

Company Name : **FOCUS POINT HOLDINGS BERHAD (“FOCUS POINT” or “THE COMPANY”)**
Stock Name : **FOCUSP**
Date Announced : **12th May 2015**
Type : **Announcement**
Subject : **FOCUS POINT HOLDINGS BERHAD (884238-U) (“FOCUS POINT” or “THE COMPANY”)**

ACQUISITION BY FOCUS POINT VISION CARE GROUP SDN BHD, A WHOLLY OWNED SUBSIDIARY OF FOCUS POINT HOLDINGS BERHAD, OF A PARCEL OF TWO-STOREY SHOP OFFICE KNOWN AS LOT NO. E-06, BLOCK E, MEASURING IN AREA APPROXIMATELY 228.58 SQUARE METRES WITH THE ACCESSORY PARCEL MEASURING IN AREA APPROXIMATELY 35.39 SQUARE METRES HELD UNDER MASTER TITLE H.S.(D) 268650, PT NO. 27890 IN THE MUKIM OF BUKIT RAJA, DISTRICT OF PETALING, STATE OF SELANGOR DARUL EHSAN FOR CASH CONSIDERATION OF RM3,751,689.79

1. INTRODUCTION

Pursuant to Rule 10.06 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“ACE LR”), the Board of Directors of Focus Point (“Board”) wishes to announce that on 12th May 2015, Focus Point Vision Care Group Sdn Bhd (“FPVCGSB or Purchaser”), its wholly-owned subsidiary, entered into a Sale and Purchase Agreement (“Agreement”) with Sunsuria (MM2H) Sdn Bhd (“SSB” or “the Vendor”) for the purchase of a parcel of two-storey shop office known as Lot No. E-06, Block E measuring in area approximately 228.58 square metres (“Parcel”) with the accessory parcel measuring in area approximately 35.39 square metres, a freehold property held under master title H.S.(D) 268650, PT No. 27890 in the Mukim of Bukit Raja, District of Petaling, State of Selangor Darul Ehsan (“Property”), at a total cash consideration of RM3,751,689.79 (“Purchase Price”) (“Acquisition”).

2. INFORMATION ON FPVCGSB

FPVCGSB was incorporated in Malaysia on 30 June 1993 under the Companies Act, 1965 as a private limited company. The principal activity of FPVCGSB is operation of professional eye care centers, trading of eyewear and eye care products and investment holding. The present authorised share capital and the issued and paid-up share capital of FPVCGSB are RM10,000,000 divided into 10,000,000 ordinary shares of RM1.00 each.

3. INFORMATION ON THE VENDOR

SSB was incorporated in Malaysia on 10 April 2007 under the Companies Act, 1965 as a private limited company. SSB is principally engaged in property and housing development. The present authorised share capital of SSB is RM100,000 divided into 100,000 ordinary shares of RM1.00 each and the issued and paid-up share capital is RM50,000 divided into 50,000 ordinary shares of RM1.00 each.

4. INFORMATION OF THE PROPERTY

The subject property is located and held under master title H.S.(D) 268650, PT No. 27890 in the Mukim of Bukit Raja, District of Petaling, State of Selangor Darul Ehsan measuring approximately 54,870 square metres in area (“Land”).

Mega Milestone Sdn Bhd (“MMSB”) is the registered owner of the Land. The Vendor has purchased the Land from MMSB via a Sale and Purchase Agreement dated 25 March 2015 and is the beneficial owner of the Land. MMSB has on 25 March 2015 executed a power of attorney in respect of the Land in favour of the Vendor.

The Land is presently free from encumbrances.

The Vendor is developing an integrated development on the land, consisting of commercial and residential components provisionally to be known as “Seventh Avenue” or such other name as may be approved by the Appropriate Authority which may include, inter alia, office

space, retail space, service apartment, car park and other commercial and residential components (“the Development”).

The Property shall be constructed in accordance with the proposed Building Plans for phase 1 comprising layout plan, storey plan, floor plan, section plan, elevation plan or any other plans to be approved by the appropriate authority and the specifications.

The Vendor shall apply to the appropriate authority for the issuance of a separate strata title to the individual properties comprised in the Development.

5. DETAILS OF THE ACQUISITION

5.1 Salient Terms of Agreement

(1) Agreement to Sell and Purchase

- (i) The Vendor hereby agrees to sell to the Purchaser and the Purchaser hereby agrees to purchase from the Vendor the Property free from encumbrances and with vacant possession but subject to such conditions of title and restrictions in interest, whether express or implied, in the document of title to the Land and the conditions of title and restrictions in interest as may be expressed or implied in the separate strata title to the Property when issued for the Purchase Price.
- (ii) Any levy or other payments by whatever name called, if any, imposed by the Appropriate Authority for the acquisition of the Property shall be borne and paid by the Purchaser.

(2) Manner of Payment of the Purchase Price

The Purchase Price shall be paid by the Purchaser to the Vendor by instalments and at the time and in the manner prescribed below (“the table”):

Section	Instalment Payable	(%)	RM
1.	Immediately upon signing of the Agreement	10	375,168.98
2.	Within fourteen (14) days from the date of the Vendor’s written notice of the commencement of:-		
	(a) Hoarding Works	10	375,168.98
	(b) Piling Works	10	375,168.98
	(c) Pile Caps	10	375,168.98
	(d) Basement Structure	10	375,168.98
	Within fourteen (14) days from the date of the Vendor’s written notice of the completion of:-		
	(e) The reinforced concrete framework and slab of the Parcel	10	375,168.98
	(f) The brickwall of the Parcel	10	375,168.98
	(g) The electrical and water piping of the Parcel	10	375,168.98

Section	Instalment Payable	(%)	RM
	(h) The internal and external plastering of the Parcel	10	375,168.98
	(i) The road, drain and sewerage works serving the building of the Development comprising Blocks A to F and the car park	5	187,584.49
3.	Upon handing over the vacant possession of the Parcel as certified by the Vendor's Architect	5	187,584.48
	TOTAL	100	3,751,689.79

The Vendor is not bound to commence or complete the works in the order referred to the table above and the Purchaser shall pay the instalments according to the commencement or completion, as case maybe, of the relevant stage works by the Vendor.

Without prejudice to the Vendor's rights under the Agreement, if any of the instalments referred to in the table hereto shall remain unpaid by the Purchaser, the Purchaser shall pay to the Vendor interest at the rate of ten per centum (10%) per annum or at such other rate as may be stipulated by the Vendor from time to time on the amount outstanding calculated on a daily rest basis, from the expiry of the said fourteen (14)-day period until the date of full payment thereof.

(3) Default by the Purchaser and Termination of Agreement

3.1 If the Purchaser:-

- 3.1.1. fails to pay any instalment or part thereof payable and/or any interest payable under Section 5.1(2) of this announcement; or
- 3.1.2. fails to pay any sum or sums payable under the Agreement within the time stipulated for payment or any interest payable thereon; or
- 3.1.3. commits any breach of any of the terms or conditions contained in the Agreement or fails to perform or observe all or any of the Purchaser's covenants herein contained; or
- 3.1.4. before payment in full of the Purchase Price of the Property, commits an act of bankruptcy or enters into any statutory or other composition or scheme of arrangement with its creditors; or
- 3.1.5. before payment in full of the Purchase Price of the Property, being a company, enters into liquidation whether compulsory or voluntary (except for purpose of amalgamation or reconstruction) or be unable to pay its debts within the meaning of Section 218 of the Companies Act 1965 or any amendment modification or re-enactment thereof or has a petition presented or an order made or a resolution passed or legislation enacted for the winding up of the Purchaser;
- 3.1.6. attempts to sell, dispose of or assign the Property before completion and/or payment in full of the Purchase Price and such other monies payable hereunder without the prior written consent of the Vendor;

the Vendor may subject to Sections 5.1(3) and 5.1(3.4) of this announcement, annul the sale of the said Property and terminate the Agreement and in such event:-

- (i) The Vendor shall be entitled to deal with or otherwise dispose of the Property in such manner as the Vendor shall deem fit as if the Agreement has not been entered into; and

- (ii) All monies previously paid by the Purchaser to the Vendor (including but not limited to instalments paid towards the Purchase Price and interest) shall be forfeited absolutely to the Vendor but without prejudice to the right of the Vendor to further claims from the Purchaser the following:-
 - (a) all interest owing and unpaid;
 - (b) all payment due and unpaid;
 - (c) all legal fees (on a solicitor-client basis) and other expenses, if any, incurred in removing any caveat lodged by the Purchaser and/or its financier for financing the purchase of the Property.
 - (d) all expenses, including the legal costs (on a solicitor-client basis) calculated on a full indemnity basis incurred by the Vendor in attending to a resale or disposal or attempted resale or disposal of the Property and all fees and expenses incurred by the Vendor in relation to the recovery of any monies due from the Purchaser under the provisions of the Agreement; and
 - (e) any deficiency in the price of the Property which may result from the disposal or resale of the Property by the Vendor.
- 3.2 The sums referred to in Section 5.1(3)(ii)(a) to (e) of this announcement shall be paid by the Purchaser to the Vendor within fourteen (14) days from written notification by the Vendor to the Purchaser and until so paid shall be a debt due and owing by the Purchaser to the Vendor and the Purchaser shall pay to the Vendor interest at the rate of 10% per annum hereto or at such rate as may be stipulated by the Vendor from time to time on the amount outstanding calculated on a daily rest basis, from the expiry of the said fourteen (14) days until the date of full payment thereof.
- 3.3 Upon the termination of the Agreement pursuant to this Section 5.1(3) of this announcement, neither the Purchaser nor all those claiming title through and under the Purchaser shall have any claims whatsoever against the Vendor and to immediately vacate the said Property if vacant possession has been delivered to the Purchaser.
- 3.4 Notwithstanding the foregoing provisions of Section 5.1(3) of this announcement or any other provision, express or implied in the Agreement, the Vendor shall be entitled, but without prejudice to the Vendor's right to damages, to specific performance of the Agreement by the Purchaser and it is hereby expressly agreed by the Purchaser that monetary compensation to or for the Vendor shall not be sufficient.

5.2 Basis of Arriving at and justification for the Purchase Price

The Purchase Price was arrived at based on its selling price offered to the general public at large and after taking into consideration the comparative value in same vicinity.

No valuation was carried out on the Property as it is a new project undertaken by SSB.

5.3 Source of Funding

The Purchase Price will be satisfied by internally generated funds and bank borrowings. The exact mix of internally generated funds and bank borrowings will be decided by the Management at a later date.

5.4 Liabilities, including Contingent Liabilities and Guarantees to be Assumed

Focus Point Group will be purchasing the Property free from encumbrances and with vacant possession but subject to such conditions of the title and restrictions in interest, whether express or implied, in the document of title to the Land and the conditions of title and restrictions in interest as may be expressed or implied in the separate strata title to the said Property when issued for the Purchase Price.

5.5 Estimated Time Frame for Completion

The Vendor will complete and deliver vacant possession of the Property to the Purchaser within forty two (42) months from:-

- (i) the date of the Agreement; or
- (ii) the date of receipt by the Vendor of the approval of the building plans and the Phase 1 site plan by the appropriate authority; or

whichever shall be the latest, failing which the Vendor shall pay to the Purchaser liquidated damages at the rate of 10 per centum (10%) per annum on the amount of the Purchase Price as may have been paid by the Purchaser to the Vendor calculated from day to day commencing from the due date for delivery of vacant possession or such extended date as approved by the appropriate authority and/or the Vendor's Architect or Vendor's Engineer as the case may be, pursuant to Force Majeure clause, to the date of delivery of vacant possession of the said Property.

6. RATIONALE AND BENEFITS FOR THE ACQUISITION

Focus Point is in retail business and in the midst of expanding its distribution network. The Company will be opening a new professional eye-care centre at the Property, which will be situated at the upcoming integrated development comprising commercial and residential components held under the Land. The Acquisition opens up another distribution network for Focus Point to increase its revenue and gain additional market share. The Acquisition may also provide Focus Point potential capital appreciation of the Property in future.

7. PROSPECTS OF THE PROPERTY

The Property is within The Forum Sunsuria Seventh Avenue, which is located in the high growth area of Setia Alam. The freehold integrated mixed development has been granted "international zone" offering prime commercial, corporate and residential spaces and is poised to become the only quintessential commercial counter place within the heart of Setia Alam.

8. RISK FACTORS

The acquisition is subject to risks inherent in the property market. Such risks may include normal business risk, changes in economic, political and regulatory conditions as well as financing risk in Malaysia which may affect the market value of the Property in future.

Save for the above, the Directors are unaware of any risk arising from the Acquisition which could materially or adversely affect the financial of Focus Point Group.

9. EFFECTS OF THE ACQUISITION

9.1 Share Capital and Substantial Shareholders

The Acquisition which will be satisfied by cash will not have any effect on the share capital and substantial shareholders' shareholdings of the Company.

9.2 Earnings per share, Net Assets ("NA") per share and Gearing

The Acquisition is not expected to have any material effect on Focus Point Group's earnings per share and NA per share. For illustrative purpose, assuming that 80% of the Purchase Price which amounts to RM3,001,352 is funded by bank borrowing, the gearing ratio of Focus Point will increase from 51% to 57% based on the audited financial statements of the Group for the financial year ended 31 December 2014.

10. PERCENTAGE RATIOS

The highest percentage ratio applicable to the Acquisition is 7.11% pursuant to Rule 10.02(g) of the ACE LR.

11. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the directors, major shareholders of FOCUS POINT and/or persons connected to them has any interest, direct or indirect, in the Acquisition.

12. DIRECTORS' STATEMENT

The Board, after having considered the Acquisition, is of the opinion that the Acquisition is in the best interest of the FOCUS POINT Group.

13. APPROVALS REQUIRED

The Acquisition is not subject to the approval of the shareholders of the Company.

The approval from government authorities may be required and the estimated timeframe for submission of application to the relevant authorities (if any) are as follows:-

- (a) In the event that the consent under Section 433B of the National Land Code from the State Authority is required ("the State Authority"), the Purchaser shall at its own cost and expense submit the necessary applications within Fourteen (14) days from the date hereof or upon the issuance of separate strata title as the law may require or such extension of time as may be agreed by the Vendor and obtain the written approval from the State Authority ("the Approval") within six (6) months from the date of issuance of separate strata title as the law may require ("the Approval Period") or such extension of time as may be agreed by the Vendor ("the Extended Approval Period"). Any letter or document from the State Authority to the effect that it has no objection to the Acquisition shall for the purposes of the Agreement be taken and deemed to be approval of the State Authority in all respects notwithstanding any conditions imposed therein.
- (b) If the Purchaser is still not able to obtain the State Authority Approval, as the case may be, at the expiry of the Approval Period or the Extended Approval Period, if any, or if the Purchaser's application to the State Authority is not approved or rejected for any reason whatsoever, then the State Authority Approval, to the sale and purchase shall be deemed not to have been obtained for the purpose of the Agreement and

either party hereto shall be entitled to terminate the Agreement by a notice in writing to the other within Fourteen (14) days of the receipt of the notification of such non-approval and/or rejection whereupon the Vendor shall refund, free of interest, all instalments paid by the Purchaser towards the Purchase Price pursuant to Section 5.1(2) of this announcement, provided always that the Purchaser shall return to the Vendor all the documents pertaining to the Property that may have been forwarded to the Purchaser or its Solicitors or the financier or its Solicitors, within Fourteen (14) days from the date of receipt of the notice of termination and thereafter the Agreement shall be of no further force and effect and neither party hereto shall have any claims whatsoever against the other in respect of the Agreement, subject always that where the Purchaser fails, neglects and/or refuses to make an application to the State Authority, if necessary, within the prescribed period stated in Section 13(a) above, or fails, neglects and/or refuses to comply with the submission requirements as required by the State Authority, if necessary, within the Approval Period or the Extended Approval Period, then and in such an event, Section 5.1(3) of this announcement shall apply mutatis mutandis and thereafter the Agreement shall be deemed to be terminated and shall be null and void and of no effect and neither party thereto shall have any claims against the other save and except in respect of any antecedent breach.

- (c) If the State Authority Approval is/or obtained with conditions imposed therein the Purchaser shall comply with and/or take such steps as are necessary to comply with the said conditions and the Purchaser shall upon the request of the Vendor by notice in writing furnish to the Vendor proof of such compliance within seven (7) days of the notice and the Purchaser hereby agrees that the Vendor shall not be liable to the Purchaser if the transfer of the Property in favour of the Purchaser cannot be registered upon issuance of Strata Title due to the failure, neglect and/or refused by the Purchaser to observe and comply with such terms or conditions imposed by the State Authority.

14. DOCUMENT FOR INSPECTION

A copy of the Agreement is 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 during business hours from Mondays to Fridays (except Public Holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 12th May 2015.