obtain application documents

Obtain the **White** Application Forms (if you are a member of the Malaysian public) or **Blue** Application Forms (if you are an identified investor) together with the Official "A" and "B" envelopes and a copy of this Prospectus. These documents can be obtained subject to availability from the following parties:

- (a) OSK;
- (b) participating organisations of Bursa Securities;
- (c) members of the Association of Banks in Malaysia;
- (d) members of the Malaysian Investment Banking Association; and
- (e) MIH.

Step 2 : Read the Prospectus

In accordance with Section 232(2) of the CMSA, the Application Forms are accompanied by this Prospectus. You are advised to read and understand this Prospectus before making your application.

Step 3 : Complete the Application Form

Complete the relevant Application Form legibly and **STRICTLY** in accordance with the notes and instructions printed on it and in this Prospectus.

(a) Personal particulars

You must ensure that your personal particulars submitted in your application are identical with the records maintained by Bursa Depository. Please inform Bursa Depository promptly of any changes to your personal particulars.

If you are an individual and you are not a member of the armed forces or police, your name and national registration identity card ("**NRIC**") number must be the same as that stated in:

- (i) your NRIC; or
- (ii) your "Resit Pengenalan Sementara (JPN KP 09)" issued pursuant to Peraturan 5(5), Peraturan-Peraturan Pendaftaran Negara 1990; or

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iii) any valid temporary identity document as issued by the National Registration Department from time to time.

If you are a member of the armed forces or police, your name and your armed forces or police personnel number, as the case may be, must be the same as that stated in your authority card.

If you are a corporation/institution, the name and certificate of incorporation number must be the same as that stated in the corporation's/institution's certificate of incorporation.

(b) CDS account number

You must state your CDS account number in the space provided in the Application Form. Invalid, nominee or third party CDS accounts will **not** be accepted.

(c) Details of payment

You must state the details of your payment in the appropriate boxes provided in the White Application Form.

(d) Number of Shares applied

Your application must be for 100 Shares or multiples thereof.

Step 4 : Prepare appropriate form of payment (applicable to Malaysian public and identified investors via private placement)

Prepare the correct form of payment in RM for the FULL amount payable for the Public Issue Shares based on the Issue Price.

Your completed Application Form must be accompanied by remittance in RM for the full amount payable by any of the following:

- (a) banker's draft or cashier's order purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera applicants); or
- (b) money order or postal order (for applicants from Sabah and Sarawak only); or
- (c) Guaranteed Giro Order ("GGO") from Bank Simpanan Nasional Malaysia Berhad (differentiated by a special red band for Bumiputera applicants); or
- (d) ATM statement obtained only from any of the following financial institutions:
- Affin Bank Berhad; or
 - Alliance Bank Malaysia Berhad; or
 - AmBank (M) Berhad; or
 - CIMB Bank Berhad; or
 - EON Bank Berhad; or
 - Hong Leong Bank Berhad; or
 - Malayan Banking Berhad; or
 - Public Bank Berhad; or
 - RHB Bank Berhad,

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

and must be made out in favour of "MIH's SHARE ISSUE A/C NO: 497" and crossed "A/C PAYEE ONLY" (excluding ATM statements) and endorsed on the reverse side with your name and address.

We will not accept applications with excess or insufficient remittances or inappropriate forms of payment.

Step 5 : Finalise application

Insert the White Application Form with the appropriate payment and a legible photocopy of identification document (NRIC/"Resit Pengenalan Sementara (JPN KP 09)"/valid temporary identity document issued by the National Registration Department/authority card/certificate of incorporation) into Official "A" envelope and seal it. Write your name and address on the outside of the Official "A" and "B" envelopes. The name and address written must be identical to your name and address as per your NRIC/"Resit Pengenalan Sementara (JPN KP 09)"/valid temporary identity document issued by the National Registration Department/authority card/ certificate of incorporation. Affix a stamp on Official "A" envelope and insert Official "A" envelope into Official "B" envelope.

Step 6 : Submit application

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents can be submitted using one of the following methods:

- (a) despatched by **ORDINARY POST** in the official envelopes provided, 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

- (b) **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 so as to arrive not later than 5.00 p.m. on 15 July 2010.

The Application Forms set out the full instruction for the application of the Public Issue Shares and the procedures to be followed. The Application Forms together with the notes and instructions shall constitute an integral part of this Prospectus. All Applicants are advised to read the Application Forms and the notes and instructions therein carefully. Applications which do not conform strictly to the terms of this Prospectus or the Application Form or notes and instructions or which are illegible may not be accepted at the absolute discretion of our Directors.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

17.4.2 Procedures for application by way of an Electronic Share Application

Application for our Shares by way of Electronic Share Application are only applicable to Malaysian individuals in respect of the Public Issue Shares made available for application by the Malaysian public.

(a) Steps for Electronic Share Application through a Participating Financial Institution's ATM

- (i) You must have an account with a Participating Financial Institution (as detailed in Section 17.4.2(b) below) and an ATM card issued by that Participating Financial Institution to access the account;
- (ii) You must have a CDS account; and
- (iii) You may apply for the Public Issue Shares via the ATM of the Participating Financial Institutions by choosing the Electronic Share Application option. Mandatory statements required in the application are set out in Section 17.4.2(c) of the terms and conditions for Electronic Share Applications. You will have to enter at least the following information through the ATM where the instructions on the ATM screen at which you enter your Electronic Share Application requires you to do so:
 - Personal Identification Number (PIN);
 - MIH Share Issue Account Number 497;
 - CDS account number;
 - Number of Shares applied for and/or the RM amount to be debited from the account; and
 - Confirmation of several mandatory statements.

(b) Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions at their branches:

- Affin Bank Berhad; or
- AmBank (M) Berhad; or
- Bank Muamalat Malaysia Berhad; or
- CIMB Bank Berhad; or
- EON Bank Berhad; or
- HSBC Bank Malaysia Berhad; or
- Malayan Banking Berhad; or
- OCBC Bank (Malaysia) Berhad; or
- RHB Bank Berhad, or
- Standard Chartered Bank Malaysia Berhad (at selected branches only).

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

(c) Terms and conditions of Electronic Share Applications

The procedures for Electronic Share Applications at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions (the "**Steps**"). For illustration purposes, the procedures for Electronic Share Application at ATMs are set out in "**Steps for Electronic Share Application through a Participating Financial Institution's ATM**" in Section 17.4.2(a) above. You must complete all the steps and follow the instructions set out on the ATM screen to complete an Electronic Share Application. You are advised to read and understand the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Applications set out below before making an Electronic Share Application. Any reference to "applicant/you" in the terms and conditions for Electronic Share Application and the Steps shall mean the applicant who applies for the Shares through an ATM of any of the Participating Financial Institutions.

In the case of Electronic Share Applications, you must have a CDS account to be eligible to utilise the facility.

You must have an existing bank account with, and be an ATM cardholder of, one of the Participating Financial Institutions before you can make an Electronic Share Application at an ATM of that Participating Financial Institution. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for Shares at an ATM belonging to other Participating Financial Institutions. Upon the completion of your Electronic Share Application transaction, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or MIH. Do not submit your Transaction Record with any Application Form. The Transaction Record is for your own retention.

Upon the closing of the offer for the application for the Public Issue Shares, on 15 July 2010 at 5.00 p.m. ("**Closing Date and Time**"), the Participating Financial Institutions shall submit a magnetic tape containing its respective customers' applications for the Public Issue Shares to MIH as soon as practicable but not later than 12.00 p.m. of the second (2nd) business day after the Closing Date and Time.

You are allowed to make an Electronic Share Application for the Public Issue Shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which you have an account at its branches, subject to you making only one (1) application.

You must ensure that you use your own CDS account number when making an Electronic Share Application. If you operate a joint account with any Participating Financial Institution, you must ensure that you enter your own CDS account number when using an ATM card issued to you in your own name. Your application will be rejected if you fail to comply with the foregoing conditions.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:

- (a) The Electronic Share Application shall be made in relation with and subject to the terms of this Prospectus and our Memorandum and Articles of Association.
- (b) You are required to confirm the following statements (by depressing predesignated keys (or buttons) on the ATM keyboard) and undertake that the following information given is true and correct:
 - You are at least eighteen (18) years of age as at the closing date of the share application;
 - You are a Malaysian citizen residing in Malaysia;
 - You have read the relevant Prospectus and understood and agreed with the terms and conditions of the application;
 - This is the only application that you are submitting; and
 - You hereby give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to MIH and other relevant authorities.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institution. By doing so, you will be treated as signifying your confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 97 of the Banking and Financial Institutions Acts, 1989 and Section 45 of the Securities Industry (Central Depositories) Act, 1991 to the disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of your particulars to MIH or any relevant regulatory bodies.

- (c) **You confirm that you are not applying for the Shares as a nominee of any other person and that any Electronic Share Application that you make is made by you as the beneficial owner. You shall only make one (1) Electronic Share Application and shall not make any other application for the Public Issue Shares, whether at the ATMs of any Participating Financial Institution, on the prescribed Application Forms or via Internet Share Application.**
- (d) You must have sufficient funds in your bank account with the relevant Participating Financial Institution at the time you make your Electronic Share Application, failing which your Electronic Share Application will not be completed. Any Electronic Share Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made, will be rejected.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (e) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of Shares applied for as stated on the Transaction Record or any lesser number of Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate any lesser number of such Shares or not to allot or allocate any Shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the designated key (or button) on the ATM) of the number of Shares applied for shall signify, and shall be treated as your acceptance of the number of Shares that may be allotted or allocated to you and to be bound by our Memorandum and Articles of Association.
- (f) We reserve the right to reject or accept any Electronic Share Application in whole or in part only without giving any reason therefor. Due consideration will be given to the desirability of allotting or allocating the Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.
- (g) If your Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institution will be informed of the non-successful or partially successful applications within two (2) Market Days after the balloting date. If your Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest in RM into your account with that Participating Financial Institution within two (2) Market Days after the receipt of confirmation from MIH. You may check your account on the fifth (5th) Market Day from the balloting date.

If your Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest in RM into your account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from MIH. A number of applications will, however, be held in reserve to replace any successfully balloted applications, which are subsequently rejected. For such applications, which are subsequently rejected, the application monies without interest will be refunded to the applicants by MIH by way of cheques issued by MIH. The cheques will be issued to the applicants not later than ten (10) Market Days from the day of the final ballot of the application list.

If you encounter any problems in your applications, you may refer to the Participating Financial Institutions.

- (h) You request and authorise us:
 - (i) to credit the Shares allotted or allocated to you into your CDS account; and
 - (ii) to issue share certificate(s) representing such Shares allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (i) You, acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical, transmission, communications and computer-related faults and breakdowns, fires and other events which are beyond our control, and the control of MIH, the Participating Financial Institutions or Bursa Depository, irrevocably agree that if:
- (i) we or MIH do/does not receive your Electronic Share Application; or
 - (ii) data relating to your Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to us or MIH,
- you shall be deemed not to have made an Electronic Share Application and you shall not claim whatsoever against us, MIH, the Participating Financial Institution or Bursa Depository for the Shares applied for or for any compensation, loss or damage arising from it.
- (j) All of your particulars in the records of the relevant Participating Financial Institution at the time you make your Electronic Share Application shall be deemed to be true and correct; and we, MIH and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (k) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Share Application is liable to be rejected. You must inform Bursa Depository promptly of any change in address, failing which the notification letter of successful allocation will be sent to your registered address last maintained with Bursa Depository.
- (l) By making and completing an Electronic Share Application, you agree that:
- (i) in consideration of our Company making available the Electronic Share Application facility to you, through the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;
 - (ii) we, MIH, the Participating Financial Institutions and Bursa Depository shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application to us due to a breakdown or failure of transmission or communication facilities or to any cause beyond our/their control;
 - (iii) Notwithstanding the receipt of any payment by us or on our behalf, the acceptance of your offer to subscribe for and purchase the Shares for which your Electronic Share Application has been successfully completed shall be constituted by the issue of notice of successful allocation by us or our behalf for prescribed securities, in respect of the said Shares;

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iv) You irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Shares allotted or allocated to you; and
- (v) You agree that in the event of any legal disputes arising from the use of Electronic Share Application, our mutual rights, obligations and liabilities shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.
- (m) If you are successful in your Electronic Share Application, our Directors reserve the right to require you to appear in person at the registered office of MIH within fourteen (14) days of the date of notice issued to you to ascertain your application is genuine and valid. Our Directors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.
- (n) MIH, on the authority of our Directors, reserves the right to reject applications which do not conform to these instructions.

17.4.3 Procedures for application by way of an Internet Share Application

Applications for our Shares by way of Internet Share Application are only applicable to Malaysian individuals in respect of the Public Issue Shares made available for application by the Malaysian public.

Please read carefully and follow the terms of this Prospectus, the procedures, terms and conditions for Internet Share Application and the procedures set out on the Internet financial services website of the Internet Participating Financial Institution before making an Internet Share Application.

Step 1 : Set up of account

Before making an application by way of Internet Share application, you **must have all** of the following:

- (a) an existing account with access to Internet financial services facilities with the following Internet Participating Financial Institutions:
 - CIMB Investment Bank Berhad at www.eipocimb.com; or
 - CIMB Bank Berhad at www.cimbclicks.com.my; or
 - Malayan Banking Berhad at www.maybank2u.com.my (via hyperlink to Bursa Securities' website at www.bursamalaysia.com); or
 - Affin Bank Berhad at www.affinOnline.com.
- (b) an individual CDS account registered in your name (and not in a nominee's name).

Step 2 : Read the Prospectus

You are advised to read and understand this Prospectus before making your application.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Step 3 : Apply through Internet

The exact steps for Internet Share Application for the Public Issue Shares are as set out on the Internet financial services websites of the Internet Participating Financial Institutions.

For illustration purposes only, we have set out below the possible steps of an application for the Public Issue Shares using Internet Share Application.

Please note that the actual steps for Internet Share Applications contained in the Internet financial services website of the Internet Participating Financial Institution may differ from the steps outlined below.

- (a) Connect to the Internet financial services website of the Internet Participating Financial Institution with which you have an account. You are advised not to apply for the Public Issue Shares through any website other than the Internet financial services website of the Internet Participating Financial Institution.
- (b) Log in to the Internet financial services facility by entering your user identification and PIN/password.
- (c) Navigate to the section of the website on the applications in respect of initial public offerings.
- (d) Select the counter in respect of the Public Issue Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application.
- (e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions.
- (f) At the next screen, complete the online application form.
- (g) Check that the information contained in the online application form, such as the share counter, NRIC number, CDS account number, number of Public Issue Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.
- (h) After selecting the designated hyperlink on the screen, you will have to confirm and undertake that the following mandatory statements are true and correct:
 - (i) You are at least eighteen (18) years of age as at the closing date of the share application;
 - (ii) You are a Malaysian citizen residing in Malaysia;
 - (iii) You have, prior to making the Internet Share Application, received and/or have had access to a printed/electronic copy of this Prospectus, the contents of which you have read and understood;
 - (iv) You agree to all terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

other information contained in this Prospectus, before making the Internet Share Application;

- (v) The Internet Share Application is the only application that you are submitting for the Public Issue Shares;
 - (vi) You authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for the Public Issue Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution;
 - (vii) You give your express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 99 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Securities Industries (Central Depositories) Act, 1991) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institutions, to MIH and the Authorised Financial Institutions, the SC and any other relevant authority;
 - (viii) You are not applying for the Public Issue Shares as a nominee of any other persons and the application is made in your own name as the beneficial owner and subject to the risks referred to in this Prospectus; and
 - (ix) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, us, Bursa Securities or other relevant parties in connection with the IPO, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with the IPO. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.
- (i) Upon submission of the online application form, you will be linked to the website of the Authorised Financial Institution to effect the online payment of your money for the IPO.
 - (j) You must pay for the Public Issue Shares through the website of the Authorised Financial Institution, failing which the Internet Share Application is **not completed**, despite the display of the Confirmation Screen. **"Confirmation Screen"** refers to the screen which appears or is displayed on the Internet financial services website, which confirms that the Internet Share Application has been completed and states the details of your Internet Share Application, including the number of Public Issue Shares applied for, which can be printed out by you for your records.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (k) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen on the website through which the online payment for the application of the Public Issue Shares is being made.
- (l) Subsequent to the above, the Internet Participating Financial Institution shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website.
- (m) You are advised to print out the Confirmation Screen for reference and retention.

Terms and conditions of Internet Share Applications

The terms and conditions outlined below supplement the additional terms and conditions for Internet Share Application contained in the Internet financial services website of the Internet Participating Financial Institution. Please refer to the Internet financial services website of the Internet Participating Financial Institution for the exact terms and conditions and instructions.

- (a) Your application will not be successfully completed and cannot be recorded as a completed application unless you have completed all relevant application steps and procedures for the Internet Share Application which would result in the Internet financial services website displaying the Confirmation Screen. You are required to complete your Internet Share Application by the close of the Public Issue mentioned in Section 17.1 of this Prospectus.
- (b) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of Shares applied for as stated on the Confirmation Screen or any lesser number of Shares that may be allotted or allocated to you in respect of your Internet Share Application. Your confirmation by clicking the designated hyperlink on the relevant screen of the website shall be treated as your acceptance of the number of Shares allotted or allocated to you.
- (c) You request and authorise us:
 - (i) to credit the Shares allotted or allocated to you into your CDS account; and
 - (ii) to issue share certificate(s) representing such Shares allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (d) You, acknowledge that your Internet Share Application is subject to the risks of electrical, electronic, technical, transmission, communications and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events which are beyond our control, and the control of the Internet Participating Financial Institution and/or the Authorised Financial Institution, irrevocably agree that if:
 - (i) we, MIH, the Internet Participating Financial Institution and/or the Authorised Financial Institution do/does not receive your Internet Share Application and/or payment; or

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ii) data relating to your Internet Share Application or the tape or any other devices containing such data is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to us or MIH,

you shall be deemed not to have made an Internet Share Application and you shall not claim whatsoever against us, MIH, the Internet Participating Financial Institution or the Authorised Financial Institution for the Shares applied for or for any compensation, loss or damage arising from it.

- (e) You irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Shares allocated to you.
- (f) You agree that in the event of any legal disputes arising from the use of Internet Share Application, our mutual rights, obligations and liabilities shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.
- (g) You shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of your Internet Share Application by us, MIH and/or the Internet Participating Financial Institution for reasons of multiple application, suspected multiple application, inaccurate and/or incomplete details provided by you, or any other cause beyond the control of the Internet Participating Financial Institution.
- (h) You are not entitled to exercise any remedy of rescission for misrepresentation at any time after we have accepted your Internet Share Application.
- (i) In making the Internet Share Application, you have relied solely on the information contained in this Prospectus. We, our Underwriter, our Principal Adviser and any other person involved in the IPO shall not be liable for any information not contained in this Prospectus which may have been relied by you in making the Internet Share Application.
- (j) The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institution:
 - (i) Affin Bank Berhad (www.affinOnline.com) – No fee will be charged for application by their account holders;
 - (ii) CIMB (www.eipocimb.com) – RM2.00 for payment via CIMB Bank or Malayan Banking Berhad;
 - (iii) CIMB Bank (www.cimbclicks.com.my) – RM2.00 for application with CDS accounts held with CIMB and RM2.50 for applications with CDS accounts with other ADAs; and
 - (iv) Malayan Banking Berhad (www.maybank2u.com) – RM1.00.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

17.5 Other Terms and Conditions

- (a) You are required to pay the Issue Price of RM0.39 for each Public Issue Share you have applied for.
- (b) You can submit only one (1) application for the Public Issue Shares offered to the Malaysian public. For example, if you submit an application using a White Application Form, you cannot submit an Electronic Share Application or Internet Share Application.

MIH acting under the authority of our Directors, has the discretion to reject applications that appears to be multiple applications.

We wish to caution you that if you submit more than one (1) application in your own name or by using the name of others, with or without their consent, you will be committing an offence under Section 179 of the CMSA and may be punished with a minimum fine of RM1,000,000 and a jail term of up to ten (10) years under Section 182 of the CMSA.

- (c) Your application must be for at least 100 Shares or multiples thereof.
- (d) Your application must be made in connection with and subject to this Prospectus and our Memorandum and Articles of Association. You agree to be bound by our Memorandum and Articles of Association.
- (e) Your submission of an application does not necessarily mean that your application will be successful. Any submission of application is irrevocable.
- (f) Our Company or MIH will not issue any acknowledgement of the receipt of your application or application monies.
- (g) You must ensure that your personal particulars submitted in your application and/or your personal particular as recorded by the Internet Participating Financial Institution are correct and identical with the records maintained by Bursa Depository. Otherwise, your application is liable to be rejected. Bursa Securities will have to be promptly notified of any change in your address, failing which the notification letter of successful allocation will be sent to your registered or correspondence address last maintained with Bursa Depository.
- (h) Your remittances having been presented for payment shall not signify that your application has been accepted.

Our acceptance of your application to subscribe for or purchase the Public Issue Shares shall be constituted by the issue of notices of allotment for the Public Issue Shares to you.

- (i) Submission of your CDS account number in your application includes your authority or consent in accordance with the Malaysian laws of Bursa Depository and the Participating Financial Institution, as the case may be, to disclose information pertaining to your CDS account and other relevant information to us or MIH and any relevant regulatory bodies, as the case may be.

You agree to accept our decision as final should we decide not to allot any Shares to you.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (j) Additional terms and conditions for Electronic Share Applications are set out in Section 17.4.2(c) above.
- (k) Additional terms and conditions for Internet Share Applications are set out in Section 17.4.3 above.

17.6 Authority of our Directors and MIH

If you are successful in your application, our Directors reserve the right to require you to appear in person at the registered office of MIH within fourteen (14) days of the date of notice issued to you to ascertain your application is genuine and valid. Our Directors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

Applicants will be selected in a manner to be determined by our Directors. Due consideration will be given to the desirability of allotting or allocating our Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

MIH, on the authority of our Directors, reserve the right to:

- (a) reject applications which do not conform to the instructions in this Prospectus or are illegible, incomplete or inaccurate;
- (b) reject or accept any application, in whole or in part, on a non-discriminatory basis without giving any reason; and
- (c) bank in all application monies from unsuccessful/partially successful Bumiputera applicants which would subsequently be refunded without interest by registered post.

17.7 Over/Under-Subscription

In the event of an over-subscription, MIH will conduct a ballot in a fair and equitable manner as approved by our Directors to determine acceptance of applications. In determining the manner of balloting, our Directors will consider the desirability of distributing the Public Issue Shares, to a reasonable number of applicants for the purpose of broadening our shareholding base and establishing an adequate market in the trading of our Shares.

Pursuant to the Listing Requirements, we need at least 25% of our enlarged issued and paid-up share capital to be held by a minimum number of 200 public shareholders holding not less than 100 Shares each upon Listing and completion of this Public Issue. We expect to achieve this at the point of Listing. However, if the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all applications will be returned without interest.

In the event of an under-subscription, all the Public Issue Shares not applied for will be subscribed by our Underwriter pursuant to the Underwriting Agreement.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

17.8 Unsuccessful/Partially Successful Applicants

If you are unsuccessful/partially successful in your application, we will return your application monies without interest in the following manner:

17.8.1 For applications by way of White Application Form

- (a) The application monies or the balance of it, as the case may be, will be returned to you via the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by registered post to your last address maintained with Bursa Depository (for partially successful applications) within ten (10) Market Days from the date of the final ballot.
- (b) If your application was rejected because you did not provide a CDS account number, your application monies will be sent to the address stated in the NRIC or "Resit Pengenalan Sementara (JPN KP 09)" or any valid temporary identity document issued by the National Registration Department from time to time, at your own risk.
- (c) MIH reserves the right to bank in all application monies from unsuccessful Bumiputera applicants. These monies will be refunded by registered post to your last address maintained with Bursa Depository or as per item (b) above, as the case may be, within ten (10) Market Days from the date of the final ballot.

17.8.2 For applications by way of Electronic Share Application and Internet Share Application

- (a) MIH shall inform the Participating Financial Institutions of the non-successful or partially successful application within two (2) Market Days after the balloting date. The application monies or the balance of it will be credited into your account with the Participating Financial Institution without interest within two (2) Market Days after the receipt of confirmation from MIH.
- (b) You may check your account on the fifth (5th) Market Day from the balloting day.
- (c) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by MIH by way of cheques by registered post or ordinary post. The cheques will be issued not later than ten (10) Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Participating Financial Institution will arrange for a refund of the application money (or any part thereof) without interest within ten (10) Market Days from the date of the final ballot.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

17.9 Successful Applicants

If you are successful in your application:

- (a) Our Shares allocated to you will be credited into your CDS account. We will not be issuing any share certificates to you.
- (b) A notice of allotment will be despatched to you at the address last maintained with Bursa Depository where you have an existing CDS account at your own risk prior to our Listing. This is your only acknowledgement of acceptance of the application.

17.10 Enquiries

You may contact MIH if you have any queries on the White Application Form at (03) 7841 8000 or (03) 7841 8289. If you have any enquiry with regards to your Electronic Share Application, you may refer to the relevant Participating Financial Institution. If you have any enquiry with regards to your Internet Share Application, you may refer to the relevant Internet Participating Financial Institution and Authorised Financial Institution.

If you are applying for the Public Issue Shares as a Malaysian public, you may check the status of your application by logging into MIH's website at www.mih.com.my, or by calling MIH at (03) 7841 8000 or (03) 7841 8289 or your ADA at the telephone number as stated in Section 18 of this Prospectus between five (5) to ten (10) Market Days (during office hours only) after the balloting date.

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18. LIST OF ADAS

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:

Name	Address and telephone number	Broker code
KUALA LUMPUR		
A.A. ANTHONY SECURITIES SDN BHD	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No : (03) 6201 1155	078-004
AFFIN INVESTMENT BANK BERHAD	Ground Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : (03) 2143 8668	028-001
ALLIANCE INVESTMENT BANK BERHAD	17th Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No : (03) 2697 6333	076-001
AMINVESTMENT BANK BERHAD	15th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : (03) 2078 2788	086-001
BIMB SECURITIES SDN BHD	1st & 2nd Floor Podium Block, AMDB Building No. 1, Jalan Lumut 50400 Kuala Lumpur Tel No : (03) 4043 3533	024-001
CIMB INVESTMENT BANK BERHAD	9th Floor, Commerce Square Jalan Semantan, Damansara Heights 50490 Kuala Lumpur Tel No : (03) 2084 9999	065-001
ECM LIBRA INVESTMENT BANK BERHAD	3rd Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : (03) 2178 1888	052-001
ECM LIBRA INVESTMENT BANK BERHAD	Level 1, Avenue Building Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No : (03) 2089 1800	052-009
HONG LEONG INVESTMENT BANK BERHAD (formerly known as HLG Securities Sdn Bhd)	Level 8, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel No : (03) 2168 1168	066-001

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
HWANGDBS INVESTMENT BANK BERHAD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No : (03) 7710 6688	068-009
HWANGDBS INVESTMENT BANK BERHAD	Nos. 34-5, 36-5, 38-5, 40-5, 42-5 & 44-5 5th Floor, Cheras Commercial Centre Jalan 5/101C Off Jalan Kaskas, 5th Mile Cheras 56100 Kuala Lumpur Tel No : (03) 9130 3399	068-012
HWANGDBS INVESTMENT BANK BERHAD	7th, 22nd, 23rd & 23A Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No : (03) 2711 6888	068-014
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No : (03) 2117 1888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, 7-0-8, Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Tel No : (03) 7984 7796	054-003
INTER-PACIFIC SECURITIES SDN BHD	Stesyen Minyak SHELL Jalan 1/116B, Off Jalan Kuchai Lama Kuchai Entrepreneur Park 58200 Kuala Lumpur Tel No : (03) 7981 8811	054-005
JUPITER SECURITIES SDN BHD	7th-9th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : (03) 2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11th-14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : (03) 2168 8800	053-001
KENANGA INVESTMENT BANK BERHAD	8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : (03) 2164 9080	073-001

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
KENANGA INVESTMENT BANK BERHAD	No. 57-10, Level 10 The Boulevard, Mid Valley City Lingkaran Syed Putra 59000 Kuala Lumpur Tel No : (03) 2287 1799	073-015
M & A SECURITIES SDN BHD	Level 1-2, No. 45 & 47 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel No : (03) 2282 1820	057-002
MAYBANK INVESTMENT BANK BERHAD (formerly known as Aseambankers Malaysia Berhad)	5 – 13 Floor, MaybanLife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No : (03) 2297 8888	098-001
MERCURY SECURITIES SDN BHD	L-7-2, No.2, Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Tel No : (03) 6203 7227	093-002
MIDF AMANAH INVESTMENT BANK BERHAD	11th & 12th Floor, Menara MIDF 82 Jalan Raja Chulan 50200 Kuala Lumpur Tel No : (03) 2173 8888	026-001
MIMB INVESTMENT BANK BERHAD	Level 18, Menara EON Bank 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No : (03) 2691 0200	061-001
OSK INVESTMENT BANK BERHAD	20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No : (03) 2333 8333	056-001
OSK INVESTMENT BANK BERHAD	No. 62 & 64 Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel No : (03) 6257 5869	056-028
OSK INVESTMENT BANK BERHAD	Ground Floor, No. M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No : (03) 4280 4798	056-054

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
OSK INVESTMENT BANK BERHAD	Ground, 1st, 2nd & 3rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No : (03) 9058 7222	056-058
PM SECURITIES SDN BHD	Ground, Mezzanine, 1st & 10th Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel No : (03) 2146 3000	064-001
PUBLIC INVESTMENT BANK BERHAD	27th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No : (03) 2031 3011	051-001
RHB INVESTMENT BANK BERHAD	Level 9, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No : (03) 9287 3888	087-001
TA SECURITIES HOLDINGS BERHAD	Floor 13-16, 23, 28-30, 34 & 35 Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No : (03) 2072 1277	058-003
SELANGOR DARUL EHSAN		
AFFIN INVESTMENT BANK BERHAD	2nd, 3rd & 4th Floor Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : (03) 3343 9999	028-002
AFFIN INVESTMENT BANK BERHAD	Lot 229, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : (03) 7729 8016	028-003
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No : (03) 7710 6613	086-003

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
HONG LEONG INVESTMENT BANK BERHAD (formerly known as HLG Securities Sdn Bhd)	1st, 2nd & 3rd Floor Plaza Damansara Utama No. 2, Jalan SS21/60 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No : (03) 7724 6888	066-002
HWANGDBS INVESTMENT BANK BERHAD	16th, 18th-20th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No : (03) 5513 3288	068-002
HWANGDBS INVESTMENT BANK BERHAD	East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No : (03) 5635 6688	068-010
INTER-PACIFIC SECURITIES SDN BHD	No. 77 & 79, Jalan 2/3A Pusat Bandar Utara KM12, Jalan Ipoh Selayang 68100 Batu Caves Selangor Darul Ehsan Tel No : (03) 6137 1888	054-006
JF APEX SECURITIES BERHAD	6th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No : (03) 8736 1118	079-001
JF APEX SECURITIES BERHAD	15th & 16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No : (03) 7620 1118	079-002
KENANGA INVESTMENT BANK BERHAD	13th Floor, Menara Yayasan Selangor No. 18A, Jalan Persiaran Barat Off Jalan Timur 46000 Petaling Jaya Selangor Darul Ehsan Tel No : (03) 7956 2169	073-005

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
KENANGA INVESTMENT BANK BERHAD	1st Floor, Wisma UEP Pusat Perniagaan USJ 10 Jalan USJ 10/1A 47620 Subang Jaya Selangor Darul Ehsan Tel No : (03) 8024 1682	073-006
KENANGA INVESTMENT BANK BERHAD	Suite 7.02, Level 7, Menara ING Intan Millenium Square No. 68, Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Tel No : (03) 3005 7550	073-007
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : (03) 7725 9095	073-016
OSK INVESTMENT BANK BERHAD	24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No : (03) 7873 6366	056-011
OSK INVESTMENT BANK BERHAD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No : (03) 8736 3378	056-045
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel No : (03) 6092 8916	056-047
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : (03) 3343 9180	056-048
PM SECURITIES SDN BHD	No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No : (03) 8070 0773	064-003

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No : (03) 3341 5300	064-007
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40200 Shah Alam Selangor Darul Ehsan Tel No : (03) 5192 0202	096-001
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T, Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No : (03) 8025 1880	058-005
MELAKA		
CIMB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No : (06) 289 8800	065-006
ECM LIBRA INVESTMENT BANK BERHAD	71A & 73A, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : (06) 288 1720	052-008
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang, P. O. Box 248 75250 Melaka Tel No : (06) 337 1533	012-001
MERCURY SECURITIES SDN BHD	No. 81-B & 83-B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : (06) 292 1898	093-003
OSK INVESTMENT BANK BERHAD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No : (06) 282 5211	056-003

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
PM SECURITIES SDN BHD	No. 11 & 13, Jalan PM2 Plaza Mahkota 75000 Melaka Tel No : (06) 286 6008	064-006
RHB INVESTMENT BANK BERHAD	Lot 7-13 & 15, 1st Floor Tabung Haji Building Jalan Bandar Kaba 75000 Melaka Tel No : (06) 283 3622	087-002
PERAK DARUL RIDZUAN		
A.A. ANTHONY SECURITIES SDN BHD	29G, Jalan Intan 2 Bandara Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : (05) 623 2328	078-009
ALLIANCE INVESTMENT BANK BERHAD	No. 43 & 44, Ground Floor Taman Sentosa, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No : (05) 691 0910	076-008
ECM LIBRA INVESTMENT BANK BERHAD	No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : (05) 242 2828	052-002
ECM LIBRA INVESTMENT BANK BERHAD	No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Tel No : (05) 622 2828	052-006
HWANGDBS INVESTMENT BANK BERHAD	Ground, Level 1, 2 & 3 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel No : (05) 806 0888	068-003
HWANGDBS INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : (05) 255 9988	068-015
HONG LEONG INVESTMENT BANK BERHAD (formerly known as HLG Securities Sdn Bhd)	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : (05) 253 0888	066-003

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
M & A SECURITIES SDN BHD	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No : (05) 241 9800	057-001
MAYBANK INVESTMENT BANK BERHAD (formerly known as Aseambankers Malaysia Berhad)	B-G-04 (Ground Floor), Level 1 & 2 No. 42 Persiaran Greentown 1 Pusat Perdagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : (05) 245 3400	098-002
OSK INVESTMENT BANK BERHAD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : (05) 241 5100	056-002
OSK INVESTMENT BANK BERHAD	Ground Floor & 1st Floor No. 17, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : (05) 623 6498	056-014
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No : (05) 692 1228	056-016
OSK INVESTMENT BANK BERHAD	Ground Floor No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No : (05) 808 8229	056-034
OSK INVESTMENT BANK BERHAD	No. 72, Ground Floor, Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No : (05) 465 1261	056-044
OSK INVESTMENT BANK BERHAD	Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Tel No : (05) 717 0888	056-052

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
TA SECURITIES HOLDINGS BERHAD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No : (05) 253 1313	058-001
PULAU PINANG		
A.A. ANTHONY SECURITIES SDN BHD	1 st , 2nd & 3rd Floor, Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Tel No : (04) 229 9318	078-002
A.A. ANTHONY SECURITIES SDN BHD	Ground & 1st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel No : (04) 554 1388	078-003
ALLIANCE INVESTMENT BANK BERHAD	Suite 2.1, & 2.4, Level 2 Wisma Great Eastern No. 25, Lebuhraya Light 10200 Penang Tel No : (04) 261 1688	076-015
AMINVESTMENT BANK BERHAD	Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : (04) 226 1818	086-004
CIMB INVESTMENT BANK BERHAD	Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : (04) 238 5900	065-003
ECM LIBRA INVESTMENT BANK BERHAD	No. 111, Jalan Macalister 10400 Pulau Pinang Tel No : (04) 228 1868	052-003
ECM LIBRA INVESTMENT BANK BERHAD	7th Floor, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : (04) 228 3355	052-010

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
HWANGDBS INVESTMENT BANK BERHAD	Level 2, 3, 4, 7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No : (04) 263 6996	068-001
HWANGDBS INVESTMENT BANK BERHAD	No. 2 & 4, Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel No : (04) 537 2882	068-006
INTER-PACIFIC SECURITIES SDN BHD	Ground, Mezzanine & 8th Floor Bangunan Mayban Trust No. 3, Penang Street 10200 Pulau Pinang Tel No : (04) 269 0888	054-002
KENANGA INVESTMENT BANK BERHAD	Lot 1.02, Level 1, Menara KWSP 38, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : (04) 210 6666	073-013
MERCURY SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor Wisma UMNO, Lorong Bagan Luar Dua 12000 Butterworth Pulau Pinang Tel No : (04) 332 2123	093-001
MERCURY SECURITIES SDN BHD	2nd Floor, Standard Chartered Bank Chambers 2, Lebuhr Pantai 10300 Pulau Pinang Tel No : (04) 263 9118	093-004
OSK INVESTMENT BANK BERHAD	64, Bishop Street 20E, 20F & 20G, Penang Street 10200 Pulau Pinang Tel No : (04) 263 4222	056-004
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor 2677, Jalan Chain Ferry Taman Inderawasih 13600 Prai Pulau Pinang Tel No : (04) 390 0022	056-005

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
OSK INVESTMENT BANK BERHAD	Ground & Upper Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel No : (04) 540 2888	056-015
OSK INVESTMENT BANK BERHAD	834, Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel No : (04) 583 1888	056-032
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5 & 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel No : (04) 640 4888	056-042
PM SECURITIES SDN BHD	Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : (04) 227 3000	064-004
PERLIS INDRA KAYANGAN		
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Podium Block KWSP Building 01000 Kangar Perlis Indra Kayangan Tel No : (04) 976 5200	076-003
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Tel No : (04) 979 3888	056-061
KEDAH DARUL AMAN		
A.A. ANTHONY SECURITIES SDN BHD	Lot 4, 5 & 5A 1st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : (04) 732 2111	078-007

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No : (04) 731 7088	076-004
HWANGDBS INVESTMENT BANK BERHAD	No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : (04) 425 6666	068-011
OSK INVESTMENT BANK BERHAD	No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : (04) 420 4888	056-017
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 35, Jalan Suria 1 Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No : (04) 496 4888	056-019
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 215-A & 215-B Medan Putra Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : (04) 720 9888	056-021
NEGERI SEMBILAN DARUL KHUSUS		
ECM LIBRA INVESTMENT BANK BERHAD	1C-1 & 1D-1, 1st Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Tel No : (06) 765 5998	052-013
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No : (06) 761 2288	068-007
HWANGDBS INVESTMENT BANK BERHAD	No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No : (06) 455 3188	068-013

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 33 Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No : (06) 764 1641	056-024
OSK INVESTMENT BANK BERHAD	1st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No : (06) 442 1000	056-037
OSK INVESTMENT BANK BERHAD	1st & 2nd Floor No. 168, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 72100 Bahau Negeri Sembilan Darul Khusus Tel No : (06) 455 3014	056-040
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 346 & 347 Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel No : (06) 646 1234	056-046
PM SECURITIES SDN BHD	1st, 2nd & 3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No : (06) 762 3131	064-002
JOHOR DARUL TAKZIM		
A.A. ANTHONY SECURITIES SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No : (07) 333 2000	078-001
A.A. ANTHONY SECURITIES SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No : (07) 663 7398	078-005
A.A. ANTHONY SECURITIES SDN BHD	No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No : (07) 351 3218	078-006

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
A.A. ANTHONY SECURITIES SDN BHD	No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 SKudai Johor Darul Takzim Tel No : (07)_512 1633	078-008
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No : (07) 771 7922	076-006
AMINVESTMENT BANK BERHAD	2nd & 3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No : (07) 434 2282	086-002
AMINVESTMENT BANK BERHAD	18th Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No : (07) 334 3855	086-006
ECM LIBRA INVESTMENT BANK BERHAD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No : (06) 953 2222	052-004
ECM LIBRA INVESTMENT BANK BERHAD	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No : (07) 467 8885	052-005
HWANGDBS INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No : (07) 222 2692	068-004
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No : (07) 223 1211	054-004

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : (07) 333 3600	073-004
KENANGA INVESTMENT BANK BERHAD	No. 31, Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Tel No : (06) 954 2711	073-008
KENANGA INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 34, Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No : (07) 933 3515	073-009
KENANGA INVESTMENT BANK BERHAD	No. 33 & 35 (Ground & 1st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No : (07) 777 1161	073-010
KENANGA INVESTMENT BANK BERHAD	Ground Floor, No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No : (06) 978 2292	073-011
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17 Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : (07) 3316992	093-005
MIMB INVESTMENT BANK BERHAD	Suite 25.02, Level 25 Menara Pelangi Johor Bahru City Square (Office Tower) No. 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No : (07) 222 7388	061-002
OSK INVESTMENT BANK BERHAD	6th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No : (07) 278 8821	056-006

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
OSK INVESTMENT BANK BERHAD	53, 53-A & 53-B Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No : (07) 438 0288	056-009
OSK INVESTMENT BANK BERHAD	No. 33-1, 1st & 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No : (06) 953 8262	056-025
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No : (07) 557 7628	056-029
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No : (07) 932 1543	056-030
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 17, Jalan Manggis 86000 Kluang Johor Darul Takzim Tel No : (07) 776 9655	056-031
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No : (07) 662 6288	056-035
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No : (06) 978 7180	056-038
OSK INVESTMENT BANK BERHAD	1st Floor, No. 2 & 4, Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No : (07) 925 6881	056-039

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 1 & 1-01 Jalan Rosmerah 2/11 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No : (07) 352 2293	056-043
PM SECURITIES SDN BHD	Suite 5.1, Level 5, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : (07) 278 1813	064-005
PM SECURITIES SDN BHD	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No : (07) 433 3608	064-008
PAHANG DARUL MAKMUR		
ALLIANCE INVESTMENT BANK BERHAD	A-397, A-399 & A-401 Taman Sri Kuantan III, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel No : (09) 566 0800	076-002
ECM LIBRA INVESTMENT BANK BERHAD	B62, Ground Floor Lorong Tun Ismail 8, Sri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No : (09) 513 3289	052-007
OSK INVESTMENT BANK BERHAD	B32 & B34 Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No : (09) 517 3811	056-007
OSK INVESTMENT BANK BERHAD	Ground Floor 98, Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No : (09) 223 4943	056-022

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
OSK INVESTMENT BANK BERHAD	Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No : (05) 491 4913	056-041
KELANTAN DARUL NAIM		
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 3953-H , Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No : (09) 743 0077	056-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No : (09) 743 2288	058-004
TERENGGANU DARUL IMAN		
ALLIANCE INVESTMENT BANK BERHAD	No. 1D, Ground & Mezzanine No. 1E, Ground, Mezzanine 1st & 2nd Floor, Jalan Air Jerneh 20300 Kuala Terengganu Terengganu Darul Iman Tel No : (09) 631 7922	076-009
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No : (09) 623 8128	021-001
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No : (09) 858 3109	056-027
OSK INVESTMENT BANK BERHAD	31A, Ground Floor 31A & 31B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No : (09) 626 1816	056-055

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
SARAWAK		
AMINVESTMENT BANK BERHAD	No. 164, 166 & 168 1st, 2nd & 3rd Floor Jalan Abell 93100 Kuching Sarawak Tel No : (082) 244 791	086-005
CIMB INVESTMENT BANK BERHAD	Level 1, Wisma STA 26, Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No : (082) 358 606	065-004
HWANGDBS INVESTMENT BANK BERHAD	Lot 328, Jalan Abell 93100 Kuching Sarawak Tel No : (082) 236 999	068-005
HWANGDBS INVESTMENT BANK BERHAD	No. 282, 1st Floor Park City Comercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No : (086) 330 008	068-016
KENANGA INVESTMENT BANK BERHAD	Lot 2465, Jaian Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No : (085) 435 577	073-002
KENANGA INVESTMENT BANK BERHAD	Level 5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No : (082) 338 000	073-003
KENANGA INVESTMENT BANK BERHAD	No. 11-12 (Ground & 1st Floor) Lorong Kampung Datu 3 96000 Sibul Sarawak Tel No : (084) 313 855	073-012
OSK INVESTMENT BANK BERHAD	Ground, 1st & 6th Floor Wisma Chinese Chambers Lot 357, Section 47, K.T.L.D. Jalan Bukit Mata Kuching 93100 Kuching Sarawak Tel No : (082) 422 252	056-008

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
OSK INVESTMENT BANK BERHAD	Lot 1268, 1st & 2nd Floor Lot 1269, 2nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No : (085) 422 788	056-012
OSK INVESTMENT BANK BERHAD	101 & 102, Pusat Pedada Jalan Pedada 96000 Sibul Sarawak Tel No : (084) 329 100	056-013
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel No : (084) 654 100	056-050
OSK INVESTMENT BANK BERHAD	Ground Floor No. 177, Taman Sri Dagang 97000 Bintulu Sarawak Tel No : (086) 311 770	056-053
TA SECURITIES HOLDINGS BERHAD	12G, H & I Jalan Kampong Datu 96000 Sibul Sarawak Tel No : (084) 319 998	058-002
TA SECURITIES HOLDINGS BERHAD	2nd Floor, (Bahagian Hadapan) Bangunan Binamas, Lot 138 Section 54, Jalan Pandung 93100 Kuching Sarawak Tel No : (082) 236 333	058-006
SABAH		
CIMB INVESTMENT BANK BERHAD	1st & 2nd Floor Central Building No. 28, Jalan Segunting 88000 Kota Kinabalu Sabah Tel No : (088) 328 878	065-005
ECM LIBRA INVESTMENT BANK BERHAD	Aras 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No : (088) 236 188	052-012

18. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
HWANGDBS INVESTMENT BANK BERHAD	Suite 1-9-E1, 9th Floor CPS Tower, Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No : (088) 311 688	068-008
INNOSABAH SECURITIES BERHAD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No : (088) 234 090	020-001
OSK INVESTMENT BANK BERHAD	5th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamunsing 88000 Kota Kinabalu Sabah Tel No : (088) 269 788	056-010
OSK INVESTMENT BANK BERHAD	Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah Mile 4, North Road 91000 Sandakan Sabah Tel No : (089) 229 286	056-057

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