

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

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

(The figures have not been audited)

	Individual quarter		Cumulative quarter	
	Current year quarter ended 30/6/2012 RM'000	Preceding year corresponding quarter ended 30/6/2011 RM'000 (Restated)	Current year- to-date 30/6/2012 RM'000	Preceding year- to-date 30/6/2011 RM'000 (Restated)
<b>Revenue</b>	<b>32,928</b>	<b>30,647</b>	<b>65,749</b>	<b>59,140</b>
Cost of sales	(14,551)	(12,864)	(28,441)	(25,319)
<b>Gross profit</b>	<b>18,377</b>	<b>17,783</b>	<b>37,308</b>	<b>33,821</b>
Other income	1,356	1,413	2,349	2,505
Selling and distribution costs	(6,305)	(7,232)	(13,460)	(13,497)
Administrative expenses	(11,113)	(9,767)	(20,829)	(18,783)
Finance costs	(203)	(212)	(407)	(442)
Share of profits in associates	41	30	74	53
<b>Profit before tax</b>	<b>2,153</b>	<b>2,015</b>	<b>5,035</b>	<b>3,657</b>
Income tax expense	(790)	(591)	(1,701)	(1,016)
<b>Profit for the financial period</b>	<b>1,363</b>	<b>1,424</b>	<b>3,334</b>	<b>2,641</b>
<b>Profit attributable to:</b>				
Owners of the Parent	1,365	1,428	3,333	2,645
Non-controlling Interests	(2)	(4)	1	(4)
	<b>1,363</b>	<b>1,424</b>	<b>3,334</b>	<b>2,641</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Parent	1,365	1,428	3,333	2,645
Non-controlling Interests	(2)	(4)	1	(4)
	<b>1,363</b>	<b>1,424</b>	<b>3,334</b>	<b>2,641</b>
<b>Earnings per share attributable to owners of the Parent:</b>				
Basic (sen)	0.83	0.87	2.02	1.60
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 statement for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to this interim financial statements.

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

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

(The figures have not been audited)

	Unaudited As at 30/6/2012 RM'000	Audited As at 31/12/2011 RM'000 (Restated)	Audited As at 1/1/2011 RM'000 (Restated)
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	24,220	25,132	23,586
Investments in associates	389	472	379
Held-to-maturity investment	-	-	500
Goodwill on consolidation	-	-	410
Deferred tax assets	278	296	283
Trade and other receivables	1,530	1,328	1,665
	<b>26,417</b>	<b>27,228</b>	<b>26,823</b>
<b>Current Assets</b>			
Inventories	33,365	34,064	25,400
Trade and other receivables	17,101	16,845	16,931
Current tax assets	311	345	162
Cash and cash equivalents	11,741	13,980	19,803
	<b>62,518</b>	<b>65,234</b>	<b>62,296</b>
<b>TOTAL ASSETS</b>	<b>88,935</b>	<b>92,462</b>	<b>89,119</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity attributable to owners of the Parent</b>			
Share capital	33,000	33,000	33,000
Reserves	21,177	17,844	14,131
	<b>54,177</b>	<b>50,844</b>	<b>47,131</b>
<b>Non-controlling Interests</b>	71	(9)	102
<b>TOTAL EQUITY</b>	<b>54,248</b>	<b>50,835</b>	<b>47,233</b>
<b>Non Current Liabilities</b>			
Borrowings	2,361	2,733	4,883
Deferred income	697	837	998
Deferred tax liabilities	1,170	1,171	1,104
	<b>4,228</b>	<b>4,741</b>	<b>6,985</b>
<b>Current Liabilities</b>			
Borrowings	11,727	12,480	16,398
Trade and other payables	18,295	23,932	16,543
Deferred income	422	464	388
Current tax liabilities	15	10	1,572
	<b>30,459</b>	<b>36,886</b>	<b>34,901</b>
<b>TOTAL LIABILITIES</b>	<b>34,687</b>	<b>41,627</b>	<b>41,886</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>88,935</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>32.83</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 statement for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to this interim financial statements.

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

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

(The figures have not been audited)

	← Attributable to Owners of the Parent →		Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Non-distributable	Distributable				
	Share Capital RM'000	Share Premium 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	-	-	3,333	3,333	1	3,334
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	3,333	3,333	1	3,334
<b>Transactions with owners</b>						
Ordinary shares contributed by non-controlling interests of a subsidiary	-	-	-	-	79	79
Total transactions with owners	-	-	-	-	79	79
<b>At 30 June 2012</b>	33,000	7,096	14,081	54,177	71	54,248

	← Attributable to Owners of the Parent →		Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Non-distributable	Distributable				
	Share Capital RM'000	Share Premium 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	-	-	2,645	2,645	(4)	2,641
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	2,645	2,645	(4)	2,641
<b>Transactions with owners</b>						
Changes in equity interest in a subsidiary	-	-	-	-	(98)	(98)
Dividend paid	-	-	(2,475)	(2,475)	-	(2,475)
Total transactions with owners	-	-	(2,475)	(2,475)	(98)	(2,573)
<b>At 30 June 2011, as restated</b>	33,000	7,096	7,205	47,301	-	47,301

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

**FOCUS POINT HOLDINGS BERHAD (Company No. : 884238-U)**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2012**

(The figures have not been audited)

	<b>6 months ended 30/6/2012 RM'000</b>	<b>6 months ended 30/6/2011 RM'000 (Restated)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	5,035	3,657
Adjustments for :		
Depreciation of property, plant and equipment	2,021	1,924
Interest expenses	407	442
Interest income	(117)	(188)
Impairment loss on trade and other receivables	83	150
Inventories written off	203	188
Loss on disposal of property, plant and equipment	18	25
Property, plant and equipment written off	340	352
Unrealised profit of closing stocks	22	(8)
Loss on fraudulent sales	-	42
Loss on realisation of foreign exchange	72	36
Gain on realised exchange	(153)	-
Share of profits in associates	(74)	(53)
Operating profit before working capital changes	7,857	6,567
Increase / (decrease) in inventories	474	(1,833)
(Increase) / decrease in trade and other receivables	(541)	1,619
(Decrease) / increase in trade and other payables	(5,735)	675
Cash generated from operations	2,055	7,028
Tax paid	(1,647)	(1,189)
<b>Net cash generated from operating activities</b>	<b>408</b>	<b>5,839</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,470)	(3,454)
Proceeds from disposal of property, plant and equipment	7	-
Interest received	117	188
Increase in share capital in a subsidiary	80	-
Acquisition of additional interest in a subsidiary	-	(98)
Dividend received from an associate	158	-
<b>Net cash used in from investing activities</b>	<b>(1,108)</b>	<b>(3,364)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(407)	(442)
Net repayment of term loans	(218)	(1,946)
Increase in placement of fixed deposits pledged to licensed banks	(338)	(405)
Net repayment of bankers' acceptances	(681)	(1,277)
Repayment of hire purchase liabilities	(232)	(710)
Dividend paid	-	(2,475)
<b>Net cash used in financing activities</b>	<b>(1,876)</b>	<b>(7,255)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,576)</b>	<b>(4,780)</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>4,912</b>	<b>8,398</b>
<b>Fixed deposits with licensed banks</b>	<b>4,912</b>	<b>8,398</b>
	6,829	5,687
	11,741	14,085
<b>Less : Fixed deposits pledged to licensed banks</b>	<b>(6,829)</b>	<b>(5,687)</b>
	<b>4,912</b>	<b>8,398</b>

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

**Notes to the Interim Financial Statements for the Second Quarter ended 30 June 2012**
**Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standards ("MFRS") 134 : *Interim Financial Reporting***
**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

	As previously reported RM'000	Effects of Transition to MFRS RM'000	As Restated RM'000
<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

	<b>As previously reported RM'000</b>	<b>Effects of Transition to MFRS RM'000</b>	<b>As Restated RM'000</b>
<b>Statement of comprehensive income for second quarter ended 30 June 2011</b>			
Administrative expenses	(9,776)	9	(9,767)
<b>Statement of comprehensive income for period ended 30 June 2011</b>			
Administrative expenses	(18,801)	18	(18,783)

**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**

There was no dividend paid during the current quarter and financial period ended 30 June 2012.

**A9. Segmental reporting**

The Group has four (4) reportable segments which was as follows :

- **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.

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 period ended 30 June 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	Others RM'000	Total RM'000
<b>Revenue</b>						
Total revenue	63,169	2,065	573	10	3,600	69,417
Inter-segment revenue	-	(68)	-	-	(3,600)	(3,668)
<b>External sales</b>	<b>63,169</b>	<b>1,997</b>	<b>573</b>	<b>10</b>	<b>-</b>	<b>65,749</b>
<b>Segment results</b>	3,585	1,980	17	-	(330)	5,252
Interest income	99	2	-	-	15	116
Finance costs	(407)	-	-	-	-	(407)
Share of profit of associates	74	-	-	-	-	74
<b>Profit before tax</b>	<b>3,351</b>	<b>1,982</b>	<b>17</b>	<b>-</b>	<b>(315)</b>	<b>5,035</b>
Income tax expense						(1,701)
<b>Profit after tax</b>						<b>3,334</b>
<b>Assets</b>						
Segment assets	83,674	1,035	598	255	2,395	87,957
Investments in associates	389	-	-	-	-	389
Unallocated assets	193	348	-	-	48	589
<b>Total assets</b>	<b>84,256</b>	<b>1,383</b>	<b>598</b>	<b>255</b>	<b>2,443</b>	<b>88,935</b>
<b>Liabilities</b>						
Segment liabilities	31,470	1,946	58	3	25	33,502
Unallocated liabilities	1,130	-	55	-	-	1,185
<b>Total liabilities</b>	<b>32,600</b>	<b>1,946</b>	<b>113</b>	<b>3</b>	<b>25</b>	<b>34,687</b>

The segment information for the period ended 30 June 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	Others RM'000	Total RM'000
<b>Revenue</b>						
Total revenue	57,078	1,968	700	18	1,300	61,064
Inter-segment revenue	(535)	(89)	-	-	(1,300)	(1,924)
<b>External sales</b>	<b>56,543</b>	<b>1,879</b>	<b>700</b>	<b>18</b>	<b>-</b>	<b>59,140</b>
<b>Segment results</b>	2,974	1,125	60	(24)	(277)	3,858
Interest income	150	-	-	-	38	188
Finance costs	(442)	-	-	-	-	(442)
Share of profit of associates	53	-	-	-	-	53
<b>Profit before tax</b>	<b>2,735</b>	<b>1,125</b>	<b>60</b>	<b>(24)</b>	<b>(239)</b>	<b>3,657</b>
Income tax expense						(1,016)
<b>Profit after tax</b>						<b>2,641</b>
<b>Assets</b>						
Segment assets	78,610	2,987	631	259	1,035	83,522
Investments in associates	396	-	-	-	-	396
Unallocated assets	122	346	4	-	18	490
<b>Total assets</b>	<b>79,128</b>	<b>3,333</b>	<b>635</b>	<b>259</b>	<b>1,053</b>	<b>84,408</b>
<b>Liabilities</b>						
Segment liabilities	32,782	2,047	79	3	1	34,912
Unallocated liabilities	2,095	-	66	-	-	2,161
<b>Total liabilities</b>	<b>34,877</b>	<b>2,047</b>	<b>145</b>	<b>3</b>	<b>1</b>	<b>37,073</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 30/6/2012 RM'000	As at 31/12/2011 RM'000
<b>Branches</b>		
Not later than one (1) year	13,294	13,928
Later than one (1) year and not later than five (5) years	8,219	8,954
Later than five (5) years	-	28
	<b>21,513</b>	<b>22,910</b>
<b>Franchisees</b>		
Not later than one (1) year	5,831	5,842
Later than one (1) year and not later than five (5) years	3,810	2,616
	<b>9,641</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 30/6/2012 RM'000	As at 31/12/2011 RM'000
<b>Property, plant and equipment</b>		
- Approved but not contracted for	988	-

**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**

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 30/6/2012 RM'000	Preceding year corresponding quarter ended 30/6/2011 RM'000	Current year- to-date 30/6/2012 RM'000	Preceding year- to-date 30/6/2011 RM'000
<b>Associate :</b>				
<b>Focus Point Vision Care Group (HP) Sdn Bhd</b>				
Sales of eyewear and eye care products	450	322	874	579
Licensing fee received/receivable	32	27	63	52

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 Second Quarter ended 30 June 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 June 2012 ("Q2 FY2012"), the Group registered revenue of RM32,928 million, an increase of 7.4% as compared to the revenue for the preceding year corresponding quarter ("Q2 FY2011") of RM30,647 million. On a year-to-date basis, the Group recorded revenue of RM65,749 million as compared to RM59,140 million in the corresponding period in the previous year. Higher revenue was recorded in the optical related and franchise management segments. Higher revenue was mainly the result of aggressive promotions and brand building activities resulting in the increase in sales contribution per outlet.

Profit Before Tax ("PBT") increased by 6.8% to RM2,153 million in Q2 FY2012 from RM2,015 million in Q2 FY2011 and for the six months period, PBT increased by 37.7% to RM5,035 million from RM3,657 million in the preceding year corresponding period. The increase in PBT was in tandem with the higher revenue achieved.

For the six months period, the Group recorded higher administrative expenses of RM0,849 million as compared to the preceding year corresponding period was due mainly to the upward revision of rental rates for wholly owned outlets.

**Optical Related Segment**

The optical related segment continued to dominate the Group's revenue with a contribution of 96.2% in Q2 FY2012 (Q2 FY2011 : 95.7%) and has recorded revenue of RM31,675 million for Q2 FY2012 as compared to RM29,339 million in previous year's corresponding quarter. For the six months ended 30 June 2012, the Group achieved revenue of RM63,169 million as compared to RM56,543 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 increase of number of wholly owned outlets from 81 outlets as at 30 June 2011 to 84 outlets as at 30 June 2012.

The segment PBT for the current quarter under review improved 24.1% from RM1,107 million in Q2 FY2011 to RM1,374 million in Q2 FY2012. For the six months period, the segment achieved PBT of RM3,351 million, an increase of RM0,616 million from RM2,735 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 recorded 4.2% growth in revenue, which is in tandem with that of optical related products segment. PBT for the segment has increased to RM0,949 million in Q2 FY2012 from RM0,912 million in Q2 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 Q2 FY2011.

For the six months financial period ended 30 June 2012, the Franchise segment contributed 3% to the Group's revenue. The Segment recorded revenue of RM1,997 million in the current period as compared to RM1,879 million in the same period of the preceding year and achieved PBT of RM1,982 million for the six months period. The higher PBT for the period under review was contributed by higher revenue from the increase in the number of franchisees secured as compared to the same period in prior year.

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

The performance of the laser surgery treatment and the hearing aid solutions and related accessories segments are dependent on the industry growth and more professional marketing activities and better education to increase public awareness and acceptance of the laser and hearing aid solutions and surgeries.

**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	32,928	32,821	0.33%
Profit before tax ("PBT")	2,153	2,882	-25.29%

Quarter-on-quarter comparison, the Group's revenue had increased marginally by RM0,107 million or 0.33% to RM32,928 million from RM32,821 million recorded in the immediate preceding financial quarter due to the ongoing promotional activities carried out by the Group.

PBT decreased 25.3% owing mainly to lower purchase rebates from suppliers in Q2 FY2011 that has partly resulted in lower gross margin as compared to the immediate preceding quarter.

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

The Group will continue its efforts and initiatives to further improve its retail sales through aggressive marketing campaigns and opening new outlets and its franchise outlets, as well as increasing profit margins through cost efficiency plans. The performance of the Group is expected to remain satisfactory underscored by these initiatives that are designed to enhance our performance and operational efficiencies and improve profitability.

**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**

	<b>Current year quarter ended 30/6/2012 RM'000</b>	<b>Current year-to- date 30/6/2012 RM'000</b>
<b>Profit for the period is arrived at after charging / (crediting) :</b>		
Depreciation of property, plant and equipment	1,053	2,021
Impairment losses on trade and other receivables	-	83
Loss on disposal of property, plant and equipment	17	18
Property, plant and equipment written off	333	340
Inventories written off	203	203
Loss on realisation of foreign exchange	63	72
Interest income	(63)	(117)
Gain on realised foreign exchange	(78)	(153)

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 :-

	<b>Current year quarter ended 30/6/2012 RM'000</b>	<b>Current year- to-date 30/6/2012 RM'000</b>
<b>Current tax:</b>		
Malaysian income tax	790	1,701

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 expenses which are not deductible for tax purposes.

**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.

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**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 30/6/2012 RM'000	As at 31/12/2011 RM'000
<b>Short term borrowings</b>		
Secured:		
Banker acceptances	10,230	10,911
Term loans	397	368
Hire purchase payables	1,100	1,201
	<u>11,727</u>	<u>12,480</u>
<b>Long term borrowings</b>	-	-
Secured:		
Term loans	1,666	1,911
Hire purchase payables	695	822
	<u>2,361</u>	<u>2,733</u>
<b>Total borrowings</b>	<u><b>14,088</b></u>	<u><b>15,213</b></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**

**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 and was fully paid on 26 July 2012.

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**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 quarter ended 30/6/2012 RM'000	Preceding year corresponding quarter ended 30/6/2011 RM'000	Current year- to-date 30/6/2012 RM'000	Preceding year- to-date 30/6/2011 RM'000
Profit/(Loss) for the period attributable to ordinary equity holders of the Company (RM'000)	1,365	1,428	3,333	2,645
Weighted average number of ordinary shares in issue ('000)	165,000	165,000	165,000	165,000
Basic earnings/(loss) per share (sen)	0.83	0.87	2.02	1.60

**(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 30/6/2012 RM'000	As at 31/12/2011 RM'000 (Restated)
Total retained profits of the Company and its subsidiaries :		
- Realised	33,563	28,753
- Unrealised	(892)	(876)
	32,671	27,877
Total share of retained profits from associates :		
- Realised	79	130
- Unrealised	(5)	(2)
	74	128
Total	32,745	28,005
Less : Consolidation adjustments	(18,664)	(17,257)
Total retained profits of the Group	<b>14,081</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 28 August 2012.