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FOCUS POINT HOLDINGS BERHAD

(Company No. 884238-U)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE AND PROPOSED NEW
SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The Annual General Meeting (“AGM”) of Focus Point Holdings Berhad (“Focus Point or the “Company”) has been scheduled 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 27 May 2014 at 10:00 a.m. The Notice of the AGM together with the Form of Proxy are set out in the 2013 Annual Report.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to vote for and on his/her behalf. In such event, the Form of Proxy should be lodged at the registered office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, on or before the date and time indicated below. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy : 25 May 2014 at 10.00 a.m.

Date and time of the AGM : 27 May 2014 at 10:00 a.m.

This Circular is dated 5 May 2014

DEFINITIONS

Unless otherwise stated, the following definitions shall have the following meanings:

“2013 Annual Report”	:	The annual report of Focus Point for the financial year ended 31 December 2013
“Act”	:	Companies Act, 1965
“AGM”	:	Annual General Meeting
“Board”	:	Board of Directors of Focus Point
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (635998-W)
“Circular”	:	This circular to the shareholders of Focus Point dated 5 May 2014
“CMSA”	:	Capital Markets and Services Act, 2007
“Datin Goh”	:	Datin Goh Poi Eong, a Director and Major Shareholder of Focus Point. She is the spouse of Dato’ Liaw and mother of Liaw Kai Xuan
“Dato’ Liaw”	:	Dato’ Liaw Choon Liang, a Director and Major Shareholder of Focus Point. He is the spouse of Datin Goh and father of Liaw Kai Xuan
“Director(s)”	:	For the purposes of the Proposed Shareholders’ Mandate, a director shall have the same meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding six (6) months from the date on which the terms of the transactions were agreed upon: (a) a director of Focus Point or any other company which is its subsidiary or holding company; or (b) a chief executive (as defined under Rule 1.01 of the Listing Requirements) of Focus Point, its subsidiary or holding company
“Focus Point” or “the Company”	:	Focus Point Holdings Berhad (884238-U)
“Focus Point Group” or “the Group”	:	Focus Point and its subsidiaries
“Focus Point Vision Care”	:	Focus Point Vision Care Group Sdn Bhd (268471-X), a wholly-owned subsidiary of Focus Point
“Focus Point Management”	:	Focus Point Management Sdn Bhd (464799 - U), a wholly-owned subsidiary of Focus Point
“Focus Point Vision Care (HP)”	:	Focus Point Vision Care Group (HP) Sdn Bhd (375498-H), a 35%-owned associate of Focus Point Vision Care
“Interested Directors/ Interested Major Shareholders”	:	Dato’ Liaw and Datin Goh
“Listing Requirements”	:	ACE Market Listing Requirements of Bursa Securities
“LPD”	:	8 April 2014, being the latest practicable date prior to the printing of this Circular

DEFINITIONS (*Cont'd*)

- “Major Shareholder(s)” : A person who has an interest or interests in one (1) or more voting shares in Focus Point and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:
- (a) ten percent (10%) or more of the aggregate of the nominal amounts of all the voting shares in Focus Point; or
 - (b) five percent (5%) or more of the aggregate of the nominal amounts of all the voting shares in Focus Point where such person is the largest shareholder of Focus Point.
- This includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of Focus Point as defined above or any other company which is a subsidiary or holding company of Focus Point.
- For the purpose of this definition, “interest in shares” shall have the meaning given in Section 6A of the Act
- “Multiple Reward” : Multiple Reward Sdn Bhd (858098-H), a wholly-owned subsidiary of Focus Point
- “Original Reward” : Original Reward Sdn Bhd (1045800-K), a subsidiary of Multiple Reward
- “Proposed Mandate Period” : The period during which the Recurrent Related Party Transactions are to be entered into for which the Proposed Shareholders’ Mandate is being sought. This period shall commence immediately upon the passing of the resolution in respect of the Proposed Shareholders’ Mandate during the forthcoming AGM until:
- (a) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
 - (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of 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 in general meeting,
- whichever is the earlier
- “Proposed Shareholders’ Mandate” : Proposed renewal of shareholders’ mandate and proposed new shareholders’ mandate for Focus Point Group to enter into existing and additional Recurrent Related Party Transactions respectively
- “Recurrent Related Party Transaction(s)” or “RRPT(s)” : Related party transaction(s) which is/are recurrent, of a revenue or trading nature and which is/are necessary for the day-to-day operations of the Focus Point Group
- “Related Party(ies)” : Director(s), Major Shareholder(s) and/or person(s) connected with such Director(s) or Major Shareholder(s)
- “RM” and “sen” : Ringgit Malaysia and sen respectively
- “Sejati Serimas” : Sejati Serimas Sdn Bhd (947043-X)

DEFINITIONS (*Cont'd*)

“Share(s)” : Ordinary share(s) of RM0.20 each in Focus Point

“Sky Cruise” : Sky Cruise Sdn Bhd (1042596-M)

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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FOCUS POINT®

FOCUS POINT HOLDINGS BERHAD

(Company No. 884238-U)

(Incorporated in Malaysia)

Registered Office:

Level 18, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur

5 May 2014

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*)

To: The Shareholders of Focus Point Holdings Berhad

Dear Sir/Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

At the 4th AGM of Company held on 19 June 2013, the Company had sought and obtained a general mandate from our shareholders to enter into recurrent related party transactions of a revenue or trading nature which were necessary for the day-to-day operations and were in the ordinary course of business of Focus Point Group.

The recurrent related party transactions mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM unless authority for its renewal is obtained from the shareholders of the Company at the forthcoming AGM.

Accordingly, the Board had on 15 April 2014 announced that the Company proposed to seek approval of its shareholders at the forthcoming AGM for the Proposed Shareholders' Mandate.

The purpose of this Circular is to provide you with the details and information on the Proposed Shareholders' Mandate, together with the Board's recommendation, and to seek your approval for the Ordinary Resolution to be tabled at the forthcoming AGM 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, 27 May 2014 at 10:00 a.m. The Notice of AGM together with the Form of Proxy are enclosed in the 2013 Annual Report.

SHAREHOLDERS OF FOCUS POINT ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION TO GIVE EFFECT TO THE PROPOSED SHAREHOLDERS' MANDATE AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

Under Rule 10.09(2) of the Listing Requirements, a listed corporation may seek a mandate from its shareholders in respect of Recurrent Related Party Transactions subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:
 - (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party transactions is RM1 million or more; or
 - (ii) the percentage ratios of such Recurrent Related Party Transactions is one percent (1%) or more,whichever is the lower;
- (c) the listed corporation's circular to shareholders for the shareholder mandate includes the information as may be prescribed by Bursa Securities. The circular must be submitted to the Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or interested person connected with a Director or Major Shareholder; and where it involves the interest of an interested person connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution to approve the transactions. An interested Director or interested Major Shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) the listed corporation immediately announces to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the listed corporation, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular by ten percent (10%) or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Focus Point is principally an investment holding company whilst its subsidiaries are principally involved in the retailing of optical and related products, provision of professional eye care services, trading of hearing aid solutions and related accessories as well as provision of food and beverage services.

In the ordinary course of its business, the Group has entered into certain Recurrent Related Party Transactions and it is anticipated that the companies within the Focus Point Group would, in the ordinary course of business, continue to enter into such transactions with the Related Parties, details of which are set out in Section 2.3 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

In compliance with Rule 10.09(2) of the Listing Requirements, the Company now proposes to seek the approval of its shareholders at the forthcoming AGM for the Proposed Shareholders' Mandate to enter into arrangements or transactions with the Related Parties, which are necessary for the day-to-day operations of the Focus Point Group and are based on normal commercial terms that are not more favourable to the Related Parties than those generally available to the public.

2.1 Validity period for the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate, if approved by the shareholders of the Company at the forthcoming AGM, will take effect from the date of the passing of the ordinary resolution proposed at the AGM and the authority conferred under the Proposed Shareholders' Mandate shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of 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 in a general meeting,

whichever is earlier.

Thereafter, the approval of the shareholders of the Company will be sought for the renewal of the shareholders' mandate at each subsequent AGM of the Company.

2.2 Principal activities of the Focus Point Group

Focus Point is principally an investment holding company. As at LPD, the principal activities of its subsidiaries are as follows:

Subsidiaries	Effective equity interest held (%)	Principal activities
Excelview Laser Eye Centre Sdn Bhd	100	Provision of medical eye care services
Focus Point Management	100	Management of franchised professional eye care centres
Focus Point Vision Care	100	Operation of professional eye care centres, trading of eyewear and eye care products and investment holding
Sound Point Hearing Solution Sdn Bhd	100	Trading of hearing aid solutions and related accessories
Multiple Reward	100	Provision of food and beverages services
<u>Subsidiaries of Focus Point Vision Care</u>		
Esprit Shoppe Sdn Bhd	100	Retailing of optical and related products. Ceased operation since 23 April 2012
Focus Point Vision Care Group (OC) Sdn Bhd	100	Ceased operations and has since remained dormant
Opulence Optometry Sdn Bhd	100	Ceased operations and has since remained dormant
Radiant Attraction Sdn Bhd	100	Retailing of optical and related products. Ceased operation since 23 April 2012
Eye-Zed Sdn Bhd	100	Retailing of optical and related products. Ceased operation since 23 April 2012
Truesight Eyewear Optical Sdn Bhd	60	Retailing of optical and related products
Care Point Optical Sdn Bhd	90	Retailing of optical and related products
<u>Subsidiaries of Multiple Reward</u>		
Original Reward	51	Provision of food and beverages services

2.3 Nature of Recurrent Related Party Transactions and estimated values

- (a) Information on existing Recurrent Related Party Transactions and their estimated values for which approval is being sought at the forthcoming AGM pursuant to the Proposed Shareholders' Mandate are set out in the table below:

	Transacting parties		Nature of relationship	Nature of transaction	Estimated value as disclosed in the preceding year's circular dated 28 May 2013 (RM'000)	Actual value transacted since last AGM* up to the LPD (RM'000)	Proposed Shareholders' Mandate
	Focus Point Group	Related Party					Estimated aggregate value to be incurred from Fifth (5 th) AGM to the next AGM* (RM'000)
(i)	Focus Point Vision Care	Focus Point Vision Care (HP)	Focus Point Vision Care (HP) is a 35%-owned associate company of Focus Point Vision Care, in which Dato' Liaw's brother, Liaw Choon Kuan has substantial shareholdings. Dato' Liaw and Liaw Choon Kuan are directors of Focus Point Vision Care (HP).	Sales of eyewear and eye care products to Focus Point Vision Care (HP)	3,000	1,085	3,000
(ii)	Focus Point Management	Focus Point Vision Care (HP)	Focus Point Vision Care (HP) is a 35%-owned associate company of Focus Point Vision Care, in which Dato' Liaw's brother, Liaw Choon Kuan has substantial shareholdings. Dato' Liaw and Liaw Choon Kuan are directors of Focus Point Vision Care (HP).	Licensing fees received from Focus Point Vision Care (HP)	500	106	500
(iii)	Multiple Reward	Sejati Serimas	Datin Goh and Liaw Kai Xuan are substantial shareholders and directors of Sejati Serimas. Liaw Kai Xuan is the son of Dato' Liaw and Datin Goh	Rental of detached factory from Sejati Serimas for Central Kitchen purpose.	240	180	240

Notes:

- (a) * These estimated values have been arrived at by the Group after taking into account the management's forecasts on transaction values which have been undertaken and anticipated for the Proposed Mandate Period. Nevertheless, the above estimates may vary from the actual amounts and are subject to changes.
- (b) There were no deviation where the actual value transacted for each RRPT from the date on which the existing mandate was obtained up the LPD exceeds the estimated value of each RRPT as disclosed in the preceding year's circular to shareholders dated 28 May 2013 by 10% or more.

- (b) Information on additional Recurrent Related Party Transaction and the estimated value for which approval is being sought at the forthcoming AGM pursuant to the Proposed Shareholders' Mandate is set out in the table below:

	Transacting parties		Nature of relationship	Nature of transaction	Estimated value as disclosed in the preceding year's circular dated 28 May 2013 (RM'000)	Actual value transacted since last AGM* up to the LPD (RM'000)	Proposed new Shareholders' Mandate
	Focus Point Group	Related Party					Estimated aggregate value to be incurred from Fifth (5h) AGM* to the next AGM* (RM'000)
(i)	Original Reward	Sky Cruise	Ong Hung Heng and Lim Kim Sow are the minority shareholders and directors of Original Reward. Both of them are also substantial shareholders and directors of Sky Cruise.	Rental of space from Sky Cruise for restaurant operation	-	5	150
(ii)	Original Reward	Sky Cruise	Ong Hung Heng and Lim Kim Sow are the minority shareholders and directors of Original Reward. Both of them are also substantial shareholders and directors of Sky Cruise.	Purchase of beer and other alcoholic drinks from Sky Cruise	-	1	96

On 28 September 2013, Original Reward entered into a tenancy agreement with Sky Cruise for the rental of space which is currently being utilised for its Japanese food and beverages restaurant under the trademark "Inaho Sushi".

Salient terms of the said tenancy agreement are as follows:-

Address : RF04, Roof Top, Sky Park One City, Jalan USJ 25/1A, 47650 Subang Jaya, Selangor Darul Ehsan

Gross floor area : 3,200 square feet

Tenancy period : Three (3) years with an option to extend the tenancy period for a further two (2) terms of three (3) years at a monthly rental rate to be mutually agreed between both parties

Current monthly rental : RM6,400 plus 3% on monthly gross sales

2.4 Relationship with Focus Point Vision Care (HP), Sejati Serimas and Sky Cruise.

Focus Point Vision Care (HP)

Focus Point Vision Care (HP) was incorporated in Malaysia under the Act on 26 January 1996 as a private limited company. It commenced operations in January 1996. Focus Point Vision Care Group (HP) has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, and an issued and paid-up share capital of RM80,003 comprising 80,003 ordinary shares of RM1.00 each. Focus Point Vision Care (HP) is principally engaged in the operation of professional eye care centres, which includes the provision of eye care and refraction series, dispensing of prescription eyewear, provision of ophthalmic laboratory services and retailing of eyewear and eye care products.

Focus Point Vision Care (HP) is a 35%-owned associate company of Focus Point Vision Care. The other shareholders of Focus Point Vision Care (HP) are Liaw Choon Kuan and Chong Thiam Woon whose shareholdings in Focus Point Vision Care (HP) are 35% and 30% respectively. Liaw Choon Kuan is a Related Party as he is the brother of Dato' Liaw and a Director and shareholder of Focus Point Vision Care (HP). Dato' Liaw is a Related Party as he is the brother of Liaw Choon Kuan as well as a Director and Major Shareholder of Focus Point.

Sejati Serimas

Sejati Serimas was incorporated in Malaysia under the Act on 1 June 2011 as a private limited company. It commenced operations in June 2011. Sejati Serimas has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each and an issued and paid-up share capital of RM50,000 comprising 50,000 ordinary shares of RM1.00 each. Sejati Serimas is a property investment holding company.

The Directors of Sejati Serimas are Datin Goh and Liaw Kai Xuan, son of Dato' Liaw and Datin Goh, whose shareholdings in Sejati Serimas are 99.998% and 0.002% respectively. Datin Goh is a Related Party as she is a Director and Major Shareholder of both Focus Point and Sejati Serimas. Liaw Kai Xuan is a Related Party as he is the son of Dato' Liaw and Datin Goh as well as a Director and shareholder of Sejati Serimas. Dato' Liaw is a Related Party as he is the spouse of Datin Goh and father of Liaw Kai Xuan and a Director and Major Shareholder of Focus Point.

Sky Cruise

Sky Cruise was incorporated in Malaysia under the Act on 16 April 2013 as a private limited company. It commenced operations on 25 December 2013. Sky Cruise has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each and an issued and paid-up share capital of RM50,000 comprising 50,000 ordinary shares of RM1.00 each. Sky Cruise's principal activity is to carry on business of restaurants and pub.

The Directors of Sky Cruise are Ong Hung Heng and Lim Kim Sow whose shareholding in Sky Cruise are 50% and 50% respectively. Ong Hung Heng and Lim Kim Sow are Related Parties as both of them are also Directors and minority shareholders of Original Reward.

2.5 Threshold of authority

There is no specific threshold for approval of the Recurrent Related Party Transactions within the Focus Point Group. However, all Recurrent Related Party Transactions are subject to the approval of the Board, after the review by the Audit Committee, and the provisions in the Listing Requirements. Where any Director has any interest (direct or indirect) in any Recurrent Related Party Transaction, such Director shall abstain from deliberation and voting on the matter. If it is determined that the guidelines and/or

procedures stipulated in Section 2.7 of this Circular are inadequate, Focus Point will obtain a fresh shareholders' mandate and to ensure that:

- (a) Recurrent Related Party Transaction(s) will be conducted on an arms' length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (b) such transaction will not be detrimental to the minority shareholders of the Company.

2.6 Amount due from Related Parties

There was no amounts owing by Related Parties to Focus Point Group pursuant to the RRPTs as at 31 December 2013.

2.7 Review procedures for Recurrent Related Party Transactions

Focus Point has internal control systems to ensure that the Recurrent Related Party Transactions are undertaken on an arm's length basis and on normal commercial terms consistent with Focus Point's usual business practices and policies, which are not more favourable to the interested parties than those extended to third parties/public and are not to the detriment of the minority shareholders. The management of Focus Point will ensure that the Recurrent Related Party Transactions with interested parties will only be transacted at the prevailing market rates/prices for the services or products on the usual commercial terms, or otherwise in accordance with applicable industry norms, after taking into account the pricing, level of services, quality of products and other related factors.

Wherever practicable and/or feasible, at least two (2) other contemporaneous transactions with unrelated third parties for similar products or services and/or quantities will be used as comparison to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.

In the event that quotations or comparative pricing from unrelated third parties cannot be obtained for the proposed transactions, the Audit Committee shall review the transaction price based on their knowledge of industry norms to ensure that the Recurrent Related Party Transactions are not detrimental to Focus Point Group.

The review procedures established by the Board for RRPT are as follows:

- (a) The transaction price for the sale and purchase of products and services shall be determined based on the prevailing market rates/prices for the products and services on the usual commercial terms, or otherwise in accordance with applicable industry norms, after taking into account the pricing, level of services, quality and delivery of the products.
- (b) Records will be maintained by the Company to capture all RRPTs entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals have been obtained.
- (c) Disclosures shall be made in the Company's Annual Report of a breakdown of the aggregate value of all RRPTs conducted pursuant to the Proposed Shareholders' Mandate during the financial year and, amongst others, based on the type of RRPT made and their relationship with the Company, to which the Annual Report relates, for so long as the shareholders' mandate remains in force.

- (d) The Audit Committee has the responsibility for reviewing the RRPT and reports the same to the Board.
- (e) In the review of RRPT, the Audit Committee may, as they deem fit, request for additional information pertaining to the transactions from independent sources and advisers.
- (f) If a member of the Board or Audit Committee has an interest in the RRPT, he shall abstain from deliberating and decision-making by the Board or Audit Committee in respect of such transactions and continue to abstain from voting on the resolution approving the transactions.

2.8 Disclosure in Annual Report

Disclosure shall be made in the Company's Annual Report pursuant to the Proposed Shareholders' Mandate and in the Annual Reports for subsequent years that the Proposed Shareholders' Mandate continues to be in force in accordance with applicable accounting standards and Rule 3.1.5 of Guidance Note 8 of the Listing Requirements, which requires a breakdown of aggregate value of the Recurrent Related Party Transactions made during the financial year, amongst others, based on the following information:

- (a) the type of Recurrent Related Party Transactions made; and
- (b) the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the Company.

2.9 Audit Committee's statement

The Audit Committee of the Company has seen and reviewed the procedures mentioned in Section 2.7 and is of the view that procedures are sufficient to ensure that Recurrent Related Party Transactions are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The Audit Committee is of view that Focus Point Group has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transaction in a timely and order manner. These procedures and processes are reviewed on quarterly basis.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE

The rationale for and benefits of the Proposed Shareholders' Mandate for Recurrent Related Party Transactions to the Focus Point Group are as follows:

- (a) the Proposed Shareholders' Mandate will empower the Group to enter into transactions with the Related Parties which are necessary in the day-to-day operations of the Group, at arm's length, on normal commercial terms, and are based on terms that are not more favourable to the Related Party than those generally made available to the public and are not detrimental to the minority shareholders;
- (b) the Proposed Shareholders' Mandate will substantially reduce the expenses associated with convening of general meetings on an ad hoc basis and hence will reduce the expenses associated therewith;
- (c) the Recurrent Related Party Transactions entered into by the Group are intended to meet business needs at the best possible terms and also enhance the Group's ability to explore beneficial business opportunities and to promote cross-selling within the Focus Point Group and the Related Parties, which will be of benefit to all the companies within the Focus Point Group.

4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will not have any material effect on the issued and paid-up share capital, net assets, earnings, dividends, shareholdings of the substantial shareholders, earnings, net assets and working capital of Focus Point Group.

5. APPROVAL REQUIRED

The Proposed Shareholders' Mandate is subject to the approval being obtained from the shareholders of the Company at the forthcoming AGM to be convened.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSON(S) CONNECTED TO THEM

The direct and indirect interests of the Interested Directors and Interested Major Shareholders of the Company in respect of the Proposed Shareholders' Mandate as at LPD, based on the Register of Directors' Shareholdings and Register of Substantial Shareholders' Shareholdings of the Company as at LPD are as follows:

	Shareholdings in Focus Point as at LPD			
	< -----Direct----- >		< -----Indirect----- >	
	No. of Shares	%	No. of Shares	%
Interested Directors / Interested Major Shareholders				
Dato' Liaw	75,843,001	45.97	22,464,699 ⁽¹⁾	13.61
Datin Goh	22,464,699	13.61	75,843,001 ⁽¹⁾	45.97

Note:

(1) Deemed interested by virtue of the interest of his/her spouse, pursuant to Section 6A of the Act.

Accordingly, the Interested Directors have abstained and will continue to abstain from deliberations and voting in relation to the Proposed Shareholders' Mandate at the Board meetings. They will also abstain from deliberations and voting in respect of their direct and/or indirect shareholdings in Focus Point, if any, on the Proposed Shareholders' Mandate at the forthcoming AGM.

The aforementioned Interested Directors/ Interested Major Shareholders of the Company have also undertaken to ensure that the persons connected to them (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in Focus Point on the Proposed Shareholders' Mandate at the forthcoming AGM.

Save as disclosed above, none of the other Directors, Major Shareholders and/or persons connected to them has any interest, whether directly or indirectly, in the Proposed Shareholders' Mandate.

7. DIRECTORS' RECOMMENDATION

The Board (save for the Interested Directors), after having considered all aspects of the Proposed Shareholders' mandate, is of the opinion that the Proposed Shareholders' Mandate is fair, reasonable and in the best interest of the Company.

Accordingly, the Board (save for the Interested Directors) recommends that you vote in favour of the Ordinary Resolution in relation to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

8. AGM

The Ordinary Resolution to approve the Proposed Shareholders' Mandate is set out as Special Business in the Notice of AGM contained in the 2013 Annual Report, which is sent to you together with this Circular. The AGM 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 27 May 2014 at 10:00 a.m., for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Shareholders' Mandate.

If you are unable to attend or vote in person at the AGM, you are requested to complete, sign and return the Form of Proxy as enclosed in the 2013 Annual Report in accordance with the instructions contained therein, to 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 date and time set for the AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are requested to refer to the enclosed appendix for further information.

Yours faithfully,
For and on behalf of the Board of
FOCUS POINT HOLDINGS BERHAD (884238-U)

DATO' HAMZAH BIN MOHD SALLEH
Independent Non-Executive Chairman

ADDITIONAL INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board who collectively and individually, accepts full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein false or misleading.

2. MATERIAL CONTRACTS

Save as disclosed below, as at the date of this Circular, neither the Company nor any of its subsidiaries have entered into any material contract (not being contracts entered into in the ordinary course of business) within two (2) years immediately preceding the date of this Circular:

- (a) On 31 October 2012, Multiple Reward entered into a sale of business and assets agreement with Eagle Quantum Sdn Bhd ("Eagle Quantum") for the acquisition of the business and assets of the Eagle Quantum for a cash consideration of RM800,000.
- (b) On 31 October 2013, Multiple Reward entered into a Shareholders' Agreement with Ong Hung Heng and Lim Kim Sow to undertake a joint venture to carry on the business of operating one or more restaurants offering Japanese cuisine through a 51%-owned subsidiary, namely Original Reward. Pursuant to the Shareholders' Agreement, Multiple Reward had subscribed for 49,980 ordinary shares of RM1.00 each in the capital of Original Reward at par and for cash.
- (c) On 31 October 2013, Multiple Reward entered into Licence Agreement with Original Reward to grant Original Reward a non-exclusive and non-transferable licence to use the trademark "Inaho Sushi" and marks bearing the "Inaho Sushi" logo owned by Multiple Reward.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the date of this Circular, neither the Company nor any of its subsidiaries are engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and the Board is not aware and does not have any knowledge of any proceedings pending or threatened against the Company and/or its subsidiaries, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the financial position or business of the Company and/or its subsidiaries.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia during normal business hours (except public holiday) for a period from the date of this Circular up to and including the date of the AGM:

- (a) Memorandum and Articles of Association of the Company;
- (b) The audited consolidated financial statements of Focus Point for the past two (2) financial years ended 31 December 2012 and 31 December 2013; and
- (c) The material contracts referred in Section 3 above.



FOCUS POINT HOLDINGS BERHAD

(Company No. 884238-U)

(Incorporated in Malaysia)

**EXTRACT OF RESOLUTION TO BE TABLED AT THE ANNUAL GENERAL MEETING OF
FOCUS POINT HOLDINGS BERHAD**

ORDINARY RESOLUTION

**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 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 5 May 2014 ("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 a 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 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."