FOCUS POINT HOLDINGS BERHAD (884238 - U)

(Incorporated in Malaysia)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

31 DECEMBER 2010

Company No:
884238 - U

FOCUS POINT HOLDINGS BERHAD (884238 - U)

(Incorporated in Malaysia)

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FOCUS POINT HOLDINGS BERHAD (884238 - U)

(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial period/year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries and associates are set out in Note 8 and Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial period/year.

RESULTS

	Group RM'000	**Company RM'000**
Profit for the financial period/year	6,214	42
Attributable to:		
Owners of the parent	6,234	42
Minority interests	(20)	-
	6,214	42

DIVIDENDS

Dividends paid, declared and proposed since the end of the previous financial period were as follows:

	Company RM'000
In respect of financial year ended 31 December 2010:	
Interim single tier tax exempt dividend of 1.5 sen per ordinary share, declared on 3 March 2011 and paid on 4 April 2011	2,475

The Directors propose a final single tier tax exempt dividend of 0.5 sen per ordinary share amounting to RM825,000 in respect of the financial year ended 31 December 2010, subject to the approval of members at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period/year other than those disclosed in the financial statements.

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DIRECTORS' REPORT (continued)

ISSUE OF SHARES AND DEBENTURES

On 1 April 2010, the Company subdivided its ordinary share capital as follows:

(i) authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each into 500,000 ordinary shares of RM0.20 each; and

(ii) issued and paid up share capital of RM2.00 comprising 2 ordinary shares of RM1.00 each into 10 ordinary shares of RM0.20 each.

Subsequently, the Company increased its authorised share capital from RM100,000 divided into 500,000 ordinary shares of RM0.20 each to RM50,000,000 by the creation of 249,500,000 new ordinary shares of RM0.20 each.

On 14 April 2010, the Company entered into a conditional sale and purchase agreement with the vendor of Focus Point Vision Care Group Sdn. Bhd. 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 Group Sdn. Bhd., for a total consideration of RM24,760,395 based on the audited consolidated net assets of Focus Point Vision Care Group Sdn. Bhd. as at 31 December 2009 of RM24,760,395. The purchase consideration was satisfied by the issuance of 123,799,990 new ordinary shares in the Company at an issue price of approximately RM0.20 per ordinary share. The acquisition was completed on 14 April 2010.

On 23 August 2010, the Company was listed on the Ace Market of Bursa Malaysia Securities Berhad and made a public issue of 41,200,000 ordinary shares at RM0.39 each ("Public Issue"). The total proceeds from the Public Issue was RM16,069,000.

The newly issued shares rank pari passu in all respects with the existing shares of the Company. There were no other issues of shares during the financial year.

There were also no issues of debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS

The Directors who have held for office since the date of the last report are:

Dato' Liaw Choon Liang	
Datin Goh Poi Eong	
Leow Ming Fong @ Leow Min Fong	(Appointed on 1 April 2010)
Dato' Hamzah bin Mohd Salleh	(Appointed on 1 April 2010)
Dr. Choo Wei Chong	(Appointed on 1 April 2010)

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DIRECTORS' REPORT (continued)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2010 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act 1965, were as follows:

	< --- Number of ordinary shares of RM1.00 each --- >			
	Balance as at 1.1.2010	**Bought**	**Sold**	**Balance as at 1.4.2010***
Shares in the Company				
Direct interests:				
Dato' Liaw Choon Liang	1	-	-	1
Datin Goh Poi Eong	1	-	-	1

	< --- Number of ordinary shares of RM0.20 each --- >			
	Balance as at 1.4.2010*	**Bought**	**Sold**	**Balance as at 31.12.2010**
Shares in the Company				
Direct interests:				
Dato' Liaw Choon Liang	5	94,674,995	-	94,675,000
Datin Goh Poi Eong	5	25,041,695	(764,000)	24,277,700
Leow Ming Fong @ Leow Min Fong	-	500,000	-	500,000
Dr. Choo Wei Chong	-	175,000	-	175,000
Dato' Hamzah Bin Mohd Salleh	-	500,000	(500,000)	-

*Ordinary shares of RM1.00 each subdivided into 5 ordinary shares of RM0.20 each on 1 April 2010.

By virtue of their interests in the ordinary shares of the Company, Dato' Liaw Choon Liang and Datin Goh Poi Eong are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares of its related corporations during the financial year.

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DIRECTORS' REPORT (continued)

DIRECTORS' BENEFITS

Since the end of the previous financial period, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the transactions entered into in the ordinary course of business with companies in which the Directors of the Company have substantial financial interests as disclosed in Note 33(b) to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the statements of comprehensive income and statements of financial positions of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial period/year have not been substantially affected by any item, transaction or event of a material and unusual nature except for the recognition of the negative goodwill arising from the acquisition of Focus Point Vision Care Group Sdn. Bhd., which resulted in an increase in the Group's profit for the financial period by RM3,185,000 as disclosed in Note 8(a) to the financial statements.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; and

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

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DIRECTORS' REPORT (continued)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND OF THE COMPANY (continued)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (continued)

(c) The Directors are not aware of any circumstances: (continued)

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial period/year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial period/year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial period/year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial period/year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) 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. 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 Group Sdn. Bhd., for a total consideration of RM24,760,395 based on the audited consolidated net assets of Focus Point Vision Care Group Sdn. Bhd. as at 31 December 2009 of RM24,760,395. The purchase consideration was satisfied by the issuance of 123,799,990 new ordinary shares in the Company at an issue price of approximately RM0.20 per ordinary share (the "Shares"). The acquisition was completed on 14 April 2010.

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DIRECTORS' REPORT (continued)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (continued)

(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 Group Sdn. Bhd. 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., for a total consideration of RM3,380,693 based on the audited net assets of Focus Point Management Sdn. Bhd. 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., for a total consideration of RM793,725 based on the audited net assets of Excelview Laser Eye Centre Sdn. Bhd. as at 31 December 2009 of RM793,725.

  The internal restructuring had 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.

(c) On 22 June 2010, the 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 value of the underwritten values at the Issue Price of RM0.39 per Share and 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 its promoters and the Placement Agent respectively, at the Issue Price of RM0.39 per Share.

(d) On 23 August 2010, the Company was listed on the Ace Market of Bursa Malaysia Securities Berhad and made a public issue of 41,200,000 Shares at RM0.39 each. The total proceeds from the Public Issue was RM16,069,000.

(e) On 15 September 2010, the Company acquired the entire issued and paid-up ordinary share capital of Sound Point Hearing Solution Sdn. Bhd., a company incorporated in Malaysia, which is engaged in trading of hearing aid solutions and related accessories for a total cash consideration of RM10.

(f) On 20 September 2010, the Company's subsidiary, namely Focus Point Vision Care Group Sdn. Bhd. acquired the remaining 49% of the issued and paid-up ordinary share capital of Radiant Attraction Sdn. Bhd. for a total cash consideration of RM534,000.

(g) On 3 December 2010, the Company's subsidiary, namely Focus Point Vision Care Group Sdn. Bhd. disposed of its entire equity interests in an associate, Seen@International Pte. Ltd., a company incorporated in Singapore, which is engaged in retailing of optical and related products for a total cash consideration of SGD60,000.

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DIRECTORS' REPORT (continued)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (continued)

(h) On 22 November 2010, the Company's subsidiary, namely Focus Point Vision Care Group Sdn. Bhd. entered into a Further & Supplemental Agreement (the "Supplemental Agreement") to the Main Lens Supply Agreement dated 1 January 2008 (the "Original Agreement") with Hoya Lens Manufacturing Malaysia Sdn. Bhd. and iLens Sdn. Bhd. (formerly known as Focus Preference Sdn. Bhd.) with the following salient terms of the Supplemental Agreement:

(i) The Supplemental Agreement varies the supply arrangement of the ophthalmic lenses from an initial period of five (5) years in the Original Agreement to a period of seven (7) years and three (3) months ending on 31 December 2017 ("Contract Period");

(ii) The aggregate minimum amount of purchases by Focus Point Vision Care Group Sdn. Bhd. shall amount to at least Ringgit Malaysia One Hundred Twenty Million One Hundred Thousand Only (RM120,100,000) over the Contract Period;

(iii) All entitlements of Focus Point Vision Care Group Sdn. Bhd. to the business incentives and rebates as provided for in the Original Agreement are waived and discontinued immediately. However, Hoya Lens Manufacturing Malaysia Sdn. Bhd. shall make a cumulative payment of Ringgit Malaysia Twenty Five Million (RM25,000,000) to Focus Point Vision Care Group Sdn. Bhd. as marketing and promotional support payment over the Contract Period for the sole and exclusive purposes of promoting, marketing and advertising Hoya products and creating brand presence of Hoya products; and

(iv) If Focus Point Vision Care Group Sdn. Bhd. fails to achieve a minimum of eighty percent (80%) of the aggregate minimum amount of purchases set for any one (1) year, Hoya Lens Manufacturing Malaysia Sdn. Bhd. shall retain the right to terminate the entire arrangement with Focus Point Vision Care Group Sdn. Bhd. and Focus Point Vision Care Group Sdn. Bhd. being liable to make payment of liquidated damages as provided for in the Supplemental Agreement.

(i) On 9 December 2010, the Company's subsidiary, namely Focus Point Vision Care Group Sdn. Bhd. completed the acquisition of the business operations and some of the assets of Imperial Optics (K.K.) Sdn. Bhd., Vision Twenty Sdn. Bhd. and One Borneo Optics Sdn. Bhd., retailers of optical and related products for a purchase consideration of RM1,970,042. The fair values of the assets acquired were as follows:

	2010 RM'000
Property, plant and equipment	787
Inventories	1,183
Total	1,970

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DIRECTORS' REPORT (continued)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (continued)

(j) On 17 December 2010, the Company's subsidiary, namely Focus Point Management Sdn. Bhd. entered into a franchise agreement with U-Optic Company (the "Franchisee") to operate a Focus Point-franchised professional eye care centre in Brunei Darussalam. The Franchisee is given an exclusive territorial right for a period of two (2) years from 17 December 2010 to operate the only Focus Point professional eye centre in Brunei Darussalam, and a similar territorial right for a further 3 years thereafter (or any extension thereof) in Times Square Shopping Centre, Bandar Seri Begawan, Brunei Darussalam. Subject to its satisfactory performance, the Franchisee is given the option to request for the two (2) grant of a master franchisee right in Brunei Darussalam not less than 90 days before the expiration of the 2nd anniversary of the franchise agreement.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(a) On 7 January 2011, the Company's subsidiary, namely Focus Point Vision Care Group Sdn. Bhd. completed the acquisition of the business operations and some of the assets of Hightex Vision Sdn. Bhd, a retailer of optical and related products for a purchase consideration of RM708,271. The fair values of the assets acquired were as follows:

	2010 RM'000
Property, plant and equipment	88
Inventories	620
Total	708

(b) On 9 March 2011, the Company's subsidiary, namely Focus Point Management Sdn. Bhd. signed a Memorandum of Collaboration ("MoC") with Perbadanan Nasional Berhad ("PNS").

The MoC sets out a collaboration action plan by both Focus Point Management Sdn. Bhd. and PNS in developing and promoting the Focus Point Franchise Programme to Bumiputra entrepreneurs. Under the collaborative plan, PNS will offer a financing scheme known as Focus Point Financing Facility while Focus Point Management Sdn. Bhd. commits to transfer business know-how and entrepreneurial skills to successful applicants.

The parties hereby acknowledge that the collaboration shall be construed as a platform for the creation and development of Bumiputra entrepreneurs as well as creating a new dimension for PNS in financing the franchisees under the Focus Point Financing Facility, to be in line with the aspiration and objective of the Government.

The MoC is consistent with Group's expansion plan to increase the number of its professional eye care services outlets in Malaysia. The Group is confident that the collaboration is expected to contribute positively to the earnings of the Group in the long term.

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DIRECTORS' REPORT (continued)

AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

…..	....
Dato' Liaw Choon Liang	Dato' Hamzah bin Mohd Salleh
Director	Director

Petaling Jaya
20 April 2011

FOCUS POINT HOLDINGS BERHAD (884238 - U)

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 13 to 111 have been drawn up in accordance with applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2010 and of the financial performance and cash flows of the Group and of the Company for the financial period/year then ended.

On behalf of the Board,

…..	....
Dato' Liaw Choon Liang	Dato' Hamzah bin Mohd Salleh
Director	Director

Petaling Jaya
20 April 2011

STATUTORY DECLARATION

I, Kong Seong Hee, being the officer primarily responsible for the financial management of Focus Point Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 13 to 111 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared by the abovenamed
at Petaling Jaya in Malaysia
this 20 April 2011

Kong Seong Hee

Before me:

Commissioner for Oaths

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 statements of financial positions as at 31 December 2010 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period/year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 13 to 111.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 entity's preparation of the financial statements that give a true and fair view 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 entity'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 Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the financial period/year then ended.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FOCUS POINT HOLDINGS BERHAD (continued)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, 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 purposes 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 Reporting Responsibilities

The supplementary information set out in Note 17(b) to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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
AF : 0206
Chartered Accountants

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

Kuala Lumpur
20 April 2011

FOCUS POINT HOLDINGS BERHAD (884238 - U)

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STATEMENTS OF FINANCIAL POSITIONS
AS AT 31 DECEMBER 2010

	Note	Group 2010 RM'000	Company 2010 RM'000	Company 2009 RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	7	22,779	-	-
Investments in subsidiaries	8	-	29,235	-
Investments in associates	9	379	-	-
Held-to-maturity investment	10	500	-	-
Goodwill on consolidation	11	410	-	-
Deferred tax assets	12	283	-	-
Trade and other receivables	13	1,665	-	-
		26,016	29,235	-
Current assets				
Inventories	14	25,400	-	-
Trade and other receivables	13	16,931	1,268	-
Current tax assets		162	18	-
Cash and cash equivalents	15	19,803	9,668	*
		62,296	10,954	*
TOTAL ASSETS		88,312	40,189	*
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	16	33,000	33,000	*
Reserves	17	13,324	7,132	(6)
		46,324	40,132	(6)
Minority interests		102	-	-
TOTAL EQUITY		46,426	40,132	(6)
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	12	1,104	-	-
Borrowings	18	4,883	-	-
Trade and other payables	22	998	-	-
		6,985	-	-
Current liabilities				
Trade and other payables	22	16,931	57	6
Borrowings	18	16,398	-	-
Current tax liabilities		1,572		-
		34,901	57	6
TOTAL LIABILITIES		41,886	57	6
TOTAL EQUITY AND LIABILITIES		88,312	40,189	*

**Represents RM2*

The accompanying notes form an integral part of the financial statements.

FOCUS POINT HOLDINGS BERHAD (884238 - U)

(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD/YEAR 31 DECEMBER 2010

	Note	Group 14.4.2010 to 31.12.2010 RM'000	Company 1.1.2010 to 31.12.2010 RM'000	Company 30.12.2009 to 31.12.2009 RM'000
Revenue	25	74,649	1,700	-
Cost of sales	26	(30,088)	-	-
Gross profit		44,561	1,700	-
Other operating income		6,791	104	-
Selling and distribution costs		(14,361)	-	-
Administrative expenses		(26,882)	(1,680)	(6)
Finance costs	27	(815)	-	-
Share of profits in associates		99	-	-
Profit/(Loss) before tax	28	9,393	124	(6)
Tax expense	29	(3,179)	(82)	-
Profit/(Loss) for the financial period/year		6,214	42	(6)
Other comprehensive income		-	-	-
Total comprehensive income/(loss)		6,214	42	(6)
Profit/(Loss) attributable to:				
Owners of the parent		6,234	42	(6)
Minority interests		(20)	-	-
		6,214	42	(6)
Total comprehensive income/(loss) attributable to:				
Owners of the parent		6,234	42	(6)
Minority interests		(20)	-	-
		6,214	42	(6)

FOCUS POINT HOLDINGS BERHAD (884238 - U)

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STATEMENTS OF COMPREHENSIVE INCOME (continued)
FOR THE FINANCIAL PERIOD/YEAR 31 DECEMBER 2010

	Note	Group 14.4.2010 to 31.12.2010 RM
Earnings per ordinary share attributable to equity holders of the Company (sen):		
Basic:		
Profit for the financial period	30	4.53

The accompanying notes form an integral part of the financial statements.

FOCUS POINT HOLDINGS BERHAD (884238 - U)

(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2010

Group	**Note**	**Share capital RM'000**	**Share premium RM'000**	**Retained earnings RM'000**	**Total attributable to owners of the parent RM'000**	**Minority interests RM'000**	**Total equity RM'000**
Balance as at 14 April 2010		*	-	(6)	(6)	-	(6)
Total comprehensive income		-	-	6,234	6,234	(20)	6,214
Transactions with owners							
Issuance of ordinary shares pursuant to acquisition of a subsidiary	16	24,760	**	-	24,760	503	25,263
Issuance of ordinary shares pursuant to public issue	16	8,240	7,829	-	16,069	-	16,069
Share issue expenses		-	(733)	-	(733)	-	(733)
Acquisition of minority interest in subsidiary		-	-	-	-	(381)	(381)
Total transactions with owners		33,000	7,096	-	40,096	122	40,218
Balance as at 31 December 2010		33,000	7,096	6,228	46,324	102	46,426

* *Represents RM2*
** *Represents RM397*

The accompanying notes form an integral part of the financial statements.

FOCUS POINT HOLDINGS BERHAD (884238 - U)

(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

Company	**Note**	**Share capital RM'000**	**Share premium RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
Balance as at 30 December 2009, date of incorporation		*	-	-	-
Total comprehensive loss		-	-	(6)	(6)
Balance as at 31 December 2009		*	-	(6)	(6)
Total comprehensive income		-	-	42	42
Transactions with owners					
Issuance of ordinary shares pursuant to acquisition of a subsidiary	16	24,760	**	-	24,760
Issuance of ordinary shares pursuant to public issue	16	8,240	7,829	-	16,069
Share issue expenses		-	(733)	-	(733)
Total transactions with owners		33,000	7,096	-	40,096
Balance as at 31 December 2010		33,000	7,096	36	40,132

**Represents RM2*
***Represents RM397*

The accompanying notes form an integral part of the financial statements.

FOCUS POINT HOLDINGS BERHAD (884238 - U)

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD/YEAR ENDED 31 DECEMBER 2010

	Note	Group 14.1.2010 to 31.12.2010 RM'000	Company 1.1.2010 to 31.12.2010 RM'000	30.12.2009 to 31.12.2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax		9,393	124	(6)
Adjustments for:				
Bad debts written off		14	-	-
Deposits forfeited		6	-	-
Depreciation of property, plant and equipment	7	2,314	-	-
Dividend income		-	(1,700)	-
Impairment losses on:				
- goodwill on consolidation	11	1	-	-
- property, plant and equipment	7	107	-	-
- trade and other receivables	13	370	-	-
Interest expenses				
- hire-purchase		129	-	-
- term loans		231	-	-
- bankers' acceptances		338	-	-
- bank overdrafts		20	-	-
- others		20	-	-
Interest income				
- fixed deposits		(161)	(70)	-
- others		(245)	(34)	-
Inventories written down	14	565	-	-
Listing expenses		1,372	1,372	-
Loss on disposal of an associate		12	-	-
Loss on disposal of property, plant and equipment		38	-	-
Negative goodwill	8(a)	(3,185)	-	-
Property, plant and equipment written off	7	160	-	-
Loss on realisation of derivative assets		83	-	-
Share of profits in associates, net of pre-acquisition dividends		(10)	-	-
Operating profit/(loss) before working capital changes		11,572	(308)	(6)
Increase in inventories		(4,655)	-	-
Decrease/(Increase) in trade and other receivables		4,786	(17)	-
(Decrease)/Increase in trade and other payables		(1,239)	50	6
Cash generated from/(used in) operations		10,464	(275)	-
Tax paid		(3,088)	-	-
Tax refunded		52	-	-
Net cash from/(used in) operating activities		7,428	(275)	-

The accompanying notes form an integral part of the financial statements.

FOCUS POINT HOLDINGS BERHAD (884238 - U)

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS (continued)
FOR THE FINANCIAL PERIOD/YEAR ENDED 31 DECEMBER 2010

	Note	Group 14.4.2010 to 31.12.2010 RM'000	Company 1.1.2010 to 31.12.2010 RM'000	30.12.2009 to 31.12.2009 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of subsidiaries, net of cash and cash equivalents	8	4,779	(4,174)	-
Increase in share capital in a subsidiary	8	-	(300)	-
Advances to a subsidiary		-	(1,251)	-
Proceeds from disposal of an associate	9	148	-	-
Dividends received from subsidiaries		-	1,600	-
Interest received		195	104	-
Acquisition of minority interest in a subsidiary	8	(534)	-	-
Proceeds from disposal of property, plant and equipment		274	-	-
Purchase of property, plant and equipment	7(a)	(6,395)	-	-
Net cash used in investing activities		(1,533)	(4,021)	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of bankers' acceptances		53	-	-
Drawdown of term loans		1,893	-	-
Interest paid		(718)	-	-
Repayments of term loans		(1,573)	-	-
Repayments of hire-purchase liabilities		(1,054)	-	-
Placements of fixed deposits pledged to licensed banks		(5,282)	-	-
Share issue and listing expenses paid		(2,105)	(2,105)	-
Proceeds from public issue of shares	16(c)	16,069	16,069	-
Net cash from financing activities		7,283	13,964	-
Net increase in cash and cash equivalents		13,178	9,668	*
Cash and cash equivalents at the beginning of the financial period/year		*	*	-
Cash and cash equivalents at the end of the financial period/year	15	13,178	9,668	*

* *Represents RM2*

The accompanying notes form an integral part of the financial statements.

FOCUS POINT HOLDINGS BERHAD (884238 - U)

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

1. **CORPORATE INFORMATION**

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Ace Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Unit 1, 3 & 5-1, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 20 April 2011.

2. **PRINCIPAL ACTIVITIES**

The Company is an investment holding company. The principal activities of the subsidiaries and associates are set out in Note 8 and Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial period/year.

3. **BASIS OF PREPARATION**

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards ('FRSs') and the provisions of the Companies Act, 1965 in Malaysia. However, Note 17(b) to the financial statements has been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad.

FOCUS POINT HOLDINGS BERHAD (884238 - U)

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

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

The preparation of 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 Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to the end of the financial period 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 (see Note 4.6) to the financial statements on 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:

(a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination; and

(b) recognise immediately in profit or loss any excess remaining after that reassessment.

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.

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NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of consolidation (continued)

Subsidiaries are consolidated from the acquisition date, 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 statement of comprehensive income.

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 statement of financial position within equity and is presented in the consolidated statement of changes in equity separately from equity attributable to owners of the Company.

Minority interest in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the total profit or loss for the financial period between minority interest and owners 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.

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

4. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

4.3 **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 the end of the reporting period. 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.

Depreciation is calculated to write off the cost or valuation of the 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 ⅓%
Freehold properties	2%
Furniture and fittings	10%
Hearing equipment	10%
Lab tools and equipment	10%
Motor vehicles	10% - 20%
Office equipment	20%
Optical equipment	10%
Renovation and electrical installations	10%
Signboards	20%

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31 DECEMBER 2010

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Property, plant and equipment and depreciation (continued)

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.

Construction-in-progress represents renovation-in-progress and is stated at cost. Construction-in-progress is not depreciated until such time when the asset is available for use.

At the end of each reporting period, 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 Note 4.7 to the financial statements on impairment of non-financial 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.

4.4 Leases and hire purchase

(a) 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.

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

4. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

4.4 **Leases and hire purchase (continued)**

(a) Finance leases and hire purchase (continued)

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.

(b) 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.

4.5 **Investments**

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company have 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.

(b) 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.

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 statement of financial position is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the investments.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Investments (continued)

(b) Associates (continued)

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 period 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 end of reporting periods 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 end of the reporting periods 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.

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 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.

4.7 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries and associates), inventories and deferred tax assets are reviewed at the end of each reporting period 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Impairment of non-financial assets (continued)

Following the adoption of FRS 8 *Operating Segments* as disclosed in Note 4.18 to the financial statements, the consequential amendment to FRS 136 *Impairment of Assets* is also mandatory for financial periods beginning on or after 1 July 2009. This amendment requires goodwill acquired in a business combination to be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment determined in accordance with FRS 8.

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, 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.

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NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 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.

4.9 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.

Financial instruments are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

4. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

4.9 **Financial instruments (continued)**

4.9.1 Financial assets

A financial asset is classified into the following four categories after initial recognition for the purpose of subsequent measurement:

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(b) Held-to-maturity investment

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(c) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

4. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

4.9 **Financial instruments (continued)**

4.9.1 Financial assets (continued)

(d) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the Group’s right to receive payment is established.

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.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

4.9.2 Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two categories after initial recognition for the purpose of subsequent measurement:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Financial instruments (continued)

4.9.2 Financial liabilities (continued)

(a) Financial liabilities at fair value through profit or loss (continued)

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

(b) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

4.9.3 Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Financial instruments (continued)

4.9.3 Equity (continued)

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.

If the Company reacquires its own equity instruments, the consideration paid, including any attributable transaction costs is deducted from equity as treasury shares until they are cancelled. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Where such shares are issued by resale, the difference between the sales consideration and the carrying amount is shown as a movement in equity.

Following the adoption of FRS 139 during the financial year, the Company reassessed the classification and measurement of financial assets and financial liabilities as at 1 January 2010. There is no effect arising from the adoption of FRS 139 and hence no opening statement of financial position was presented.

4.10 Impairment of financial assets

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

Held-to-maturity investment and loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable or investee, and default or significant delay in payments to determine whether there is objective evidence that an impairment loss on held-to-maturity investment and loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of held-to-maturity investment is directly reduced by the impairment loss whilst the carrying amount of loans and receivables are reduced through the use of an allowance account.

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4. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

4.10 **Impairment of financial assets (continued)**

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

4.11 **Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualified asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.12 **Income taxes**

Income taxes include all taxes on taxable profit. Taxes in the statements of comprehensive income comprise current tax and deferred tax.

4.12.1 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 taxes 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 end of the reporting period.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Income taxes (continued)

4.12.2 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 statement of financial position 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 the end of each reporting period. 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 on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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 end of the reporting period.

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 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 the end of each reporting period 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.

4.14 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.

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4. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

4.15 **Employee benefits**

4.15.1 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.

4.15.2 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.

4.16 **Foreign currencies**

4.16.1 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.

4.16.2 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 end of each reporting period 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.

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4. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

4.17 **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 and the Company's activities as follows:

(a) 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 customers and where the Group retains neither continuing managerial involvement over the goods, which coincides with delivery of goods and acceptance by customers.

(b) Services

Revenue from services rendered is recognised upon performance of services.

(c) Franchise fee income

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

(d) Licensing fee income

Licensing fee income is recognised on accrual basis unless collectibility is in doubt.

(e) Royalty fee income

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

(f) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(g) Rental income

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

(h) Dividend income

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

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NOTES TO THE FINANCIAL STATEMENTS
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4. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

4.18 **Operating segments**

Following the adoption of FRS 8 *Operating Segments* during the current financial period, operating segments are defined as components of the Group that:

(a) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the Group's chief operating decision maker (i.e. the Group's Chief Executive Officer) in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten (10) per cent or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is ten (10) per cent or more of the greater, in absolute amount of:

    (i) the combined reported profit of all operating segments that did not report a loss; and

    (ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten (10) per cent or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy five (75) percent of the Group's revenue.

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5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs

5.1 New FRSs adopted during the current financial year

(a) FRS 8 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 the disclosure of information on the Group'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 Group that management uses to make decisions about operating matters. This Standard requires the identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and assess its performance, as elaborated in Note 4.18 to the financial statements.

(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 the Group's financial position and performance.

(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.

There is no impact upon adoption of this standard during the financial year.

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5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (continued)

5.1 New FRSs adopted during the current financial year (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.

There is no impact upon adoption of this standard during the financial year.

(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.

There is no impact upon adoption of these amendments during the financial year.

(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.

There is no impact upon adoption of these amendments during the financial year.

(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.

There is no impact upon adoption of this Interpretation during the financial year.

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5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (continued)

5.1 New FRSs adopted during the current financial year (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.

There is no impact upon adoption of this Interpretation during the financial year.

(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 Company 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.

If the Company grants rights to its equity instruments to the employees of its subsidiaries, this Interpretation requires the Company to recognise the equity reserve for the obligation to deliver the equity instruments when needed whilst the subsidiaries shall recognise the remuneration expense for the services received from employees.

If the subsidiary grant rights to equity instruments of the Company to its employees, this Interpretation requires the Company to account for the transaction as cash-settled, regardless of the manner the subsidiaries obtain the equity instruments to satisfy its obligations.

There is no impact upon adoption of this Interpretation during the financial year.

The Group would like to draw attention to the withdrawal of this Interpretation for annual periods beginning on or after 1 January 2011 as disclosed in Note 5.2 (l) to the financial statements.

(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.

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5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (continued)

5.1 New FRSs adopted during the current financial year (continued)

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

If the Group supplies the awards itself, the consideration allocated to the award credits shall only be recognised as revenue when the award credits are redeemed. If a third party supplies the awards, the Group shall assess whether it is acting as a principal or agent in the transaction.

If the Group is acting as the principal in the transaction, it shall measure its revenue as the gross consideration allocated to the award credits. If the Group is acting as an agent, it shall measure its revenue as the net amount retained on its own account, and recognise the net amount as revenue when the third party becomes obliged to supply the awards and entitled to receive the consideration for doing so.

There is no impact upon adoption of this Interpretation during the financial year.

(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 end of the reporting period 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 year.

There is no impact upon adoption of this Interpretation during the financial year.

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5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (continued)

5.1 New FRSs adopted during the current financial year (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 statements 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.

Following the adoption of this Standard, the Group has reflected the new format of presentation and additional disclosures warranted in the primary financial statements and relevant notes to the financial statements.

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5. **ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (continued)**

5.1 **New FRSs adopted during the current financial year (continued)**

(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.

There is no impact upon adoption of these amendments during the financial year.

(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.

There is no impact upon adoption of these amendments during the financial year.

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

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. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 8 clarifies the consistency of disclosure requirement for information about profit or loss, assets and liabilities. There is no impact upon adoption of this amendment during the financial year.

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5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (continued)

5.1 New FRSs adopted during the current financial year (continued)

(o) *Improvements to FRSs (2009)* are mandatory for annual periods beginning on or after 1 January 2010 (continued).

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. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 108 clarifies that only Implementation Guidance issued by the MASB that are integral parts of FRSs is mandatory. There is no impact upon adoption of this amendment during the financial year.

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. There is no impact upon adoption of this amendment during the financial year.

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 118 *Revenue* rather than FRS 5. There is no impact upon adoption of this amendment during the financial year.

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. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 118 clarifies reference made on the term 'transaction costs' to the definition in FRS 139. There is no impact upon adoption of this amendment during the financial year.

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. There is no impact upon adoption of this amendment during the financial year.

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010 (continued)

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (continued)

5.1 New FRSs adopted during the current financial year (continued)

(o) *Improvements to FRSs (2009)* are mandatory for annual periods beginning on or after 1 January 2010 (continued).

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. There is no impact upon adoption of this amendment during the financial year.

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. There is no impact upon adoption of this amendment during the financial year.

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. There is no impact upon adoption of this amendment during the financial year.

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. There is no impact upon adoption of this amendment during the financial year.

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. There is no impact upon adoption of this amendment during the financial year.

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. There is no impact upon adoption of this amendment during the financial year.

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5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (continued)

5.1 New FRSs adopted during the current financial year (continued)

(o) *Improvements to FRSs (2009)* are mandatory for annual periods beginning on or after 1 January 2010 (continued).

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. There is no impact upon adoption of this amendment during the financial year.

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. There is no impact upon adoption of this amendment during the financial year.

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. There is no impact upon adoption of this amendment during the financial year.

(p) Amendments to FRS 132 is mandatory for annual periods beginning on or after 1 January 2010 in respect of the transitional provisions in accounting for compound financial instruments.

These amendments remove the transitional provisions in respect of accounting for compound financial instruments issued before 1 January 2003 pursuant to FRS 132_{2004} *Financial Instruments: Disclosure and Presentation*. Such compound financial instruments shall be classified into its liability and equity components when FRS 139 first applies.

There is no impact upon adoption of these amendments during the financial year.

(q) Amendments to FRS 139 is mandatory for annual periods beginning on or after 1 January 2010.

These amendments 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.

There is no impact upon adoption of these amendments during the financial year.

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5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (continued)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted

(a) Amendments to FRS 132 is mandatory for annual periods beginning on or after 1 March 2010 in respect of the classification of rights issues.

The amendments clarify 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.

(b) 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 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.

(c) 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.

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5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (continued)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (continued)

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

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.

(d) 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 end of the reporting period, the Group reports minority interests of RM102,000. 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.

(e) Amendments to FRSs are mandatory for annual periods beginning on or after 1 July 2010.

Amendments to FRS 2 *Share-based Payments* clarifies that transactions in which the Group 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. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

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5. **ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (continued)**

5.2 **New FRSs that have been issued, but not yet effective and not yet adopted (continued)**

(e) Amendments to FRSs are mandatory for annual periods beginning on or after 1 July 2010. (continued)

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

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 these amendments.

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

(f) 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.

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5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (continued)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (continued)

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

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.

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

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

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.

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

(h) 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.

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (continued)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (continued)

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

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

(i) 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.

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

(j) Amendments to FRS 1 *Additional Exemptions for First-time Adopters* are mandatory for annual periods beginning on or after 1 January 2011.

These amendments permits a first-time adopter of FRSs to apply the exemption of not restating the carrying amounts of oil and gas assets determined under previous GAAP.

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

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5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (continued)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (continued)

(k) Amendments to FRS 7 *Improving Disclosures about Financial Instruments* are 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.

(l) Amendments to FRS 2 *Group Cash-settled Share-based Payment Transactions* are mandatory for annual periods beginning on or after 1 January 2011.

These amendments clarify the scope and the accounting for group cash-settled share-based payment transactions in the separate financial statements of the entity receiving the goods or services when that entity has no obligation to settle the share-based payment transaction.

Consequently, IC Interpretation 8 Scope of FRS 2 and IC Interpretation 11 have been superseded and withdrawn.

The Group does not expect any impact on the financial statements arising from the adoption of these amendments. The effects of adopting IC Interpretation 11 have been disclosed in Note 5.1(i) to the financial statements.

(m) IC Interpretation 4 *Determining whether an Arrangement contains a Lease* is mandatory for annual periods beginning on or after 1 January 2011.

This Interpretation requires the determination of whether an arrangement is, or contains, a lease based on an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and whether the arrangement conveys a right to use the asset. This assessment shall be made at the inception of the arrangement and subsequently reassessed if certain condition(s) in the Interpretation is met.

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

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5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (continued)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (continued)

(n) IC Interpretation 18 *Transfers of Assets from Customers* is mandatory for annual periods beginning on or after 1 January 2011.

This Interpretation applies to agreements in which an entity receives from a customer an item of property, plant and equipment that must be used to either connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services. The entity receiving the transferred item is required to assess whether the transferred item meets the definition of an asset set out in the Framework. The credit entry would be accounted for as revenue in accordance with FRS 118.

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

(o) IC Interpretation 15 *Agreements for the Construction of Real Estate* is mandatory for annual periods beginning on or after 1 January 2012.

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 Group 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.).

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

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5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (continued)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (continued)

(p) *Improvements to FRSs (2010)* are mandatory for annual periods beginning on or after 1 January 2011.

Amendments to FRS 1 clarifies that FRS 108 does not apply to changes in accounting policies made upon adoption of FRSs until after the first FRS financial statements have been presented. If changes in accounting policies or exemptions in this FRS are used, an explanation of such changes together with updated reconciliations shall be made in each interim financial report. Entities whose operations are subject to rate regulation are permitted the use of previously revalued amounts as deemed cost. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 3 clarifies that for each business combination, the acquirer shall measure at the acquisition date non-controlling interests that consists of the present ownership interests and entitle holders to a proportionate share of the entity's net assets in the event of liquidation. Un-replaced and voluntarily replaced share-based payment transactions shall be measured using the market-based measurement method in accordance with FRS 2 at the acquisition date. The Group does not expect any impact on the consolidated financial statements arising from the adoption of these amendments.

Amendments to FRS 7 clarifies that quantitative disclosures of risk concentrations are required if the disclosures made in other parts of the financial statements are not readily apparent. The disclosure on maximum exposure to credit risk is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk. The Group expects to improve the disclosures on maximum exposure to credit risk upon adoption of these amendments.

Amendments to FRS 101 clarify that a statement of changes in equity shall be presented as part of a complete set of financial statements. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 121 *The Effects of Changes in Foreign Exchange Rates* clarify that the accounting treatment for cumulative foreign exchange differences in other comprehensive income for the disposal or partial disposal of a foreign operation shall be applied prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 128 clarify that the accounting treatment for the cessation of significant influence over an associate shall be applied prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

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5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (continued)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (continued)

(p) *Improvements to FRSs (2010)* are mandatory for annual periods beginning on or after 1 January 2011 (continued).

Amendments to FRS 131 clarify that the accounting treatment for the cessation of joint control over an entity shall be applied prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 132 clarify that contingent consideration from a business combination that occurred before the effective date of the revised FRS 3 of 1 July 2010 shall be accounted for prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 134 clarify that updated information on significant events and transactions since the end of the last annual reporting period shall be included in the Group's interim financial report. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 139 clarify that contingent consideration from a business combination that occurred before the effective date of the revised FRS 3 of 1 July 2010 shall be accounted for prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to IC Interpretation 13 clarify that the fair value of award credits takes into account, amongst others, the amount of the discounts or incentives that would otherwise be offered to customers who have not earned award credits from an initial sale. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

(q) Amendments to IC Interpretation 14 FRS 119 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements* and their Interaction are mandatory for annual periods beginning on or after 1 July 2011.

These amendments clarify that if there is a minimum funding requirement for contributions relating to future service, the economic benefit available as a reduction in future contributions shall include any amount that reduces future minimum funding requirement contributions for future service because of the prepayment made.

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

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NOTES TO THE FINANCIAL STATEMENTS
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5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (continued)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (continued)

(r) IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments* is mandatory for annual periods beginning on or after 1 July 2011.

This Interpretation applies to situations when equity instruments are issued to a creditor to extinguish all or part of a recognised financial liability. Such equity instruments shall be measured at fair value, and the difference between the carrying amount of the financial liability extinguished and the consideration paid shall be recognised in profit or loss.

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

(s) FRS 124 *Related Party Disclosures* and the consequential amendments to FRS 124 are mandatory for annual periods beginning on or after 1 January 2012.

This revised Standard simplifies the definition of a related party and eliminates certain inconsistencies within the superseded version. In addition to this, transactions and balances with government-related entities are broadly exempted from the disclosure requirements of the Standard.

The Group expects to reduce related party disclosures in respect of transactions and balances with government-related entities upon adoption of this Standard.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Changes in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no changes in estimates at the end of the reporting period.

6.2 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.

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6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

6.3 Key sources of estimation uncertainty

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

(a) Useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment at the time the assets are acquired based on historical experience, the expected usage, wear and tear of the assets, and technical obsolescence arising from changes in the market demands or service output of the assets. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to changes in factors mentioned above. Changes in these factors could impact the useful lives and the residual values of the assets, therefore future depreciation charges could be revised.

(b) Impairment of investments in subsidiaries and associates

The Company reviews the investments in subsidiaries and associates for impairment when there is an indication of impairment. This requires an estimation of the value in use of the subsidiaries and associates to which investments in subsidiaries and associates are allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the subsidiaries and associates and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) Impairment of held-to-maturity investment

The Group makes impairment of held-to-maturity investment based on an assessment of whether there is a decline in the value of such investment that is other than temporary. The assessment involves judgement and is made based on amongst others, historical performance of the investment and current market conditions that may have an impact on the market value of the investment.

(d) 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.

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6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

6.3 Key sources of estimation uncertainty (continued)

(d) Impairment of goodwill on consolidation (continued)

The calculations of the value-in-use amount is most sensitive to the following assumptions:

(i) Growth rates. The forecasted growth rates are determined based on industry trends and past performance of the CGUs.

(ii) Pre-tax discount rates. The discount rates reflect current market assessment of specific risks to each CGU. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals.

Further details are disclosed in Note 11 to the financial statements.

(e) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profits will be available against which the 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.

(f) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is 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 impairment of receivables. Where expectations differ from the original estimates, the differences will impact the carrying amount of receivables.

(g) 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.

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NOTES TO THE FINANCIAL STATEMENTS
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6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

6.3 Key sources of estimation uncertainty (continued)

(h) 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.

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7. PROPERTY, PLANT AND EQUIPMENT

Group **2010** **At cost**	**Balance as at 14.4.2010 RM'000**	**Subsidiaries acquired RM'000**	**Additions RM'000**	**Disposals RM'000**	**Written off RM'000**	**Impairment RM'000**	**Balance as at 31.12.2010 RM'000**
Alarm and security system	-	260	49	(4)	(2)	-	303
Computers	-	3,010	651	(29)	(114)	-	3,518
Freehold properties	-	4,250	448	-	-	-	4,698
Furniture and fittings	-	6,317	2,207	(102)	(259)	-	8,163
Hearing equipment	-	-	35	-	-	-	35
Lab tools and equipment	-	2,007	2	-	-	-	2,009
Motor vehicles	-	3,157	777	-	-	-	3,934
Office equipment	-	630	186	(2)	(40)	-	774
Optical equipment	-	6,421	1,352	(213)	(114)	-	7,446
Renovation and electrical installations	-	4,426	1,590	(83)	(65)	(183)	5,685
Signboards	-	688	188	(13)	(56)	(48)	759
Construction-in-progress	-	-	398	-	-	-	398
	-	31,166	7,883	(446)	(650)	(231)	37,722

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7. **PROPERTY, PLANT AND EQUIPMENT (continued)**

Group **2010** **Accumulated depreciation**	**Balance as at 14.4.2010 RM'000**	**Subsidiaries acquired RM'000**	**Charge for the financial period RM'000**	**Disposals RM'000**	**Written off RM'000**	**Impairment RM'000**	**Balance as at 31.12.2010 RM'000**
Alarm and security system	-	211	13	-	(2)	-	222
Computers	-	1,743	493	(16)	(98)	-	2,122
Freehold properties	-	629	62	-	-	-	691
Furniture and fittings	-	2,302	463	(29)	(182)	-	2,554
Hearing equipment	-	-	1	-	-	-	1
Lab tools and equipment	-	1,705	80	-	-	-	1,785
Motor vehicles	-	1,343	397	-	-	-	1,740
Office equipment	-	448	55	(2)	(38)	-	463
Optical equipment	-	3,066	375	(44)	(83)	-	3,314
Renovation and electrical installations	-	1,468	311	(34)	(33)	(99)	1,613
Signboards	-	462	64	(9)	(54)	(25)	438
	-	13,377	2,314	(134)	(490)	(124)	14,943

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7. PROPERTY, PLANT AND EQUIPMENT (continued)

	Group 2010 RM'000
Net carrying amount	
Alarm and security system	81
Computers	1,396
Freehold properties	4,007
Furniture and fittings	5,609
Hearing equipment	34
Lab tools and equipment	224
Motor vehicles	2,194
Office equipment	311
Optical equipment	4,132
Renovation and electrical installations	4,072
Signboards	321
Construction-in-progress	398
	22,779

(a) During the financial period, the Group made the following cash payments to purchase property, plant and equipment:

	Group 2010 RM'000
Purchase of property, plant and equipment	7,883
Financed by hire-purchase arrangements	(1,488)
Cash payments on purchase of property, plant and equipment	6,395

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7. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) As at 31 December 2010, the net carrying amount of the property, plant and equipment of the Group acquired under hire-purchase arrangements are as follows:

	Group 2010 RM'000
Alarm	7
Computers	119
Furniture and fittings	857
Motor vehicles	1,824
Office equipment	22
Optical equipment	1,365
Renovation and electrical installations	680
Signboards	2
	4,876

Details of the terms and conditions of the hire-purchase arrangements are disclosed in Notes 20 and 36 to the financial statements respectively.

(c) Net carrying amounts of property, plant and equipment pledged as securities for banking facilities granted to the Group (Note 18) are as follows:

	Group 2010 RM'000
Freehold properties	4,007

(d) As disclosed in Note 4.3 to the financial statements, the Group adopts the revaluation model for its freehold properties and will revalue with sufficient regularity to ensure that the carrying amounts do not differ materially from that which would be determined using fair values at the end of the reporting period. The freehold properties were acquired at fair values during the financial period through the acquisition of a subsidiary as disclosed in Note 8(a) to the financial statements.

8. INVESTMENTS IN SUBSIDIARIES

	Company 2010 RM'000	Company 2009 RM'000
Unquoted equity shares, at cost	29,235	-

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8. INVESTMENTS IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Interest in equity held by Company 2010 %	Company 2009 %	Subsidiary 2010 %	Subsidiary 2009 %	Principal activities
Excelview Laser Eye Centre Sdn. Bhd.*	Malaysia	100	-	-	100	Provision of medical eye care services
Focus Point Management Sdn. Bhd.*	Malaysia	100	-	-	100	Management of franchised professional eye care centres
Focus Point Vision Care Group Sdn. Bhd.*	Malaysia	100	-	-	-	Retailing of optical and related products
Sound Point Hearing Solution Sdn. Bhd.*	Malaysia	100	-	-	-	Trading of hearing aid solutions and related accessories
Subsidiaries of Focus Point Vision Care Group Sdn. Bhd.						
Esprit Shoppe Sdn. Bhd.*	Malaysia	-	-	100	100	Retailing of optical and related products
Focus Point Vision Care Group (OC) Sdn. Bhd.*	Malaysia	-	-	100	100	Ceased operations and has since remained dormant
Opulence Optometry Sdn. Bhd.*	Malaysia	-	-	100	100	Ceased operations and has since remained dormant
Multiple Reward Sdn. Bhd.*#	Malaysia	-	-	100	51	Ceased operations during the financial year
Radiant Attraction Sdn. Bhd.*	Malaysia	-	-	100	51	Retailing of optical and related products
Eye-Zed Sdn. Bhd.*	Malaysia	-	-	51	51	Retailing of optical and related products

* *Audited by BDO.*

\# *The remaining 49% of the issued and paid-up ordinary share capital of Multiple Reward Sdn. Bhd. was acquired by the Company's subsidiary, namely Focus Vision Care Group Sdn. Bhd. on 3 March 2010.*

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8. **INVESTMENTS IN SUBSIDIARIES (continued)**

(a) On 14 April 2010, the Company acquired the entire equity interests in Focus Point Vision Care Group Sdn. Bhd. comprising 10,000,000 ordinary shares of RM1.00 each at par by the issuance of 123,799,990 new ordinary shares in the Company at an issue price of approximately RM0.20 per ordinary share.

The acquired subsidiary has contributed the following results to the Group during the financial period:

	2010 RM'000
Revenue	74,642
Profit for the financial period	6,192

If the acquisition had occurred on 1 January 2010, the Group's results would have been as follows:

	2010 RM'000
Revenue	113,767
Profit for the financial year	9,503

The summary of effects on acquisition of the subsidiary on acquisition date is as follows:

	Fair values recognised on acquisition RM'000	**Acquiree's carrying amounts RM'000**
Property, plant and equipment	17,789	17,789
Investments in associates	529	529
Held-to-maturity investment	500	500
Goodwill on consolidation	248	248
Inventories	21,310	21,310
Trade and other receivables	23,581	23,581
Cash and cash equivalents	4,779	4,779
Derivative assets	83	83
Current tax liabilities	(1,624)	(1,624)
Trade and other payables	(19,152)	(19,152)
Minority interests	(503)	(503)
Deferred tax liabilities	(464)	(464)
Borrowings	(19,131)	(19,131)
Net assets acquired	27,945	27,945
Negative goodwill	(3,185)	
Total cost of acquisition	24,760	

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8. INVESTMENTS IN SUBSIDIARIES (continued)

(a) On 14 April 2010, the Company acquired the entire equity interests in Focus Point Vision Care Group Sdn. Bhd. comprising 10,000,000 ordinary shares of RM1.00 each at par by the issuance of 123,799,990 new ordinary shares in the Company at an issue price of approximately RM0.20 per ordinary share. (continued)

The cash inflow on acquisition is as follows:

	2010 RM'000
Purchase consideration settled by:	
- Issuance of shares	24,760
- Share premium	*
	24,760
Cash and cash equivalents of subsidiary acquired	4,779
Net cash inflow of the Group on acquisition	4,779

* *Represents RM397*

(b) On 14 April 2010, the Group undertook an internal restructuring, by entering into a conditional sale and purchase agreement with Focus Point Vision Care Group Sdn. Bhd. 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., for a total consideration of RM3,380,693 based on the audited net assets of Focus Point Management Sdn. Bhd. 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., for a total consideration of RM793,725 based on the audited net assets of Excelview Laser Eye Centre Sdn. Bhd. as at 31 December 2009 of RM793,725.

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8. **INVESTMENTS IN SUBSIDIARIES (continued)**

(c) On 15 September 2010, the Company acquired the entire equity interests of Sound Point Hearing Solution Sdn. Bhd. comprising 10 ordinary shares of RM1 each at par for a total consideration of RM10. Following the acquisition, on 21 September 2010, the Company subscribed for an additional 299,990 ordinary shares of RM1.00 each in Sound Point Hearing Solution Sdn. Bhd. for a cash consideration of RM299,990.

The acquired subsidiary has contributed the following results to the Group during the financial period:

	2010 RM'000
Revenue	7
Profit for the financial period	(20)

If the acquisition had occurred on 1 January 2010, the Group's results would have been as follows:

	2010 RM'000
Revenue	74,649
Profit for the financial year	6,214

The summary of effects on acquisition of the subsidiary on acquisition date is as follows:

	Fair values recognised on acquisition RM'000	**Acquiree's carrying amounts RM'000**
Other payables	(10)	(10)
Goodwill on consolidation	10	
Total purchase consideration settled in cash	**	
Less: Cash and cash equivalents acquired	-	
Net cash outflow of the Group on acquisition	**	

** *Represents RM10*

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8. INVESTMENTS IN SUBSIDIARIES (continued)

(d) On 20 September 2010, the Company's subsidiary, namely Focus Point Vision Care Group Sdn. Bhd. acquired the remaining 49% equity interests of Radiant Attraction Sdn. Bhd. comprising 122,500 ordinary shares of RM1 each at par for a total consideration of RM534,000. This gives rise to goodwill on consolidation of RM153,000.

9. INVESTMENTS IN ASSOCIATES

	Group 2010 RM'000
Unquoted equity shares, at cost	280
Share of post-acquisition reserves, net of dividends received	99
	379

The details of the associates are as follows:

Name of company	Country of incorporation	Interest in equity held by Company 2010 %	Company 2009 %	Subsidiary 2010 %	Subsidiary 2009 %	Principal activities
Associates of Focus Point Vision Care Group Sdn. Bhd.						
Focus Point Vision Care Group (HP) Sdn. Bhd.	Malaysia	-	-	35	35	Retailing of optical and related products
Green Ace Formation Sdn. Bhd.*	Malaysia	-	-	49	49	In the process of voluntary winding up
Zania Sdn. Bhd.*	Malaysia	-	-	20	20	Ceased operations and has since remained dormant
Seen@International Pte. Ltd.*#	Singapore	-	-	-	20	Retailing of optical and related products

* *Associates not audited by BDO.*
\# *Entire equity interests were disposed.*

9. INVESTMENTS IN ASSOCIATES (continued)

The summarised financial information of the associates are as follows:

	Group 2010 RM'000
Assets and liabilities	
Current assets	1,763
Non-current assets	2,260
Total assets	4,023
Current liabilities	2,409
Non-current liabilities	21
Total liabilities	2,430
Results	
Revenue	6,755
Profit for the financial year	395

On 3 December 2010, the Company's subsidiary, namely Focus Point Vision Care Group Sdn. Bhd. disposed of its entire equity interests in Seen@International Pte. Ltd., comprising 70,000 ordinary shares of SGD1 each at par for a total cash consideration of SGD60,000, which is equivalent to approximately RM148,000.

10. HELD-TO-MATURIY INVESTMENT

Group	Carrying amount RM'000	Market value of quoted investment RM'000
2010		
Non-current		
Financial asset, held-to-maturity		
- Malaysian quoted investment	500	491

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10. HELD-TO-MATURIY INVESTMENT (continued)

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 do 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 the Group and to the Company (Note 18).

Information on the fair value of financial instrument is disclosed in Note 35(c)(iv) to the financial statements.

11. GOODWILL ON CONSOLIDATION

	Group 2010 RM'000
Balance as at 14 April 2010	-
Additions through acquisitions of subsidiaries	411
Less: Accumulated impairment losses	(1)
Carrying amount	410

Goodwill arising from business combinations has been allocated to two individual cash-generating units ('CGU') for impairment testing as follows:

	Optical related products RM'000	**Hearing aid solutions and related accessories RM'000**	**RM'000**
Cost	401	10	411
Less: Accumulated impairment losses	(1)	-	(1)
Carrying amount	400	10	410

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

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11. **GOODWILL ON CONSOLIDATION (continued)**

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a four-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flows beyond the five-year period are as follows:

	2010	
	Optical related products	**Hearing aid solutions and related accessories**
Growth rates	8%- 20%	20%
Pre-tax discount rates	5.68%	5.68%

The calculations of value in use for the CGUs are most sensitive to the following assumptions:

(a) Growth rates

The forecasted growth rate are determined based on the industry trends and past performance of the CGUs.

(b) Pre-tax discount rates

Discount rates reflect the current market assessment of the risks specific to each CGU. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. Thus, management used pre-tax discount rate of 5.68%, which is the Group's weighted average cost of funds in determining the recoverable amounts of the CGUs.

An impairment loss on goodwill amounting RM980 relating to a subsidiary, Multiple Reward Sdn. Bhd., has been recognised during the financial year due to declining business operations. This subsidiary is classified under the optical related products CGU.

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12. DEFERRED TAX

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

	Group 2010 RM'000
Balance as at 14 April 2010	-
Addition through acquisition of a subsidiary	464
Recognised in profit or loss (Note 29)	357
Balance as at 31 December 2010	821

	Group 2010 RM'000
Presented after appropriate offsetting:	
Deferred tax assets, net	(283)
Deferred tax liabilities, net	1,104
	821

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

Deferred tax liabilities of the Group

	Property, plant and equipment RM'000
At 14 April 2010	-
Addition through acquisition of a subsidiary	646
Recognised in profit or loss	458
At 31 December 2010	1,104

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12. **DEFERRED TAX (continued)**

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

Deferred tax assets of the Group

	Deferred franchise fees RM'000	**Others RM'000**	**Total RM'000**
At 14 April 2010	-	-	-
Addition through acquisition of a subsidiary	(182)	-	(182)
Recognised in profit or loss	(83)	(18)	(101)
At 31 December 2010	(265)	(18)	(283)

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

	Group 2010 RM'000
Unused tax losses	79
Unabsorbed capital allowances	201
Other temporary differences	(74)
	206

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. TRADE AND OTHER RECEIVABLES

	Group 2010 RM'000	Company 2010 RM'000	Company 2009 RM'000
Non-current			
Trade receivables			
Third parties	1,665	-	-
Current			
Trade receivables			
Third parties	8,125	-	-
Amount owing by an associate	303	-	-
	8,428	-	-
Less: Impairment loss	(584)	-	-
	7,844	-	-
Current			
Other receivables, deposits and prepayments			
Other receivables			
- Third parties	271	13	-
- Amount owing by a subsidiary	-	1,251	-
- Amount owing by an associate	2	-	-
	273	1,264	-
Deposits	7,574	4	-
Prepayments	1,240	-	-
	9,087	1,268	-
	16,931	1,268	-

(a) Trade receivables are non-interest bearing and the normal credit terms granted by the Group and the Company range from cash terms to 60 days from date of invoice. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

(b) Included in trade receivables of the Group are amounts owing by franchisees for the sales of non-trade goods and fixed assets by the Group amounting to RM4,764,000 of which RM3,099,000 are current.

(c) Amount owing by a subsidiary represents balances arising from non-trade transactions and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

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13. TRADE AND OTHER RECEIVABLES (continued)

(d) Amount owing by an associate represents balances arising from trade transactions and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

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

(f) The ageing analysis of trade receivables of the Group are as follows:

	Group 2010 RM'000
Neither past due nor impaired	9,266
Past due, not impaired	
60 to 90 days	129
91 to 120 days	63
121 to 150 days	16
More than 150 days	35
	243
Past due and impaired	584
	10,093

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the trade receivables of the Group that are neither past due nor impaired have been renegotiated during the financial period.

Receivables that are past due but not impaired

At the end of the reporting period, trade receivables that are past due but not impaired possess high creditworthiness and good payment records.

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13. TRADE AND OTHER RECEIVABLES (continued)

(f) The ageing analysis of trade receivables of the Group are as follows (continued):

Receivables that are past due and impaired

Trade receivables of the Group that are past due and impaired at the end of the reporting period are as follows:

Group	**Individually impaired 2010 RM'000**
Trade receivables, gross	584
Less: Impairment loss	(584)
	-

(g) The reconciliation of movements in the impairment loss are as follows:

	Group 2010 RM'000
At 1 January	-
Additions through acquisitions of subsidiaries	214
Charge for the financial period (Note 28)	370
At 31 December	584

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(h) Information of financial risks of trade and other receivables is disclosed in Note 36 to the financial statements.

14. INVENTORIES

	Group 2010 RM'000
At cost	
Optical and related products	732
Operation consumables	57
	789
At net realisable value	
Optical and related products	24,611
	25,400

The inventories are net of inventories written down as follows:

	Group 2010 RM'000
Inventories written down	565

Inventories written down are included in cost of sales.

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following as at the end of the reporting period:

	Group	Company	
	2010 RM'000	2010 RM'000	2009 RM'000
Cash and bank balances	4,613	3,339	*
Fixed deposits with licensed banks	15,190	6,329	-
As stated in statements of financial position	19,803	9,668	*
Bank overdrafts included in borrowings (Note 21)	(1,343)	-	-
	18,460	9,668	*
Less: Fixed deposits pledged to licensed banks	(5,282)	-	-
As stated in statements of cash flows	13,178	9,668	*

* *Represents RM2*

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15. **CASH AND CASH EQUIVALENTS (continued)**

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

(b) Fixed deposits with licensed banks of the Group and of the Company have an average maturity period of 365 days with weighted average interest rates of 2.77% and 2.80% per annum respectively.

(c) Included in the fixed deposits with licensed banks of the Group are RM5,282,000 pledged to licensed banks as securities for banking facilities granted to the Group (Note 18).

(d) Information on financial risk of cash and cash equivalents are disclosed in Note 36 to the financial statements.

16. **SHARE CAPITAL**

The movements in the authorised share capital of the Company are as follows:

		2010			**2009**	
	Par value RM	**Number of ordinary shares**	**RM'000**	**Par value RM**	**Number of ordinary shares**	**RM'000**
Ordinary shares:						
At 1 January/Date of incorporation	1.00	100,000	100	1.00	100,000	100
Sub-division of the par value of ordinary shares of RM1.00 each into RM0.20 each	0.20	500,000	100	-	-	-
Increase during the year	0.20	249,500,000	49,900	-	-	-
At 31 December		250,000,000	50,000		100,000	100

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16. **SHARE CAPITAL (continued)**

The movements in the issued and paid-up share capital of the Company are as follows:

	2010			**2009**		
	Par value RM	**Number of ordinary shares**	**RM'000**	**Par value RM**	**Number of ordinary shares**	**RM'000**
Ordinary shares:						
At 1 January/ Date of incorporation	1.00	2	*	1.00	2	*
Sub-division of the par value of ordinary shares of RM1.00 each into RM0.20 each	0.20	10	*	-	-	-
Issuance of ordinary shares pursuant to acquisition of a subsidiary	0.20	123,799,990	24,760	-	-	-
Shares issued pursuant to public issue	0.20	41,200,000	8,240	-	-	-
At 31 December		165,000,000	33,000		2	*

* *Represents RM2*

(a) On 1 April 2010, the Company subdivided its ordinary share capital as follows:

(i) authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each into 500,000 ordinary shares of RM0.20 each; and

(ii) issued and paid up share capital of RM2.00 comprising 2 ordinary shares of RM1.00 each into 10 ordinary shares of RM0.20 each.

Subsequently, the Company increased its authorised share capital from RM100,000 divided into 500,000 ordinary shares of RM0.20 each to RM50,000,000 by the creation of 249,500,000 new ordinary shares of RM0.20 each.

(b) 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. 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 Group Sdn. Bhd., for a total consideration of RM24,760,395 based on the audited consolidated net assets of Focus Point Vision Care Group Sdn. Bhd. as at 31 December 2009 of RM24,760,395. The purchase consideration was satisfied by the issuance of 123,799,990 new ordinary shares in the Company at an issue price of approximately RM0.20 per share.

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16. SHARE CAPITAL (continued)

(c) On 23 August 2010, the Company was listed on the Ace Market of Bursa Malaysia Securities Berhad and made a public issue of 41,200,000 ordinary shares at RM0.39 each. The total proceeds from the public issue is RM16,069,000.

(d) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

17. RESERVES

	Group	Company	
	2010	2010	2009
	RM'000	RM'000	RM'000
Non-distributable:			
Share premium	7,096	7,096	-
Distributable:			
Retained earnings/ Accumulated losses	6,228	36	(6)
	13,324	7,132	(6)

(a) Retained earnings

The Company is under single tier system and as a result, there is no restriction on the Company to frank the payment of dividends out of its entire retained earnings as at the end of the reporting period.

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17. **RESERVES (continued)**

(b) Supplementary information on realised and unrealised profits or losses

The retained earnings as at the end of reporting period may be analysed as follows:

	2010	
	Group RM'000	**Company RM'000**
Total retained profits of Focus Point Holdings Berhad and its subsidiaries		
- Realised	25,673	36
- Unrealised	(821)	-
	24,852	36
Total share of retained profits from associates:		
- Realised	106	-
- Unrealised	(7)	-
	99	-
Total	24,951	36
Less: Consolidation adjustments	(18,723)	-
Total Group/Company retained profits as per consolidated accounts	6,228	36

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18. BORROWINGS

	Group 2010 RM'000
Current liabilities	
Term loans (Note 19)	1,559
Bankers' acceptances	12,133
Hire-purchase liabilities (Note 20)	1,363
Bank overdrafts (Note 21)	1,343
	16,398
Non-current liabilities	
Term loans (Note 19)	3,142
Hire-purchase liabilities (Note 20)	1,741
	4,883
Total borrowings	
Term loans (Note 19)	4,701
Bankers' acceptances	12,133
Hire-purchase liabilities (Note 20)	3,104
Bank overdrafts (Note 21)	1,343
	21,281

(a) Certain bank borrowings of the Group are secured by:

(i) personal guarantees from the Directors of the Group;

(ii) a charge over the Group's freehold properties with a net carrying amount of RM4,007,000 as disclosed in Note 7(c) to the financial statements;

(iii) a charge over the Group's held-to-maturity investment in unit trust of RM500,000 as disclosed in Note 10 to the financial statements; and

(iv) a charge over the Group's fixed deposits of RM5,282,000 as disclosed in Note 15(c) to the financial statements.

(b) The weighted average effective interest rate of bankers' acceptances of the Group is 2.79% per annum.

(c) All borrowings are denominated in RM.

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19. TERM LOANS

(a) Term loans of the Group are secured by:

(i) personal guarantees from the Directors of the Group;

(ii) a charge over the Group's freehold properties with a net carrying amount of RM4,007,000 as disclosed in Note 7(c) to the financial statements;

(iii) a charge over the Group's held-to-maturity investment in unit trust of RM500,000 as disclosed in Note 10 to the financial statements; and

(iv) a charge over the Group's fixed deposits of RM5,282,000 as disclosed in Note 15(c) to the financial statements.

(b) the weighted average effective interest rate of term loans of the Group is 6.66% per annum respectively.

(c) The term loans are repayable by equal monthly instalments and there are no fixed repricing periods for these loans.

(d) Information on financial risks of term loans and their remaining maturities is disclosed in Note 36 to the financial statements.

20. HIRE-PURCHASE LIABILITIES

	Group 2010 RM'000
Minimum hire-purchase payments	
- not later than one (1) year	1,518
- later than one (1) year and not later than five (5) years	1,847
Total minimum hire-purchase payments	3,365
Less: Future interest charges	(261)
Present value of hire-purchase liabilities	3,104
Repayable as follows:	
Current liabilities:	
- not later than one (1) year	1,363
Non-current liabilities:	
- later than one (1) year and not later than five (5) years	1,741
	3,104

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20. HIRE-PURCHASE LIABILITIES (continued)

	Group 2010 %
Weighted average effective interest rate:	
Hire-purchase liabilities	6.33

Information on financial risks of hire-purchase liabilities is disclosed in Note 36 to the financial statements.

21. BANK OVERDRAFTS

(a) Bank overdrafts of the Group are secured by:

(i) personal guarantees from the Directors of the Group;

(ii) a charge over the Group's freehold properties with a net carrying amount of RM4,007,000 as disclosed in Note 7(c) to the financial statements; and

(iii) a charge over the Group's fixed deposits of RM5,282,000 as disclosed in Note 15(c) to the financial statements.

(b) the weighted average effective interest rate of bank overdrafts of the Group is 6.93% per annum.

22. TRADE AND OTHER PAYABLES

	Group	Company	
	2010 RM'000	2010 RM'000	2009 RM'000
Non-current			
Trade payables			
Third parties	998	-	-
Current			
Trade payables			
Third parties	6,989	-	-
Other payables and accruals			
Other payables			
- Third parties	2,994	16	3
- Amounts owing to associates	88	-	-
Deposits received	3,702	-	-
Accruals	3,158	41	3
	9,942	57	6
	16,931	57	6

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22. TRADE AND OTHER PAYABLES (continued)

(a) Trade payables are non-interest bearing and the normal credit terms granted to the Group by suppliers range from 30 to 90 days from date of invoice.

(b) Included in the trade payables of the Group are franchise fees amounting to RM1,386,000 of which RM388,000 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) Amounts owing to associates represent balances arising payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

(d) Included in the deposits received of the Group is a sinking fund amounting to RM582,361, which is in respect of funds received from the franchisees for the repair and maintenance of the franchise outlets.

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

	Group	Company	
	2010 RM'000	2010 RM'000	2009 RM'000
European Euro	1,284	-	-
United States dollar	649	-	-
Hong Kong dollar	2	-	-
Singapore dollar	28	-	-
Ringgit Malaysia	15,966	57	6
	17,929	57	6

(f) Information of financial risks of trade and other payables is disclosed in Note 36 to the financial statements.

23. ACQUISITON OF BUSINESS OPERATIONS AND ASSETS

On 9 December 2010, the Company's subsidiary, namely Focus Point Vision Care Group Sdn. Bhd. completed the acquisition of the business operations and some of the assets of Imperial Optics (K.K.) Sdn. Bhd., Vision Twenty Sdn. Bhd. and One Borneo Optics Sdn. Bhd., retailers of optical and related products for a purchase consideration of RM1,970,042. The fair values of the assets acquired were as follows:

	2010 RM'000
Property, plant and equipment	787
Inventories	1,183
Total	1,970

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24. COMMITMENTS

(a) Operating lease commitments

The Group has entered into non-cancellable lease agreements for business premises, resulting in future rental commitments. The Group has aggregate future minimum lease commitments as at the end of the reporting period as follows:

	Group 2010 RM'000
Branches	
Not later than one (1) year	13,618
Later than one (1) year and not later than five (5) years	10,404
	24,022
Franchisees	
Not later than one (1) year	7,107
Later than one (1) year and not later than five (5) years	3,958
	11,065

The Group has back-to-back arrangement with its franchisees on the rental commitments. The Group enters into rental agreements for the business premises with third parties and subsequently, sub-lease these business premises to the franchisees. The rental expenses will be borne by the franchisees.

(b) Capital commitments

	Group 2010 RM'000
Capital expenditure in respect of purchase of property, plant and equipment:	
Contracted but not provided for	380

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25. REVENUE

	Group 14.4.2010 to 31.12.2010 RM'000	Company 1.1.2010 to 31.12.2010 RM'000	Company 30.12.2009 to 31.12.2009 RM'000
Sale of goods	71,391	-	-
Services rendered	967	-	-
Franchise fees income	236	-	-
Licensing fees income	157	-	-
Royalty fees income	1,898	-	-
Dividends income	-	1,700	-
	74,649	1,700	-

26. COST OF SALES

	Group 14.4.2010 to 31.12.2010 RM'000
Inventories sold	29,753
Services rendered	335
	30,088

27. FINANCE COSTS

	Group 14.4.2010 to 31.12.2010 RM'000
Bank charges	77
Interest expense on:	
- hire-purchase	129
- term loans	231
- bankers' acceptances	338
- bank overdrafts	20
- others	20
	815

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28. PROFIT/(LOSS) BEFORE TAX

	Note	Group 14.4.2010 to 31.12.2010 RM'000	Company 1.1.2010 to 31.12.2010 RM'000	Company 30.12.2009 to 31.12.2009 RM'000
Profit before tax is arrived at after charging:				
Auditors' remuneration:				
- statutory audits		151	36	3
- other services		22	22	-
Bad debts written off		14	-	-
Depreciation of property, plant and equipment	7	2,314	-	-
Deposits forfeited		6	-	-
Directors' remuneration:				
- fees		95	95	-
- emoluments other than fees		2,231	-	-
Impairment losses on:				
- property, plant and equipment	7	107	-	-
- trade and other receivables	13	370	-	-
- goodwill on consolidation	11	1	-	-
Interest expense on:				
- hire-purchase		129	-	-
- term loans		231	-	-
- bankers' acceptances		338	-	-
- bank overdrafts		20	-	-
- others		20	-	-
Inventories written down	14	565	-	-
Listing expenses		1,372	1,372	-
Loss on disposal of an associate		12	-	-
Loss on disposal of property, plant and equipment		38	-	-
Preliminary expenses		-	-	3
Property, plant and equipment written off	7	160	-	-
Rental of premises		10,884	-	-
Loss on realisation of derivative assets		83	-	-

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28. PROFIT/(LOSS) BEFORE TAX (continued)

	Note	Group 14.4.2010 to 31.12.2010 RM'000	Company 1.1.2010 to 31.12.2010 RM'000	30.12.2009 to 31.12.2009 RM'000
And crediting:				
Gross dividends received from:				
- subsidiary (unquoted)		-	1,700	-
Interest income received from:				
- fixed deposits		161	70	-
- others		245	34	-
Management fee		15	-	-
Negative goodwill	8(a)	3,185	-	-
Realised gain on foreign currency transactions		224	-	-
Rental income		170	-	-

29. TAX EXPENSE

	Group 14.4.2010 to 31.12.2010 RM'000	Company 1.1.2010 to 31.12.2010 RM'000	30.12.2009 to 31.12.2009 RM'000
Current tax expense based on profit for the financial period/year	2,817	82	-
Deferred tax (Note 12)	228	-	-
	3,045	82	-
Under provision in prior years:			
Income tax	5	-	-
Deferred tax (Note 12)	129	-	-
	134	-	-
	3,179	82	-

The Malaysian income tax is calculated at the statutory tax rate of 25% (2009: 25%) of the estimated taxable profits for the fiscal year.

Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

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29. **TAX EXPENSE (continued)**

The numerical reconciliation between the tax expense and the product of accounting profit/(loss) multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group	**Company**	
	14.4.2010 to 31.12.2010 RM'000	**1.1.2010 to 31.12.2010 RM'000**	**30.12.2009 to 31.12.2009 RM'000**
Profit before tax	9,393	124	(6)
Taxation at Malaysian statutory tax rate of 25% (2009: 25%)	2,348	31	(2)
Tax effect in respect of:			
Expenses not deductible for tax purposes	1,453	379	2
Non-taxable income	(808)	(328)	-
Unused tax losses and unabsorbed capital allowances not recognised in loss making subsidiaries	52	-	-
	3,045	82	-
Under provision in prior years:			
- income tax	5	-	-
- deferred tax	129	-	-
Tax expense for the financial period/year	3,179	82	-

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30. EARNINGS PER SHARE

(a) Basic

Basic earnings per ordinary share for the financial period is calculated by dividing the profit for the financial period attributable to equity holders of the parent by the number of ordinary shares in issue during the financial period.

	Group 2010 RM'000
Profit attributable to equity holders of the parent	6,234
Weighted average number of ordinary shares in issue ('000)	
Effect of:	
- public issue	137,574
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share ('000)	137,574
	2010 sen
Basic earnings per ordinary share	4.53

(b) Diluted

The Company does not have any diluted earnings as it does not have any potential dilutive ordinary shares.

31. DIVIDENDS

	Group and Company	
	Gross dividend per share sen	**Amount of dividend RM'000**
Interim dividend paid	1.5	2,475
Final dividend proposed	0.5	825
	2.0	3,300

On 3 March 2011, the Directors declared a first interim single tier tax exempt dividend of 1.5 sen per ordinary share amounting to RM2,475,000 in respect of the financial year ended 31 December 2010 and paid to the shareholders on 4 April 2011, whose names appeared in the Record of Depositors at the close of business on 18 March 2011.

31. **DIVIDENDS (continued)**

The financial statements for the current financial year do not reflect the interim dividend as it was declared subsequent to the end of the reporting period. The dividend will be accounted for as an appropriation of retained earnings in the financial year ending 31 December 2011.

The final single tier tax exempt dividend in respect of the financial year ended 31 December 2010 of 0.5 sen per ordinary share amounting to RM825,000 has been proposed by the Directors after the reporting period for shareholders' approval at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. The dividend, if approved by shareholders, will be accounted for as an appropriation of retained earnings in the financial year ending 31 December 2011.

32. **EMPLOYEE BENEFITS**

	Group	Company	
	14.4.2010 to 31.12.2010 RM'000	**1.1.2010 to 31.12.2010 RM'000**	**30.12.2009 to 31.12.2009 RM'000**
Wages, salaries and bonuses	15,490	95	-
Contributions to defined contribution plan	2,055	-	-
Social security contributions	197	-	-
Other benefits	3,481	-	-
	21,223	95	-

Included in the employee benefits of the Group and of the Company are Directors' remuneration amounting to RM2,326,000 and RM95,000 respectively.

33. **RELATED PARTY DISCLOSURES**

(a) Identities of related parties

Parties are considered to be related to the Group if the 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 the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other parties.

Related parties of the Group include:

(i) Direct and indirect subsidiaries as disclosed in Note 8 to the financial statements;

(ii) Indirect associates as disclosed in Note 9 to the financial statements; and

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33. **RELATED PARTY DISCLOSURES (continued)**

(a) Identities of related parties (continued)

(iii) Key management personnel, which comprises persons (including the Directors of the Company) having authority and responsibility for planning, deciding and controlling the activities of the Group directly or indirectly.

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the financial period:

	Group 2010 RM'000	Company 2010 RM'000
Associates:		
Sale of goods	888	-
Licensing fees received/ receivable	69	-
Companies in which the Directors of the Company have substantial financial interests		
Marketing charges	83	-
Purchase of assets	11	-
Directors		
Acquisition of shares of a subsidiary	24,760	24,760

The related party transactions described above were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties except for licensing fees received/ receivable from an associate are charged at 2% of monthly gross sales while other licensees are charged at 5% of monthly gross sales.

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of the Group.

The remuneration of Directors and other key management personnel during the financial period/year was as follows:

	Group	Company	
	14.4.2010 to 31.12.2010 RM'000	1.1.2010 to 31.12.2010 RM'000	30.12.2009 to 31.12.2009 RM'000
Short term employee benefits	2,145	95	-
Contributions to defined contribution plan	338	-	-
	2,483	95	-

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34. OPERATING SEGMENTS

Focus Point Holdings Berhad and its subsidiaries are principally engaged in operation of professional eye care centres, trading of eyewear and eye care products, management of franchised professional eye care centres, provision of medical eye care services, trading of hearing aid solutions and related accessories and investment holding.

The Group has arrived at four (4) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable segments are summarised as follows:

(i) Optical related products

Retailing of optical related products

(ii) Franchise management

Franchise management relating to optical and optometric products.

(iii) Laser eye surgery treatment

Providing laser eye surgery treatment to various refractive errors.

(iv) Hearing aid solutions and related accessories

Retailing of hearing aid solutions and related accessories

Other operating segment that does not constitute reportable segment comprises investment holding.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax not including non-recurring losses, such as restructuring costs and goodwill impairment.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current financial period.

Segment assets exclude tax assets.

Segment liabilities exclude tax liabilities. Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (e.g. funding requirements). Details are provided in the reconciliations from segment assets and liabilities to the Group position.

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34. OPERATING SEGMENTS (continued)

2010	Optical related products RM'000	Franchise management RM'000	Laser eye surgery treatment RM'000	Hearing aid solutions and related accessories RM'000	Others RM'000	Total RM'000
Revenue						
Total revenue	72,167	2,430	967	7	1,700	77,271
Inter-segment revenue	(783)	(139)	-	-	(1,700)	(2,622)
Revenue from external customers	71,384	2,291	967	7	-	74,649
Interest income	303	-	-	-	103	406
Finance costs	(815)	-	-	-	-	(815)
Net finance expense	(512)	-	-	-	103	(409)
Segment profit/(loss) before income tax	9,633	2,123	1	(20)	(2,344)	9,393
Share of profit of associates	99	-	-	-	-	99
Income tax expenses	(2,857)	(194)	(46)	-	(82)	(3,179)
Segment results	10,194	545	(5)	(20)	124	10,838

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34. OPERATING SEGMENTS (continued)

2010	Optical related products RM'000	Franchise management RM'000	Laser eye surgery treatment RM'000	Hearing aid solutions and related accessories RM'000	Others RM'000	Total RM'000
Assets						
Segment assets	76,408	951	638	285	9,206	87,488
Investments in associates	379	-	-	-	-	379
	76,787	951	638	285	9,206	87,867
Liabilities						
Segment liabilities	37,044	1,973	132	5	56	39,210
Other material non-cash items						
Depreciation	2,209	-	103	2	-	2,314
Impairment losses on property, plant and equipment	107	-	-	-	-	107
Impairment losses on goodwill	1	-	-	-	-	1
Impairment losses on receivables	354	16	-	-	-	370
Inventories written down	565	-	-	-	-	565

34. OPERATING SEGMENTS (continued)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to the Group's corresponding amounts are as follows:

	14.4.2010 to 31.12.2010 RM'000
Revenue	
Total revenue for reportable segments	77,271
Elimination of inter-segmental revenues	(2,622)
Group's revenue per consolidated statement of comprehensive income	74,649
Profit for the financial period	
Segment results	10,838
Eliminations of inter-segment profits	(3,257)
Unallocated corporate expenses	(1,372)
Impairment on goodwill	(1)
Negative goodwill	3,185
Profit before tax	9,393
Income tax expenses	(3,179)
Profit after tax	6,214
Minority interests	20
Profit attributable to owners of the parent	6,234
Assets	
Total assets for reportable segments	87,867
Tax assets	445
Group's assets	88,312
Liabilities	
Total liabilities for reportable segments	39,210
Tax liabilities	2,676
Group's liabilities	41,886

Geographical information

The Group operates only in Malaysia.

Major customers

The Group does not have significant reliance on a single major customer, with whom the Group transacted ten (10) per cent or more of its revenue during the financial period.

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35. **FINANCIAL INSTRUMENTS**

(a) Capital management

The objective of the Group's capital management is to ensure that it maintains healthy ratios in order to support its business operations and to provide fair returns for shareholders and benefits for other stakeholders.

The Group manages its capital structure and makes adjustments to it, as deemed appropriate. In order to maintain or adjust the capital structure, the Group may, from time to time, adjust the dividend payout to shareholders, issue new shares and redeem debts, where necessary.

The Group is not subject to any externally imposed capital requirements.

The Group monitors capital by reference to its indebtedness position, which is derived from the total financial debts divided by the total equity plus total financial debts. The Group's strategy is to maintain the balance between debt and equity and to ensure sufficient operating cash flows to repay its liabilities as and when they fall due.

(b) Financial instruments

Certain comparative figures of the Company have not been presented for 31 December 2009 by virtue of the exemption given in paragraph 44AA of FRS 7.

(i) Categories of financial instruments

Group 2010	**Total RM'000**
Financial assets	
Loan and receivables - Trade and other receivables	18,596
Held-to-maturity investment	500
Cash and cash equivalents	19,803
	38,899
Financial liabilities	
Other financial liabilities - Borrowings	21,281
Other financial liabilities - Trade and other payables	17,929
	39,210

Company 2010	**Total RM'000**
Financial assets	
Loan and receivables - Trade and other receivables	1,268
Cash and cash equivalents	9,668
	10,936
Financial liabilities	
Other financial liabilities - Trade and other payables	57

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35. **FINANCIAL INSTRUMENTS (continued)**

(b) Financial instruments (continued)

(ii) Fair values of financial instruments

The fair values of financial instruments that are not carried at fair values and whose carrying amounts do not approximate their fair values are as follows:

	Group	
2010	**Carrying amounts RM'000**	**Fair value RM'000**
Recognised		
Financial asset:		
Held-to-maturity investment	500	491
Financial liabilities:		
Hire-purchase liabilities	3,104	3,092

(c) Determination of fair values

Methods and assumptions used to estimate fair values

The fair values of financial assets and financial liabilities are determined as follows:

(i) Financial instruments that are not carried at fair values and whose carrying amounts are at reasonable approximation of fair values

The carrying amounts of financial assets and financial liabilities, such as trade and other receivables, trade and other payables and short-term borrowings, are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

(ii) Term loans and hire-purchase liabilities

The fair values 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 receivables (amounts owing by franchisees for the sales of non-trade goods and fixed assets)

The fair values of these financial instruments are estimated by discounting expected future cash flows at market lending rates for similar types of lending, borrowing or leasing arrangements at the end of the reporting period. At the end of the reporting period, these amounts are carried at amortised costs and the carrying amounts are approximate to their fair values.

35. **FINANCIAL INSTRUMENTS (continued)**

(c) Determination of fair values (continued)

Methods and assumptions used to estimate fair values (continued)

(iv) Held-to-maturity 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 at the end of reporting period.

36. **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The 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.

The Group operates within an established risk management framework and clearly defined guidelines that are 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 the Group financial risk management policies. The Group is exposed mainly to foreign currency risk, interest rate risk, liquidity and cash flow risk, credit risk and market price risk. Information on the management of the related exposures is detailed below.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

During the financial period, the Group had exposure of foreign exchange risk on purchases that are denominated in currencies other than Ringgit Malaysia ("RM"). The currency that gives rise to this risk is primarily the United States dollar ("USD"), European Euro ("EURO"), Hong Kong dollar ("HKD") and Singapore dollar ("SGD"). The Group monitors its foreign currency exposure on an ongoing basis.

During the financial period, the Group 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 the Group. However, there was no forward foreign contract outstanding as at 31 December 2010.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit after tax to a reasonably possible change in the USD, EURO, HKD and SGD exchange rates against RM, with all other variables held constant.

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(i) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk (continued)

		Group 2010 RM'000 Profit after tax
USD/RM	- strengthen by 3%	-19
	- weaken by 3%	+19
EURO/RM	- strengthen by 3%	-38
	- weaken by 3%	+38
HKD/RM	- strengthen by 3%	*
	- weaken by 3%	*
SGD/RM	- strengthen by 3%	-1
	- weaken by 3%	+1

**Represents RM52*

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group and Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and Company's exposure to interest rate risk arises primarily from their fixed deposits with licensed banks, loans and borrowings. The Group borrows at both, fixed and floating rates of interest to generate the desired interest profile and to manage the Group's exposure to interest rate fluctuations.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity of the Group's and of the Company's profit after tax to a reasonably possible change in 100 basis points against interest rates, with all other variables held constant.

		Group 2010 RM'000 Profit after tax	**Company 2010 RM'000** Profit after tax
Fixed deposits	- 100 basis points higher	+100	+15
	- 100 basis points lower	-100	-15
Hire-purchase liabilities	- 100 basis points higher	-15	-
	- 100 basis points lower	+15	-
Bankers' acceptances	- 100 basis points higher	-91	-
	- 100 basis points lower	+91	-
Term loans	- 100 basis points higher	-25	-
	- 100 basis points lower	+25	-

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

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36. **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 end of the reporting period and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

Group	**Note**	**Weighted average effective interest rate %**	**Within 1year 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 2010									
Fixed rates									
Fixed deposits	15	2.77	15,190	-	-	-	-	-	15,190
Hire-purchase liabilities	20	6.33	(1,363)	(1,741)	-	-	-	-	(3,104)
Floating rates									
Bankers' acceptances	18	2.79	(12,133)	-	-	-	-	-	(12,133)
Bank overdrafts	21	6.93	(1,343)	-	-	-	-	-	(1,343)
Term loans	19	6.66	(1,559)	(2,197)	(563)	(222)	(87)	(73)	(4,701)

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36. **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 end of the reporting period and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk: (continued)

Company	**Note**	**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 2010									
Fixed rates									
Fixed deposits	15	2.80	6,329	-	-	-	-	-	6,329

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36. **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(iii) Liquidity and cash flow risk

The 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. In liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

The Group is actively managing its operating cash flow to ensure all commitments and funding needs are met. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group and Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	2010			
Group	**On demand or within one year RM'000**	**One to five years RM'000**	**Over five years RM'000**	**Total RM'000**
Financial liabilities:				
Trade and other payables	16,931	998	-	17,929
Loans and borrowings	16,553	4,989	-	21,542
Total undiscounted financial liabilities	33,484	5,987	-	39,471
Company				
Financial liabilities:				
Trade and other payables	57	-	-	57
Total undiscounted financial liabilities	57	-	-	57

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36. **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(iv) Credit risk

Cash deposits and trade receivables may give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are major licensed financial institutions and reputable organisations. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's exposure to credit risks, or the risk of counterparties defaulting, arises mainly from receivables. The Group's trading terms with its customers are mainly on credit except for walk-in customers at its branches. The credit period is generally for a period of two (2) months. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control officer to minimise credit risk. Overdue balances are reviewed regularly by senior management.

The Group does not have any significant concentration of credit risk related to any individual customer or counterparty.

The Group's major classes of financial assets are trade and other receivables and cash and cash equivalents.

Information regarding credit enhancement for trade and other receivables is disclosed in Note 13 to the financial statements. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial positions.

(v) Market price risk

Market price risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to price risks arising from quoted investment held by the Group. It is held for strategic rather than trading purposes. The Group does not actively trade this investment. This instrument is classified as held-to-maturity financial asset.

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36. **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(v) Market price risk (continued)

Sensitivity analysis for price risk

As the unit trust is capital protected by the issuer and the Directors of the Group do not have any intention to dispose of the investment, thus, a sensitivity analysis on the market price risk for this quoted investment is not presented.

37. **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

(a) 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. 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 Group Sdn. Bhd., for a total consideration of RM24,760,395 based on the audited consolidated net assets of Focus Point Vision Care Group Sdn. Bhd. as at 31 December 2009 of RM24,760,395. The purchase consideration was satisfied by the issuance of 123,799,990 new ordinary shares in the Company at an issue price of approximately RM0.20 per ordinary share (the "Shares"). The acquisition was completed on 14 April 2010.

(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 Group Sdn. Bhd. 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., for a total consideration of RM3,380,693 based on the audited net assets of Focus Point Management Sdn. Bhd. 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., for a total consideration of RM793,725 based on the audited net assets of Excelview Laser Eye Centre Sdn. Bhd. as at 31 December 2009 of RM793,725.

The internal restructuring had 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.

(c) On 22 June 2010, the 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 value of the underwritten values at the Issue Price of RM0.39 per Share and 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 its promoters and the Placement Agent respectively, at the Issue Price of RM0.39 per Share.

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37. **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (continued)**

(d) On 23 August 2010, the Company was listed on the Ace Market of Bursa Malaysia Securities Berhad and made a public issue of 41,200,000 Shares at RM0.39 each. The total proceeds from the Public Issue was RM16,069,000.

(e) On 15 September 2010, the Company acquired the entire issued and paid-up ordinary share capital of Sound Point Hearing Solution Sdn. Bhd., a company incorporated in Malaysia, which is engaged in trading of hearing aid solutions and related accessories for a total cash consideration of RM10.

(f) On 20 September 2010, the Company's subsidiary, namely Focus Point Vision Care Group Sdn. Bhd. acquired the remaining 49% of the issued and paid-up ordinary share capital of Radiant Attraction Sdn. Bhd. for a total cash consideration of RM534,000.

(g) On 3 December 2010, the Company's subsidiary, namely Focus Point Vision Care Group Sdn. Bhd. disposed of its entire equity interests in an associate, Seen@International Pte. Ltd., a company incorporated in Singapore, which is engaged in retailing of optical and related products for a total cash consideration of SGD60,000.

(h) On 22 November 2010, the Company's subsidiary, namely Focus Point Vision Care Group Sdn. Bhd. entered into a Further & Supplemental Agreement (the "Supplemental Agreement") to the Main Lens Supply Agreement dated 1 January 2008 (the "Original Agreement") with Hoya Lens Manufacturing Malaysia Sdn. Bhd. and iLens Sdn. Bhd. (formerly known as Focus Preference Sdn. Bhd.) with the following salient terms of the Supplemental Agreement:

    (i) The Supplemental Agreement varies the supply arrangement of the ophthalmic lenses from an initial period of five (5) years in the Original Agreement to a period of seven (7) years and three (3) months ending on 31 December 2017 ("Contract Period");

    (ii) The aggregate minimum amount of purchases by Focus Point Vision Care Group Sdn. Bhd. shall amount to at least Ringgit Malaysia One Hundred Twenty Million One Hundred Thousand Only (RM120,100,000) over the Contract Period;

    (iii) All entitlements of Focus Point Vision Care Group Sdn. Bhd. to the business incentives and rebates as provided for in the Original Agreement are waived and discontinued immediately. However, Hoya Lens Manufacturing Malaysia Sdn. Bhd. shall make a cumulative payment of Ringgit Malaysia Twenty Five Million (RM25,000,000) to Focus Point Vision Care Group Sdn. Bhd. as marketing and promotional support payment over the Contract Period for the sole and exclusive purposes of promoting, marketing and advertising Hoya products and creating brand presence of Hoya products; and

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37. **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (continued)**

(h) On 22 November 2010, the Company's subsidiary, namely Focus Point Vision Care Group Sdn. Bhd. entered into a Further & Supplemental Agreement (the "Supplemental Agreement") to the Main Lens Supply Agreement dated 1 January 2008 (the "Original Agreement") with Hoya Lens Manufacturing Malaysia Sdn. Bhd. and iLens Sdn. Bhd. (formerly known as Focus Preference Sdn. Bhd.) with the following salient terms of the Supplemental Agreement: (continued)

(iv) If Focus Point Vision Care Group Sdn. Bhd. fails to achieve a minimum of eighty percent (80%) of the aggregate minimum amount of purchases set for any one (1) year, Hoya Lens Manufacturing Malaysia Sdn. Bhd. shall retain the right to terminate the entire arrangement with Focus Point Vision Care Group Sdn. Bhd. and Focus Point Vision Care Group Sdn. Bhd. being liable to make payment of liquidated damages as provided for in the Supplemental Agreement.

(i) On 9 December 2010, the Company's subsidiary, namely Focus Point Vision Care Group Sdn. Bhd. completed the acquisition of the business operations and some of the assets of Imperial Optics (K.K.) Sdn. Bhd., Vision Twenty Sdn. Bhd. and One Borneo Optics Sdn. Bhd., retailers of optical and related products for a purchase consideration of RM1,970,042. The fair values of the assets acquired were as follows:

	2010 RM'000
Property, plant and equipment	787
Inventories	1,183
Total	1,970

(j) On 17 December 2010, the Company's subsidiary, namely Focus Point Management Sdn. Bhd. entered into a franchise agreement with U-Optic Company (the "Franchisee") to operate a Focus Point-franchised professional eye care centre in Brunei Darussalam. The Franchisee is given an exclusive territorial right for a period of two (2) years from 17 December 2010 to operate the only Focus Point professional eye centre in Brunei Darussalam, and a similar territorial right for a further 3 years thereafter (or any extension thereof) in Times Square Shopping Centre, Bandar Seri Begawan, Brunei Darussalam. Subject to its satisfactory performance, the Franchisee is given the option to request for the two (2) grant of a master franchisee right in Brunei Darussalam not less than 90 days before the expiration of the 2nd anniversary of the franchise agreement.

38. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(a) On 7 January 2011, the Company's subsidiary, Focus Point Vision Care Group Sdn. Bhd. completed the acquisition of the business operations and some of the assets of Hightex Vision Sdn. Bhd, a retailer of optical and related products for a purchase consideration of RM708,271. The fair values of the assets acquired were as follows:

	2010 **RM'000**
Property, plant and equipment	88
Inventories	620
Total	708

(b) On 9 March 2011, the Company's subsidiary, namely Focus Point Management Sdn. Bhd. signed a Memorandum of Collaboration ("MoC") with Perbadanan Nasional Berhad ("PNS").

The MoC sets out a collaboration action plan by both Focus Point Management Sdn. Bhd. and PNS in developing and promoting the Focus Point Franchise Programme to Bumiputra entrepreneurs. Under the collaborative plan, PNS will offer a financing scheme known as Focus Point Financing Facility while Focus Point Management Sdn. Bhd. commits to transfer business know-how and entrepreneurial skills to successful applicants.

The parties hereby acknowledge that the collaboration shall be construed as a platform for the creation and development of Bumiputra entrepreneurs as well as creating a new dimension for PNS in financing the franchisees under the Focus Point Financing Facility, to be in line with the aspiration and objective of the Government.

The MoC is consistent with Group's expansion plan to increase the number of its professional eye care services outlets in Malaysia. The Group is confident that the collaboration is expected to contribute positively to the earnings of the Group in the long term.

39. COMPARATIVE FIGURES

No comparative figures of the Group are available as this is the first set of consolidated financial statements prepared by the Company.