Sophistication Is The ESSENCE OF STYLE

annual report 2014

Focus Point Holdings Berhad (884238-U)

FOCUS POINT®

MANAGEMENT OFFICE
Unit 1, 3 & 5 Jln PJU 1/37, Dataran Prima,
47301 Petaling Jaya, Selangor, Malaysia.
Tel: 03-7880 5520 Fax: 03-7880 5530

WILAYAH PERSEKUTUAN

KL Metro

AEON BIG Mid Valley Megamall (Lot 3A)	03-2287 3790
Berjaya Times Square (Lot 03-50B, 3rd Flr)	03-2141 5398
Fahrenheit 88 (Lot G-30,GF)	03-2141 0527
Maju Junction Mall (G-16)	03-2691 0730
Nu Sentral (LG-06)	03-2272 2073
Pavilion KL(Lot 5.28.00, Level 5)	03-2141 4866
Suria KLCC (C43A)	03-2166 8318

Cheras

AEON Cheras Selatan (Lot F33)	03-9075 3975
Giant Batu 9 Cheras (Lot G38)	03-9076 0125
IKON Connaught	03-9108 3293
Plaza 393 (Lot No.7 LGF)	03-9285 6568
Tesco Extra Cheras (Lot 11)	03-9133 5130

Gombak

Medan Idaman (26, Jln 2/21D)	03-4021 1341
Sri Gombak (Lot G-38, Jln Prima SG2)	03-6186 7721

Kepong

AEON BIG Kepong (Lot 19, Level 2)	03-6259 3403
Tesco Kepong (Lot SB 27)	03-6273 4010

Pandan Indah

Pandan Kapital (35 & 35A)	03-4285 3500

Putrajaya

Alamanda (G11)	03-8889 3093
IOI City Mall (LG3-B)	03-8959 9346

Setapak

KL Festival City (G-28,GF)	03-4131 8977

Sri Hartamas

Hartamas Shopping Centre (P29, GF)	03-6143 8828

Wangsa Maju

AEON BIG Wangsa Maju (Lot F2.21B)	03-4149 6437
Seksyen 1 (No.6, GF)	03-4143 0162
Wangsa Walk Mall (G-23A, GF)	03-4142 7063

SELANGOR

Ampang

AEON BIG Ampang (Lot F2-43 & F2-44)	03-4297 7721
Ampang Point Shopping Centre (F33)	03-4252 0758
Axis Atrium (Lot G-37, GF)	03-9281 2449
Taman Putra (25, GF, Jln Tanjung Bunga 9C)	03-4295 2310
Tesco Ampang (Lot 18)	03-9285 7767

Bandar Sunway

Sunway Pyramid (LL2.06A)	03-7494 0480

Batu Caves

Giant Batu Caves (B4)	03-6188 4799
Selayang Mall (G44, GF)	03-6136 9566

Damansara

1 Utama (New Wing) (LG316D)	03-7722 1266
AEON BIG Kota Damansara (F1.01 & F1.02)	03-6142 3988
Encorp Strand Mall (F-18)	011-2015 8245
Sunway Giza (F.16, 1st Flr)	03-6148 1808
The Curve (Lot 174, 1st Flr)	03-7727 9852

Kajang

59, Jln Tun Abdul Aziz	03-8736 0220
Giant Superstore Kajang (Lot A3)	03-8733 3714
Metro Point Kajang (Lot G17)	03-8737 0970
Tesco Kajang (Lot 26, 1st Flr)	03-8733 4175

Klang

AEON Bukit Raja (G016)	03-3344 5155
Giant Hypermarket Klang (A21)	03-3323 5195
Klang Parade (G39, GF)	03-3343 5850
Shaw Centrepoint (Lot GL-11)	03-3341 2575

Kuala Selangor

Tesco Kuala Selangor (Lot 7)	03-3289 6418

Petaling Jaya

Damansara Utama (33, GF, Jln SS21/37)	03-7729 6268
Kelana Jaya (20, Jln SS6/3)	03-7804 3013
Paradigm Mall (UG09)	03-7887 1078
PJ Old Town (98, GF, Jln Othman)	03-7781 5341
Section 14 PJ (3, Jln SS14/20)	03-7960 2726
SS2 PJ (54, GF, Jln SS2/67)	03-7873 6220
Tropicana City Mall (Lot LG-35)	03-7710 6630

Puchong

IOI Mall (FK01, 1st Flr)	03-5882 1652

Rawang

9, Jln Bandar Rawang 2	03-6092 2599
AEON Rawang (Lot G-25, GF)	03-6092 0843
Tesco Rawang (Lot G24)	03-6091 4809

Shah Alam

AEON BIG Bukit Rimau (F1.29)	03-5121 7415
Gamuda Walk (L1-09)	03-5131 7223
Plaza Shah Alam (G-6A)	03-5891 0535
SACC (1F-10, 1st Flr)	03-5510 9593
Seksyen 7 Shah Alam (29 Jln Plumbum R7/R)	03-5510 2292
Setia City Mall (Lot 1-40)	03-3345 6510
Tesco Shah Alam (No. 15)	03-5512 1686

Sri Kembangan

Giant Seri Kembangan (Lot F23)	03-8938 2784
The Mines (L3-22 (P))	03-8941 6158

Subang Jaya

AEON Big Subang Jaya	03-5637 4318
Empire Subang Gallery (Lot G-28A,GF)	03-5632 4171
Giant Subang Jaya (Lot No. G21)	03-8022 1206
Giant Putra Heights (Lot F39)	03-5191 5197
USJ Taipan I (10-G, Jln USJ 10/1)	03-5637 1536
USJ Taipan II (20-G, Jln USJ 10/1)	03-5631 0801

Sungai Buloh

Sungai Buloh Complex (Lot No G-19A)	03-6141 0976

JOHOR

Batu Pahat

21, Jln Soga	07-432 8964
Batu Pahat Mall (Lot G30)	07-435 2306
No 23, Jln Persiaran Flora Utama	07-438 5520

Johor Bahru

AEON BIG Johor Bahru (Lot F2.C2 & C.3)	07-352 4078
AEON Permas Jaya (Lot G21)	07-386 1790
AEON Taman University (LG33)	07-520 8323
Giant Plentong (Lot B19)	07-358 3318
Giant Tampoi (Lot B12)	07-238 8589
Holiday Plaza (LG 25)	07-333 2018
Holiday Plaza (LG 83)	07-333 0257
Johor Bahru City Square (M3-20 & 21, Level 3)	07-226 0130
Kompleks Lien Hoe (1, GF Block F)	07-331 5370
Skudai Parade (Lot 02, 1st Flr)	07-554 9784
Sutera Mall (L1-247, L1-265)	07-554 4587
Tesco Desa Tebrau (Lot F9)	07-353 9780

Kluang

8, GF, Jln Syed Abdul Hamid Sagaff	07-776 0303

Kota Tinggi

26, Jln Niaga 1	07-882 4967
Plaza Kota Tinggi (GL-14)	07-883 9689

Kulai

Aeon Kulai (F62)	07-660 6308

Masai

1A, Jln Bayan,Taman Bunga Raya	07-251 8778
Tesco Seri Alam (Lot 26, 27)	07-388 6231

Muar

Astaka Shopping Centre	06-952 3012
Giant Hypermarket Muar (G24 & G25)	06-952 9619

Segamat

Lot 19 & 21, Jalan Muhibbah 2	07-931 3408

Ulu Tiram

97-E, Jln Durian, Taman Tiram Baru	07-861 8363

Yong Peng

184, Jln Besar, Taman Sembrong Baru	07-467 5278

KEDAH

Alor Setar

AEON Big Alor Setar (G-12)	04-735 0520
Alor Setar Mall (G-03)	04-771 2150
Tesco Mergong (G11)	04-733 5894

Sungai Petani

Tesco Sungai Petani Mutiara (F42 & F43)	04-425 9858
Tesco Sungai Petani Utara (Lot 8, GF)	04-425 8858

KELANTAN

Kota Bharu

KB Mall (G16, GF)	09-747 7993
KB Mall II (G36,GF)	09-743 2636
Kota Bharu Trade Center (LG-01,LG)	09-746 2112
Tesco Kota Bharu (F23,1F)	09-741 6520

MALACCA

Ayer Keroh

AEON Ayer Keroh (F12)	06-232 8634
The Shore	06-292 1292

NEGERI SEMBILAN

Nilai

Giant Nilai (Lot G21)	06-7940 180
Tesco Putra Nilai (G28)	06-7998 081

Seremban

AEON BIG Forest Heights (Lot GF-22)	06-762 8988
Palm Mall (Lot UG-40)	06-765 6120
Terminal One (UG25)	06-763 9193

Senawang

Giant Hypermarket Senawang (B10 & B11)	06-679 7696
Tesco Senawang (F15,1st Flr)	06-677 6672

PAHANG

Kuantan

East Coast Mall (GF-43)	09-517 3136
Giant Kuantan (Lot A2)	09-515 8279

PENANG

Butterworth

AEON BIG Bukit Minyak (G.31,GF)	04-507 6077
AEON BIG Seberang Jaya (F2-05,GF)	04-370 5155
Megamall Pinang (G-52)	04-390 4227
Sunway Carnival (LG-K3)	04-390 5520
Tesco Seberang Jaya (F28)	04-399 6972

Bukit Mertajam

AEON Bukit Mertajam (S40, 2nd Flr)	04-548 5797
Perda City Mall (G-15)	04-530 3670

Penang Island

Bukit Jambul Complex (25, 1st Floor)	04-642 5155
Gurney Plaza (170-01-43A)	04-228 0816
Pulau Tikus (403, Jln Burmah)	04-226 0672
Queensbay Mall (1F-52 & 53)	04-641 1975
Tesco Extra Penang (5A,GF)	04-655 3193
Tesco Pinang (1-2-05, 2nd Flr)	04-659 5070

PERAK

Ipoh

AEON Station 18 (F41, 1st Flr)	05-321 7225
Giant Superstore Sunway City (Lot A6)	05-547 4384
Rapid Mall, Seri Intan(Lot 1.20)	05-625 4229
Tesco Extra Ipoh (Lot 26)	05-546 1490
Tesco Ipoh (Lot 12)	05-548 4906
Tesco Station 18 (G09,GF)	05-322 3509

Taiping

AEON Taiping (G29)	05-804 8036
Taiping Mall (G21 & G22)	05-804 8129
Tesco Taiping (Lot 4, 2nd Flr)	05-808 1225

Kampar

Tesco Kampar (G-12A,GF)	05-466 6850

Sitiawan

AEON Seri Manjung (F12)	05-687 0046

SABAH

Kota Kinabalu

1 Borneo (C219 Concourse)	088-447 581
IMAGO (B-33)	Coming Soon
Karamunsing Mall (Lot G.01B, GF)	088-233 289
Suria Sabah (Lot B-69, LG)	088-487 787

SARAWAK

Kuching

CityOne Megamall (G-35)	082-532 828

TERENGGANU

Kuala Terengganu

Giant Hypermarket (G23)	09-622 6967
Giant Superstore Gong Badak (Lot G26,G27)	1700 81 9699
Mesra Mall (Lot 28, GF)	09-864 9469

BRUNEI

Freshco Mall (G-18, GF)	+673 222 0099
Kuala Belait (52-B, Jalan Pretty)	+673 333 2299
Kuala Belait Sentral (Area FSP1)	+673 334 3038
Supasave Seria (Unit 4)	+673 322 1203
The Mall (No 2-52, 2nd Flr)	+673 242 8777
Times Square (Unit F6,1st Flr)	+673 234 2903

Subsidary brands of:

FOCUS POINT®

Optical City®

IPC (Lot F6, 1st Flr)	03-7725 8766
Ipoh Parade (F02, F03 & F04, 1st Flr)	05-243 5717

Opulence® eyewear boutique

1 Utama (Old Wing) (Lot G127,GF)	03-7724 1395
Alamanda Putrajaya (LG52)	03-8881 0544
IOI Mall (Lot EG17, GF)	03-8075 7556
Subang Parade (Lot LG C09)	03-5622 1458
Gurney Plaza Phase II (170-G-73A,GF)	04-2296 482
Sunway Carnival Mall (UG-06A, Upper GF)	04-3978 997
AEON Seremban 2 (Lot G30)	06-6015 018
Holiday Plaza (Lot LG28)	07-3354 121

FOCUS POINT

Mid Valley Megamall (G-016)	03-2282 0878
Gurney Paragon (9163D-3-28A)	04-2261 850
Komtar JBCC (Lot 120, 1st Flr)	07-295 5150
Quill City Mall	03-2602 2292

EXCELVIEW

AEON Metro Prima (Lot G20)	03-6259 0235
Mid Valley Megamall (S-068, 2nd Flr)	03-2282 0007
AEON Bandaraya Melaka (Lot F52)	06-2921 107

Solariz

Pavilion KL (P5.02.00)	03-2141 8586

OUTLET CONCEPT

Opulence

An exclusive optical centre for luxurious eyewear brands

Focus Point

A professional eye care centre that caters for consumers of all age groups

Focus Point Signature

Focus Point Signature is Focus Point's latest concept store that provides only the finest selection of products. In addition to its great service and hospitality, it's Shop-In-Shop concept which allows brand fanatics to have a better shopping experience, 'teleporting' them into a realm filled with only their favourite brands. Equipped with i-Terminal 2 by Zeiss, a fast and high precision technology used to measure centration for perfectly-fitted eyewear, and i-Profiler plus by Zeiss, an easy-to-use eye profiling system infused with i.scription® technology, customers are sure to walk away with perfectly-matched eyewear

OUTLET CONCEPT
(Continued)

Excelview

More than just an optical store specialising in professional eye care

Optical City

A one-stop solution centre for eye care and eyewear products incorporated under one roof

Our range of retail outlets provides customers with a unique experience that is tailored to their needs. Just another way for us to ensure there is something for everyone. Focus Point prides on being your all-in-one solution when it comes to eye care, eyewear and accessories, and we truly believe that we have something for everyone. In addition to our Focus Point retail outlets, we have also launched a variety of different brands and concepts in order to better serve consumer's needs

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Hamzah bin Mohd Salleh
(Independent Non-Executive Chairman)

Dato' Liaw Choon Liang
(President/Chief Executive Officer)

Datin Goh Poi Eong
(Executive Director)

Leow Ming Fong @ Leow Min Fong
(Independent Non-Executive Director)

Datuk Idris bin Hashim
(Non-Independent Non-Executive Director)

NOMINATION COMMITTEE

Leow Ming Fong @ Leow Min Fong
(Chairman)

Dato' Hamzah bin Mohd Salleh
(Member)

Datuk Idris bin Hashim
(Member)

REMUNERATION COMMITTEE

Leow Ming Fong @ Leow Min Fong
(Chairman)

Dato' Hamzah bin Mohd Salleh
(Member)

Dato' Liaw Choon Liang
(Member)

AUDIT COMMITTEE

Leow Ming Fong @ Leow Min Fong
(Chairman)

Dato' Hamzah bin Mohd Salleh
(Member)

Datuk Idris bin Hashim
(Member)

CORPORATE OFFICE

Unit 1, 3 & 5, Jalan PJU 1/37
Dataran Prima
47301 Petaling Jaya
Selangor Darul Ehsan
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Fax No. : 03-7880 5530

REGISTERED OFFICE

Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel No. : 03-2264 8888
Fax No. : 03-2282 2733

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
ACE Market
Stock Code : 0157

COMPANY SECRETARIES

Wong Wai Foong
(MAICSA 7001358)

Wong Peir Chyun
(MAICSA 7018710)

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Leow Ming Fong @ Leow Min Fong
Unit 1, 3 & 5, Jalan PJU 1/37
Dataran Prima
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Selangor Darul Ehsan
Email : jimmy.leow@focus-point.com
leowjim@gmail.com

REGISTRAR

Tricor Investor Services Sdn Bhd
(118401-V)
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Mid Valley City
Lingkaran Syed Putra
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Tel No. : 03-2264 3883
Fax No. : 03-2282 1886

AUDITORS

BDO (AF0206)
Chartered Accountants
12th Floor, Menara Uni.Asia
1008, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel No. : 03-2616 2888
Fax No. : 03-2616 3190

COMPANY WEBSITE

www.focus-point.com

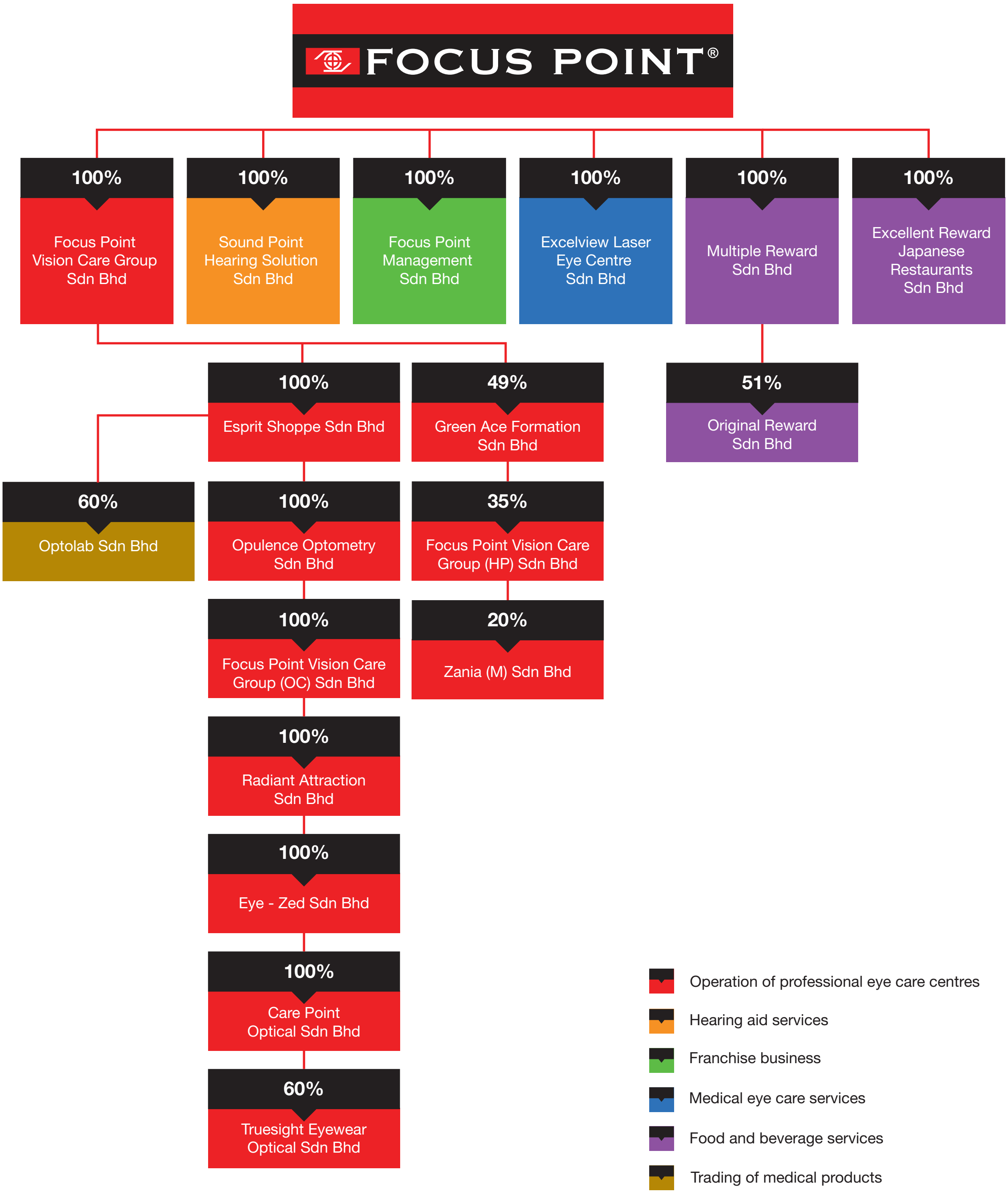
VISION

To become a leading brand name in Asia through our focused approach in vision care

MISSION

To provide consumers with the best vision care and eyewear services as well as to uphold the highest standards in reliability, quality and professionalism

CORPORATE STRUCTURE

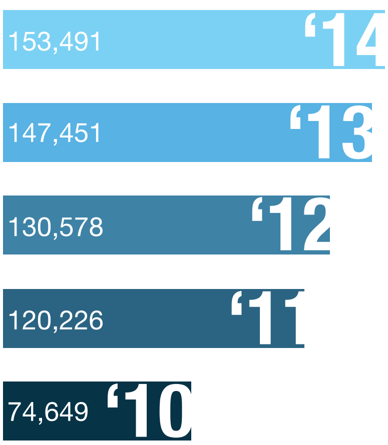


FINANCIAL HIGHLIGHTS

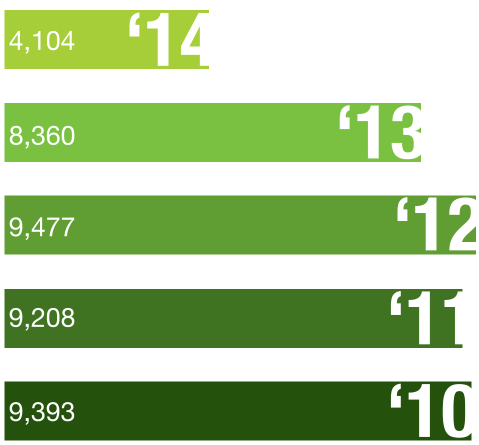
	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000	2010 * RM'000
Revenue	153,491	147,451	130,578	120,226	74,649
EBITDA	11,809	15,312	14,023	13,388	12,039
PBT	4,104	8,360	9,477	9,208	9,393
PAT	1,103	4,701	6,019	6,999	6,214
Net profit attributable to owners of the parent	1,167	4,771	6,035	7,012	6,234
Total assets	109,707	107,469	98,895	92,462	89,119
Return on total assets	1%	4%	6%	8%	7%
Total borrowings	27,145	26,667	21,317	15,213	21,281
Equity attributable to owners of the parent	52,752	54,946	53,475	50,740	47,027
Gearing ratio	51%	49%	40%	30%	45%
ROE	2%	9%	11%	14%	13%
EPS	0.71 sen	2.89 sen	3.66 sen	4.25 sen	3.78 sen
Net assets per share	31.97 sen	33.30 sen	32.41 sen	30.75 sen	28.50 sen
Dividend per share	1.00 sen	2.00 sen	1.00 sen	2.00 sen	2.00 sen

* The audited financial statements for 2010 was for a period of 8.5 months as the acquisition of Focus Point Vision Care Group Sdn Bhd and its subsidiaries by Focus Point Holdings Berhad as well as the internal restructuring were completed on 14 April 2010. Focus Point Holdings Berhad was listed on the ACE Market of Bursa Malaysia Securities Berhad in August 2010.

Revenue (RM'000)

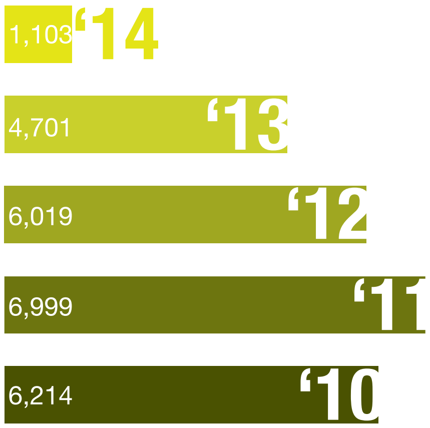


PBT (RM'000)

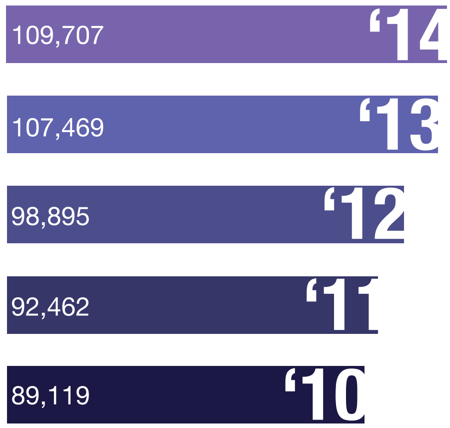


FINANCIAL HIGHLIGHTS
(Continued)

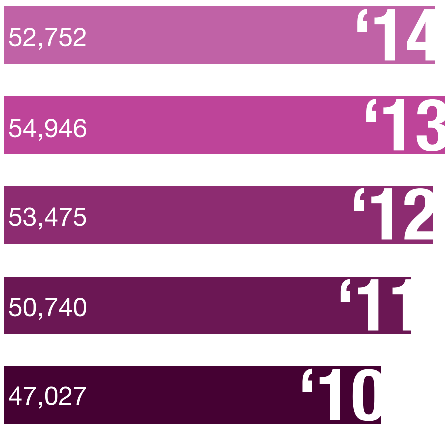
PAT
(RM'000)



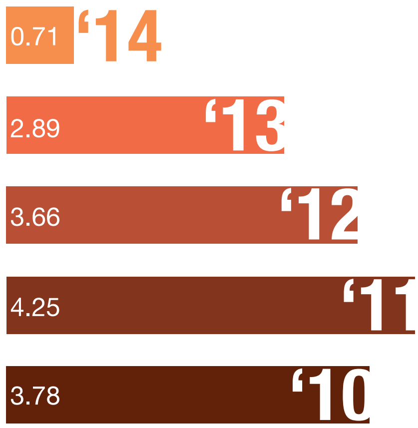
Total assets
(RM'000)



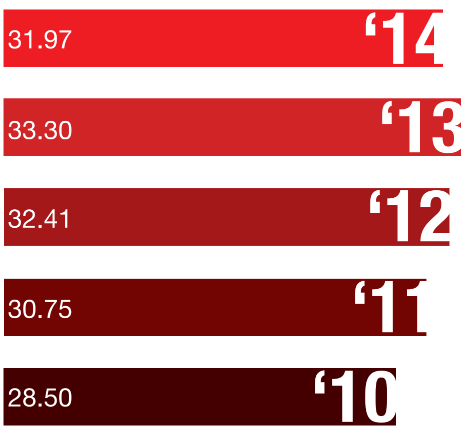
Equity attributable to owners of the parent
(RM'000)



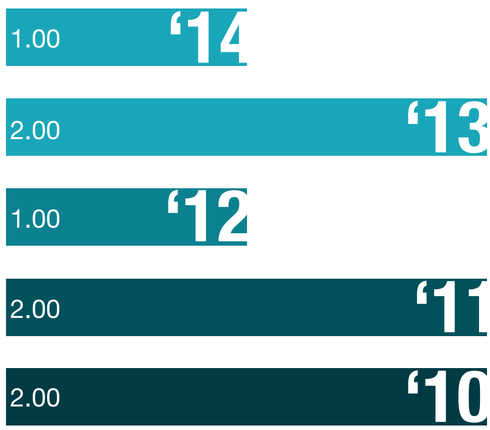
Earnings per share
(sen)



Net assets per share
(sen)



Dividend per share
(sen)



PROFILE OF DIRECTORS

Dato' Hamzah Bin Mohd Salleh
Malaysian, aged 66

Dato' Hamzah Bin Mohd Salleh is our Independent Non-Executive Chairman and was appointed to our Board on 1st April 2010. He was subsequently appointed as member of the Audit Committee, Nomination Committee and Remuneration Committee on 3 May 2010. He graduated with a Diploma in Management in 1980 from the Malaysian Institute of Management and a Master's Degree in Business Administration in 1989 from the University of Bath, United Kingdom. His career began in 1969 as an Audit Assistant at Price Waterhouse, Kuala Lumpur. In 1975, he was appointed as Finance and Administration Manager at Pillar Naco Malaysia Sdn Bhd, a company involved in the fabrication of architectural metal. In 1980, he joined Pernas Sime Darby Group and held several senior management positions within the group of affiliated companies, as well as in Sime Darby Group of Companies. He is currently the Chief Executive Officer of Spanco Sdn Bhd, a company involved in automotive vehicle fleet management. He is also an Independent Non-Executive Director with PRG Holdings Berhad (formerly kwown as Furniweb Industrial Products Berhad). In addition, he is a Director of various other private companies.

Dato' Liaw Choon Liang ("Dato' Liaw")
Malaysian, aged 47

Dato' Liaw is our President/Chief Executive Officer and was appointed to our Board on 30 December 2009. He was subsequently appointed as a member of the Nomination Committee and Remuneration Committee on 3 May 2010. He resigned as a member of Nomination Committee on 16 April 2013. He is a registered optician with the Malaysian Optical Council. He brings with him invaluable industrial experience having accumulated over 28 years of experience in the professional eye care industry. He has been instrumental in the growth and development of our Group and more importantly, has been the key driving force in the expansion of our chain of professional eye care centres. As our Group's President/Chief Executive Officer, his overall management has contributed significantly to the success and growth of our Group. During the early years of our operations, he recognised the importance of brand building and development, ownership and management as the key components in differentiating our Group from our competitors. In addition, he was instrumental in building our "Focus Point" brand as the chain of professional eye care centres which has become the largest in Malaysia today. His expertise and contributions also extend to strategy planning and business development where his sound management skills have contributed to the continuing success and growth of our Group. In 2002, he was awarded the Certificate of Merit for The Outstanding Young Malaysian Awards 2002 by the Junior Chamber, Malaysia. In 2009, he was a finalist for the Best Franchise Entrepreneur Award by the Malaysian Franchise Association. Subsequently, at the Malaysian Retailers-Chain Association ("MRCA") – 8TV Entrepreneur Awards in 2009, Dato' Liaw was given an award in recognition of his outstanding entrepreneurship. In 2012, Dato' Liaw was elected as Deputy President of MRCA for 2012 to 2014. Further in 2014 itself, he was elected as President of MRCA for 2014 to 2016. Dato' Liaw also holds several directorships in the companies within the Group. He is the spouse of Datin Goh and also a major shareholder of the Company.

PROFILE OF DIRECTORS
(Continued)

Datin Goh Poi Eong
("Datin Goh")
Malaysian, aged 48

Datin Goh is our Executive Director and was appointed to our Board on 30 December 2009. She is a registered optician with the Malaysian Optical Council. She has accumulated more than 20 years of experience in the industry. Her expertise and contribution extends to resource planning and management where her prudent management has contributed to the continuing business success and growth of our Group. She is currently actively involved in the planning and implementation of various corporate social responsibility efforts to further enhance the corporate image and awareness of our Group. She holds several directorships in the companies within the Group. She is the spouse of Dato' Liaw and also a major shareholder of the Company.

Leow Ming Fong @ Leow Min Fong
Malaysian, aged 65

Leow Ming Fong @ Leow Min Fong is our Independent Non-Executive Director and was appointed to our Board on 1st April 2010. He was subsequently appointed as Chairman of the Audit Committee, Nomination Committee and Remuneration Committee on 3 May 2010. He is a retired Audit Partner of KPMG, Kuala Lumpur. He is a Fellow of Institute of Chartered Accountants in England and Wales, member of the Malaysian Institute of Certified Public Accountants, member of the Malaysian Institute of Chartered Accountants and member of Malaysian Institute of Management. He began his career in 1969 when he started his articleship with a chartered accounting firm in London, United Kingdom. He returned to Malaysia in 1974 and joined KPMG, Kuala Lumpur as an Audit Senior and Supervisor. In 1976, he was appointed as the Audit Manager in KPMG, Sandakan, Sabah and subsequently, in 1980, he was appointed as the Partner overseeing the tax and audit department of KPMG, Sandakan and Tawau, Sabah. In 1995, he returned to KPMG, Kuala Lumpur to take up the position of Audit Partner and during the years between 1996 and 2000, he also acted as the Partner-in-Charge of KPMG, Cambodia for 3½ years. He carried out short-term assignments such as fraud investigation, due diligence for merger and acquisitions, reporting accountant for various corporate exercises for public listed companies during his KPMG experience in Singapore, British Guinea in South America and Vietnam. He is the Independent Non-Executive Director of KSK Group Berhad and a Canadia Bank PLC, a bank operating in Cambodia.

Datuk Idris Bin Hashim ("Datuk Idris")
Malaysian, aged 62

Datuk Idris was appointed as our Non-Independent Non-Executive Director and a member of the Audit Committee on 1st July 2011. He was also appointed as a member of the Nomination Committee on 16 April 2013. He holds a Diploma in Town and Regional Planning from ITM, Shah Alam in 1975, and subsequently a Masters of Science - City & Regional Planning from Illinois Institute of Technology, Chicago, USA in 1978. Datuk Idris has an impressive career in town planning, having served as Planner at North-Eastern Illinois Planning Commission (NIPC), Chicago where he was involved in several large projects in the State of Illinois as well as the New Jeddah International Airport and King Abdul Aziz University, both in the Kingdom of Saudi Arabia. Back home, he was attached with Arkitek Bersekutu Malaysia, where he participated in projects such as Pusat Bandar Bukit Ridan and Kompleks Perdagangan Kuantan in Pahang and Bangunan Sri MARA in Kuala Lumpur. He was also a lecturer at his alma mater, The School of Architecture, Planning & Surveying, UITM. Datuk Idris is currently the Chairman of Perbadanan Nasional Berhad (PNS), an institution set up by the Government to develop and increase the size of Bumiputra participation in the commercial and industrial sectors. He is also Chairman of Perak Industrial Resources Sdn Bhd, a subsidiary of Perak State Economic Development Corporation and Non-Executive Director of WZ Satu Berhad.

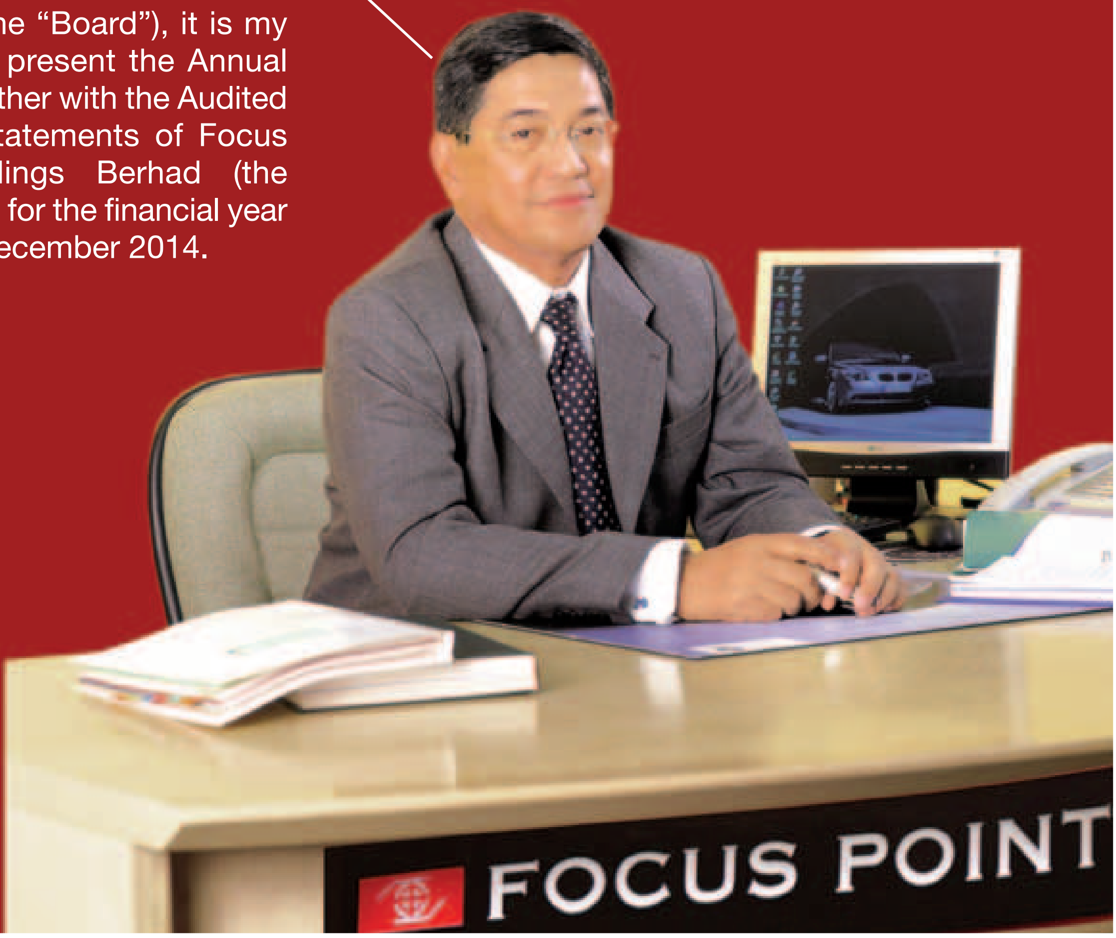
Save as disclosed above, none of the directors have:

- Any family relationship with any directors and/or major shareholders of the Company.
- Any conflict of interest with the Company and the Group.
- Any conviction for offences within the past 10 years other than traffic offences.

CHAIRMAN'S STATEMENT

Dato' Hamzah bin Mohd Salleh

On behalf of the Board of Directors (the "Board"), it is my pleasure to present the Annual Report together with the Audited Financial Statements of Focus Point Holdings Berhad (the "Company") for the financial year ended 31 December 2014.



Financial Performance

The Group achieved consolidated revenue of RM153.5 million, a growth of 4% over the previous year's revenue of RM147.5 million. The increase in revenue was largely attributed to the contribution from our food and beverage ("F&B") business which saw two(2) openings of new outlets and six(6) existing outlets (opened in year 2013) fully operating in year 2014.

Albeit revenue increased, profit before tax ("PBT") reduced to RM4.1 million from RM8.4 million of the previous year. The decline was caused principally by the decline in PBT of optical business coupled with higher operating loss incurred by F&B business. The decline in PBT of optical business was mainly related to investment in opening of new outlets while F&B business was still undergoing a profitability gestation period before it could contribute positively to the Group.

During the financial year, the Group had also written down inventories of RM463,000, written off inventories of RM454,000, written down property, plant and equipment of RM542,000 as well as written off property, plant and equipment of RM1,082,000. This is to ensure that assets of the Group were fairly stated.

Dividend

In respect of the financial year ended 31 December 2014, the Board had on 28 August 2014 declared an interim single-tier dividend of 1.0 sen per share. The dividend was subsequently paid on 21 November 2014. No further dividend has been declared by the Board for the financial year ended 31 December 2014. The Board is of the view that the Group needs to conserve its cash for continuous investment in optical and F&B businesses.

Corporate Development

On 1 July 2014, Focus Point Vision Care Group Sdn Bhd ("FPVCG"), a wholly-owned subsidiary of the Company, entered into a Share Sale Agreement with Lee Kim Huong to acquire the remaining one(1) ordinary share of RM1.00 each, representing 10% of the share capital of Care Point Optical Sdn Bhd ("CPO"), a 90%-owned subsidiary of FPVCG, at cash consideration of RM30,000. Subsequently on 1 December 2014, FPVCG entered into a Sale of Business and Asset Agreement with CPO to acquire CPO's business operation and attached professional eye care outlet for total consideration of RM440,450 settled by way of offsetting the amount owing by CPO to FPVCG. This was basically optical business' realignment exercise carried out by the Group to enhance management efficiency and focus.

On F&B business, I am also very glad to reveal that following the signing of the Master Franchise Agreement with Subfranchise Rights on 22 December 2014 between Multiple Reward Sdn Bhd, a wholly-owned subsidiary of the Company and Relish Baking Specialist Inc., a company incorporated in Philippines, the first franchise bakery outlet was opened on 28 February 2015 in Philippines under "Kumori", a brand related to "Komugi". This embarking on franchise business model will surely be benefiting to F&B business and the Group.

CHAIRMAN'S STATEMENT
(Continued)

Outlook and Prospects

The overall Gross Domestic Product (GDP) growth for 2014 was 6%, marginally higher than the expected rate of 5.9%. Nevertheless, following the tumbling of oil prices, the Prime Minister had on 20 January 2015 revised the economic growth rate for 2015 to 4.5% to 5.5% from 5% to 6%. Some spending will be trimmed. Malaysian consumers are expected to remain vigilant of their on-going and future spending habits and are constantly mindful of the state of economic situations both locally and globally.

The Group will continue to stay focus on its optical business. The management intends to achieve this goal by opening more optical outlets in various cities in Malaysia while consolidating the non-performing outlets. In addition to that, the Group expects to embark on more aggressive promotional and marketing campaigns in year 2015 to increase the Group's presence and market share locally.

As to the F&B business, the Group will continue to improve its business operation, improve profit margin, quality of products and service as well as contain cost. Much effort will also be put to build further the franchise business model which has just taken off in February 2015.

Overall, I am quite confident that the Group will be able to deliver satisfactory performance for the year ahead, barring any unforeseen circumstances.

Appreciation

I wish to extend my sincere thanks to the Board for their wisdom, continued support, faith and insightful contribution that they bring into our business and to our President/Chief Executive Officer, Dato' Liaw Choon Liang, for his excellent stewardship and foresight, and the management and staff, for their untiring efforts, dynamism and team work in bringing the Group to where we are today.

Dato' Hamzah bin Mohd Salleh
Independent Non-Executive Chairman

PRESIDENT / CEO'S MESSAGES

Dato' Liaw Choon Liang
("Dato' Liaw")

Financial Performance

I have to admit that year 2014 was quite a challenging year amid local and global economic uncertainties. The Group recorded revenue of RM153.5 million, representing an increase of 4% over RM147.5 million of the previous year. The increase was mainly attributed to contribution from the food and beverage ("F&B") business, which saw two(2) opening of new outlets and six(6) existing outlets (opened in year 2013) fully operating in year 2014. The optical business' revenue was consistent with the previous year. However, revenue of our own outlets increased marginally by 3% to RM106.5 million compared with RM103.5 million of the previous year. Revenue contributed by new openings of outlets was RM4.0 million, representing 4% of total own outlets' revenue.

Profit before tax ("PBT") stood at RM4.1 million, which was lower by 51% compared with RM8.4 million recorded in the previous year. Lower PBT was resulted from decline in PBT of the optical business coupled with higher operating loss incurred by the F&B business. The decline in PBT of the optical business was mainly due to investment in new opening of outlets while the F&B business was still undergoing a profitability gestation period before it could contribute positively to the Group.

The Group's financial position continued to be resilient with shareholders' fund recorded at RM52.8 million (2013 : RM54.9 million). Net assets per share stood at 31.97 sen, marginally lower over 33.30 sen of the previous year. Total assets grew by 2% to RM109.7 million (2013 : RM107.5 million). The increase in assets was largely due to higher investment in new outlets under the optical business. Total borrowings increased marginally to RM27.1 million, over RM26.7 million of the previous year. Cash and cash equivalents at RM11.7 million was 17% lower compared with RM14.1 million of the previous year. The decline in cash and cash equivalents was largely related to its utilisation for working capital. Total trade receivables reduced by RM2.3 million or 25% compared with RM9.2 million of the previous year, owing to tightening of credit control over franchisees' accounts.

Sustaining Momentum for Growth

The Group continued to expand its presence nationwide by embarking on aggressive marketing and promotional activities as well as opening new outlets at various locations to generate increased business volume and higher level of brands awareness. In year 2014, a total of 11 new outlets were opened while we also consolidated 8 under-performing outlets. We have to-date built 89 own-outlets and 80 franchised outlets and these numbers are expected to grow continuously. Apart from that, we continued to build cordial relationship with our local and international principals as well as shopping malls to maintain Focus Point's leading position in the market. It is through our commitment to deliver quality products and good customer service all these years that the brand has received recognition from consumers. With the Group's geographical reach and number of outlets within Malaysia, we maintained as the largest retail chain of professional eye care centres in Malaysia.

On the F&B business, the Group strived to take various steps to strengthen its operation to achieve greater efficiency. No new outlets were opened in year 2014, however, we embarked on franchise business model under the brandname called "Kumori", a brand related to "Komugi" by the signing of a Master Franchise Agreement with Subfranchise Rights on 22 December 2014 between Multiple Reward Sdn Bhd, a wholly-owned subsidiary of the Company and Relish Baking Specialist Inc., a company incorporated in Philippines. The outlet was officially opened in Manila on 28 February 2015 and the response was thus far encouraging.

Strategic Initiatives and Corporate Social Responsibilities

In year 2014, we introduced a new eye wear brand in selected outlets, namely A Bathing Ape, a Japanese clothing brand founded in 1993 which has also expanded regionally into Hong Kong, London, New York, Taipei, Paris and some other cities. This international brand specialises in men's, women's and kids' lifestyle as well as urban street wear. Seven(7) of our outlets carried this brand and the response from customers was quite encouraging.

This year we celebrated our 25th Year Anniversary and were more proudly to say "25 years of Seeing Things Differently". We will continue to serve our customers better by upholding the highest standards in reliability, innovation, quality and professionalism. Todate, we have over 250 certified optometrists and opticians to serve our valued customers, the most in the local market. We also consistently collaborate with talented designers and stylists to bring the latest ideas on eye wear fashion to suit our customers' needs.

We launched a new concept store in Mid Valley Megamall in end March 2015 with the brandname of "Whoosh". Whoosh eye wear creates a total new eye wear shopping experience by offering a wide range of eye wear in affordable package price; it's in 3 simple steps to obtain the eye wear; choose the eye wear; do the eye test & collect the eye wear in 30 minutes. It is hassle free, quick and fast; that's the meaning behind Whoosh, symbolising flying, quick and fast. Whoosh eye wear, created by the Group, is affordable and has a wide range of design. Whoosh concept store is open concept so that consumers can reach and feel our products. We will not feature international brands but offer trendy, fashionable and wild optical wear from China and Korea in the store targeting consumers aged 30 and below.

Being consistent is one of our business principles and offering eye health awareness to the public is another way of giving back to society. We launched for the 4th year, the eye health awareness exhibition and carnival in conjunction with the Global World Sight Day at Ground Floor Centre Old Wing, 1 Utama Shopping Mall on 16 October 2014. The 11-day event, hosted by the Company's corporate social responsibility arm, The Caring Hearts Charity Foundation together with Hoya and Alcons, was held to focus on blindness and vision impairment. Worth to mention, YB Dato' Seri Dr. Halimi Bin Haji Yahaya, Deputy Ministry of Health Malaysia, was invited to launch the event, offering a myriad of activities for shoppers both young and elderly. Public was encouraged to go for free on-the-spot checks on corneal health, intraocular pressure and retinal health using the new Daytona device which could do multiple wavelength imaging. Public was also benefited by attending talks given by ophthalmologists and eye care specialists on serious eye disorders such as age-related macular degeneration and diabetic retinopathy, and other topics including eye protection with eye wear and etc.

On 24 November 2014, Focus Point Caring Hearts Foundation alongside National Blood Bank Malaysia organised another Blood Donation Day at The Curve Shopping Mall to coincide with this year's theme by the World Health Organisation, which is "Safe Blood for saving Mother". 116 people successfully donated at least full pint of blood each.

In the spirit of giving, Focus Point Caring Hearts Foundation visited Pusat Kebajikan Warga Tua and Pusat Jagaan Kanak Kanak Wilayah Persekutuan on 15 December 2014. The homes currently provide shelter to 15 old folks and 24 children (aged between 2 to 12 years old). RM5,000 and sundry items were donated as education fund and sustenance respectively. Apart from the monetary support, special eye checks were also arranged to bring awareness about the importance of clear vision. Last but not least, 15 pairs of prescribed spectacles were sponsored to the old folks.

As part of the Group's corporate social responsibility, the Group has been undertaking good initiative by providing free eye screening to schools since year 2012. In year 2014, 5 schools were visited, 8,956 students screened and 170 eye wear were sponsored to those who need them. It has been always our intention to assist students in their growth and development into independent and healthy people.

I am also proud to reveal that the Group has sufficient optometrists and opticians who are qualified to dispense spectacles and contact lenses in our optical outlets. To continuously improve our workforce, relevant programs have been provided internally and externally to further enhance the skills and knowledge of our optometrists and opticians, management team and operational staff. The Group has conducted a self-improvement workshop on "Leadership Empowerment Training" to all heads of departments by engaging a master trainer in Neuro-Linguistic Programme (NLP). Further, the Group has started to organise monthly lunch gathering at head office for us to show our appreciation to our staff for their continued commitment and support.

Human Resource Statistics	2014	2013
Female (%)	53.0	52.0
Male (%)	47.0	48.0
Age group (%)		
< 30	68.0	69.0
30 to < 40	28.0	26.0
40 to < 50	3.0	4.0
50 and above	1.0	1.0
Diversity (%)		
Malay	30.0	27.0
Chinese	57.0	58.0
Indian	2.0	2.0
Others	11.0	13.0

The Group practices environmental conservation and strives to be environmental friendly in conducting its business. As part of our effort to conserve natural resources, staff are encouraged to conserve energy, re-use and recycle where possible. Meanwhile, the Group will work closely with organisations to ensure the recycling of as much waste as possible, including papers, plastics and bottles, thereby minimising our impact on the environment.

As far as sustainability is concerned, our focus would be to balance between the needs and goals of current and future generations within and beyond the Group paying due consideration to the environmental, social and corporate governance impact of our business decisions. A copy of the Group's sustainability policy is available from the Company's website at www.focus-point.com.

Outlook

As far as the optical business is concerned, we will stay focus as we grow, and much emphasis will be placed on branding and positioning for long-term sustainability. We surely shall continue our aggressive marketing and sales strategies to compete and enhance the awareness of the "Focus Point" brand. Consistent with the previous years, we would like to maintain our good customer service level as well as our impressive quality and selection of merchandises. I believe this is utmost important to promote the highest standard of professional eye care services. That goes without saying, we will continue to open more outlets in prime locations nationwide to further improve our presence.

As for the F&B business, more franchises are expected to materialise and this marks an important chapter for growing the business as well as seeking constant and stable income. We will continue to focus on strengthening the operation, improving the quality and selection of products.

With the above, we remain cautiously optimistic on our performance for the year ahead.

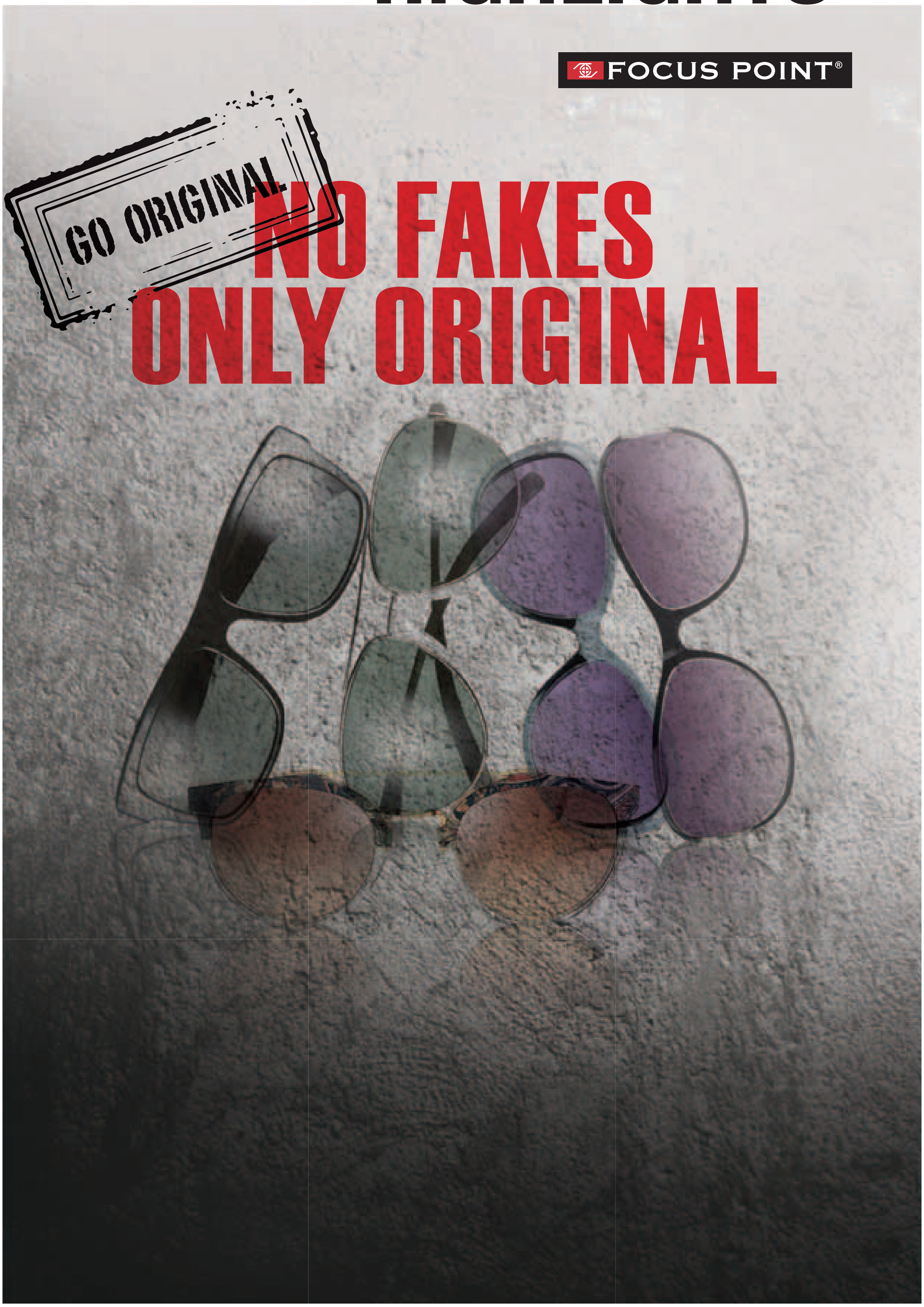
Acknowledgement

The Focus Point team has worked tirelessly to bring the Group to its current market leader position. I would like to thank the management team and operational staff at our outlets for their contributions and dedication.

On behalf of the Board of Directors, I would also like to take this opportunity to thank all our customers, business partners and associates who have in one way or another contributed to the success of the Group.

Dato' Liaw Choon Liang
President / Chief Executive Officer

CORPORATE HIGHLIGHTS



CORPORATE HIGHLIGHTS
(Continued)

15 April 2014
SPECS & THE CITY

Fashionable sights from the catwalk of FOCUS POINT Spring/Summer 2014

Taking centre stage of the showcase were Tod's, Tom Ford, Fendi, Chopard, Bvlgari, Dolce & Gabbana, Gucci and Bottega Veneta

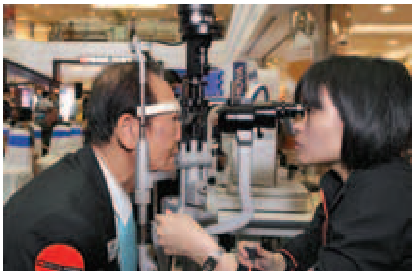
18 April 2014
LUXE AT WORK

Luxottica's fashion labels walk down the runway fashioning its Spring/Summer 2014 eyewear collection

CORPORATE HIGHLIGHTS
(Continued)

16 OCTOBER 2014
EYES OF THE WORLD

In conjunction with World Sight Day, Focus Point launched its eye health awareness campaign to call global attention to blindness and vision impairment



GIVING BACK

As an industry leader in the professional eye care industry, we always recognise our role in playing a part in the community and Corporate Social Responsibilities ("CSR"). The Group has in place a CSR program as one of its basic tenets of operations. We have always been involved with charity work, including donation of spectacles to the needy and the less privileged; campaign to encourage people to donate blood and contribution to disaster funds

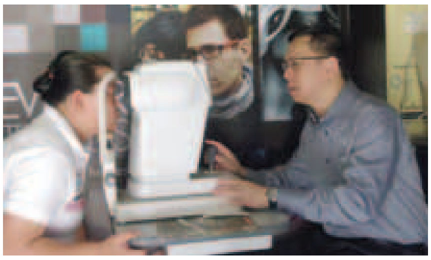
23 November 2014
SAVING GRACE

Back with its 8th annual blood donation drive, Focus Point Caring Hearts Charity Foundation marks another successful year for a humanitarian causes

CORPORATE HIGHLIGHTS
(Continued)

15 December 2014
LIFE OF LOVE

Focus Point raises its benchmark for charity work with its cooperative work with the needy at Pusat Kebajikan Warga Tuadan Pusat Jagaan Kanak Kanak Wilayah Persekutuan






16 December 2014
BEAUTY WITH HEART

Ambassador to the fashion forward brand with a strong message of peace, goodwill and friendship

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the "Board") of Focus Point Holdings Berhad (the "Company") is committed to uphold the high standard of corporate governance. The Board acknowledges the importance of corporate governance in enhancing integrity and delivering long term sustainability as well as creating economic value for its shareholders.

This statement describes the extent of how the Company has applied and complied with the principles and best practices of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012").

Board Responsibilities

The Board assumes responsibility for leading and controlling the Group towards realising long term shareholders' value. The Board has the overall responsibilities for corporate governance, strategic direction, formulation of policies and overseeing the investment and businesses of the Group, risk management, succession planning, developing and implementing investor relations and reviewing internal controls.

In carrying out its functions, the Board has delegated specific responsibilities to three (3) Board Committees, namely Audit Committee, Nomination Committee and Remuneration Committee. All Board Committees have written terms of reference and procedures and the Board receives report of their proceedings and deliberations. These Board Committees have the authority to scrutinise particular issues and report back to the Board with their recommendations. However, the ultimate responsibility for the final decisions on all matters is reserved with the entire Board.

Board Balance

Rules 15.02 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") states that at least two (2) directors or one third of the directors, whichever is higher, are Independent Non-Executive Directors. The Company has fully complied with this requirement as the Board currently has five (5) members, comprising a President/CEO, one (1) Executive Director, one (1) Non-Independent Non-Executive Director, one (1) Independent Non-Executive Director and one (1) Independent Non-Executive Chairman.

The roles of the Chairman of the Board and the President/CEO are separated and clearly defined to ensure that there is a balance of power and authority. The Board is led by Dato' Hamzah bin Mohd Salleh as Independent Non-Executive Chairman whilst the executive management of the Company is led by Dato' Liaw Choon Liang, the President/CEO.

The Independent Non-Executive Chairman leads strategic planning at the Board level whilst the President/CEO is generally responsible for the implementation of the policies laid down and making executive and investment decisions including but not limited to the following:

- Implementing the Board's decisions relating to policy matters and strategies;
- Overseeing management's performance; and
- Supplying timely, accurate and clear information to business and financials to the Board.

Independent Non-Executive Directors are of the calibre to provide an independent judgement on the issues of strategy, performance, resources allocation and standards of conducts.

The Board is of the opinion that its current composition is fairly balanced to ensure long-term interest of shareholders, employees, customers and other stakeholders are safeguarded. There is no Independent Non-Executive Director serving more than nine (9) years at the Board.

The Board has adopted the Board Charter on 16 April 2013 and shall undertake regular review of division of responsibilities of the Board and management.

Board Charter

The objectives of the Company's Board Charter are to ensure that all Board members are fully aware of their roles and responsibilities as Board members and the various regulations that may have an impact on the discharge of the Board's responsibilities. In pursuit of the principles set out in this Board Charter, the Board shall commit to employ the principles of integrity, transparency and professionalism to ensure that the principles of good corporate governance are applied in all of the Group's business dealings in respect of its shareholders and relevant stakeholders and the shareholders' investment and value and the interests of the stakeholders are safeguarded.

The succession planning for senior management positions is in the process of being formulated.

The Board Charter is subject to periodic review by the Board and a copy is available from the Company's website at www.focus-point.com.

Board Meetings and Supply of Information to the Board

The directors have full and timely access to all information pertaining to the Group's business and affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties.

Prior to the Board meetings, the agenda for every meeting together with a full set of Board papers containing information relevant to the business of the meetings are circulated to the directors for their perusal in advance before the meeting date. This is to allow the directors have sufficient time to review and consider the agenda items before the meeting and to obtain further explanations or clarifications, where necessary.

The Board normally meets at least four (4) times a year at quarterly intervals, although additional meetings may be convened when important matters need to be deliberated and decided in between the scheduled quarterly meetings.

During the financial year, there were five (5) Board meetings held. The details of attendance of each director at the Board meetings held during the financial year are set out below.

Directors	Total number of meetings attended by directors
Dato' Hamzah bin Mohd Salleh	5/5
Dato' Liaw Choon Liang	5/5
Datin Goh Poi Eong	5/5
Leow Ming Fong @ Leow Min Fong	5/5
Datuk Idris bin Hashim	3/5

During the Board meetings, the Board shall discuss and deliberate on the issues being raised of which all proceedings and resolutions from the Board meetings will be documented by the company secretaries in the minutes of the Board meetings, which are kept at the registered office.

Besides Board meetings, the Board exercises control on matters that requires the Board's approval through circulation of directors' resolutions. Similarly for circular resolutions, Board members will be provided with sufficient information for approvals.

All Board members have unhindered access to the advice and services of the company secretaries, and may seek external independent professional advice at the Company's expense, where necessary, in furtherance of their duties to make well-informed decisions. Before incurring such professional fees, the director concerned must consult with the Chairman of the Board.

The appointment of the company secretaries is based on the capability and proficiency determined by the Board. Both company secretaries are qualified, suitable and capable of carrying out the duties required as they are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).

The company secretaries are responsible for ensuring the Board meetings procedures are followed and that applicable rules and regulations are complied with. The company secretaries are also responsible for advising the Board on issue relating to corporate compliance with the relevant rules, laws, regulations affecting the Board and the Group.

Appointments to the Board

The selection of new directors is done via nominations by the major shareholders and/or holding company or recommendations from the management or existing directors prior to approval by the Board. New Board members are to be appointed by appropriate recommendation from the Nomination Committee ("NC") for the Board's consideration and decision of the full Board. The assessment on the new Board members is based on their time availability, quality and contribution that they can bring to the Board.

Newly appointed directors are expected to declare their time commitment to the Board, and if they sit in other listed corporations as a director, to notify the same to the Chairman.

The number of directorships in listed corporations held by any Board member at any one time shall comply with the ACE Market Listing Requirements of Bursa Securities.

The company secretaries shall assist to ensure all relevant procedures and compliances are fulfilled relating to the appointment of new directors.

Nomination Committee

The composition of the NC which comprises Independent Non-Executive Directors in majority is as follows:

- Leow Ming Fong @ Leow Min Fong - Chairman
- Dato' Hamzah bin Mohd Salleh - Member
- Datuk Idris bin Hashim - Member

In accomplishing its objectives, the NC shall perform the following functions:

- assess and recommend to the Board, the candidates for directorships to be filled by the shareholders or the Board. In making its recommendations, the Committee should consider the following requirements of the candidates:

    - skills, knowledge, expertise and experience;
    - professionalism;
    - integrity;
    - in the case of candidates for the position of Independent Non-Executive Directors, the Committee should also evaluate the candidate's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors; and
    - time commitment.

- consider, in making its recommendations, candidates for directorships proposed by the President/CEO and, within the bounds of practicability, by any other senior executive or any director or shareholder;

- recommend to the Board, directors to fill the seats on Board Committees;

- assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each existing individual director and thereafter, recommend its findings to the Board;

- review training programmes for the Board and ensure that all newly appointed directors undergo appropriate induction programmes and receive continuous training;

- review annually the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and thereafter, recommend its findings to the Board;

- develop the criteria for recruitment process and annual assessment of the directors, in particular Independent Non-Executive Directors;

- apply the process as determined by the Board, for assessing the effectiveness of the Board as a whole, the Committees of the Board, and for assessing the contribution of each individual director, including Independent Non-Executive Directors, as well as the President/CEO. All assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented;

- review Board's succession plans; and

- facilitate achievement of Board gender diversity policies and targets.

The Board, assisted by the NC, considers the following aspects and processes for Board nomination and election of the Group.

- identification of candidate;
- evaluation of suitability of candidate;
- meeting up with candidate;
- final deliberation by NC; and
- recommendation to the Board.

The NC meets once a year to assess contribution and performance of the Board as a whole, the Committees of the Board and each individual director including assessment on independence of the Independent Directors. The Board is satisfied with the contribution and performance of each individual director. The Independent Directors also comply with the criteria of independence based on the ACE Market Listing Requirements of Bursa Securities.

The NC also oversees the overall composition of the Board in terms of the appropriate size and skills as well as the balance between Executive Directors, Non-Executive Directors and Independent Directors, and mix of skills and other core competencies required to be deemed fit and proper to be appointed as directors in accordance with ACE Market Listing Requirements of Bursa Securities and MCCG 2012 issued by the Securities Commission through annual reviews.

The NC recognises diversity as an important part of the criteria to determine Board composition. Board diversity includes gender, ethnicity, age and expertise. The NC ensures that different perspectives are considered for Board effectiveness and strength. The NC will review the suitability and credibility of women candidates for the Board taking into consideration the appropriate skills, experience and characteristics required in the context of the needs of the Group to reach 30% women participation by year 2016. The Board diversity policy is in the process of being formulated.

Re-election of Directors

In accordance with the Company's Articles of Associations, one third of the Board, including the President/CEO, shall retire from office and be eligible for re-election at each Annual General Meeting ("AGM") and all the directors including the President/CEO shall retire from office once in every three (3) years but shall be eligible for re-election.

The directors appointed by the Board during the financial year shall be subject to retirement and re-election by shareholders in the next AGM held following their appointments.

Directors' Training

As an integral element of the process of appointing new directors, the NC ensures that there are orientation and education programmes for new Board members. The directors also receive further training from time to time, particularly on relevant new regulations and requirements.

Conferences, seminars and training programmes attended by directors during the financial year ended 31 December 2014 are set out below. The directors shall continue to attend the relevant seminars and courses annually to further enhance and update their skills and knowledge and to keep abreast with developments in the dynamic business environments.

Director	Name of conferences, seminars and training programmes	Date
Dato' Hamzah bin Mohd Salleh	Board Leadership & Value Systems – The Tone At The Top	28 February 2014
Dato' Liaw Choon Liang	Briefing session on Corporate Governance Guide : Towards Boardroom Excellence (2nd Edition) – An Update	25 March 2014
Datin Goh Poi Eong	Briefing session on Corporate Governance Guide : Towards Boardroom Excellence (2nd Edition) – An Update	25 March 2014
Leow Ming Fong @ Leow Min Fong	Risk-based Internal Auditing Training and Forensic Accounting (Tools and Techniques) for Internal Auditors	29 – 31 May 2014
Datuk Idris bin Hashim	Directors Forum (7/2014) "Talent and Human Capital : The Drivers of Growth and Creativity"	12 – 14 October 2014

Directors' Remuneration Policies and Procedures

The Remuneration Committee ("RC") reviews the remuneration of the directors annually and submits its recommendations to the Board, taking consideration their contributions throughout the year. The RC will also ensure that payments are competitive to attract and retain directors and in tandem with the Group's corporate objectives, culture and strategy. In the case of President/CEO and Executive Director, the component parts of remuneration are structured so as to link rewards to corporate and individual performance, and involve a balance between fixed and performance link elements. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular non-executive concerned.

The composition of the RC which comprises Independent Non-Executive Directors in majority is as follows:

- Leow Ming Fong @ Leow Min Fong - Chairman
- Dato' Hamzah bin Mohd Salleh - Member
- Dato' Liaw Choon Liang - Member

The functions of the RC shall:

- Establish formal and transparent Board remuneration policies and procedures; and
- Recommend to the Board, the remuneration of the Executive Directors in all its forms, drawing from outside advice as necessary and the Executive Directors shall play no part in decisions on their own remuneration.

Board Remuneration Package

- Basic salary (inclusive of statutory employer contributions to the Employees Provident Fund) for the Executive Directors is reviewed by the RC, taking into consideration the performance of the individual director and by referencing to the rates for similar positions in selected group of comparable companies.
- Fees payable to the Non-Executive Directors is based on the fixed sum as authorised by the shareholders and Board and by referencing to the level of responsibilities undertaken by the individual director and comparable industry rates.
- Bonus scheme for the Executive Directors is dependent primarily on the performance of the Group against previous year and budget, together with an assessment of each individual director's performance. Bonus payable to the Executive Directors is reviewed by the RC.
- Benefits-in-kind for the Executive Directors includes but not limited to company assigned car, driver, medical and dental coverage.

Details of Directors' Remuneration

The aggregate remuneration paid to the directors for the financial year ended 31 December 2014 is summarised as follows:

	Executive Directors RM	**Non-Executive Directors RM**
Salaries and other emoluments	3,236,690	126,000

Band of Remuneration	**Executive Directors**	**Non-Executive Directors**
Less than RM50,000	-	3
RM600,001 to RM650,000	1	-
RM2,500,001 to RM3,000,000	1	-

Effective Communications with Shareholders

The Board values and recognises the importance of keeping the shareholders and investors informed of the Group's business and corporate developments. Press release and announcements for public dissemination would serve as a platform to communicate with the shareholders and investors as and when there are significant corporate events. Bursa Securities also requires the Company to electronically publish all its announcements, including full versions of its quarterly financial results and Annual Report through Bursa Securities' website at www.bursamalaysia.com.

The Board has appointed Leow Ming Fong @ Leow Min Fong, the Chairman of Nomination Committee, as Senior Independent Non-Executive Director to whom any concerns pertaining to the Company may be conveyed to him. He can be reached via email at jimmy.leow@focus-point.com or leowjim@gmail.com or via letter stamped "Private & Confidential" at Unit 1, 3 & 5, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

Annual General Meeting

The Annual General Meeting ("AGM") represents the principal forum for dialogue and interaction with all the shareholders of the Company. At the AGM, the Board provides opportunities for shareholders to participate in the question and answer session where all directors, senior management as well as the external auditors are present to respond to the shareholders' questions during the AGM.

Recommendation 8.2 of the MCCG 2012 recommends that the Board should encourage poll voting for substantive resolutions. The Board is of the view that there was no contentious issue raised at the meeting so the Company had not conducted any poll voting.

Other than the forum at the AGM, communications between the Company and shareholders and/or investors could also be made through the Company's website at www.focus-point.com.

Audit Committee

The financial reporting, risk management framework and internal control system are reviewed by the Audit Committee, which comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

The Board reviews the term of office and the performance of each Audit Committee member at least once in every three (3) years pursuant to Rule 15.20 of the ACE Market Listing Requirements of Bursa Securities.

The Audit Committee Report including the terms of reference is set out separately on pages 31 to 34 of the Annual Report.

The internal auditor is invited to attend the Audit Committee meetings for the purpose of explaining the internal audit activities to the Audit Committee.

Financial Reporting

The Board is responsible to ensure that the accounting records are properly kept and that the financial statements are prepared in accordance with applicable approved accounting standards and the provisions of the Companies Act, 1965.

The Board, assisted by the Audit Committee, oversees the financial reporting processes as well as the quality and reliability of the financial reporting by the Group. The Audit Committee reviews and ensures accuracy and integrity of the Group's quarterly financial results and annual financial statements and that comply with applicable financial reporting standards. The Audit Committee also assists to review the appropriateness of accounting policies applied and changes to these polices.

The Statement of Directors' Responsibility for Preparing the Financial Statements is presented on page 38 of the Annual Report.

Related Party Transactions

Reviews are carried out on the nature of related party transactions within the Group to ascertain any conflict of interest situations that would raise questions of management integrity. The results of the reviews are tabled at the Audit Committee's meetings and thereafter reported to the Board.

Details of the related party transactions are disclosed in the notes to the financial statements on pages 108 to 109 of the Annual Report.

Internal Controls

The Board acknowledges its overall responsibility for maintaining sound internal control and risk management practices towards maintaining reasonable assurance for effective and efficient operations, compliance with laws and regulations, as well as adherence with internal procedures and guidelines. The Group has established internal controls to ensure its operations are effective and efficient, and to safeguard its assets and shareholders' interest.

Nevertheless, the Board is of the view that the Group's system of internal control can only provide reasonable but not absolute assurance against material misstatement, operational failures, fraud or loss.

The effectiveness of the system of internal control is reviewed at least on a quarterly basis by the Audit Committee. The review covers financial, operational and compliance controls. The internal auditor monitors compliance with policies and standards and the effectiveness of internal control structure across the Group.

The Statement on Risk Management and Internal Control presented on pages 35 to 36 of the Annual Report provides an overview on the state of internal control within the Group.

Relationship with External Auditors

Through the Audit Committee of the Board, the Company has always established and maintained a transparent and appropriate relationship with its external auditors in seeking professional advice and ensuring compliance with accounting standards in Malaysia.

The Audit Committee meets with the Group's external auditors at least twice a year to review the scope and adequacy of the audit process, the annual financial statements and their audit findings. The Audit Committee also reviews the audit fee and recommends to the Board for approval. In the review, the Audit Committee ensures that the independence and suitability of the external auditors are not compromised.

The Audit Committee reviews and assesses suitability and independence of external auditors annually. The external auditors have also confirmed their independence throughout the conduct of the audit engagement in accordance with relevant professional and regulatory requirements to the Board. The Group has yet to establish policies and procedures in governing circumstances for contracts of non-audit services to be entered with external auditors.

Corporate Disclosure Policies and Procedures

Along with good corporate governance practices, the Company is committed to provide stakeholders with comprehensive, accurate and quality material information on a timely and even basis. In line with this commitment and in order to enhance transparency and accountability, the Board has established Corporate Disclosure Policies and Procedures ("CDPP") to facilitate the handling and disclosure of material information in a timely and accurate manner. The CDPP aims to ensure the Company's compliance with the disclosure requirements are set out in the ACE Market Listing Requirements of Bursa Securities and other applicable laws.

The CDPP is based on the following principles:

- Transparency and accountability;
- Compliance with disclosure requirements; and
- Prompt and timely disclosure.

The Chief Financial Officer has been appointed by the Board to be the designated person to ensure compliance with the CDPP.

Code of Conduct and Ethics ("CCE") for Directors

The Board is committed to adhere to the company directors' Code of Ethics established by the Companies Commission of Malaysia. With reference to the above, the Board has established a CCE for directors and senior management on 16 April 2013 with the objective to ensure high standards of business conduct and ethical behaviour which the directors and senior management should possess in discharging their duties and responsibilities, and to enhance their high standards of personal integrity and professionalism. The CCE is based on the following principles:

- Observation of the Board Charter;
- Duty to act in the best interest of the Company;
- Honesty and integrity;
- No conflict of interests;
- Compliance with legal and regulatory requirements; and
- Building good relationship with stakeholders.

The CCE for Directors and senior management in respect of their behaviour was adopted by the Company on 16 April 2013 and shall be reviewed by the Board annually. This CCE is available from the Company's website at www.focus-point.com.

The Board is in the process of developing a fraud and whistle blowing policy where directors or employees are able to report violations of laws, rules and regulations or the Company's CCE and potential ethic violations or non-compliance to appropriate personnel.

The Board will ensure implementation of internal systems to support, promote and ensure compliance with the code of conduct ("Code") and will undertake periodic review of the Code.

AUDIT COMMITTEE REPORT

Members of the Audit Committee

The members of the Audit Committee (the "Committee") are:

Designation	Name	Directorship
Chairman	Leow Ming Fong @ Leow Min Fong	Independent Non-Executive Director
Member	Dato' Hamzah bin Mohd Salleh	Independent Non-Executive Director
Member	Datuk Idris bin Hashim	Non-Independent Non-Executive Director

Mr Leow Ming Fong @ Leow Min Fong is a Fellow of Institute of Chartered Accountants in England and Wales as well as a member of the Malaysian Institute of Certified Public Accountants, the Malaysian Institute of Accountants and the Malaysian Institute of Management.

Summary of the Terms and Reference of the Audit Committee

Objectives

The Committee was established to act as the Committee of the Board of Directors (the "Board") to fulfil its fiduciary responsibilities. The duties and authorities of the Committee shall be extended to Focus Point Holdings Berhad (the "Company") and its subsidiaries (the "Group").

Duties of the Committee

The Committee shall perform the followings and report the same to the Board:

- To consider the appointment of external auditors and audit fee;
- To discuss with external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one(1) audit firm is involved;
- To review external auditors' audit plan, evaluation of system of internal control and audit report;
- To establish policies and procedures to assess the suitability and independence of external auditors;
- To review and monitor suitability and independence of external auditors;
- To establish policies and procedures in governing circumstances for contracts of non-audit services to be entered with external auditors;
- To obtain written assurance from external auditors confirming their independence throughout the conduct of the audit engagement in accordance with relevant professional and regulatory requirements;
- To review any letter of resignation from external auditors of the Company;
- To review whether there is reason (supported by grounds) to believe that the Company's external auditors is not suitable for re-appointment;
- To review quarterly announcements of unaudited financial results and year-end financial statements before approval by the Board, focusing particularly on:
    - Any change in accounting policies or practices and implementation thereof;
    - Significant adjustment arising from the audit;
    - Significant or unusual event;
    - Going concern assumption; and
    - Compliance with accounting standards and other legal requirements.

- To ensure reliability of the financial statements and its compliance with applicable financial reporting standards;
- To discuss problems and reservations arising from the audit, and any matter external auditors may wish to discuss (in the absence of management where necessary);
- To review external auditors' management letter and management's response;
- To review assistance given by the employees of the Company and the Group to external auditors;
- To perform the following in relation to the internal audit function:

  - Review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
  - Review the internal audit programme and results of the internal audit programme, processes or investigation undertaken and, where necessary, ensure that appropriate actions are taken as recommended by the internal audit function;
  - Review any appraisal or assessment of the performance of members of the internal audit function;
  - Approve any appointment or termination of senior staff members of the internal audit function (in the case where the Company has established its own internal audit department);
  - Take cognisance of resignation of internal audit staff and provide the resigning staff member an opportunity to submit his/her reasons for resigning (in the case where the Company has established its own internal audit department); and
  - Ensure the internal audit function is independent of the activities it audits and the internal audit function reports directly to the Committee.

- To consider any related-party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- To consider major findings of internal investigations and management's response;
- To report promptly to Bursa Malaysia Securities Berhad on any matter the Committee had reported to the Board, which has not been satisfactorily resolved and/or has resulted in a breach of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad;
- To review and verify the allocation of options under the Company's employee share scheme (comprising share issuance scheme and share grant scheme) ("ESS") for employees to ensure consistent compliance with the criteria as set out in the scheme by the ESS Committee; and
- To consider other topics as defined by the Board.

Authorities of the Committee

For the performance of its duties, the Committee shall:

- have authority to investigate any matter within its terms of reference;
- have the resources which are required to perform its duties;
- have full and unrestricted access to any information pertaining to the Company and the Group;
- have direct communication channels with external auditors and the persons carrying out the internal audit function or activity;
- be able to obtain external/independent professional or other advice at a cost to be approved by the Board and to invite outsiders with relevant experience to attend, if necessary; and
- be able to convene meetings with external auditors, internal auditors or both, excluding the attendance of other directors and employees of the Company whenever deemed necessary.

AUDIT COMMITTEE REPORT
(Continued)

Meetings of the Committee

During the financial year, five (5) Audit Committee meetings were held and the details of attendance at the meetings are as follows:

Name	Total meetings attended by directors	Percentage of attendance (%)
Leow Ming Fong @ Leow Min Fong	5/5	100
Dato' Hamzah bin Mohd Salleh	5/5	100
Datuk Idris bin Hashim	3/5	60

Summary of Activities of the Committee

During the financial year, the Committee met at scheduled times, with due notices of meetings issued, and with agendas planned and itemised so that issues raised in respect of the financial statements and any audit related matters were deliberated and discussed in a focused and detailed manner.

The main activities undertaken by the Committee during the financial year were as follows:

- Reviewed external auditors' scope of work and audit plan of the Group and the Company. Prior to the audit, representatives from external auditors presented their audit strategy and plan to the Committee at the Committee meeting;

- Reviewed, with external auditors, results of the audit and the audit report of the Group and the Company for recommendation to the Board for approval;

- Reviewed internal audit reports, which highlighted internal audit findings, recommendations and management's response. Discussed with management, actions taken to improve the system of internal control based on improvement opportunities identified in internal audit reports;

- Reviewed quarterly announcements of unaudited financial results and year-end financial statements of the Group and the Company before submission to the Board for approval, focusing particularly on:-

  - Any changes in accounting policies and practices;
  - Significant adjustment arising from the audit;
  - Going-concern assumption; and
  - Compliance with applicable accounting standards and other legal requirements.

- Reviewed the Annual Report which includes the Audited Financial Statements of the Group and the Company prior to the submission to the Board for their consideration and approval so to ensure that the Audited Financial Statements were drawn up in accordance with the provisions of the Companies Act, 1965 and applicable accounting standards. Any significant issues arising from the audit of the financial statements by external auditors were deliberated upon;

- Reviewed related party transactions entered into by the Company and the Group to ensure that such transactions were undertaken in line with the Group's normal commercial terms and the internal control procedures with regards to such transactions are sufficient; and

- Assessed the suitability and independence of external auditors including the adequacy of their resources, experience of the firm and staff assigned, level of non-audit fees and rotation of partner.

Summary of Activities of the Internal Audit Function

In discharging its duties, the Committee is supported by an internal audit function which is outsourced to an independent internal audit service company ("Internal Auditor") who undertakes the necessary activities to enable the Committee to discharge its functions effectively. The Internal Auditor reports directly to the Audit Committee. The Internal Auditor is independent of the activities audited by external auditors. The Committee regards the internal audit function as essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal control within the Company and the Group.

During the financial year, the Internal Auditor carried out, inter alia, the following activities:

- Formulated and agreed with the Committee on the audit plan, strategy and scope of work;
- Reviewed compliance with internal policies, procedures and standards, relevant external rules and regulations, as well as assessed the adequacy and effectiveness of the Group's internal control system;
- Analysed and assessed certain key business processes, reported findings, and made recommendations to improve their effectiveness and efficiency;
- Attended Audit Committee meeting to table and discuss the audit report;
- Performed internal audit reviews on compliance audit department, franchise business development department, production management system and management information system; and
- Conducted follow up reviews on inventory management system and inventory procurement management system.

The cost incurred by the Group for the internal audit function during the financial year ended 31 December 2014 was amounted to RM65,384.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (the "Board") is committed to maintain a sound risk management framework and internal control system and is pleased to provide the following statement which outlines the nature and scope of risk management framework and internal control of the Group during the financial year.

Board Responsibility

The Board affirms its overall responsibility for maintaining sound risk management practices and internal control system towards maintaining good corporate governance. This includes reviewing the adequacy, effectiveness and integrity of these systems throughout the Group. However, the Board recognises that reviewing the effectiveness of the Group's system of internal control is a concerted and continuous process, designed to manage rather than to eliminate the risk of failure to achieve business objectives. Accordingly, the Board is of the view that the Group's system of internal control can only provide reasonable but not absolute assurance against material misstatement, operational failure, fraud or loss.

Risk Management Framework

Following the publication of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, the Board affirms that there is a systematic and continuous process to identify and manage significant risks of the Group. Key risks relating to the Group's operations and strategic mission are addressed, evaluated and subsequently tabled and endorsed by the Board.

The key features of the risk management framework are as follows:-

- Adoption of the Enterprise Risk Management Manual which outlines the risk management framework for the Group and offers practical guidance on risk management issues.

- Updates on Corporate Risk Scorecards by the heads of business divisions. The database of all risks and controls in a form of risk scorecard is subject to periodical reviews.

The Board is also assisted by the management in the implementation of identifying, assessing and managing the risks faced, and in the design and evaluation of relevant internal controls to mitigate and control these risks. The Board is satisfied that the system of internal control was generally satisfactory. The Chief Executive Officer and Chief Financial Officer have also given assurance to the Board on the adequacy and effectiveness of the Group's risk management and internal control system.

Internal Audit Function

The internal audit function is in place to assist the Audit Committee to discharge its functions effectively. The in-house internal auditors and outsourced internal auditors (collectively known as the "internal audit teams") monitor compliance with policies and procedures and the effectiveness of the internal control system and highlight significant findings in respect of any non-compliance. The outsourced internal auditors report directly to the Audit Committee. Audits are carried out by the internal audit teams on head office, branches and franchisees, the frequency of which is determined by the level of risk assessed. The finding of the internal audit from the internal audit teams are tabled at the Audit Committee meetings for deliberation and appropriate corrective action plan will be communicated to the auditees. Follow-up audit will also be carried out to ensure that management has implemented improvement process as recommended in the internal audit report. The annual audit plan is reviewed and approved by the Audit Committee. A statement of the internal audit function is set out in the Audit Committee Report on page 34.

Key Processes of Internal Control

The key processes that the Board has established in reviewing the adequacy, effectiveness, and integrity of the system of internal control, are as follows:

- The Group has an organisational structure in place that is aligned to business and operational requirements, with defined level of responsibility, lines of accountability and delegated authority with appropriate reporting procedures.

- There is active involvement by the President/Chief Executive Officer in the day-to-day business operations of the Group including periodical visit to the operating units and monthly dialogue with senior management. Scheduled operational and management meetings are held monthly to identify, discuss and resolve business and operational issues as well as significant risks faced. Significant matters identified during these meetings are highlighted to the Board on a timely basis.

- The Board is committed to identify business and other risks that are inherent in the environment in which the Group operates and to ensure the implementation of appropriate control mechanism to manage these risks. In assisting it to discharge its duties and responsibilities, the Board through the Audit Committee, senior management and the internal audit function, will carry out quarterly review of the adequacy and the integrity of the Group's internal control system and management information system, including system for compliance with applicable laws, regulations, rules, directives and guidelines.

The statement on risk management and internal control is made in accordance with the resolution of the Board dated 20 April 2015.

OTHER DISCLOSURE **INFORMATION**

1. **Non-audit fees**

   The non-audit fees incurred for services rendered to the Group by the external auditors during the financial year was RM200,414.

2. **Share buy-back**

   There was no share buy-back by the Company of its own shares during the financial year.

3. **Sanctions and/or penalties**

   There were no sanctions and/or penalties imposed on the Company or its subsidiaries, directors or management by relevant regulatory bodies/authorities during the financial year.

4. **Options or convertible securities**

   There were no options or convertible securities issued during the financial year.

5. **Depository Receipt Programme**

   The Company did not sponsor any Depository Receipt Programme during the financial year.

6. **Material contracts**

   There were no material contracts entered into by the Company and/or its subsidiaries involving directors and major shareholders of the Company either subsisting at the end of the financial year or entered into since the end of the previous financial year.

7. **Variance in results**

   There was no significant variance of 10% between the results for the financial year and the unaudited results previously announced.

   There were no profit forecasts or projections issued by the Group during the financial year.

8. **Profit guarantee**

   The Company did not give any profit guarantee during the financial year.

9. **Recurrent related party transactions**

   At the forthcoming Annual General Meeting to be held on 26 May 2015, the Company intends to seek shareholders' mandate in respect of recurrent related party transactions of revenue or trading nature. The details of the general mandate to be sought are set out in the Circular to Shareholders dated 30 April 2015 attached together with the 2014 Annual Report.

STATEMENT OF DIRECTORS' RESPONSIBILITY
FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") to prepare the financial statements for each financial year and give a true and fair view of the financial position of the Group and of the Company and their financial performance and cash flows for the financial year.

In preparing the above financial statements, the Directors have carried out their responsibilities by:

- selecting suitable accounting policies and applied them consistently;
- making judgements and estimates that are prudent and reasonable; and
- ensuring that all applicable accounting standards have been complied with.

The Directors are responsible for ensuring the Company keeps its accounting records which discloses with reasonable accuracy the financial position of the Group and the Company and to ensure that the financial statements comply with the Companies Act, 1965, Listing Requirements and applicable approved accounting standards. The Directors have overall responsibilities for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

FINANCIAL STATEMENTS

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 year ended 31 December 2014.

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 year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	1,103	5,534
Attributable to:		
Owners of the parent	1,167	5,534
Non-controlling interests	(64)	-
	1,103	5,534

DIVIDENDS

Dividends paid, proposed or declared since the end of the previous financial year were as follows:

	Company RM'000
In respect of financial year ended 31 December 2013:	
Second interim single tier tax exempt dividend of 1.0 sen per ordinary share, declared on 25 February 2014 and paid on 30 April 2014	1,650
In respect of financial year ended 31 December 2014:	
First interim single tier tax exempt dividend of 1.0 sen per ordinary share, declared on 28 August 2014 and paid on 21 November 2014	1,650
	3,300

The Directors do not recommend any payment of final dividend in respect of the current financial year.

DIRECTORS' REPORT
(Continued)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

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

Dato' Hamzah bin Mohd Salleh
Dato' Liaw Choon Liang
Datin Goh Poi Eong
Leow Ming Fong @ Leow Min Fong
Datuk Idris bin Hashim

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 2014 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia were as follows:

	← Number of ordinary shares of RM0.20 each →			
	Balance as at 1.1.2014	**Bought**	**Sold**	**Balance as at 31.12.2014**
Shares in the Company				
<u>Direct interests:</u>				
Dato' Liaw Choon Liang	75,843,001	-	-	75,843,001
Datin Goh Poi Eong	22,464,699	-	-	22,464,699
Leow Ming Fong @ Leow Min Fong	500,000	-	-	500,000

Dato' Liaw Choon Liang is the spouse of Datin Goh Poi Eong. By virtue of their relationship, they are also deemed to have interests in shares held by each other, both direct and indirect.

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.

DIRECTORS' INTERESTS (continued)

The interests and deemed interests in the ordinary shares of the non-wholly owned subsidiaries, held by Dato' Liaw Choon Liang and Datin Goh Poi Eong at year end were as follows:

	← Number of ordinary shares of RM1.00 each →			
	Balance as at 1.1.2014	**Bought**	**Sold**	**Balance as at 31.12.2014**
Subsidiaries				
- Truesight Eyewear Optical Sdn. Bhd.				
Indirect interests:				
Dato' Liaw Choon Liang	120,000	-	-	120,000
Datin Goh Poi Eong	120,000	-	-	120,000
- Care Point Optical Sdn. Bhd.				
Indirect interests:				
Dato' Liaw Choon Liang	9	1	-	10
Datin Goh Poi Eong	9	1	-	10
- Original Reward Sdn. Bhd.				
Indirect interests:				
Dato' Liaw Choon Liang	51,000	-	-	51,000
Datin Goh Poi Eong	51,000	-	-	51,000

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the 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 certain Directors of the Company have substantial financial interests as disclosed in Note 34 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 the 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 profit or loss and other comprehensive income and statements of financial position 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 year have not been substantially affected by any item, transaction or event of a material and unusual nature except for:

(i) inventories written down of RM463,000 of the Group as disclosed in Note 28 to the financial statements;

(ii) inventories written off of RM454,000 of the Group as disclosed in Note 28 to the financial statements;

(iii) impairment loss on property, plant and equipment of RM542,000 of the Group as disclosed in Note 28 to the financial statements;

(iv) property, plant and equipment written off of RM1,082,000 of the Group as disclosed in Note 28 to the financial statements; and

(v) gain on disposal of property, plant and equipment of RM220,000 of the Group as disclosed in Note 28 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

(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 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 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.

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

(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 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 year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the 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

Significant events during the financial year are disclosed in Note 38 to the financial statements.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant event subsequent to the end of the reporting period is disclosed in Note 39 to the financial statements.

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' Hamzah bin Mohd Salleh
Director

....
Dato' Liaw Choon Liang
Director

Petaling Jaya
20 April 2015

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 48 to 121 have been drawn up in accordance with Malaysian Financial Reporting Standards, International 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 position of the Group and of the Company as at 31 December 2014 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In the opinion of the Directors, the information set out in Note 40 to the financial statements on page 122 has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

On behalf of the Board,

………………………………………………

Dato' Hamzah bin Mohd Salleh
Director

………………………………………………

Dato' Liaw Choon Liang
Director

Petaling Jaya
20 April 2015

STATUTORY DECLARATION

I, Chua Tian Pang, 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 48 to 122 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 2015

Chua Tian Pang

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 statements of financial position as at 31 December 2014 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 48 to 121.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is 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 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 give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 accounts 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 accounts 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 40 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

Chan Wai Leng
2893/08/15 (J)
Chartered Accountant

Kuala Lumpur
20 April 2015

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2014

		Group		Company	
	Note	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	37,848	35,605	-	-
Investments in subsidiaries	8	-	-	42,121	42,107
Investments in associates	9	590	417	-	-
Deferred tax assets	10	260	297	-	-
Trade and other receivables	11	305	442	-	-
		39,003	36,761	42,121	42,107
Current assets					
Inventories	12	37,367	33,606	-	-
Trade and other receivables	11	21,564	22,933	864	818
Current tax assets		103	46	5	33
Cash and bank balances	13	11,670	14,123	236	163
		70,704	70,708	1,105	1,014
TOTAL ASSETS		109,707	107,469	43,226	43,121
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	14	33,000	33,000	33,000	33,000
Reserves	15	19,752	21,946	9,594	7,360
		52,752	54,946	42,594	40,360
Non-controlling interests		1	34	-	-
TOTAL EQUITY		52,753	54,980	42,594	40,360

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2014 (Continued)

		Group		Company	
	Note	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	10	1,292	1,397	-	-
Borrowings	16	6,283	5,085	-	-
Deferred income	22	1,323	854	-	-
		8,898	7,336	-	-
Current liabilities					
Trade and other payables	21	26,184	22,062	632	2,761
Deferred income	22	565	450	-	-
Borrowings	16	20,862	21,582	-	-
Current tax liabilities		445	1,059	-	-
		48,056	45,153	632	2,761
TOTAL LIABILITIES		56,954	52,489	632	2,761
TOTAL EQUITY AND LIABILITIES		109,707	107,469	43,226	43,121

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 December 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	25	153,491	147,451	5,950	3,000
Cost of sales	26	(67,445)	(64,835)	-	-
Gross profit		86,046	82,616	5,950	3,000
Other operating income		5,210	4,741	7	5
Selling and distribution costs		(31,450)	(29,082)	-	-
Administrative expenses		(54,353)	(48,629)	(421)	(532)
Finance costs	27	(1,645)	(1,503)	-	-
Share of profits in associates, net of tax		296	217	-	-
Profit before tax	28	4,104	8,360	5,536	2,473
Taxation	29	(3,001)	(3,659)	(2)	(18)
Profit for the financial year		1,103	4,701	5,534	2,455
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		1,103	4,701	5,534	2,455
Profit/(Loss) attributable to:					
Owners of the parent		1,167	4,771	5,534	2,455
Non-controlling interests		(64)	(70)	-	-
		1,103	4,701	5,534	2,455
Total comprehensive income/(loss) attributable to:					
Owners of the parent		1,167	4,771	5,534	2,455
Non-controlling interests		(64)	(70)	-	-
		1,103	4,701	5,534	2,455

		Group		Company	
		2014	2013	2014	2013
	Note	sen	sen	sen	sen
Earnings per ordinary share attributable to owners of the parent (sen):					
- Basic and diluted	30	0.71	2.89		
Dividend per ordinary share in respect of the financial year, single tier tax exempt (sen):					
- First interim (paid)	31	1.00	1.00	1.00	1.00
- Second interim (declared)	31	-	1.00	-	1.00
		1.00	2.00	1.00	2.00

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

Group	Note	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
Balance as at 1 January 2013		33,000	7,096	13,379	53,475	55	53,530
Profit for the financial year		-	-	4,771	4,771	(70)	4,701
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income		-	-	4,771	4,771	(70)	4,701
Transactions with owners							
Acquisition of a subsidiary	32(b)	-	-	-	-	*	*
Ordinary shares subscribed by non-controlling interest of a subsidiary		-	-	-	-	49	49
Dividends paid	31	-	-	(3,300)	(3,300)	-	(3,300)
Total transactions with owners		-	-	(3,300)	(3,300)	49	(3,251)
Balance as at 31 December 2013		33,000	7,096	14,850	54,946	34	54,980
Balance as at 1 January 2014		33,000	7,096	14,850	54,946	34	54,980
Profit for the financial year		-	-	1,167	1,167	(64)	1,103
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income		-	-	1,167	1,167	(64)	1,103
Transactions with owners							
Acquisition of additional interest from a non-controlling interest	32(a)	-	-	(61)	(61)	31	(30)
Dividends paid	31	-	-	(3,300)	(3,300)	-	(3,300)
Total transactions with owners		-	-	(3,361)	(3,361)	31	(3,330)
Balance as at 31 December 2014		33,000	7,096	12,656	52,752	1	52,753

* *Represents RM1*

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

STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 December 2014

Company	Note	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2013		33,000	7,096	1,109	41,205
Profit for the financial year		-	-	2,455	2,455
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	2,455	2,455
Transactions with owners					
Dividends paid	31	-	-	(3,300)	(3,300)
Total transactions with owners		-	-	(3,300)	(3,300)
Balance as at 31 December 2013		33,000	7,096	264	40,360
Balance as at 1 January 2014		33,000	7,096	264	40,360
Profit for the financial year		-	-	5,534	5,534
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	5,534	5,534
Transactions with owners					
Dividends paid	31	-	-	(3,300)	(3,300)
Total transactions with owners		-	-	(3,300)	(3,300)
Balance as at 31 December 2014		33,000	7,096	2,498	42,594

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

STATEMENTS OF CASH FLOWS
for the financial year ended 31 December 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		4,104	8,360	5,536	2,473
Adjustments for:					
Bad debts written off		4	*	-	-
Depreciation of property, plant and equipment	7	6,565	6,091	-	-
Dividend income from subsidiaries		-	-	(5,950)	(3,000)
Gain on disposal of property, plant and equipment		(220)	(46)	-	-
Impairment losses on:					
- deposits paid		67	200	-	-
- investments in associates	9	-	25	-	-
- investments in a subsidiary	8	-	-	86	-
- property, plant and equipment	7	542	-	-	-
- trade and other receivables	11	54	54	-	-
Interest expense					
- hire-purchase		477	385	-	-
- term loans		215	147	-	-
- bankers' acceptances		548	539	-	-
- bank overdrafts		256	254	-	-
- others		149	178	-	-
Interest income					
- fixed deposits		(197)	(293)	(7)	(5)
- others		(136)	(178)	-	-
Inventories written down	12	463	567	-	-
Reversal of inventories previously written down	12	-	(536)	-	-
Inventories written off	12	454	424	-	-
Loss on disposal of property, plant and equipment		4	108	-	-
Property, plant and equipment written off	7	1,082	413	-	-
Share of profit in associates		(296)	(217)	-	-
Operating profit/(loss) before changes in working capital		14,135	16,475	(335)	(532)

* *Represents RM300*

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

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2014 (Continued)

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Operating profit/(loss) before changes in working capital		14,135	16,475	(335)	(532)
Changes in working capital:					
Inventories		(4,679)	(1,908)	-	-
Trade and other receivables		1,383	(4,409)	-	-
Trade and other payables		4,121	1,629	1	(5)
Deferred income		584	(153)	-	-
Cash generated from/(used in) operations		15,544	11,634	(334)	(537)
Tax paid		(3,786)	(3,362)	(7)	(11)
Tax refunded		46	110	33	28
Net cash from/(used in) operating activities		11,804	8,382	(308)	(520)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of:					
- additional interest in a subsidiary		(30)	-	-	-
- subsidiary for cash, net of cash acquired	8(b)	-	-	**	-
Advances (to)/from a subsidiary		-	-	(2,176)	769
Dividends received from an associate		123	210	-	-
Dividends received from subsidiaries		-	-	5,950	3,000
Increase in share capital in a subsidiary	8(a)	-	-	(100)	-
Interest received		197	293	7	5
Proceeds from disposal of property, plant and equipment		345	326	-	-
Purchase of property, plant and equipment	7(b)	(4,298)	(6,730)	-	-
Fixed deposits uplifted from/(placed with) a licensed bank with original maturity of more than three (3) months	13	1,804	(1,804)	-	-
(Placement)/Uplift of fixed deposits pledged to licensed banks	13	(161)	1,647	-	-
Net cash (used in)/from investing activities		(2,020)	(6,058)	3,681	3,774

** *Represents RM2*

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

STATEMENTS OF **CASH FLOWS**

for the financial year ended 31 December 2014 (Continued)

		Group		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Net (repayment)/drawdown of bankers' acceptances		(3,598)	2,152	-	-
Dividends paid	31	(3,300)	(3,300)	(3,300)	(3,300)
Interest paid		(1,509)	(1,325)	-	-
(Repayments)/Drawdown of term loans		(13)	672	-	-
Ordinary shares subscribed by non-controlling interests of a subsidiary		-	49	-	-
Net repayments of hire-purchase liabilities		(3,694)	(3,121)	-	-
Net cash used in financing activities		(12,114)	(4,873)	(3,300)	(3,300)
Net (decrease)/increase in cash and cash equivalents		(2,330)	(2,549)	73	(46)
Cash and cash equivalents at the beginning of the financial year		1,750	4,299	163	209
Cash and cash equivalents at the end of the financial year	13	(580)	1,750	236	163

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

1. CORPORATE INFORMATION

Focus Point Holdings Berhad ('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, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan.

The consolidated financial statements for the financial year ended 31 December 2014 comprise the Company and its subsidiaries and the Group's interests in associates. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company. 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 2015.

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 year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company set out on pages 48 to 121 have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the provisions of the Companies Act, 1965 in Malaysia. However, Note 40 to the financial statements set out on page 122 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.

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 these financial statements in conformity with MFRSs and IFRSs 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) Power over the investee;

(b) Exposure, or rights, to variable returns from its involvement with the investee; and

(c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee;

(b) Rights arising from other contractual agreements; and

(c) The voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions are also eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the other entities in the Group.

Non-controlling interests represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of consolidation (continued)

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(a) The aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(b) The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in associate or joint venture.

4.3 Business combinations

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;

(b) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and

(c) assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

(a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

(b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of MFRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with MFRS 139. All other subsequent changes are recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Business combinations (continued)

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at fair value, or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 4.7 to the financial statements. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

4.4 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 future economic benefits associated with the subsequent costs would flow to the Group and the cost of the asset could 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 a different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Property, plant and equipment and depreciation (continued)

Depreciation is calculated to write off the cost 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	33.3%
Buildings	2%
Furniture and fittings	12.5%
Hearing equipment	10%
Lab tools and equipment	10%
Motor vehicles	10% - 20%
Office equipment	20%
Optical equipment	10%
Renovation and electrical installations	14.3%
Signboards	20%
Restaurant equipment	10%
Bakery equipment	10%

Freehold land has an unlimited useful life and is not depreciated. Construction work-in-progress represents equipments under installation and renovation-in-progress and is stated at cost. Construction work-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 4.8 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period 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.

4.5 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 the 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 incremental borrowing rate of the Group is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between 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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Leases and hire-purchase (continued)

(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.

4.6 Investments

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost less impairment losses, if any. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with MFRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss 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 arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is neither control nor joint control over those policies.

In the separate financial statements of the Company, an investment in associate is stated at cost less impairment losses.

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 share of net assets of the investments of the Group.

The interest in an 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 net investment in the associate of the Group.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Investments (continued)

(b) Associates (continued)

The share of the profit or loss of the associate by the Group during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount could also be necessary for changes in the proportionate interest of the Group 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 share of those changes by the Group 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 interest of the Group in the associate to the extent that there is no impairment.

When the share of losses of the Group 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 the 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.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the interest of the Group in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

4.7 Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

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 could be impaired. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Goodwill (continued)

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

4.8 Impairment of non-financial assets

The carrying amounts 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 has an indefinite useful life is tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill 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.

Goodwill acquired in a business combination shall 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 MFRS 8 *Operating Segments*.

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 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.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss on 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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the following method:

Cost of optical and related products and hearing aids and related accessories are determined using the weighted average cost method while cost of food and beverages and operation consumables are determined using the first-in, first-out method.

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.

4.10 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 statements 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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

(a) Financial assets

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement:

(i) 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 are 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.

(ii) Held-to-maturity investments

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.

(iii) 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 loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

(a) Financial assets (continued)

(iv) 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 bank balances include cash and cash equivalents, bank overdrafts, fixed deposits pledged to financial institutions, 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 an insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and fixed deposits pledged to financial institutions.

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. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) 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 (2) categories after initial recognition for the purpose of subsequent measurement:

(i) 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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

(b) Financial liabilities (continued)

(ii) 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.

Any 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.

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

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

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

(c) 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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

(c) Equity (continued)

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at the end of each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

When the Group repurchases its own shares, the shares repurchased would be accounted for using the treasury stock method.

Where the treasury stock method is applied, the shares repurchased and held as treasury shares shall be measured and carried at the cost of repurchase on initial recognition and subsequently. It shall not be revalued for subsequent changes in the fair value or market price of the shares.

The carrying amount of the treasury shares shall be offset against equity in the statement of financial position. To the extent that the carrying amount of the treasury shares exceeds the share premium account, it shall be considered as a reduction of any other reserves as may be permitted by the Bursa Malaysia Securities Berhad Listing Requirements.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the own equity instruments of the Company. If such shares are issued by resale, any difference between the sales consideration and the carrying amount is shown as a movement in equity.

4.11 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.

(a) 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.

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. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Impairment of financial assets (continued)

(b) Available-for-sale financial assets

The Group collectively considers factors such as significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market as objective evidence that available-for-sale financial assets are impaired.

If any such objective evidence exists, an amount comprising the difference between the financial asset's cost (net of any principal payment and amortisation) and current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in subsequent periods. Instead, any increase in the fair value subsequent to the impairment loss is recognised in other comprehensive income.

Impairment losses on available-for-sale debt investments are subsequently reversed to profit or loss if the increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

4.12 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or production of a qualifying 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 to profit or loss in the period in which they are incurred.

4.13 Income taxes

Income taxes include all taxes on taxable profit. Income taxes also include other taxes such as withholding taxes and real property gains taxes payable on the disposal of properties.

Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of the jurisdiction in which the Group operates and include all taxes based upon the taxable profit and real property gains taxes payable on disposal of properties.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Income taxes (continued)

(b) 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 future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a 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 profit will be available, such reductions will be reversed to the extent of the taxable profit.

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 would be recognised as income or expense and included in 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 are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

4.14 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would 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.

If the effect of the time value of money is material, the amount of a provision would 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 would be required to settle the obligation, the provision would be reversed.

Provisions for restructuring are recognised when the Group has approved a detailed formal restructuring plan, and the restructuring either has commenced or has been announced publicly.

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. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would 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 would 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 would 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 a contingent asset but discloses its existence where the 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.

4.16 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed 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 and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

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.

(b) Defined contribution plans

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

4.17 Foreign currencies

(a) 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Foreign currencies (continued)

(b) Foreign currency translations and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of the reporting period are translated into functional currency at rates of exchange ruling at that date. 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.

4.18 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 would flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the Group's activities as follows:

(a) Sale of goods

Revenue from sale of goods represents the invoiced value arising from the sale of optical related products, hearing aid solutions and related accessories and food and beverages.

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customers and where the Group retains no continuing managerial involvement over the goods, which coincides with delivery of goods and services and acceptance by customers.

(b) Services

Revenue from services represents the invoiced value arising from laser eye surgery treatment and is recognised upon performance of services.

(c) Franchise fee income

Franchise fee income is recognised on an accrual basis over the period of the respective franchise agreements, unless collectibility is in doubt, with the unrecognised portion being recorded as deferred income in the statement of financial position.

(d) Licensing fee income

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

(e) Royalty fee income

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

(f) Interest income

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18 Revenue recognition (continued)

(g) Rental income

Rental income is recognised on a straight line basis over the lease term of an ongoing lease.

(h) Dividend income

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

4.19 Operating segments

Operating segments are defined as components of the Group that:

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

(b) whose operating results are regularly reviewed by the chief operating decision maker of the Group 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 revenue.

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 percent (10%) 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 percent (10%) 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 percent (10%) 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 percent (75%) of the Group's revenue. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds, if any, would result in a restatement of prior period segment data for comparative purposes.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 Earnings per share

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

4.21 Deferred income

Deferred income represents deferred franchise fees and is recognised as revenue on a time apportionment basis over the remaining period of the respective franchise agreements in line with the services to be rendered. The portion expected to be realised not more than twelve (12) months after the end of the reporting period is classified as current. All other portions shall be classified as non-current.

4.22 Fair value measurements

The fair value of an asset or a liability, except for lease transactions is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement method assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and

(b) Restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity’s own equity instrument assumes that:

(a) a liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) an entity’s own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

5. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs

5.1 New MFRSs adopted during the financial year

The Group and Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year.

Title	Effective Date
Amendments to MFRS 10 *Consolidated Financial Statements: Investment Entities*	1 January 2014
Amendments to MFRS 12 *Disclosure of Interest in Other Entities: Investment Entities*	1 January 2014
Amendments to MFRS 127 *Separate Financial Statements (2011): Investment Entities*	1 January 2014
Amendments to MFRS 132 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
Amendments to MFRS 136 *Recoverable Amount Disclosures for Non-Financial Assets*	1 January 2014
Amendments to MFRS 139 *Novation of Derivatives and Continuation of Hedge Accounting*	1 January 2014
IC Interpretation 21 *Levies*	1 January 2014

There is no material effect upon the adoption of the above Amendments to MFRSs and IC Interpretation during the current financial year.

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2015

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ('MASB') but have not been early adopted by the Group and the Company.

Title	Effective Date
Amendments to MFRS 119 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Amendments to MFRSs *Annual Improvements 2010 – 2012 Cycle*	1 July 2014
Amendments to MFRSs *Annual Improvements 2011 – 2013 Cycle*	1 July 2014
MFRS 14 *Regulatory Deferral Accounts*	1 January 2016
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associates or Joint Venture*	1 January 2016
Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*	1 January 2016
Amendments to MFRS 127 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to MFRSs *Annual Improvements to 2012-2014 Cycle*	1 January 2016
Amendments to MFRS 101 *Disclosure Initiative*	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
MFRS 15 *Revenue from Contracts with Customers*	1 January 2017
MFRS 9 *Financial Instruments (IFRS as issued by IASB in July 2014)*	1 January 2018

The Group is in the process of assessing the impact of the adoption of these MFRSs and Amendments to MFRSs, since the effects would only be observable in future financial years.

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 significant changes in estimates during the reporting period and at the end of the reporting period.

6.2 Critical judgements made in applying accounting policies

The following are judgements made by management in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

(a) Contingent liabilities

The determination and treatment of contingent liabilities is based on the Directors' and management's view of the expected outcome of the contingencies for matters in the ordinary course of business.

(b) Contingent liabilities on corporate guarantees

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.

(c) Classification of non-current bank borrowings

Term loan agreements entered into by the Group include repayment on demand clauses at the discretion of the financial institutions. The Group believes that in the absence of a default being committed by the Group, these financial institutions are not entitled to exercise their rights to demand for repayment. Accordingly, the carrying amount of the term loans have been classified between current and non-current liabilities based on their repayment period.

(d) Contingent rental

The Group has entered into tenancy agreements for the lease of outlets, which contain contingent rental features based on predetermined revenue thresholds. The Group has determined that these contingent rental features are not embedded derivatives to be separately accounted for due to the economic characteristics and risks of these contingent rental features are closely related to the economic characteristics and risks of the underlying tenancy agreements. There are no leverage features contained within these contingent rental features.

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) Depreciation and 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 the 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.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

6.3 Key sources of estimation uncertainty (continued)

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 (continued).

(b) 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 debts, 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 would impact the carrying amount of receivables.

(c) Impairment of assets

The Group determines whether an asset is impaired by evaluating the extent to which the recoverable amount of an asset is less than its carrying amount. This evaluation is subject to factors such as market performance, economic and political situation of the country.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value in use. Value in use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to reflect its income and cash flows. Judgement has also been used to determine the discount rate for cash flows and the future growth of the business.

(d) Impairment of investments in subsidiaries and associates and amounts owing by subsidiaries and associates

The Company reviews the investments in subsidiaries and associates for impairment when there is an indication of impairment and assesses the impairment of receivables on the amounts owing by subsidiaries and associates when the receivables are long outstanding.

The recoverable amounts of the investments in subsidiaries and associates and amounts owing by subsidiaries and associates are assessed by reference to the value in use of the respective subsidiaries and associates.

The value in use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries and associates discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to reflect their income and cash flows. Judgement had also been used to determine the discount rate for the cash flows and the future growth of the businesses of the subsidiaries.

(e) Write down for obsolete or slow moving inventories

The Group writes down its obsolete or slow moving inventories based on an 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 trends 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 would impact the carrying amount of inventories.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

6.3 Key sources of estimation uncertainty (continued)

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 (continued).

(f) 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 future taxable profits would 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 could be recognised, based upon the likely timing and extent of future taxable profits together with future tax planning strategies.

(g) Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses based on interpretation of tax laws and legislations during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.

(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.

(i) Fair value measurements

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable.

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
(iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures financial instruments at fair value as disclosed in Note 36 to the financial statements.

7. PROPERTY, PLANT AND EQUIPMENT

Group 2014	Balance as at 1.1.2014 RM'000	Additions RM'000	Reclassification RM'000	Disposals RM'000	Written off RM'000	Balance as at 31.12.2014 RM'000
At cost						
Freehold land	2,522	-	-	-	-	2,522
Alarm and security system	555	112	-	(2)	(58)	607
Computers	4,970	315	-	(13)	(118)	5,154
Buildings	2,740	-	-	-	-	2,740
Furniture and fittings	11,777	4,369	-	(98)	(803)	15,245
Hearing equipment	30	-	-	-	-	30
Lab tools and equipment	2,659	-	-	-	-	2,659
Motor vehicles	4,658	688	-	(666)	-	4,680
Office equipment	1,233	73	-	-	(47)	1,259
Optical equipment	9,644	1,066	-	(46)	-	10,664
Renovation and electrical installations	11,751	2,820	-	(65)	(1,167)	13,339
Signboards	1,002	146	-	(11)	(95)	1,042
Restaurant equipment	930	156	1	-	-	1,087
Bakery equipment	7,454	816	(1)	(6)	-	8,263
	61,925	10,561	-	(907)	(2,288)	69,291

Group 2014	Balance as at 1.1.2014 RM'000	Charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Impairment loss RM'000	Balance as at 31.12.2014 RM'000
Accumulated depreciation and impairment loss						
Alarm and security system	313	79	(1)	(36)	27	382
Computers	4,048	608	(9)	(116)	-	4,531
Buildings	190	64	-	-	-	254
Furniture and fittings	4,555	1,595	(43)	(363)	-	5,744
Hearing equipment	10	3	-	-	-	13
Lab tools and equipment	1,992	101	-	-	-	2,093
Motor vehicles	3,718	367	(666)	-	-	3,419
Office equipment	705	175	-	(44)	-	836
Optical equipment	5,164	774	(18)	-	-	5,920
Renovation and electrical installations	4,231	1,783	(32)	(577)	506	5,911
Signboards	689	116	(8)	(70)	9	736
Restaurant equipment	92	106	-	-	-	198
Bakery equipment	613	794	(1)	-	-	1,406
	26,320	6,565	(778)	(1,206)	542	31,443

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Group **2013**	**Balance as at 1.1.2013 RM'000**	**Additions RM'000**	**Reclassification RM'000**	**Disposals RM'000**	**Written off RM'000**	**Balance as at 31.12.2013 RM'000**
At cost						
Freehold land	2,522	-	-	-	-	2,522
Alarm and security system	440	126	1	(5)	(7)	555
Computers	4,290	755	-	(27)	(48)	4,970
Buildings	2,740	-	-	-	-	2,740
Furniture and fittings	10,587	2,015	95	(167)	(753)	11,777
Hearing equipment	30	-	-	-	-	30
Lab tools and equipment	2,659	-	-	-	-	2,659
Motor vehicles	4,287	455	-	(84)	-	4,658
Office equipment	1,020	215	2	-	(4)	1,233
Optical equipment	8,959	742	-	(57)	-	9,644
Renovation and electrical installations	9,223	2,805	300	(137)	(440)	11,751
Signboards	903	130	13	(10)	(34)	1,002
Restaurant equipment	571	359	-	-	-	930
Bakery equipment	3,261	4,184	9	-	-	7,454
Construction work-in-progress	243	177	(420)	-	-	-
	51,735	11,963	-	(487)	(1,286)	61,925

Group **2013**	**Balance as at 1.1.2013 RM'000**	**Charge for the financial year RM'000**	**Disposals RM'000**	**Written off RM'000**	**Impairment loss RM'000**	**Balance as at 31.12.2013 RM'000**
Accumulated depreciation and impairment loss						
Alarm and security system	248	68	(2)	(1)	-	313
Computers	3,554	553	(12)	(47)	-	4,048
Buildings	126	64	-	-	-	190
Furniture and fittings	3,629	1,515	(40)	(549)	-	4,555
Hearing equipment	7	3	-	-	-	10
Lab tools and equipment	1,891	101	-	-	-	1,992
Motor vehicles	3,069	655	(6)	-	-	3,718
Office equipment	558	152	-	(5)	-	705
Optical equipment	4,460	715	(11)	-	-	5,164
Renovation and electrical installations	2,984	1,511	(25)	(239)	-	4,231
Signboards	605	119	(3)	(32)	-	689
Restaurant equipment	18	74	-	-	-	92
Bakery equipment	52	561	-	-	-	613
	21,201	6,091	(99)	(873)	-	26,320

7. PROPERTY, PLANT AND EQUIPMENT (continued)

	Group	
	2014 RM'000	2013 RM'000
Carrying amount		
Freehold land	2,522	2,522
Alarm and security system	225	242
Computers	623	922
Buildings	2,486	2,550
Furniture and fittings	9,501	7,222
Hearing equipment	17	20
Lab tools and equipment	566	667
Motor vehicles	1,261	940
Office equipment	423	528
Optical equipment	4,744	4,480
Renovation and electrical installations	7,428	7,520
Signboards	306	313
Restaurant equipment	889	838
Bakery equipment	6,857	6,841
	37,848	35,605

(a) In the previous financial year, the Group revised the depreciation rates of furniture and fittings, and renovation and electrical installations with effect from 1 January 2013. The revisions were accounted for prospectively as a change in accounting estimate and as a result, the depreciation charge of the Group for the previous financial year has been increased by RM926,000.

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

	Group	
	2014 RM'000	2013 RM'000
Purchase of property, plant and equipment	10,561	11,963
Financed by hire-purchase arrangements	(6,263)	(5,233)
Cash payments on purchase of property, plant and equipment	4,298	6,730

(c) The Group has carried out a review of the recoverable amount of its property, plant and equipment during the financial year and has recognised impairment losses of RM542,000 on certain property, plant and equipment to reduce the carrying amounts of the assets to their recoverable amounts.

7. PROPERTY, PLANT AND EQUIPMENT (continued)

(d) As at 31 December 2014, the carrying amounts of property, plant and equipment of the Group acquired under hire-purchase arrangements are as follows:

	Group	
	2014 RM'000	2013 RM'000
Alarm and security system	62	21
Furniture and fittings	3,978	1,042
Lab tools and equipment	488	553
Motor vehicles	1,259	936
Office equipment	146	191
Optical equipment	215	-
Renovation and electrical installations	3,247	2,290
Signboards	145	57
Restaurant equipment	394	444
Bakery equipment	3,309	3,386
	13,243	8,920

Details of the terms and conditions of the hire-purchase arrangements are disclosed in Notes 18 and 36 to the financial statements respectively.

(e) The carrying amounts of property, plant and equipment of the Group pledged as securities for banking facilities granted to the Group (Notes 17, 20 and 24) are as follows:

	Group	
	2014 RM'000	2013 RM'000
Freehold land	2,522	2,522
Buildings	2,486	2,550
	5,008	5,072

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2014 RM'000	2013 RM'000
At cost:		
Unquoted shares	42,255	42,155
Less: Accumulated impairment losses	(134)	(48)
	42,121	42,107

8. INVESTMENTS IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Equity interest held by Company 2014 %	Company 2013 %	Subsidiary 2014 %	Subsidiary 2013 %	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	100	-	-	Operation of professional eye care centres, trading of eyewear and eye care products and investment holding
Sound Point Hearing Solution Sdn. Bhd.*	Malaysia	100	100	-	-	Trading of hearing aid solutions and related accessories
Multiple Reward Sdn. Bhd.*	Malaysia	100	100	-	-	Provision of food and beverages services
Excellent Reward Japanese Restaurants Sdn. Bhd.*	Malaysia	100	-	-	-	Dormant
Subsidiaries of Focus Point Vision Care Group Sdn. Bhd.						
Esprit Shoppe Sdn. Bhd.*	Malaysia	-	-	100	100	Ceased operations and has since remained dormant
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
Radiant Attraction Sdn. Bhd.*	Malaysia	-	-	100	100	Ceased operations and has since remained dormant
Eye-Zed Sdn. Bhd.*	Malaysia	-	-	100	100	Ceased operations and has since remained dormant
Truesight Eyewear Optical Sdn. Bhd.*	Malaysia	-	-	60	60	Retailing of optical and related products
Care Point Optical Sdn. Bhd.*	Malaysia	-	-	100	90	Retailing of optical and related products and ceased operations on 30 November 2014
Subsidiary of Multiple Reward Sdn. Bhd.						
Original Reward Sdn. Bhd.*	Malaysia	-	-	51	51	Provision of food and beverages services

* Audited by BDO

8. INVESTMENTS IN SUBSIDIARIES (continued)

(a) On 25 February 2014, the Company subscribed for an additional 100,000 ordinary shares of RM1.00 each of a wholly-owned subsidiary, Excelview Laser Eye Centre Sdn. Bhd. ('ELECSB'). The total cash consideration paid was RM100,000. Consequently, there was no change in the effective equity interest held by the Company in ELECSB.

(b) On 18 July 2014, the Company incorporated a wholly-owned subsidiary known as Excellent Reward Japanese Restaurants Sdn. Bhd. with an initial authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each and its paid up share capital is RM2 divided into 2 ordinary shares of RM1.00 each. The total cash consideration paid was RM2.

(c) On 1 July 2014, a wholly-owned subsidiary, Focus Point Vision Care Group Sdn. Bhd. ('FPVCGSB'), acquired the remaining 10% equity interest comprising one (1) ordinary share of RM1.00 each in Care Point Optical Sdn. Bhd. ('CPOSB') from the minority shareholder. The total cash consideration paid was RM30,000. Arising therefrom, CPOSB became a wholly-owned subsidiary of FPVCGSB.

(d) An impairment loss on investments in subsidiaries amounting to RM86,000 relating to a wholly-owned subsidiary, Sound Point Hearing Solution Sdn. Bhd. ('SPHSSB'), had been recognised during the financial year as the carrying amount of the investment was higher than its estimated recoverable amount. The recoverable amount was determined based on a value-in-use calculation using cash flow projections approved by the management covering a period of the five (5) financial years. The discount rate applied to the cash flow projections was 6.90% (2013: 5.90%) based on the weighted average cost of capital of the Group.

(e) In the previous financial year, a wholly-owned subsidiary, Multiple Reward Sdn. Bhd. ('MRSB') acquired 50% equity interest of Original Reward Sdn. Bhd. ('ORSB') with an initial issued and paid-up share capital of RM2 comprising 2 ordinary shares of RM1.00 each. The total cash consideration paid was RM1. Following the acquisition, MRSB subscribed for an additional 50,999 ordinary shares of RM1.00 each in ORSB for a cash consideration of RM50,999. Arising therefrom, ORSB became a 51%-owned subsidiary of MRSB.

(f) In the previous financial year, the Company subscribed for an additional 400,000 ordinary shares of RM1.00 each in MRSB which was satisfied by the capitalisation of RM400,000 of the amount owing by MRSB. Subsequently, on 31 December 2013, the Company subscribed for an additional 10,000,000 ordinary shares of RM1.00 each in MRSB which was satisfied by the capitalisation of RM10,000,000 of the amount owing by MRSB. Consequently, there was no change in the effective equity interest held by the Company in MRSB.

(g) The subsidiaries of the Group that have non-controlling interests ('NCI') are as follows:

2014	**Truesight Eyewear Optical Sdn. Bhd.**	**Original Reward Sdn. Bhd.**	**Care Point Optical Sdn. Bhd.**	**Total**
NCI percentage of ownership interest and voting interest	40%	49%	-	
Carrying amount of NCI (RM'000)	4	(3)	-	1
Loss allocated to NCI (RM'000)	(40)	(15)	(9)	(64)

8. INVESTMENTS IN SUBSIDIARIES (continued)

(g) The subsidiaries of the Group that have non-controlling interests ('NCI') are as follows (continued) :

2013	**Truesight Eyewear Optical Sdn. Bhd.**	**Original Reward Sdn. Bhd.**	**Care Point Optical Sdn. Bhd.**	**Total**
NCI percentage of ownership interest and voting interest	40%	49%	10%	
Carrying amount of NCI (RM'000)	44	11	(21)	34
Loss allocated to NCI (RM'000)	(12)	(38)	(20)	(70)

(h) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period is as follows:

2014	**Truesight Eyewear Optical Sdn. Bhd. RM'000**	**Original Reward Sdn. Bhd. RM'000**
Assets and liabilities		
Non-current assets	87	591
Current assets	387	266
Non-current liabilities	(17)	(10)
Current liabilities	(446)	(854)
Net assets/(liabilities)	11	(7)
Results		
Revenue	923	1,737
Loss for the financial year	(100)	(30)
Total comprehensive loss	(100)	(30)
Cash flows from operating activities	4	172
Cash flows used in investing activities	(14)	(147)
Net (decrease)/increase in cash and cash equivalents	(10)	25
Dividends paid to NCI	-	-

8. INVESTMENTS IN SUBSIDIARIES (continued)

(h) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period is as follows (continued):

2013	**Truesight Eyewear Optical Sdn. Bhd. RM'000**	**Original Reward Sdn. Bhd. RM'000**	**Care Point Optical Sdn. Bhd. RM'000**
Assets and liabilities			
Non-current assets	177	118	249
Current assets	355	204	380
Non-current liabilities	(28)	-	-
Current liabilities	(393)	(299)	(844)
Net assets/(liabilities)	111	23	(215)
Results			
Revenue	965	17	281
Loss for the financial year	(31)	(77)	(195)
Total comprehensive loss	(31)	(77)	(195)
Cash flows (used in)/from operating activities	(24)	(6)	101
Cash flows from/(used in) investing activities	17	81	(1)
Cash flows from/(used in) financing activities	-	98	(51)
Net (decrease)/increase in cash and cash equivalents	(7)	173	49
Dividends paid to NCI	-	-	-

(i) In one of the subsidiaries not wholly-owned by the Company, the non-controlling shareholders hold protective rights that in the event the Group intends to transfer its shares to any other third party at any point in time, the non-controlling interests shareholders are given the first right of refusal.

9. INVESTMENTS IN ASSOCIATES

	Group	
	2014 RM'000	**2013 RM'000**
Unquoted shares, at cost	107	107
Less: Accumulated impairment losses	(79)	(79)
	28	28
Share of post-acquisition reserves, net of dividends received	562	389
	590	417

9. INVESTMENTS IN ASSOCIATES (continued)

The details of the associates are as follows:

Name of company	Country of incorporation	Equity interest held by Company 2014 %	Company 2013 %	Subsidiary 2014 %	Subsidiary 2013 %	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

* Associates not audited by BDO

(a) The financial statements of the above associates are coterminous with those of the Group.

(b) The summarised financial information of the associates is as follows:

	Individually immaterial associates 2014 RM'000	Individually immaterial associates 2013 RM'000
Assets and liabilities		
Current assets	2,147	1,839
Non-current assets	2,131	2,031
Total assets	4,278	3,870
Current liabilities	1,542	1,273
Non-current liabilities	632	986
Total liabilities	2,174	2,259
Results		
Revenue	6,934	6,784
Profit for the financial year	845	620

9. INVESTMENTS IN ASSOCIATES (continued)

(c) The reconciliation of net assets of the associates to the carrying amount of the investments in associates are as follows:

	Individually immaterial associates	
	2014 RM'000	**2013 RM'000**
As at 31 December		
Share of net assets of the Group	590	417
Carrying amount in the statement of financial position	590	417
Share of results of the Group for the financial year ended 31 December		
Share of profit or loss of the Group	296	217
Share of other comprehensive income of the Group	-	-
Share of total comprehensive income of the Group	296	217
Other information		
Dividend received	123	280

10. DEFERRED TAX

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

	Group	
	2014 RM'000	**2013 RM'000**
Balance as at 1 January	1,100	920
Recognised in profit or loss (Note 29)	(68)	180
Balance as at 31 December	1,032	1,100

	Group	
	2014 RM'000	**2013 RM'000**
Presented after appropriate offsetting:		
Deferred tax assets	(260)	(297)
Deferred tax liabilities	1,292	1,397

10. DEFERRED TAX (continued)

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

Deferred tax liabilities of the Group

	Property, plant and equipment	
	2014	**2013**
	RM'000	**RM'000**
At 1 January	1,414	1,217
Recognised in profit or loss	(75)	197
At 31 December, prior to offsetting	1,339	1,414
Offsetting	(47)	(17)
At 31 December, after offsetting	1,292	1,397

Deferred tax assets of the Group

	Deferred franchise fees RM'000	Others RM'000	Total RM'000
At 1 January 2014	(286)	(28)	(314)
Recognised in profit or loss	31	(24)	7
At 31 December 2014, prior to offsetting	(255)	(52)	(307)
Offsetting	-	47	47
At 31 December 2014, after offsetting	(255)	(5)	(260)

	Deferred franchise fees RM'000	Others RM'000	Total RM'000
At 1 January 2013	(273)	(24)	(297)
Recognised in profit or loss	(13)	(4)	(17)
At 31 December 2013, prior to offsetting	(286)	(28)	(314)
Offsetting	-	17	17
At 31 December 2013, after offsetting	(286)	(11)	(297)

10. DEFERRED TAX (continued)

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

	Group	
	2014	**2013**
	RM'000	**RM'000**
Unused tax losses	2,833	1,704
Unabsorbed capital allowances	5,071	3,272
Other temporary differences	(3,546)	(3,012)
	4,358	1,964

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 would be available against which the deductible temporary differences could be utilised.

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

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-current				
Trade receivables				
Third parties	305	442	-	-
Other receivables				
Third parties	102	102	-	-
Less: Impairment losses	(102)	(102)	-	-
	-	-	-	-
	305	442	-	-
Current				
Trade receivables				
Third parties	7,222	9,198	-	-
Amount owing by an associate	184	322	-	-
	7,406	9,520	-	-
Less: Impairment losses				
- Third parties	(794)	(794)	-	-
	6,612	8,726	-	-

11. TRADE AND OTHER RECEIVABLES (continued)

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current (continued)				
Other receivables				
Third parties	2,825	3,139	-	-
Amounts owing by subsidiaries	-	-	860	814
Amounts owing by associates	8	7	-	-
	2,833	3,146	860	814
Less: Impairment losses				
- Third parties	(137)	(83)	-	-
- Associates	(4)	(4)	-	-
	2,692	3,059	860	814
Deposits	10,345	9,320	4	4
Loans and receivables	19,649	21,105	864	864
Prepayments	1,915	1,828	-	-
	21,564	22,933	864	818

(a) Trade receivables are non-interest bearing and the normal credit terms granted by the Group and the Company range from cash terms to 75 days (2013: cash terms to 75 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 initial stocks and fixed assets by the Group amounting to RM1,169,000 (2013: RM1,628,000) which are subject to interest rates ranging from Nil to 10.00% (2013: Nil to 10.00%); of which an amount of RM864,000 (2013: RM1,186,000) is current.

(c) Included in other receivables of the Group are amounts owing by franchisees for the disposal of fixed assets by the Group amounting to RM184,000 (2013: RM200,000) which are subject to interest rates ranging from Nil to 10.00% (2013: Nil to 10.00%); of which an amount of RM82,000 (2013: RM98,000) is current.

(d) Included in other receivables of the Group are amounts owing by trade suppliers for purchase rebates receivable during the financial year amounting to RM2,370,000 (2013: RM1,872,000) which are unsecured, interest-free and payable in cash and cash equivalents.

(e) Amounts owing by subsidiaries represent 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.

(f) Amounts owing by associates represent balances arising from trade transactions and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents. The trade transactions are subject to normal trade terms.

(g) Included in deposits of the Group are tenant deposits amounting to RM10,175,000 (2013: RM9,254,000), which are in respect of rental of business premises in accordance with rental agreements.

11. TRADE AND OTHER RECEIVABLES (continued)

(h) The currency exposure profile of receivables are as follows:

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
European Euro	-	165	-	-
United States Dollar	68	152	-	-
Hong Kong Dollar	-	63	-	-
Singapore Dollar	1	-	-	-
Ringgit Malaysia	19,885	21,167	864	818
	19,954	21,547	864	818

(i) The ageing analysis of trade receivables of the Group is as follows:

	Group	
	2014 RM'000	**2013 RM'000**
Neither past due nor impaired	6,136	8,276
Past due, not impaired		
76 to 105 days	301	361
106 to 135 days	48	297
136 to 165 days	116	115
More than 165 days	316	119
	781	892
Past due and impaired	794	794
	7,711	9,962

<u>Receivables that are neither past due nor impaired</u>

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

<u>Receivables that are past due but not impaired</u>

The Group has trade receivables amounting to RM781,000 (2013: RM892,000) that are past due but not impaired. Trade receivables that are past due but not impaired possess high creditworthiness and good payment records. The Group closely monitors the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

11. TRADE AND OTHER RECEIVABLES (continued)

(i) The ageing analysis of trade receivables of the Group is 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:

	Individually impaired	
	2014	**2013**
Group	**RM'000**	**RM'000**
Trade receivables, gross	794	794
Less: Impairment losses	(794)	(794)
	-	-

(j) The reconciliation of movements in the impairment losses is as follows:

	Group	
	2014	**2013**
	RM'000	**RM'000**
Trade receivables		
At 1 January	794	745
Charge for the financial year (Note 28)	-	49
At 31 December	794	794
Other receivables		
At 1 January	189	184
Charge for the financial year (Note 28)	54	5
At 31 December	243	189

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.

(k) Information of financial risks of trade and other receivables is disclosed in Note 37 to the financial statements.

12. INVENTORIES

	Group 2014 RM'000	Group 2013 RM'000
At cost		
Optical and related products	36,674	32,847
Food and beverages	663	686
Operation consumables	20	46
	37,357	33,579
At net realisable value		
Optical and related products	10	8
Hearing aids and related accessories	*	19
	10	27
	37,367	33,606

* *Represents RM34*

The amounts recognised in cost of sales during the financial year include the following:

	Group 2014 RM'000	Group 2013 RM'000
Reversal of inventories previously written down	-	(536)
Inventories written down	463	567
Inventories written off	454	424
	917	455

(a) The Group has written off inventories which amounted to RM454,000 (2013: RM424,000) and has written down slow-moving inventories to their net realisable value which amounted to RM463,000 (2013: RM567,000) during the financial year and are included in cost of sales.

(b) In the previous financial year, the Group reversed RM536,000 in respect of inventories written down in previous financial years, which were subsequently not required as the Group was able to sell those inventories above their carrying amounts.

13. CASH AND BANK BALANCES

Cash and bank balances comprise the following as at the end of the reporting period:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash and bank balances	4,360	5,750	236	163
Fixed deposits with licensed banks	7,310	8,373	-	-
As stated in statements of financial position	11,670	14,123	236	163
Less:				
Bank overdrafts included in borrowings (Note 19)	(5,520)	(4,000)	-	-
Fixed deposits placed with a licensed bank with original maturity of more than three (3) months	-	(1,804)	-	-
	6,150	8,319	236	163
Less:				
Fixed deposits pledged to licensed banks with original maturity of twelve (12) months	(6,730)	(6,569)	-	-
As stated in statements of cash flows	(580)	1,750	236	163

(a) Bank balances are deposits held at call with licensed banks.

(b) Fixed deposits with licensed banks of the Group and of the Company have maturity periods of 30 days to 365 days (2013: 365 days) with interest rates ranging from 3.00% to 3.30% (2013: 3.05% to 3.20%) per annum respectively.

(c) Included in fixed deposits with licensed banks of the Group are RM6,730,000 (2013: RM6,569,000) pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Notes 17, 19 and 20 to the financial statements.

(d) All cash and bank balances are denominated in RM.

(e) Information on financial risk of cash and bank balances is disclosed in Note 37 to the financial statements.

14. SHARE CAPITAL

	Group and Company			
	2014		2013	
	Number of ordinary shares	RM'000	Number of ordinary shares	RM'000
Ordinary shares of RM0.20 each:				
Authorised				
As at 1 January/31 December	250,000,000	50,000	250,000,000	50,000
Issued and fully paid-up				
As at 1 January/31 December	165,000,000	33,000	165,000,000	33,000

The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

15. RESERVES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-distributable:				
Share premium	7,096	7,096	7,096	7,096
Distributable:				
Retained earnings	12,656	14,850	2,498	264
	19,752	21,946	9,594	7,360

Retained earnings

The Company is under the 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.

16. BORROWINGS

	Group	
	2014 RM'000	2013 RM'000
Current liabilities		
Term loans - secured (Note 17)	1,262	1,536
Hire-purchase liabilities (Note 18)	4,174	2,542
Bank overdrafts - secured (Note 19)	5,520	4,000
Bankers' acceptances - secured (Note 20)	9,906	13,504
	20,862	21,582
Non-current liabilities		
Term loans - secured (Note 17)	1,314	1,053
Hire-purchase liabilities (Note 18)	4,969	4,032
	6,283	5,085
Total borrowings		
Term loans - secured (Note 17)	2,576	2,589
Hire-purchase liabilities (Note 18)	9,143	6,574
Bank overdrafts - secured (Note 19)	5,520	4,000
Bankers' acceptances - secured (Note 20)	9,906	13,504
	27,145	26,667

All borrowings are denominated in RM.

17. TERM LOANS

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

(i) a corporate guarantee from the Company;

(ii) a charge over the Group's freehold land and buildings as disclosed in Note 7(e) to the financial statements; and

(iii) a charge over the Group's fixed deposits of RM6,730,000 (2013: RM6,569,000) as disclosed in Note 13(c) to the financial statements.

(b) The term loans of the Group bear interest ranging from 5.25% to 8.10% (2013: 5.10% to 8.06%) per annum respectively.

(c) The term loans are repayable by equal monthly instalments ranging from 31 to 90 months.

(d) A significant covenant for the secured term loans is that the gearing ratio of a subsidiary shall not exceed 3.0 times throughout the tenure of the facilities in relation to the term loans amounting to RM263,000 (2013: RM423,000) of the subsidiary.

(e) Information on financial risks of term loans and their remaining maturities is disclosed in Note 37 to the financial statements.

18. HIRE-PURCHASE LIABILITIES

	Group	
	2014 RM'000	2013 RM'000
Minimum hire-purchase payments		
- not later than one (1) year	4,682	2,908
- later than one (1) year and not later than five (5) years	5,577	4,474
Total minimum hire-purchase payments	10,259	7,382
Less: Future interest charges	(1,116)	(808)
Present value of hire-purchase liabilities	9,143	6,574
Repayable as follows:		
Current liabilities:		
- not later than one (1) year	4,174	2,542
Non-current liabilities:		
- later than one (1) year and not later than five (5) years	4,969	4,032
	9,143	6,574

18. HIRE-PURCHASE LIABILITIES (continued)

(a) Hire-purchase facilities of the Group are secured by:

(i) a corporate guarantee from the Company; and

(ii) a charge over the Group's property, plant and equipment as disclosed in Note 7(d) to the financial statements.

(b) Hire-purchase liabilities of the Group bear interest ranging from 4.44% to 8.37% (2013: 4.44% to 8.37%) per annum.

(c) Information on financial risks of hire-purchase liabilities is disclosed in Note 37 to the financial statements.

19. BANK OVERDRAFTS

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

(i) a corporate guarantee from the Company;

(ii) a charge over the Group's fixed deposits of RM6,730,000 (2013: RM6,569,000) as disclosed in Note 13(c) to the financial statements.

(b) The bank overdrafts of the Group bear interest at 7.73% (2013: 7.60%) per annum.

(c) Significant covenant for the secured bank overdrafts is that the gearing ratio of a subsidiary shall not at any time exceed 1.5 times throughout the tenure of the credit facilities granted in relation to the bank overdrafts amounting to RM3,368,000 (2013: RM3,571,000).

20. BANKERS' ACCEPTANCES

(a) Bankers' acceptances of the Group are secured by:

(i) a corporate guarantee by the Company;

(ii) a charge over the Group's freehold land and buildings as disclosed in Note 7(e) to the financial statements; and

(iii) a charge over the Group's fixed deposits of RM6,730,000 (2013: RM6,569,000) as disclosed in Note 13(c) to the financial statements.

(b) The bankers' acceptances of the Group bear interest ranging from 4.75% to 5.40% (2013: 4.66% to 5.22%) per annum.

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade payables				
Third parties	14,362	9,489	-	-
Other payables and accruals				
Other payables				
- Third parties	2,687	3,948	-	-
- Amounts owing to associates	24	23	-	-
- Amounts owing to Directors	699	143	-	-
- Amounts owing to related parties	16	-	-	-
- Amount owing to subsidiaries	-	-	576	2,707
Deposits received	3,550	3,934	-	-
Accruals	4,846	4,525	56	54
	11,822	12,573	632	2,761
	26,184	22,062	632	2,761

(a) Trade payables are non-interest bearing and the normal credit terms granted to the Group by suppliers range from 30 to 90 days (2013: 30 to 90 days) from date of invoice.

(b) Amounts owing to associates represent balances arising from payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

(c) Amounts owing to Directors represent advances, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

(d) Amounts owing to related parties represent balances arising from non-trade transactions, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

(e) Amounts owing to subsidiaries represent advances, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

(f) Included in deposits received of the Group are tenant deposits received from franchisees amounting to RM2,477,000 (2013: RM2,609,000), which are in respect of rental of business premises in accordance with rental agreements.

(g) Included in deposits received of the Group are sinking funds amounting to RM990,000 (2013: RM953,000), which is in respect of funds received from the franchisees for the repair and maintenance of the franchise outlets.

21. TRADE AND OTHER PAYABLES (continued)

(h) The currency exposure profile of payables is as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
European Euro	1,802	1,066	-	-
United States Dollar	1,554	713	-	-
Hong Kong Dollar	41	171	-	-
Japanese Yen	26	-	-	-
Singapore Dollar	122	1,512	-	-
Ringgit Malaysia	22,639	18,600	632	2,761
	26,184	22,062	632	2,761

(i) Information of financial risks of trade and other payables is disclosed in Note 37 to the financial statements.

22. DEFERRED INCOME

	Group	
	2014 RM'000	2013 RM'000
Balance as at 1 January	1,304	1,457
Franchise fees received during the financial year	1,110	346
Recognised as income during the financial year	(526)	(499)
Balance as at 31 December	1,888	1,304

Analysed as follows:

Current liabilities:		
- not later than one (1) year	565	450
Non-current liabilities:		
- later than one (1) year and not later than five (5) years	1,323	854
	1,888	1,304

Deferred income of the Group represents franchise fees received in advance upon signing of agreements.

23. COMMITMENTS

(a) Operating lease commitments

The Group has entered into non-cancellable lease agreements for business premises, resulting in future rental commitments which may, subject to certain terms in the agreements, be revised accordingly or upon its maturity based on prevailing market rates. The Group has aggregate future minimum lease commitments as at the end of the reporting period as follows:

	Group	
	2014	**2013**
	RM'000	**RM'000**
Branches		
Not later than one (1) year	21,188	19,741
Later than one (1) year and not later than five (5) years	13,635	17,570
	34,823	37,311
Franchisees		
Not later than one (1) year	5,777	7,296
Later than one (1) year and not later than five (5) years	3,502	3,586
	9,279	10,882

Certain lease rentals are subject to contingent rental which are determined based on a percentage of sales generated from outlets.

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

(b) Capital commitments

	Group	
	2014	**2013**
	RM'000	**RM'000**
Capital expenditure in respect of purchase of property, plant and equipment:		
Contracted but not provided for	228	611
Approved but not contracted for	-	482
	228	1,093

24. CONTINGENT LIABILITIES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unsecured corporate guarantees given to licensed banks for facilities granted to subsidiaries				
- Limit of guarantee	-	-	56,464	44,366
- Amount utilised	-	-	27,145	26,667
Secured financial guarantee given to landlord for rental of premises	891	946	-	-

The secured financial guarantee of the Group is secured by way of pledge of the freehold land and buildings of the Group as disclosed in Note 7 to the financial statements.

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

25. REVENUE

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Sale of goods	147,772	141,590	-	-
Services rendered	1,690	1,792	-	-
Franchise fees income	526	499	-	-
Licensing fees income	147	177	-	-
Royalty fees income	3,356	3,393	-	-
Dividend income from subsidiaries	-	-	5,950	3,000
	153,491	147,451	5,950	3,000

26. COST OF SALES

	Group	
	2014 RM'000	2013 RM'000
Inventories sold	66,932	64,261
Services rendered	513	574
	67,445	64,835

27. FINANCE COSTS

	Group 2014 RM'000	Group 2013 RM'000
Interest expense on:		
- hire-purchase	477	385
- term loans	215	147
- bankers' acceptances	548	539
- bank overdrafts	256	254
- others	149	178
	1,645	1,503

28. PROFIT BEFORE TAX

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Profit before tax is arrived at after charging:					
Auditors' remuneration:					
- statutory audits		177	170	38	37
- other services		10	10	10	10
Bad debts written off		4	*	-	-
Depreciation of property, plant and equipment	7	6,565	6,091	-	-
Directors' remuneration:					
- fees		126	126	126	126
- emoluments other than fees		3,237	3,420	-	-
Impairment losses on:					
- deposits paid		67	200	-	-
- investment in associates	9	-	25	-	-
- investment in a subsidiary	8	-	-	86	-
- property, plant and equipment	7	542	-	-	-
- trade and other receivables	11	54	54	-	-
Interest expense on:					
- hire-purchase		477	385	-	-
- term loans		215	147	-	-
- bankers' acceptances		548	539	-	-
- bank overdrafts		256	254	-	-
- others		149	178	-	-
Inventories written down	12	463	567	-	-
Inventories written off	12	454	424	-	-
Loss on disposal of property, plant and equipment		4	108	-	-
Property, plant and equipment written off	7	1,082	413	-	-
Realised loss on foreign currency transactions		205	457	-	-
Rental of premises		24,380	21,180	-	-
And crediting:					
Gain on disposal of property, plant and equipment		220	46	-	-
Dividends received from subsidiaries (unquoted)		-	-	5,950	3,000
Interest income received from:					
- fixed deposits		197	293	7	5
- franchisees		172	171	-	-
- others		136	178	-	-
Realised gain on foreign currency transactions		198	109	-	-
Rental income		160	164	-	-
Reversal of inventories previously written down	12	-	536	-	-

* *Represents RM300*

29. TAXATION

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current tax expense based on profit for the financial year	2,918	3,571	2	1
Deferred tax (Note 10)	(86)	(53)	-	-
	2,832	3,518	2	1
Under/(Over)-provision in prior years:				
Income tax	151	(92)	-	17
Deferred tax (Note 10)	18	233	-	-
	169	141	-	17
	3,001	3,659	2	18

Malaysian income tax is calculated at the statutory tax rate of 25% (2013: 25%) of the estimated taxable profits for the fiscal year.

The numerical reconciliations between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit before tax	4,104	8,360	5,536	2,473
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	1,026	2,090	1,384	618
Tax effect in respect of:				
Non-allowable expenses	1,511	878	105	133
Non-taxable income	(304)	-	(1,487)	(750)
Unused tax losses and unabsorbed capital allowances not recognised in loss making subsidiaries	599	550	-	-
	2,832	3,518	2	1
Under/(Over)-provision in prior years:				
- income tax	151	(92)	-	17
- deferred tax	18	233	-	-
	3,001	3,659	2	18

30. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2014	**2013**
	RM'000	**RM'000**
Profit attributable to equity holders of the parent	1,167	4,771
Weighted average number of ordinary shares in issue ('000)	165,000	165,000

	2014	**2013**
	Sen	**Sen**
Basic earnings per ordinary share	0.71	2.89

(b) Diluted earnings per ordinary share

The diluted earnings per ordinary share for the current and previous financial year is equal to the basic earnings per ordinary share for the respective financial year as there were no outstanding dilutive potential ordinary shares at the end of each reporting period.

31. DIVIDENDS

	Group and Company			
	2014		**2013**	
	Gross dividend per share Sen	**Amount of dividend after tax RM'000**	**Gross dividend per share Sen**	**Amount of dividend after tax RM'000**
2012				
Final single tier tax exempt dividend	-	-	1.0	1,650
2013				
First interim single tier tax exempt dividend	-	-	1.0	1,650
Second interim single tier tax exempt dividend	1.0	1,650	-	-
2014				
First interim single tier tax exempt dividend	1.0	1,650	-	-
	2.0	3,300	2.0	3,300

31. DIVIDENDS (continued)

The interim single tier tax exempt dividend of 1.0 sen per ordinary share was in respect of the financial year ended 31 December 2012 and was declared on 26 February 2013 and paid to the shareholders on 26 April 2013.

A first interim single tier tax exempt dividend of 1.0 sen per ordinary share amounting to RM1,650,000 in respect of the financial year ended 31 December 2013 was declared on 27 August 2013 and paid to the shareholders on 31 October 2013.

A second interim single tier tax exempt dividend of 1.0 sen per ordinary share amounting to RM1,650,000 in respect of the financial year ended 31 December 2013 was declared on 25 February 2014 and paid to the shareholders on 30 April 2014.

A first interim single tier tax exempt dividend of 1.0 sen per ordinary share amounting to RM1,650,000 in respect of the financial year ended 31 December 2014 was declared on 28 August 2014 and paid to the shareholders on 21 November 2014.

The Directors do not recommend any payment of final dividend in respect of the current financial year.

32. ACQUISITION OF SUBSIDIARIES

(a) On 1 July 2014, a wholly-owned subsidiary, Focus Point Vision Care Group Sdn. Bhd. acquired the remaining 10% of the issued and paid-up ordinary share capital comprising one (1) ordinary share of RM1.00 each of Care Point Optical Sdn. Bhd. ("CPOSB"). The total cash consideration paid was RM30,000.

The fair value of the identifiable assets and liabilities of CPOSB as at the date of accretion were as follows:

	2014 RM'000
Property, plant and equipment	200
Inventories	272
Trade and other receivables	72
Cash and cash equivalents	99
Trade and other payables	(955)
Total identifiable net liabilities	(312)
Less: Fair value of 90% equity interest held previously as subsidiary	281
Total identifiable net liabilities acquired (at 10%)	(31)
Purchase consideration settled in cash	(30)
	(61)

The acquisition had no material impact to the financial statements of the Group.

32. ACQUISITION OF SUBSIDIARIES (continued)

(b) In the previous financial year, a subsidiary, Multiple Reward Sdn. Bhd. ('MRSB') acquired 50% equity interest of Original Reward Sdn. Bhd. ('ORSB') with an initial issued and paid-up share capital of RM2 comprising 2 ordinary shares of RM1.00 each. The total cash consideration paid was RM1. Following the acquisition, MRSB subscribed for an additional 50,999 ordinary shares of RM1.00 each in ORSB for a cash consideration of RM50,999. Arising therefrom, ORSB is a 51%-owned subsidiary of MRSB.

The fair value of the identifiable assets and liabilities of ORSB as at the date of incorporation are as follows:

	2013 **RM'000**
Cash/Total cost of acquisition	*

The effects of the acquisition of ORSB on cash flows are as follows:

	2013 **RM'000**
Incorporation expenses settled in cash	*
Cash and cash equivalents of subsidiary acquired	*
Net cash outflow of the Group on acquisition	-

* *Represents RM1*

ORSB has contributed the following results to the Group for the financial year from the incorporation date:

	2013 **RM'000**
Revenue	17
Loss for the financial year	(77)

33. EMPLOYEE BENEFITS

	Group		**Company**	
	2014 **RM'000**	**2013** **RM'000**	**2014** **RM'000**	**2013** **RM'000**
Wages, salaries and bonuses	33,021	29,419	126	126
Contributions to defined contribution plan	4,418	4,206	-	-
Social security contributions	394	370	-	-
Other benefits	6,152	6,431	-	-
	43,985	40,426	126	126

Included in the employee benefits of the Group and of the Company are Directors' remuneration amounting to RM3,363,000 (2013: RM3,546,000) and RM126,000 (2013: RM126,000) respectively.

34. 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 entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

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;

(iii) Companies in which certain Directors of the Company have substantial financial interest; and

(iv) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of the senior management of the Group.

(b) Significant related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the financial year:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
<u>Subsidiaries:</u>				
Dividend received	-	-	5,950	3,000
Purchases of goods	-	-	1	-
<u>Associate:</u>				
Sale of goods	1,476	1,468	-	-
Licensing fee received/receivable	139	137	-	-
Dividend received	123	280	-	-
<u>Companies in which a Director of the Company has substantial financial interests:</u>				
Purchases of ingredients	9	-	-	-
Purchases of transportation services	17	-	-	-
Rental paid/payable	347	240	-	-
Rental received/receivable	3	-	-	-
Sale of goods	2	-	-	-
<u>Shareholders of a subsidiary:</u>				
Interest expense on advances	13	-	-	-

34. RELATED PARTY DISCLOSURES (continued)

(b) Significant related party transactions (continued)

The related party transactions described above were carried out based on negotiated terms and conditions and mutually agreed with related parties. The licensing fee received/receivable from an associate was charged at 2% (2013: 2%) of monthly gross sales while other licensees of the Group were charged at 5% (2013: 5%) of monthly gross sales.

Information regarding outstanding balances arising from related party transactions as at 31 December 2014 is disclosed in Notes 11 and 21 to the financial statements.

(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 and the Company.

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

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Short term employee benefits	3,019	3,264	126	126
Contributions to defined contribution plan	344	377	-	-
	3,363	3,641	126	126

35. OPERATING SEGMENTS

Focus Point Holdings Berhad and its subsidiaries are principally engaged in the 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, provision of food and beverages services, trading of hearing aid solutions and related accessories and investment holding.

The Group has arrived at three (3) reportable segments that are organised and managed separately according to the nature of the 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

Management of franchised professional eye care centres.

(iii) Food and beverages

Provision of food and beverages services.

Other operating segments comprise investment holding, laser eye surgery treatment activities as well as retailing of hearing solutions and related accessories.

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

35. OPERATING SEGMENTS (continued)

The Group evaluates performance on the basis of profit or loss from operations before tax.

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 and previous financial years.

Segment assets exclude tax assets and segment liabilities exclude tax liabilities. Details are provided in the reconciliations from segment assets and liabilities to the Group's position.

2014	Optical related products RM'000	Franchise management RM'000	Food and beverages RM'000	Others RM'000	Total RM'000
Revenue					
Total revenue	126,860	4,105	20,986	7,654	159,605
Inter-segment revenue	(70)	(76)	(18)	(5,950)	(6,114)
Revenue from external customers	126,790	4,029	20,968	1,704	153,491
Interest income	483	6	5	11	505
Finance costs	(1,146)	-	(471)	(28)	(1,645)
Net finance (expense)/income	(663)	6	(466)	(17)	(1,140)
Depreciation	4,162	-	2,290	113	6,565
Segment profit/(loss) before income tax	**10,087**	**476**	**(6,588)**	**5,776**	**9,751**
Share of profit of associates, net of tax	296	-	-	-	296
Tax expenses					(3,001)
Other material non-cash items:					
Impairment losses on property, plant and equipment	186	-	347	9	542
Impairment losses on trade and other receivables	-	-	54	-	54
Impairment losses on deposits paid	63	-	4	-	67
Inventories written down	445	-	-	18	463
Inventories written off	454	-	-	-	454
Property, plant and equipment written off	1,014	-	66	2	1,082
Net (gain)/loss on disposal of property, plant and equipment	(217)	-	1	-	(216)
Investments in associates	590	-	-	-	590
Additions to non-current assets other than financial instruments and deferred tax assets	7,890	-	2,652	19	10,561
Segment assets	86,985	1,598	19,003	1,758	109,344
Segment liabilities	42,261	2,702	9,816	438	55,217

35. OPERATING SEGMENTS (continued)

2013	Optical related products RM'000	Franchise management RM'000	Food and beverages RM'000	Others RM'000	Total RM'000
Revenue					
Total revenue	126,756	4,149	15,114	4,806	150,825
Inter-segment revenue	(294)	(80)	-	(3,000)	(3,374)
Revenue from external customers	126,462	4,069	15,114	1,806	147,451
Interest income	595	9	31	7	642
Finance costs	(1,183)	-	(279)	(41)	(1,503)
Net finance (expense)/income	(588)	9	(248)	(34)	(861)
Depreciation	4,601	-	1,292	198	6,091
Segment profit/(loss) before income tax	**12,515**	**865**	**(4,701)**	**2,696**	**11,375**
Share of profit of associates, net of tax	217	-	-	-	217
Tax expenses					(3,659)
Other material non-cash items:					
Impairment losses on trade and other receivables	7	47	-	-	54
Impairment losses on investment in associates	25	-	-	-	25
Impairment losses on deposits paid	-	-	200	-	200
Inventories written down	548	-	-	19	567
Inventories written off	424	-	-	-	424
Reversal of inventories previously written down	(536)	-	-	-	(536)
Property, plant and equipment written off	413	-	-	-	413
Net loss on disposal of property, plant and equipment	39	-	23	-	62
Investments in associates	417	-	-	-	417
Additions to non-current assets other than financial instruments and deferred tax assets	2,955	-	9,005	3	11,963
Segment assets	84,807	1,573	19,063	1,683	107,126
Segment liabilities	36,997	2,503	9,897	636	50,033

35. OPERATING SEGMENTS (continued)

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

	2014 RM'000	2013 RM'000
Profit for the financial year		
Total profit or loss for reportable segments	9,751	11,375
Elimination of inter-segment profits	(5,647)	(3,015)
Profit before tax	4,104	8,360
Tax expense	(3,001)	(3,659)
Profit for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	1,103	4,701
Assets		
Total assets for reportable segments	109,344	107,126
Tax assets	363	343
Total assets of the Group per consolidated statement of financial position	109,707	107,469
Liabilities		
Total liabilities for reportable segments	55,217	50,033
Tax liabilities	1,737	2,456
Total liabilities of the Group per consolidated statement of financial position	56,954	52,489

Geographical information

The Group operates predominantly in Malaysia.

Major customers

There are no major customers with revenue equal or more than ten percent (10%) of the Group revenue. As such, information on major customers is not presented.

36. FINANCIAL INSTRUMENTS

(a) Capital management

The primary 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 overall strategy of the Group remains unchanged from the financial year ended 31 December 2013.

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. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2014 and 31 December 2013.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital represents equity attributable to the owners of the parent.

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Loans and borrowings	27,145	26,667	-	-
Trade and other payables	26,184	22,062	632	2,761
Total liabilities	53,329	48,729	632	2,761
Less: Cash and bank balances	(11,670)	(14,123)	(236)	(163)
Net debt	41,659	34,606	396	2,598
Total capital	52,752	54,946	42,594	40,360
Net debt	41,659	34,606	396	2,598
Equity	94,411	89,552	42,990	42,958
Gearing ratio (%)	44.1%	38.6%	0.9%	6.0%

Pursuant to the requirements of Guidance Note No. 3/2006 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the twenty-five percent (25%) of the issued and paid-up capital. The Group has complied with this requirement during the financial year ended 31 December 2014.

36. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments

Categories of financial instruments

Group	**2014 RM'000**	**2013 RM'000**
Financial assets		
Loans and receivables		
Trade and other receivables, exclude prepayments	19,954	21,547
Cash and bank balances	11,670	14,123
	31,624	35,670
Financial liabilities		
Other financial liabilities		
Borrowings	27,145	26,667
Trade and other payables	26,184	22,062
	53,329	48,729

Company	**2014 RM'000**	**2013 RM'000**
Financial assets		
Loans and receivables		
Trade and other receivables, exclude prepayments	864	818
Cash and bank balances	236	163
	1,100	981
Financial liabilities		
Other financial liabilities		
Trade and other payables	632	2,761

(c) Methods and assumptions used to estimate fair value

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 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 at 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.

36. FINANCIAL INSTRUMENTS (continued)

(c) Methods and assumptions used to estimate fair value (continued)

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

(ii) Hire-purchase liabilities

The fair values of the hire-purchase liabilities 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 including the sales of initial stocks and fixed assets)

The fair values of these financial instruments are estimated by discounting the 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 approximate to their fair values.

(iv) Financial guarantee

The Group and the Company provide corporate guarantees to financial institutions for banking facilities granted to subsidiaries and, financial guarantee given to landlord for rental of premises. The fair value of such financial corporate guarantees is negligible as the probability of the Group defaulting on the financial facilities and rental payment is remote.

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For other borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The significant unobservable inputs used in determining the fair value measurement of Level 3 financial instruments as well as the relationship between key unobservable inputs and fair value, is detailed in the table below:

Financial instruments	**Valuation technique used**	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value**
<u>Financial assets</u>			
Amount owing by franchisees	Discounted cash flows method	Discount rate (8% to 10%)	The higher the discount rate, the lower the fair value of the financial assets would be.

36. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

The following table sets out the financial instruments not carried at fair value for which fair value is disclosed, together with their fair value and carrying amount shown in the statement of financial position.

Group	Note	2014 Carrying amount RM'000	2014 Fair value RM'000	2013 Carrying amount RM'000	2013 Fair value RM'000
Recognised:					
Hire-purchase liabilities					
- Level 2	18	9,143	9,002	6,574	6,400

37. 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 is exposed mainly to foreign currency risk, interest rate risk, liquidity and cash flow risk and credit risk. Information on the management of the related exposures is detailed below.

(i) Foreign currency risk

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

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

During the financial year, the Group did not enter into any foreign currency forward contract to manage exposures to currency risk for receivables and payables which are denominated in currencies other than the functional currency of the Group.

<u>Sensitivity analysis for foreign currency risk</u>

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

		Group 2014 RM'000 Profit after tax	Group 2013 RM'000 Profit after tax
USD/RM	- strengthen by 3%	-45	-17
	- weaken by 3%	+45	+17
EURO/RM	- strengthen by 3%	-54	-27
	- weaken by 3%	+54	+27
SGD/RM	- strengthen by 3%	-4	-45
	- weaken by 3%	+4	+45

Sensitivities of other foreign currencies are not disclosed as they are not material to the Group.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Interest rate risk

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

The Group's exposure to interest rate risk arises primarily from their fixed deposits with licensed banks and 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. The Group's deposits are placed at fixed rates and management endeavours to obtain the best rate available in the market.

Sensitivity analysis for interest rate risk

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

		Group	
		2014	**2013**
		RM'000	**RM'000**
		Profit after tax	Profit after tax
Fixed deposits	- 100 basis points higher	+55	+62
	- 100 basis points lower	-55	-62
Hire-purchase liabilities	- 100 basis points higher	-69	-41
	- 100 basis points lower	+69	+41
Bankers' acceptances	- 100 basis points higher	-74	-93
	- 100 basis points lower	+74	+93
Term loans	- 100 basis points higher	-19	-19
	- 100 basis points lower	+19	+19
Bank overdrafts	- 100 basis points higher	-41	-30
	- 100 basis points lower	+41	+30

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

37. 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 financial instruments that are exposed to interest rate risk:

Group	Note	Weighted average effective interest rate %	Within one 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 2014									
Fixed rates									
Fixed deposits with licensed banks	13	3.09	7,310	-	-	-	-	-	7,310
Hire-purchase liabilities	18	7.74	(4,174)	(3,154)	(1,546)	(188)	(81)	-	(9,143)
Floating rates									
Term loans	17	7.58	(1,262)	(1,177)	(98)	(39)	-	-	(2,576)
Bank overdrafts	19	7.73	(5,520)	-	-	-	-	-	(5,520)
Bankers' acceptances	20	4.87	(9,906)	-	-	-	-	-	(9,906)
At 31 December 2013									
Fixed rates									
Fixed deposits with licensed banks	13	3.12	8,373	-	-	-	-	-	8,373
Hire-purchase liabilities	18	7.80	(2,542)	(2,310)	(1,300)	(380)	(42)	-	(6,574)
Floating rates									
Term loans	17	7.38	(1,536)	(480)	(432)	(102)	(39)	-	(2,589)
Bank overdrafts	19	7.60	(4,000)	-	-	-	-	-	(4,000)
Bankers' acceptances	20	4.80	(13,504)	-	-	-	-	-	(13,504)

37. 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 executing its 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 and the availability of funding through an adequate amount of committed credit facilities. 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's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	2014			
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	26,184	-	-	26,184
Loans and borrowings	21,516	6,946	-	28,462
Total undiscounted financial liabilities	47,700	6,946	-	54,646
Company				
Financial liabilities				
Trade and other payables	632	-	-	632
Total undiscounted financial liabilities	632	-	-	632

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Liquidity and cash flow risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

	2013			
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	22,062	-	-	22,062
Loans and borrowings	22,041	5,609	-	27,650
Total undiscounted financial liabilities	44,103	5,609	-	49,712
Company				
Financial liabilities				
Trade and other payables	2,761	-	-	2,761
Total undiscounted financial liabilities	2,761	-	-	2,761

(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 major counter parties are major licensed financial institutions and reputable organisations. It is the Group's policy to monitor the financial standing of counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's and the Company's exposure to credit risks, or the risk of counterparties defaulting, arises mainly from receivables and amounts owing by subsidiaries respectively. 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 75 days (2013: 75 days). 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.

Exposure to credit risk

As at 31 December 2014, other than the amounts owing by subsidiaries constituting approximately 100% (2013: 100%) of the total receivables of the Company, the Group does not have any significant concentration of credit risk related to any individual customer or counterparty. 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 position.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iv) Credit risk (continued)

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 11 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 or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 11 to the financial statements.

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 18 July 2014, the Company incorporated a wholly-owned subsidiary known as Excellent Reward Japanese Restaurants Sdn. Bhd. with an initial authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each and its paid up share capital is RM2 divided into 2 ordinary shares of RM1.00 each. The total cash consideration paid was RM2.

(b) On 1 July 2014, a wholly-owned subsidiary, Focus Point Vision Care Group Sdn. Bhd. (‘FPVCGSB’), acquired the remaining 10% equity interest comprising one (1) ordinary share of RM1.00 each in Care Point Optical Sdn. Bhd. (‘CPOSB’) from the minority shareholder. The total cash consideration paid was RM30,000. Arising therefrom, CPOSB became a wholly-owned subsidiary of FPVCGSB.

(c) On 1 December 2014, a wholly-owned subsidiary, Focus Point Vision Care Group Sdn. Bhd. entered into a sale of business and asset agreement with its wholly-owned subsidiary, CPOSB for the purchase of the business and the assets of CPOSB at a consideration of RM440,000.

39. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 13 March 2015, Esprit Shoppe Sdn. Bhd. (‘ESSB’), a wholly-owned subsidiary of Focus Point Vision Care Group Sdn. Bhd. (‘FPVCGSB’) which in turn is a wholly-owned subsidiary of the Company had incorporated a 60%-owned subsidiary namely, Optolab Sdn. Bhd. (‘OSB’), with an initial authorised capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each and its paid up share capital is RM10,000 divided into 10,000 ordinary shares of RM1.00 each. The intended principal activity of OSB is to carry on the business of trading of medical products, including but not limited to medical equipment and medical devices.

40. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

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

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total retained earnings of Focus Point Holdings Berhad and its subsidiaries				
- Realised	30,613	34,155	2,498	264
- Unrealised	(1,032)	(1,100)	-	-
	29,581	33,055	2,498	264
Total share of retained earnings from associates:				
- Realised	301	222	-	-
- Unrealised	(5)	(5)	-	-
	296	217	-	-
	29,877	33,272	2,498	264
Less: Consolidation adjustments	(17,221)	(18,422)	-	-
Total retained earnings as per consolidated accounts	12,656	14,850	2,498	264

LIST OF PROPERTIES

Address	Description/ Existing use/ Tenure	Approx. age of building (years)	Build-up area (square feet)	Net carrying amount (RM'000)	Date of acquisition	Year of revaluation
Unit 1, Block 1, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	5-storey shop office/ Head office/ Freehold	15	7,216	915	23.8.2001	2011
Unit 3, Block 1, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	5-storey shop office/ Head office/ Freehold	15	7,216	850	1.8.2000	2011
Unit 5-1, Block 1, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	Ground floor of a 5-storey shop office/ Head office/ Freehold	15	1,282	363	8.8.2007	2011
Unit 5-4, Block 1, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	3rd floor of a 5-storey shop office/ Head office/ Freehold	15	1,480	129	11.12.2009	2011
Unit 5-5, Block 1, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya	4th floor of a 5-storey shop office/ Head office/ Freehold	15	1,487	229	15.9.2010	2011

ANALYSIS OF SHAREHOLDINGS

ANALYSIS OF SHAREHOLDINGS AS AT 6 APRIL 2015

Authorised Share Capital	:	RM 50,000,000
Issued and Paid-up Share Capital	:	RM 33,000,000 divided into 165,000,000 ordinary shares of RM0.20 each
Class of share	:	Ordinary shares of RM0.20 each
Voting right	:	One vote per ordinary share

ANALYSIS BY SIZE OF HOLDINGS AS AT 6 APRIL 2015

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	6	0.946	200	0.000
100 - 1,000	121	19.085	79,700	0.048
1,001 - 10,000	236	37.224	1,333,400	0.808
10,001 - 100,000	219	34.543	7,924,400	4.803
100,001 - 8,249,999 (*)	49	7.729	32,604,600	19.761
8,250,000 and above (**)	3	0.473	123,057,700	74.580
TOTAL	**634**	**100.000**	**165,000,000**	**100.000**

Remark : * - Less than 5% of issued shares
** - 5% and above of issued shares

LIST OF TOP 30 HOLDERS AS AT 6 APRIL 2015

NO.	NAME	HOLDINGS	%
1	LIAW CHOON LIANG	75,843,001	45.965
2	PERBADANAN NASIONAL BERHAD	24,750,000	15.000
3	GOH POI EONG	22,464,699	13.615
4	WONG LEE SEONG	3,967,800	2.404
5	TAN YAN PIN	3,515,000	2.130
6	TEO KWEE HOCK	2,616,600	1.585
7	WAN SIEW TING	1,660,000	1.006
8	SIM AH HENG	1,538,400	0.932
9	HUNTERSVILLE (M) SDN BHD	1,471,600	0.891
10	JF APEX NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI (MARGIN)*	1,111,500	0.673
11	HAN LONG CHEN	1,030,900	0.624
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR SUSY DING (471873)*	1,000,000	0.606
13	HO LEE LING	1,000,000	0.606
14	SHU SIEW YIN	940,000	0.569
15	LAI YEU FUNG	927,000	0.561
16	HOH HON BING	800,000	0.484
17	ONG HUNG HENG	760,000	0.460
18	KOH ENG KHOON	746,000	0.452
19	ONG BOON SENG	630,000	0.381
20	WAN SIEW TING	610,000	0.369

ANALYSIS OF SHAREHOLDINGS
(Continued)

LIST OF TOP 30 HOLDERS AS AT 6 APRIL 2015 (continued)

NO.	NAME	HOLDINGS	%
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN BOON HOCK*	600,000	0.363
22	TAN YAN PIN	518,000	0.313
23	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB FOR LEOW MING FONG @ LEOW MIN FONG (PB)*	500,000	0.303
24	LIM KIM SOW	500,000	0.303
25	WONG LAI HENG	463,000	0.280
26	VIVIEN LEE XIN RUI	405,400	0.245
27	GOH HOCK CHUAN	385,500	0.233
28	POH CHOO LIP	360,000	0.218
29	LIEW NGEK SIN	329,000	0.199
30	LUM SHEAU FEN	300,000	0.181
Total		151,743,400	91.951

DIRECTORS' SHAREHOLDINGS AS AT 6 APRIL 2015 BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Name of Directors	No. of Shares held (Direct)	%	No. of Shares held (Indirect)	%
Dato' Liaw Choon Liang	75,843,001	45.965	22,464,699*	13.615
Datin Goh Poi Eong	22,464,699	13.615	75,843,001**	45.965
Leow Ming Fong @ Leow Min Fong	500,000	0.303	-	-
Dato' Hamzah bin Mohd Salleh	-	-	-	-
Datuk Idris bin Hashim	-	-	-	-

* Deemed interest by virtue of the interest of his spouse, Datin Goh Poi Eong.
** Deemed interest by virtue of the interest of her spouse, Dato' Liaw Choon Liang.

SUBSTANTIAL SHAREHOLDERS AS AT 6 APRIL 2015 BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	No. of Shares held (Direct)	%	No. of Shares held (Indirect)	%
Dato' Liaw Choon Liang	75,843,001	45.965	22,464,699*	13.615
Perbadanan Nasional Berhad	24,750,000	15.000	-	-
Datin Goh Poi Eong	22,464,699	13.615	75,843,001**	45.965

* Deemed interest by virtue of the interest of his spouse, Datin Goh Poi Eong.
** Deemed interest by virtue of the interest of her spouse, Dato' Liaw Choon Liang.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixth Annual General Meeting of Focus Point Holdings Berhad ("the Company") will be held at Greens II Function Room, Main Wing at Level 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 26 May 2015 at 10.00 a.m. to transact the following businesses :

A G E N D A

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2014 and the Reports of the Directors and Auditors thereon. **(Please refer to Note 2)**

2. To approve the payment of Directors' fees for the financial year ended 31 December 2014. **(Resolution 1)**

3. To re-elect the following Directors who retire pursuant to Article 85 of the Company's Articles of Association:-

   (i) Datin Goh Poi Eong **(Resolution 2)**
   (ii) Leow Ming Fong @ Leow Min Fong **(Resolution 3)**

4. To re-appoint Messrs BDO as the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 4)**

Special Business

To consider and, if thought fit, to pass the following resolutions, with or without modifications as Ordinary Resolutions of the Company:-

5. ORDINARY RESOLUTION I
AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors of the Company be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company unless revoked or varied by the Company at a general meeting." **(Resolution 5)**

6. ORDINARY RESOLUTION II
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

"THAT pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("ACE Market Listing Requirements"), the Company and its subsidiaries ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.3 of the Circular to Shareholders dated 30 April 2015 ("Related Parties") provided that such transactions and/or arrangements are:-

(a) necessary for the day-to-day operations;
(b) are undertaken in the ordinary course of business at arm's length basis and are on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
(c) are not detrimental to the minority shareholders of the Company,

(collectively known as "Proposed Shareholders' Mandate");

AND THAT such approval, shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by an ordinary resolution passed at such AGM, the authority is renewed; or
(b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but will not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
(c) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is earlier;

AND THAT the estimated aggregate value of the transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year will be disclosed, in accordance with the ACE Market Listing Requirements, in the Annual Report of the Company for the said financial year;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate." **(Resolution 6)**

7. To consider any other business at which due notice shall be given in accordance with the Companies Act, 1965.

BY ORDER OF THE BOARD

WONG WAI FOONG (MAICSA 7001358)
WONG PEIR CHYUN (MAICSA 7018710)
Secretaries

Kuala Lumpur

Date: 30 April 2015

NOTES:

1. Notes on Appointment of Proxy

(a) A member entitled to attend and vote at the Meeting is entitled to appoint proxy(ies) (or in case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(b) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Seal or under the hand of an officer or attorney duly authorised.

(c) A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meetings and that where the member appoints 2 proxies, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

(d) Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(e) Where a Member of the Company is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(f) Where the authorised nominee appoints two (2) proxies or an exempt authorised nominee appoints two (2) or more proxies, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

1. Notes on Appointment of Proxy (continued)

(g) The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 18 The Gardens North Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting i.e. on or before **10.00 a.m., Sunday, 24 May 2015**. Provided that in the event the Member(s) duly executes the form of proxy but does not name any proxy, such Member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the Member(s).

(h) Only the member whose names appear on the Record of Depositors as at 18 May 2015 shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend and vote on their behalf.

2. Audited Financial Statements for the financial year ended 31 December 2014

The Audited Financial Statement in Agenda 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

3. Ordinary Resolution 3 – Re-election of Director

The Board had carried out assessment on the contribution and performance as well as the independence of the Independent Director standing for re-election and satisfied that he meets the criteria of independence as prescribed in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

4. Explanatory Notes on Special Business

(i) Resolution No. 5 – Authority to Issue Shares

The proposed Resolution 5 is prepared for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors to issue shares in the Company up to an amount not exceeding in total per centum (10%) of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

The renewed general mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings acquisitions and/or for issuance of shares as settlement of purchase consideration. This authorisation will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Fifth Annual General Meeting because there were no investment(s), acquisition(s) or working capital that require fund raising activity.

(ii) Resolution No. 6 – Proposed Renewal of Shareholders' Mandate And Proposed New Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

The Resolution 6, if passed, will allow the Group to enter into recurrent related party transactions made on an arm's length basis and on normal commercial terms and which are not detrimental to the interest of the minority shareholders. Please refer to the Circular to Shareholders dated 30 April 2015 enclosed together with the Company's Annual Report 2014.

STATEMENT ACCOMPANYING
NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

Authority for Directors to Issue Shares Pursuant to Section 132D of the Companies Act, 1965

Kindly refer to item (4)(i) of the Explanatory Notes on Special Business at page 128.

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FOCUS POINT HOLDINGS BERHAD (884238-U)

(Incorporated in Malaysia)

FORM OF PROXY

I/We____*NRIC No./Passport No./Company No.________________________

of____being *a member/members

of Focus Point Holdings Berhad hereby appoint____

*NRIC No./Passport No._______________________________of____

or failing him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Sixth Annual General Meeting of the Company to be held at Greens II Function Room, Main Wing at Level 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 26 May 2015 at 10.00 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below :

Item	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2014 and the Reports of Directors and Auditors thereon.			
2	To approve the payment of Directors' fees for the financial year ended 31 December 2014.	1		
3 (i)	To re-elect Datin Goh Poi Eong as Director who retires pursuant to Article 85 of the Company's Articles of Association.	2		
3 (ii)	To re-elect Leow Ming Fong @ Leow Min Fong as Director who retires pursuant to Article 85 of the Company's Articles of Association.	3		
4.	To re-appoint Messrs BDO as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	4		
	Special Business			
5.	To approve the Authority to Issue Share Pursuant to Section 132D of the Companies Act, 1965.	5		
6.	To approve the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue of Trading Nature	6		

Please indicate with an "X" in the appropriate space how you wish your proxy to vote. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit or, at his discretion, abstain from voting.

Dated this day __________________________of _________________2015

Number of ordinary shares held	

____

*Signature/Common Seal of Shareholder

** Delete if not applicable*

Notes:

(a) A member entitled to attend and vote at the Meeting is entitled to appoint proxy(ies) (or in case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(b) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Seal or under the hand of an officer or attorney duly authorised.

(c) A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meetings and that where the member appoints 2 proxies, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

(d) Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(e) Where a Member of the Company is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(f) Where the authorised nominee appoints two (2) proxies or an exempt authorised nominee appoints two (2) or more proxies, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(g) The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 18 The Gardens North Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting i.e. on or before **10.00 a.m., Sunday, 24 May 2015**. Provided that in the event the Member(s) duly executes the form of proxy but does not name any proxy, such Member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the Member(s).

(h) Only the member whose names appear on the Record of Depositors as at 18 May 2015 shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend and vote on their behalf.

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AFFIX
STAMP
HERE

The Company Secretary

Focus Point Holdings Berhad (884238-U)
Level 18, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

(fold here)

Focus Point Holdings Berhad (884238-U)
Unit 1,3 & 5, Jalan PJU 1/37, Dataran Prima
47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Tel: 03-7880 5520 Fax: 03-7880 5530