

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2012**

(The figures have not been audited)

	Individual quarter		Cumulative quarter		
	Note	Current year quarter ended 30/9/2012 RM'000	Preceding year corresponding quarter ended 30/9/2011 RM'000 (Restated)	Current year- to-date 30/9/2012 RM'000	Preceding year- to-date 30/9/2011 RM'000 (Restated)
<b>Revenue</b>		<b>31,658</b>	<b>32,065</b>	<b>97,407</b>	<b>91,205</b>
Cost of sales		(13,275)	(14,751)	(41,716)	(40,070)
<b>Gross profit</b>		<b>18,383</b>	<b>17,314</b>	<b>55,691</b>	<b>51,135</b>
Other income		842	883	3,191	3,388
Selling and distribution costs		(7,055)	(7,099)	(20,515)	(20,596)
Administrative expenses		(10,641)	(9,211)	(31,470)	(27,994)
Finance costs		(224)	(229)	(631)	(671)
Share of profits in associates		46	49	120	102
<b>Profit before tax</b>	<b>B5</b>	<b>1,351</b>	<b>1,707</b>	<b>6,386</b>	<b>5,364</b>
Income tax expense	<b>B6</b>	(715)	(539)	(2,416)	(1,555)
<b>Profit for the financial period</b>		<b>636</b>	<b>1,168</b>	<b>3,970</b>	<b>3,809</b>
<b>Profit attributable to:</b>					
Owners of the Parent		635	1,168	3,968	3,813
Non-controlling Interests		1	-	2	(4)
		<b>636</b>	<b>1,168</b>	<b>3,970</b>	<b>3,809</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Parent		635	1,168	3,968	3,813
Non-controlling Interests		1	-	2	(4)
		<b>636</b>	<b>1,168</b>	<b>3,970</b>	<b>3,809</b>
<b>Earnings per share attributable to owners of the Parent:</b>					
Basic (sen)		0.38	0.71	2.40	2.31
Diluted (sen)		N/A	N/A	N/A	N/A

**Notes:**

N/A Not applicable.

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2012**

(The figures have not been audited)

	Unaudited As at 30/9/2012 RM'000	Audited As at 31/12/2011 RM'000 (Restated)	Audited As at 1/1/2011 RM'000 (Restated)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	26,032	25,132	23,586
Investments in associates	434	472	379
Held-to-maturity investment	-	-	500
Goodwill on consolidation	-	-	410
Deferred tax assets	278	296	283
Trade and other receivables	1,208	1,328	1,665
	<b>27,952</b>	<b>27,228</b>	<b>26,823</b>
<b>Current Assets</b>			
Inventories	31,840	34,064	25,400
Trade and other receivables	16,827	16,845	16,931
Current tax assets	290	345	162
Cash and cash equivalents	9,924	13,980	19,803
	<b>58,881</b>	<b>65,234</b>	<b>62,296</b>
<b>TOTAL ASSETS</b>	<b>86,833</b>	<b>92,462</b>	<b>89,119</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Parent</b>			
Share capital	33,000	33,000	33,000
Reserves	18,512	17,844	14,131
	<b>51,512</b>	<b>50,844</b>	<b>47,131</b>
<b>Non-controlling Interests</b>	72	(9)	102
<b>TOTAL EQUITY</b>	<b>51,584</b>	<b>50,835</b>	<b>47,233</b>
<b>Non Current Liabilities</b>			
Borrowings	3,013	2,733	4,883
Deferred income	899	837	998
Deferred tax liabilities	1,146	1,171	1,104
	<b>5,058</b>	<b>4,741</b>	<b>6,985</b>
<b>Current Liabilities</b>			
Borrowings	13,627	12,480	16,398
Trade and other payables	16,081	23,932	16,543
Deferred income	475	464	388
Current tax liabilities	8	10	1,572
	<b>30,191</b>	<b>36,886</b>	<b>34,901</b>
<b>TOTAL LIABILITIES</b>	<b>35,249</b>	<b>41,627</b>	<b>41,886</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>86,833</b>	<b>92,462</b>	<b>89,119</b>
<b>Net assets per share attributable to ordinary equity holders of the Parent (sen)</b>	<b>31.22</b>	<b>30.81</b>	<b>28.56</b>

**Notes:**

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2012**

(The figures have not been audited)

	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling Interests RM'000	Total Equity RM'000
<b>At 1 January 2012, as restated</b>	33,000	7,096	9,903	49,999	(9)	49,990
- Effects of the adoption of MFRSs	-	-	845	845	-	845
<b>Balance as at 1 January 2012, as restated</b>	33,000	7,096	10,748	50,844	(9)	50,835
Profit for the period	-	-	3,968	3,968	2	3,970
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	3,968	3,968	2	3,970
<b>Transactions with owners</b>						
Ordinary shares contributed by non-controlling interests of a subsidiary	-	-	-	-	79	79
Dividend paid	-	-	(3,300)	(3,300)	-	(3,300)
Total transactions with owners	-	-	(3,300)	(3,300)	79	(3,221)
<b>At 30 September 2012</b>	33,000	7,096	11,416	51,512	72	51,584

	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling Interests RM'000	Total Equity RM'000
<b>At 1 January 2011</b>	33,000	7,096	6,228	46,324	102	46,426
- Effects of the adoption of MFRSs	-	-	807	807	-	807
<b>Balance as at 1 January 2011, as restated</b>	33,000	7,096	7,035	47,131	102	47,233
Profit for the period	-	-	3,813	3,813	(4)	3,809
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	3,813	3,813	(4)	3,809
<b>Transactions with owners</b>						
Changes in equity interest in a subsidiary	-	-	-	-	(98)	(98)
Dividend paid	-	-	(3,300)	(3,300)	-	(3,300)
Total transactions with owners	-	-	(3,300)	(3,300)	(98)	(3,398)
<b>At 30 September 2011, as restated</b>	33,000	7,096	7,548	47,644	-	47,644

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2012**

(The figures have not been audited)

	Current Year-to-date  30/9/2012 RM'000	Preceding year corresponding period  30/9/2011 RM'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	6,386	5,364
Adjustments for :		
Depreciation of property, plant and equipment	3,062	2,935
Bad debts written off	3	-
Gain on disposal of property, plant and equipment	(26)	(27)
Interest expenses	631	671
Interest income	(172)	(293)
Impairment loss on trade and other receivables	83	250
Inventories written down	304	369
Loss on disposal of property, plant and equipment	48	-
Property, plant and equipment written off	710	352
Unrealised profit of closing stocks	19	(2)
Loss on realisation of foreign exchange	167	-
Gain on realised exchange	(177)	-
Share of profits in associates	(120)	(102)
Operating profit before working capital changes	10,918	9,517
Decrease / (increase) in inventories	1,902	(3,118)
Decrease in trade and other receivables	59	1,133
(Decrease) / increase in trade and other payables	(7,777)	1,258
Cash generated from operations	5,102	8,790
Tax refunded	-	7
Income taxes paid	(2,371)	(2,845)
<b>Net cash generated from operating activities</b>	<b>2,731</b>	<b>5,952</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,897)	(4,261)
Acquisition of additional interest in a subsidiary	-	(97)
Proceeds from disposal of property, plant and equipment	31	(548)
Interest received	172	293
Increase in share capital in a subsidiary	80	-
Dividend received from an associate	158	-
<b>Net cash used in investing activities</b>	<b>(1,456)</b>	<b>(4,613)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(631)	(671)
Placement of fixed deposits pledged to licensed banks	(508)	(573)
Net repayment of bankers' acceptances	(42)	(353)
Net repayment of hire purchase liabilities	(1,057)	(1,053)
Repayments of term loans	(301)	(2,231)
Dividend paid	(3,300)	(3,300)
<b>Net cash used in financing activities</b>	<b>(5,839)</b>	<b>(8,181)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,564)</b>	<b>(6,842)</b>
<b>Cash and cash equivalents at the beginning of financial period</b>	<b>7,488</b>	<b>13,178</b>
<b>Cash and cash equivalents at the end of financial period</b>	<b>2,924</b>	<b>6,336</b>
<i>Cash and cash equivalents comprise :</i>		
Cash and bank balances	2,924	6,336
Fixed deposits with licensed banks	7,000	5,856
	9,924	12,192
Less : Fixed deposits pledged to licensed banks	(7,000)	(5,856)
	<b>2,924</b>	<b>6,336</b>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

**Notes to the Interim Financial Statements for the Third Quarter ended 30 September 2012**
**Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standards ("MFRS") 134 : *Interim Financial Reporting and Bursa Listing Requirements***
**A1. Basis of Preparation**

The interim financial statements are unaudited and has been prepared in accordance with the MFRS 134 : *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2011.

For the periods up to and including the financial year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS"). This interim financial statements are the Group's first MFRS compliant interim financial statements whereby MFRS 1 : *First-Time Adoption of Malaysian Financial Reporting Standards* ("MFRS 1") has been applied. The MFRS framework was introduced by the MASB in order to converge with the International Financial Reporting Standards issued by the IASB.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in the audited financial statements prepared in accordance with FRS. An explanation of how the effects of transition from FRS to MFRS on the Group's financial position is set out in Note A2 below. These notes include the reconciliations of equity for comparative periods and of equity as at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has no material impact on the statement of cash flows.

**A2. Summary of Significant Accounting Policies**

This interim financial statements are the Group's first MFRS compliant interim financial statements whereby MFRS 1 : *First-Time Adoption of Malaysian Financial Reporting Standards* has been applied. The adoption of MFRS has no significant impact on the interim financial statements except as discussed below:

**(a) Business Combination**

MFRS 1 provides the option to apply MFRS 3 : *Business Combination* prospectively from the date of transition or from a specific date prior to the date of transition or from a specific date prior to the date of transition.

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition:

- (i) The classification of former business combinations under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and

**(b) Property, Plant and Equipment**

The Group has elected to apply the optional exemption provided in MFRS 1 and use the fair value of freehold properties as deemed cost on date of transition.

**(a) Reconciliation of statements of financial position**

	As previously reported RM'000	Effects of Transition to MFRS RM'000	As Restated RM'000
<b>As at 1 January 2011</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	22,779	807	23,586
<b>Equity</b>			
Retained Earnings	6,228	807	7,035
<b>As at 31 December 2011</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	24,287	845	25,132
<b>Equity</b>			
Retained Earnings	9,903	845	10,748

**A2. Summary of Significant Accounting Policies (cont'd)**

(b) Reconciliation of statements of comprehensive income

	As previously reported RM'000	Effects of Transition to MFRS RM'000	As Restated RM'000
<b>Statement of comprehensive income for third quarter ended 30 September 2011</b>			
Administrative expenses	(9,221)	10	(9,211)
<b>Statement of comprehensive income for period ended 30 September 2011</b>			
Administrative expenses	(28,022)	28	(27,994)

**A3. Auditors' Reports**

The auditors' reports on the audited financial statement of the Company and its subsidiaries for the financial year ended 31 December 2011 were not subject to any qualification.

**A4. Seasonal or Cyclical Factors**

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

**A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items because of its nature, size or incidence that has affected the assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial year-to-date.

**A6. Material Changes in Estimates**

There were no changes in the estimates of amounts reported in prior financial year that have had a material effect in the current quarter and financial year-to-date.

**A7. Changes in Debts and Equity Securities**

There were no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities, share buy-back, share cancellation, shares held as treasury shares and/or resale of treasury shares for the current quarter and financial year-to-date.

**A8. Dividends paid**

**In respect of the financial year ended 31 December 2011:**

At the Third Annual General Meeting on 20 June 2012, the shareholders of Focus Point Holdings Berhad approved a final single tier dividend of 2.0 sen per ordinary share of RM0.20 each amounting to RM3,300,000 which was fully paid on 26 July 2012.

**A9. Segmental reporting**

The Group has five (5) reportable segments, as described below, which are the Group's strategic business units. The following summary described the operations in each of the Group reportable segments:

- **Optical related products** : Retailing of optical related products;
- **Franchise management** : Franchise management relating to optical and optometrics products;
- **Laser eye surgery treatment** : Providing laser eye surgery treatment to various refractive errors; and
- **Hearing aid solutions and related accessories** : Retailing of hearing aid solutions and related accessories.
- **Food and beverage** : Provision of food and beverage services

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

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

**A9. Segmental reporting (cont'd)**

The segment information for the year-to-date ended 30 September 2012 is as follows :

	Optical related products RM'000	Franchise management RM'000	Laser eye surgery treatment RM'000	Hearing aid solutions and related accessories RM'000	Food and beverage RM'000	Others RM'000	Total RM'000
<b>Revenue</b>							
Total revenue	93,403	3,085	898	12	95	3,600	101,093
Inter-segment revenue	-	(86)	-	-	-	(3,600)	(3,686)
<b>External sales</b>	<b>93,403</b>	<b>2,999</b>	<b>898</b>	<b>12</b>	<b>95</b>	<b>-</b>	<b>97,407</b>
<b>Segment results</b>	4,599	2,972	28	(5)	(435)	(433)	6,726
Interest income	148	4	-	-	-	19	171
Finance costs	(609)	-	(13)	-	(9)	-	(631)
Share of profit of associates	120	-	-	-	-	-	120
<b>Profit / (loss) before tax</b>	<b>4,258</b>	<b>2,976</b>	<b>15</b>	<b>(5)</b>	<b>(444)</b>	<b>(414)</b>	<b>6,386</b>
Income tax expense							(2,416)
<b>Profit after tax</b>							<b>3,970</b>
<b>Assets</b>							
Segment assets	79,324	1,167	1,228	251	3,590	271	85,831
Investments in associates	434	-	-	-	-	-	434
Unallocated assets	185	333	-	-	-	50	568
<b>Total assets</b>	<b>79,943</b>	<b>1,500</b>	<b>1,228</b>	<b>251</b>	<b>3,590</b>	<b>321</b>	<b>86,833</b>
<b>Liabilities</b>							
Segment liabilities	29,851	2,188	710	3	1,285	36	34,073
Unallocated liabilities	1,150	-	26	-	-	-	1,176
<b>Total liabilities</b>	<b>31,001</b>	<b>2,188</b>	<b>736</b>	<b>3</b>	<b>1,285</b>	<b>36</b>	<b>35,249</b>

The segment information for the preceding year-to-date ended 30 September 2011 is as follows :

	Optical related products RM'000	Franchise management RM'000	Laser eye surgery treatment RM'000	Hearing aid solutions and related accessories RM'000	Food and beverage RM'000	Others RM'000	Total RM'000
<b>Revenue</b>							
Total revenue	88,211	2,925	1,027	19	-	2,125	94,307
Inter-segment revenue	(851)	(126)	-	-	-	(2,125)	(3,102)
<b>External sales</b>	<b>87,360</b>	<b>2,799</b>	<b>1,027</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>91,205</b>
<b>Segment results</b>	3,894	2,033	90	(35)	-	(314)	5,668
Interest income	207	-	-	-	-	58	265
Finance costs	(671)	-	-	-	-	-	(671)
Share of profit of associates	102	-	-	-	-	-	102
<b>Profit / (loss) before tax</b>	<b>3,532</b>	<b>2,033</b>	<b>90</b>	<b>(35)</b>	<b>-</b>	<b>(256)</b>	<b>5,364</b>
Income tax expense							(1,555)
<b>Profit after tax</b>							<b>3,809</b>
<b>Assets</b>							
Segment assets	79,808	2,128	667	261	-	976	83,840
Investments in associates	446	-	-	-	-	-	446
Unallocated assets	146	392	-	-	-	-	538
<b>Total assets</b>	<b>80,400</b>	<b>2,520</b>	<b>667</b>	<b>261</b>	<b>-</b>	<b>976</b>	<b>84,824</b>
<b>Liabilities</b>							
Segment liabilities	33,606	1,924	166	1	-	-	35,697
Unallocated liabilities	1,418	-	69	-	-	-	1,487
<b>Total liabilities</b>	<b>35,024</b>	<b>1,924</b>	<b>235</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>37,184</b>

**Geographical information**

The Group operates only in Malaysia.

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

**A10. Valuation of Property, Plant and Equipment**

There was no valuation of the property, plant and equipment in the current financial quarter under review as the Group has not adopted a revaluation policy on its property, plant and equipment.

**A11. 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 current quarter under review as follows :-

	As at 30/9/2012 RM'000	As at 31/12/2011 RM'000
<b>Branches</b>		
Not later than one (1) year	13,320	13,928
Later than one (1) year and not later than five (5) years	8,678	8,954
Later than five (5) years	-	28
	<b>21,998</b>	<b>22,910</b>
<b>Franchisees</b>		
Not later than one (1) year	5,304	5,842
Later than one (1) year and not later than five (5) years	3,852	2,616
	<b>9,156</b>	<b>8,458</b>

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

**(b) Capital commitments**

	As at 30/9/2012 RM'000	As at 31/12/2011 RM'000
Capital expenditure in respect of purchase of Property, plant and equipment		
-Contracted but not provided for	1,670	-

These represents capital commitments for equipment and machineries for the food and beverage segment.

**A12. Subsequent Events**

There were no material events subsequent to the end of the current reporting quarter up to the date of this report that have not been reflected in the interim financial statements.

**A13. Changes in Composition of the Group**

The Company, through its wholly-owned subsidiary, Focus Point Vision Care Group Sdn Bhd, had on 27 September 2012 (of which Form 9 was received on 28 September 2012), incorporated a 90%-owned subsidiary known as Care Point Optical Sdn Bhd (Company No. 1018636-P) ("Care Point"). Care Point was incorporated as a private limited company under the Companies Act, 1965 with an initial issued and paid up share capital of RM10.00 comprising ordinary shares of RM1.00 each. The remaining 10% interest is owned by Mr Lee Kim Huong. The intended principal activity of Care Point is in the business of operating professional eye care centre with an outlet in Kuching, Sarawak.

Save for the above, there were no material changes to the composition of the Group for the current financial quarter under review including business combinations, acquisitions, or disposals of subsidiaries and long-term investments, restructuring or discontinuing operations.

**A14. Changes in Contingent Liabilities and Contingent Assets**

There were no contingent liabilities or contingent assets as at the end of the current financial quarter.

**A15. Related party transactions**

The Group has entered into the following transactions with related parties during the current financial quarter under review and current financial year-to-date :

	Individual quarter		Cumulative quarter	
	Current year quarter ended 30/9/2012 RM'000	Preceding year corresponding quarter ended 30/9/2011 RM'000	Current year- to-date 30/9/2012 RM'000	Preceding year- to-date 30/9/2011 RM'000
<b>Associate :</b>				
<b>Focus Point Vision Care Group (HP) Sdn Bhd</b>				
Sales of eyewear and eye care products	308	352	1,182	931
Licensing fee received/receivable	33	26	96	78

The Directors of the Group are of the opinion that, other than the licensing fee received/receivable from Focus Point Vision Care Group (HP) Sdn Bhd that has been established on a negotiated basis, all the transactions above have been entered into in the normal course of business and have been established at arm's length under terms no more favourable than those transacted with third parties.



**Notes to the Interim Financial Statements for the Third Quarter ended 30 September 2012**
**Part B - Explanatory notes pursuant to Appendix 9B of the Listing Requirements**
**B1. Review of the Group's Performance**

For the current financial quarter ended 30 September 2012 ("Q3 FY2012"), the Group registered revenue of RM31.658 million, a decrease of 1.3% as compared to the revenue for the preceding year corresponding quarter ("Q3 FY2011") of RM32.065 million. On a year-to-date basis, the Group recorded revenue of RM97.407 million as compared to RM91.205 million in the corresponding period in the previous year. Higher revenue was from the optical related products segment which saw an increase in sales contribution per outlet as a result of aggressive promotions and brand building activities.

Profit before tax ("PBT") decreased by 20.9% to RM1.351 million in Q3 FY2012 from RM1.707 million in Q3 FY2011 and for the nine (9) month financial period ended ("FPE") 30 September 2012, PBT increased by 19.1% to RM6.386 million from RM5.364 million corresponding period in the preceding year. The increase in PBT for the nine (9) month FPE 30 September 2012 was in tandem with the higher revenue and gross profit margin achieved.

For the nine (9) month FPE 30 September 2012, the Group recorded higher administrative expenses of RM3.476 million as compared to the preceding year corresponding period due mainly to the upward revision of rental rates for wholly-owned outlets, property, plant and equipment written off of RM0.710 million and inventories written down of RM0.304 million.

**Optical Related Products Segment**

The optical related products segment continued to dominate the Group's revenue with a contribution of 95.5% in Q3 FY2012 (Q3 FY2011 : 96.1%) and has recorded revenue of RM30.234 million for Q3 FY2012 as compared to RM30.817 million in previous year's corresponding quarter. For the nine (9) month FPE 30 September 2012, the Group achieved revenue of RM93.403 million as compared to RM87.360 million for the same period in the previous year. The higher revenue was mainly from the strong promotions and brand building activities, together with the additional sales contribution from wholly-owned outlets.

The segment PBT for the current quarter under review improved 13.9% from RM0.797 million in Q3 FY2011 to RM0.907 million in Q3 FY2012. For the nine (9) month FPE 30 September 2012, the segment achieved PBT of RM4.258 million, an increase of 20.6% or RM0.726 million from RM3.532 million for the corresponding period in the previous year. Higher PBT recorded for the quarter and year-to-date was mainly attributable to the higher sales contribution per outlet.

**Franchise Management Segment**

The revenue from franchise management segment for the quarter recorded 8.9% growth in revenue as compare to Q3 FY2011 due to higher number of franchised outlets. The number of franchised outlets stood at 84 outlets as at 30 September 2012, as compared to 82 franchised outlets as at 30 September 2011. PBT for the segment has increased to RM0.995 million in Q3 FY2012 from RM0.908 million in Q3 FY2011. The higher revenue for franchise management segment was primarily contributed by higher royalty fee charged to franchisees based on the increased revenue recorded by franchisees in the current quarter as compared to Q3 FY2011.

For the nine (9) month FPE 30 September 2012, the Franchise segment contributed 3% to the Group's revenue. The Segment recorded revenue of RM2.999 million and PBT of RM0.095 million in the nine (9) month FPE 30 September 2012 as compared to revenue of RM2.799 million and PBT of RM0.033 million in the preceding year-to-date respectively. The higher revenue and PBT for the period under review was contributed by higher revenue from the increase in the number of franchisees as compared to the same period in prior year.

**Food and Beverage Segment**

The Group has ventured into Food and Beverage segment with the opening of Minori, its first Japanese Restaurant, on 19 September 2012. The segment recorded revenue of RM2.976 million and recorded loss before tax ("LBT") of RM0.444 million for the current quarter. The loss in this segment was mainly due to promotional and marketing cost amounting to RM0.03 million costs in conjunction with its opening of Minori.

**Other Segments - Laser eye Surgery Treatment & Hearing Aid Solution and Related Accessories Segments**

The laser eye surgery treatment posted a decrease in revenue of RM0.129 million to RM0.898 million and recorded lower profit before tax of RM15,538 as compared to previous year's 9 months period. The lower PBT was contributed by the lower revenue as well as higher depreciation charge and finance costs from the acquisition of property, plant and equipment.

**B2. Material Changes in the Quarterly Results as compared to the Results of the Immediate Preceding Quarter**

	Current financial quarter RM'000	Immediate preceding financial quarter RM'000	Variance %
Revenue	31,658	32,928	-3.86%
Profit before tax ("PBT")	1,351	2,153	-37.25%

Quarter-on-quarter comparison, the Group's revenue had decreased by RM1.270 million or 3.86% to RM31.658 million from RM32.928 million recorded in the immediate preceding financial quarter due to the consolidation of the number of wholly-owned outlets from 84 outlets as at 30 June 2012 to 80 outlets as at 30 September 2012.

PBT decreased 37.25% mainly due to higher rental expenses and advertising & promotional activities incurred in the current quarter as well as the incidental expenses in relation to the consolidation of wholly-owned outlets as mentioned above.

**B3. Prospects for the Current Financial Year**

Amid the challenging global economic conditions, the Malaysian economy recorded a growth of 5.2% (Q2 2012: 5.6%) during the quarter. Domestic demand was supported by the continued expansion in private consumption which grew by 8.5% (Q2 2012: 8.8%), arising from favourable labour market conditions and sustained income growth. In addition, the bonus payment to civil servants, and the second (of the three) payout of RM5,000 to FELDA settlers provided further impetus to consumer spending. The continued expansion in consumer spending amidst improved sentiments was reflected in the growth of imports of consumption goods, services tax collections and credit card spending.

With the strong private consumption of the Malaysian economy as described above, the Group has ventured into the food and beverage segment in the current quarter with the opening of Minori, its first Japanese restaurant on 19 September 2012. However, as the segment is currently in its start-up phase and owing to the high marketing and promotional cost, the Group does not expect the segment to contribute positively for the remaining quarter in FY2012.

At the same time, the Group will continue its efforts and initiatives to further improve its retail sales for optical related products segment through aggressive marketing campaigns and opening new wholly-owned outlets and franchise outlets, as well as increasing profit margins through focusing on exclusive brands which yield higher product margins.

The performance of the Group is expected to remain satisfactory underscored by these initiatives that are designed to enhance our performance and operational efficiencies in the optical related products segment.

**B4. Profit Forecast or Profit Guarantee**

The Group has not issued any profit forecast or profit guarantee for the current financial quarter under review or in any public documents.

**B5. Profit before tax**

	Current year quarter ended 30/9/2012 RM'000	Current year-to- date 30/9/2012 RM'000
<b>Profit for the period is arrived at after charging / (crediting) :</b>		
Bad debts written off	3	3
Depreciation of property, plant and equipment	1,041	3,062
Impairment losses on trade and other receivables	-	83
Loss on disposal of property, plant and equipment	30	48
Property, plant and equipment written off	370	710
Inventories written down	101	304
Loss on realisation of foreign exchange	95	167
Interest income	(55)	(172)
Gain on realised foreign exchange	(24)	(177)
Gain on disposal of property, plant and equipment	(26)	(26)

There was no loss on realisation of derivative assets for the current financial quarter under review and current financial year-to-date.

**B6. Income Tax Expense**

Major components of income tax expenses include the following :-

	Current year quarter ended 30/9/2012 RM'000	Current year- to-date 30/9/2012 RM'000
<b>Current tax:</b>		
Malaysian income tax	769	2,470
Overprovision in prior years	(30)	(30)
	<u>739</u>	<u>2,440</u>
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(24)	(24)
	<u>(24)</u>	<u>(24)</u>
	<u>715</u>	<u>2,416</u>

The effective tax rates of the Group for the current financial quarter and current financial year-to-date was higher than the Malaysian statutory tax rate of 25% mainly due to certain capital expenditure which do not qualify for capital allowances, certain expenses which are not deductible for tax purposes and losses in a subsidiary.

**B7. Sale of Unquoted Investments and/or Properties**

There were no sales of unquoted investments and/or properties held by the Group for the current financial quarter under review and current financial year-to-date.

**B8. Purchase or Disposal of Quoted Securities**

There were no purchase or disposal of quoted securities for the current financial quarter under review and current financial year-to-date.

**B9. Status of corporate proposals**

**(a) Corporate proposals**

There are no corporate proposals announced but not completed as at the date of this report.

**B10. Borrowings and debt securities**

	As at 30/9/2012 RM'000	As at 31/12/2011 RM'000
<b>Short term borrowings</b>		
Secured:		
Banker acceptances	10,869	10,911
Term loans	382	368
Hire purchase payables	2,376	1,201
	<u>13,627</u>	<u>12,480</u>
<b>Long term borrowings</b>		
Secured:		
Term loans	1,596	1,911
Hire purchase payables	1,417	822
	<u>3,013</u>	<u>2,733</u>
<b>Total borrowings</b>	<u>16,640</u>	<u>15,213</u>
	-	-

There was no unsecured debt as at the end of the reporting period.

The Group does not have any foreign currency borrowing or debt securities as at the end of the reporting period.

**B11. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments held by the Group for the current financial quarter under review and current financial year-to-date.

**B12. Material Litigation**

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

**B13. Dividend Payable**

The Board does not recommend any interim dividend for the financial quarter ended 31 September 2012.

**B14. Earnings Per Share**
**(a) Basic**

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

	Individual quarter		Cumulative quarter	
	Current year	Preceding year	Current year-	Preceding year-
	quarter ended	corresponding	to-date	to-date
	30/9/2012	30/9/2011	30/9/2012	30/9/2011
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period attributable to ordinary equity holders of the Company (RM'000)	635	1,168	3,968	3,813
Weighted average number of ordinary shares in issue ('000)	165,000	165,000	165,000	165,000
Basic earnings/(loss) per share (sen)	0.38	0.71	2.40	2.31

**(b) Diluted**

The Company has not issued any convertible share or convertible financial instrument for the current financial quarter under review and the current financial year-to-date.

**B15. Disclosure of Realised and Unrealised Profits**

The breakdown of the retained profits of the Group as at 30 June 2012, into realised and unrealised profits, pursuant to the directive, is as follows:-

	As at 30/9/2012 RM'000	As at 31/12/2011 RM'000 (Restated)
Total retained profits of the Company and its subsidiaries :		
- Realised	30,179	28,753
- Unrealised	(868)	(876)
	29,311	27,877
Total share of retained profits from associates :		
- Realised	120	130
- Unrealised	-	(2)
	120	128
Total	29,431	28,005
Less : Consolidation adjustments	(18,015)	(17,257)
Total retained profits of the Group	<b>11,416</b>	<b>10,748</b>

**B16. Authorisation for issue**

The interim financial report has been authorised for issue by the Board of Directors ("Board") in accordance with a resolution of the Board on 22 November 2012.