

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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FOCUS POINT

FOCUS POINT HOLDINGS BERHAD

[Registration No. 200901041088 (884238-U)]
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

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

The resolution in respect of the above proposal will be tabled as Special Business at the 11th Annual General Meeting ("AGM") of Focus Point Holdings Berhad ("Focus Point or the "Company") 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 29 July 2020, Wednesday at 10.00 a.m. The Notice of the 11th AGM together with the Form of Proxy and Administrative Guide to the 11th AGM are despatched together with this Circular.

If you are unable to attend and vote at the meeting, you may appoint proxy(ies) by completing the Form of Proxy and deposit it at the Company's Share Registrar's office at Tricor Investor & Issuing House Services Sdn Bhd [Registration No. 197101000970 (11324-H)] of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.

You can also have the option to lodge the proxy appointment electronically via TIIH Online at <https://tiih.online> (for individual shareholders only) before the proxy form lodgement cut-off time as mentioned below. For further information on the electronic lodgement of proxy form, kindly refer to the Annexure to the Proxy Form.

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy: 27 July 2020 (Monday) at 10.00 a.m.
Date and time of the AGM : 29 July 2020 (Wednesday) at 10.00 a.m.

This Circular is dated 30 June 2020

DEFINITIONS

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

- “Act” : Companies Act 2016 as amended from time to time and any re-enactment thereof (including the corresponding previous written law)
- “AGM” : Annual General Meeting
- “Board” : Board of Directors of Focus Point
- “Bursa Securities” : Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
- “Circular” : This circular to shareholders of Focus Point dated 30 June 2020
- “CMSA” : Capital Markets and Services Act, 2007 including any amendments that may be made from time to time.
- “Datin Goh” : Datin Goh Poi Eong, a Director and Major Shareholder of Focus Point. She is the spouse of Dato’ Liaw and mother of Kelvin 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 Kelvin Liaw Kai Xuan
- “Director(s)” : Has the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding six (6) months of 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.
- “Family” : in relation to a person means such person who falls within any one of the following categories:
- (a) spouse;
 - (b) parent;
 - (c) child including an adopted child and step-child;
 - (d) brother or sister; and
 - (e) spouse of the person referred to in sub-Rules (c) and (d) above.
- “Focus Point” or “the Company” : Focus Point Holdings Berhad [Registration No. 200901041088 (884238-U)]
- “Focus Point Group” or “the Group” : Focus Point and its subsidiaries
- “Focus Point Vision Care” : Focus Point Vision Care Group Sdn Bhd [Registration No. 199301013733 (268471-X)], a wholly-owned subsidiary of Focus Point
- “Focus Point Management” : Focus Point Management Sdn Bhd [Registration No. 199801008672 (464799-U)], a wholly-owned subsidiary of Focus Point

DEFINITIONS (Con't)

- “Focus Point Vision Care (HP)” : Focus Point Vision Care Group (HP) Sdn Bhd [Registration No. 199601003152 (375498-H)], a 35%-owned associate of Focus Point Vision Care
- “Interested Directors / Interested Major Shareholders” : Dato’ Liaw, Datin Goh and Kelvin Liaw Kai Xuan
- “Listing Requirements” : ACE Market Listing Requirements of Bursa Securities including any amendments that may be made from time to time.
- “LPD” : 1 June 2020, being the latest practicable date prior to the printing of this Circular
- “Major Shareholder(s)” : A person who has an interest or interests in one (1) or more voting shares in Focus Point and the number or aggregate number of those shares, is:
- (a) ten percent (10%) or more of the total number of voting shares in Focus Point; or
 - (b) five percent (5%) or more of the total number of 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” has the meaning given in Section 8 of the Act.
- “Multiple Reward” : Multiple Reward Sdn Bhd [Registration No. 200901015028 (858098-H)], a wholly-owned subsidiary of Focus Point
- “Partner” : in relation to any person (referred to as “said Person”), means such person who falls within any one of the following categories:
- (a) a person with whom the said Person, is in or proposes to enter into partnership with. “Partnership” for this purpose refers to a “partnership” as defined in section 3 of the Partnership Act 1961 or “limited liability partnership” as defined in section 2 of the Limited Liability Partnerships Act 2012, as the case may be; or
 - (b) a person with whom the said Person has entered or proposes to enter into a joint venture, whether incorporated or not.
- “Person(s) Connected” : in relation to any person (referred to as “said Person”) means such person who falls under any one of the following categories:
- (a) a family member of the said Person;
 - (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;
 - (c) a partner of the said Person;
 - (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;

DEFINITIONS (Con't)

- (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
 - (f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
 - (g) a body corporate which is a related corporation of the said Person.
- “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 340(2) of the Act (but will not extend to such extension as may be allowed pursuant to Section 340(4) 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 for Focus Point Group to enter into existing Recurrent Related Party Transactions
- “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 Focus Point Group and in the ordinary course of business of 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 [Registration No. 201101018910 (947043-X)]
- “Share(s)” : Ordinary shares in Focus Point

References to “we”, “us”, “our” and “ourselves” are to our Company and where the context requires, shall include our subsidiaries. All references to “you” in this Circular are to our shareholders.

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
[Registration No. 200901041088 (884238-U)]
(Incorporated in Malaysia)

Registered Office:

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
W.P. Kuala Lumpur

30 June 2020

Board of Directors:

Leow Ming Fong @ Leow Min Fong (*Independent Non-Executive Chairman*)
Dato' Liaw Choon Liang (*President / Chief Executive Officer*)
Datin Goh Poi Eong (*Executive Director*)
Kelvin Liaw Kai Xuan (*Executive Director*)
Datin Sim Swee Yoke (*Independent Non-Executive Director*)
Datuk Md Zubir Ansori Bin Yahaya (*Non-Independent Non-Executive Director*)

To: The Shareholders of Focus Point Holdings Berhad

Dear Sir/Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPTS ("PROPOSED SHAREHOLDERS' MANDATE")

1. INTRODUCTION

At the 10th AGM of Company held on 23 May 2019, the Company had obtained our shareholders' approval for a general mandate to allow the Group to enter into RRPTs.

The RRPTs mandate shall, in accordance with the ordinary resolution passed at the 10th AGM, lapse on 30 June 2020.

Accordingly, the Board had on 18 June 2020 announced that the Company proposed to seek approval of its shareholders at the forthcoming 11th AGM for the Proposed Shareholders' Mandate.

The purpose of this Circular is to provide you with the details of the Proposed Shareholders' Mandate, together with the Board's recommendation, and to seek your approval for the Ordinary Resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming 11th AGM of the Company which 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 29 July 2020, Wednesday at 10.00 a.m. The Notice of 11th AGM together with the Form of Proxy and Administrative Guide to the 11th AGM are dispatched together with this Circular.

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 11TH 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 RRPTs 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 the aggregate value is equal or more than the following thresholds in relation to a listed corporation with an issued share capital which is less than RM60 million:
 - (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;
- (d) in a meeting to obtain a shareholders' mandate, the interested Director, interested Major Shareholder or interested Person Connected with the 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 in respect of the RRPT. An interested Director or interested Major Shareholder must ensure that persons connected with him/her/it abstain from voting on the resolution in respect of the RRPT; and
- (e) the listed corporation immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed corporation, exceeds the estimated value of the RRPT 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.

In the ordinary course of its business, the Group has entered into certain RRPTs 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 11th AGM for the Proposed Shareholders' Mandate which will allow the Group to enter into RRPTs of a revenue or trading nature which are necessary for its day-to-day operations and in the ordinary course of business, and are based on normal commercial terms and transaction prices that 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.

2.1 Validity period for the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate, if approved by the shareholders of the Company at the forthcoming 11th AGM, will take effect from the date of the passing of the ordinary resolution proposed at the 11th 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 340(2) of the Act (but will not extend to such extension as may be allowed pursuant to Section 340(4) 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 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

Note:

The above table did not include the subsidiaries of Focus Point which have ceased operations and remained dormant.

2.3 Nature of RRPTs and estimated values

Information on existing RRPTs 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 24 April 2019 up to the LPD (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 11 th AGM to the next AGM* (RM'000)	
(i)	Focus Point Vision Care	Focus Point Vision Care (HP)	Focus Point Vision Care (HP), in which Dato' Liaw's brother, Liaw Choon Kuan has substantial shareholdings, is a 35%-owned associate company of Focus Point Vision Care. 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	606	3,000	
(ii)	Focus Point Management	Focus Point Vision Care (HP)	Focus Point Vision Care (HP), in which Dato' Liaw's brother, Liaw Choon Kuan has substantial shareholdings, is a 35%-owned associate company of Focus Point Vision Care. Dato' Liaw and Liaw Choon Kuan are directors of Focus Point Vision Care (HP).	Licensing fees received from Focus Point Vision Care (HP) for granting "Focus Point" licensed outlets.	500	120	500	
(iii)	Multiple Reward	Sejati Serimas	Datin Goh and Kelvin Liaw Kai Xuan are shareholders and directors of Sejati Serimas. They are also directors and shareholders of Focus Point.	Rental of detached factory from Sejati Serimas for central kitchen purpose. ⁽¹⁾	240	240	240	

Notes:

(a) * These estimated values have been arrived at by the Group after taking into account management's forecasts and anticipated business volume for the Proposed Mandate Period. Nevertheless, the above estimates may vary from the actual amounts and are subject to changes.

(b) ⁽¹⁾ Salient terms of the tenancy renewal letter dated 1 October 2018 in relation to the rental of detached factory from Sejati Serimas

Address	: No. 3, Jalan Teknologi 3/5A, PJU 5, Pusat Teknologi Sinar Damansara, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan
Gross floor area	: 9,425 square feet
Tenancy period	: Two (2) years
Commencement date	: 1 October 2018 – 30 September 2020
Current monthly rental	: RM20,000.00
Remark	: The Company has intention to renew the tenancy agreement upon expiry of the existing tenancy term

(c) There was no deviation where the actual value transacted for each RRPT from the date on which the existing mandate was obtained up to the LPD exceeds the estimated value of each RRPT as disclosed in the preceding year's circular to shareholders dated 24 April 2019 by 10% or more.

2.4 Relationship with Focus Point Vision Care (HP) and Sejati Serimas

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 (HP) has an issued share capital of RM80,003 comprising 80,003 ordinary shares. 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, who is a Director and Major Shareholder of Focus Point 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 issued share capital of RM50,000 comprising 50,000 ordinary shares. Sejati Serimas is a property investment holding company.

The Directors of Sejati Serimas are Datin Goh and Kelvin 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. Kelvin 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 both Sejati Serimas and Focus Point. Dato' Liaw is a Related Party as he is the spouse of Datin Goh and father of Kelvin Liaw Kai Xuan and a Director and Major Shareholder of Focus Point.

2.5 Threshold of authority

There is no specific threshold for approval of RRPTs within the Focus Point Group. However, all RRPTs are subject to the approval of the Board after being reviewed by the Audit Committee. Where any Director has any interest (direct or indirect) in any RRPT, 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) RRPT(s) will be conducted on an arms' length basis and on normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public; and
- (b) such transaction will not be detriment to the minority shareholders of the Company.

2.6 Amount due from Related Parties

There was no amount owing by Related Parties to Focus Point Group pursuant to the RRPTs as at 31 December 2019. The payments were made within the agreed credit terms.

2.7 Review procedures for RRPTs

Focus Point has methods and procedures to ensure that the RRPTs are undertaken on an arm's length basis and on transaction prices and normal commercial terms that are consistent with Focus Point's usual business practices and policies, and not more favourable to the interested Related 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 Related 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 transaction 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 and usual business practices of the Group 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 normal 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 and all RRPTs are compiled for review and approval by the Audit Committee and Board respectively.
- (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 the RRPT made and the names of the Related Parties involved in each type of the RRPTs made and their relationship with the Company, to which the Annual Report relates, for so long as the shareholders' mandate remains in force.

In addition, if the actual value of the RRPTs entered into by the Group exceeds the estimated value of the RRPTs as disclosed in the circular to shareholders on the Proposed Shareholders' Mandate by 10% or more, the Company will make an immediate announcement to Bursa Securities.

- (d) The Audit Committee has the responsibility for reviewing the RRPT procedures and guidelines and reporting the same to the Board.
- (e) In the review of RRPT, the Audit Committee may, as it deems fit, requests 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 (direct or indirect) 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.

If during the annual review, the Audit Committee and Board are of the view that the review procedures and processes are no longer appropriate, adequate or sufficient to monitor, track and identify RRPTs as well as to ensure that the RRPTs are made on arm's length basis, on terms and transaction prices 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 will recommend to the Board to revise the existing procedures and processes to ensure the Group has in place adequate procedures and processes at all times.

2.8 Audit Committee's Statement

The Audit Committee of the Company has seen and reviewed the procedures mentioned in Section 2.7 above and is of the view that the procedures are sufficient to ensure that the RRPTs 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 RRPTs in a timely and orderly manner. These procedures and processes are reviewed from time to time.

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

The rationale for and benefits of the Proposed Shareholders' Mandate for RRPTs to 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 and in the ordinary course of business of the Group at arm's length, on normal commercial terms and transaction prices which 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; and
- (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 effect on the issued share capital, net assets per share, earnings per share, gearing and shareholdings of the substantial shareholders 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 11th 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/or Interested Major Shareholders of the Company and Persons Connected to them who are interested in respect of the Proposed Shareholders' Mandate, 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	99,124,001	45.056	30,627,931 ⁽¹⁾	13.922
Datin Goh	29,294,598	13.316	100,457,334 ⁽¹⁾	45.662
Kelvin Liaw Kai Xuan	1,333,333	0.606		
Interested Person Connected to the Directors/Major Shareholders				
Liaw Choon Kuan	-	-	-	-

Notes:

(1) Deemed interested by virtue of the interest of his/her spouse and son pursuant to Section 8 of the Act.

The Interested Directors have abstained and will continue to abstain from deliberations and voting on resolution in relation to the Proposed Shareholders' Mandate at the Board meetings. They will 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 11th AGM.

The Interested Major Shareholders will also abstain from voting in respect of their direct and indirect shareholdings in Focus Point on the Proposed Shareholders' Mandate at the forthcoming 11th AGM.

The Interested Directors and 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 resolution relating to Proposed Shareholders' Mandate at the forthcoming 11th 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' STATEMENT AND RECOMMENDATION

The Board (save for the Interested Directors), after having considered 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 11th AGM.

8. AGM

The Ordinary Resolution in respect of the Proposed Shareholders' Mandate will be tabled as Special Business at the Company's forthcoming 11th AGM. The Notice of the 11th AGM, Proxy Form and Administrative Guide to the 11th AGM are sent to you together with this Circular.

The 11th 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 29 July 2020, Wednesday at 10.00 a.m., or any adjournment thereof.

If you are unable to attend or vote in person at the 11th AGM, you may appoint proxy(ies) by completing, sign and deposit the Proxy Form in accordance with the instructions therein, to the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the date and time set for holding the 11th AGM or any adjournment thereof. You may also submit the Proxy Form electronically via TIIH Online at <https://tiih.online> (for individual shareholders only) before the proxy appointment cut off time as mentioned above. For further information on electronic lodgement of Proxy Form, please refer to Annexure to the Proxy Form.

The lodging of the Proxy Form will not preclude you from attending and voting in person at the 11th 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

LEOW MING FONG @ LEOW MIN FONG
Independent Non-Executive Chairman

ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of the Company 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 to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. MATERIAL CONTRACTS

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.

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 Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 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) Constitution of the Company; and
- (b) The audited consolidated financial statements of Focus Point for the past two (2) financial years ended 31 December 2018 and 31 December 2019.
- (c) Unaudited quarter 1 financial results for the period ended 31 March 2020.

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FOCUS POINT

FOCUS POINT HOLDINGS BERHAD

[Registration No. 200901041088 (884238-U)]

(Incorporated in Malaysia)

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

ORDINARY RESOLUTION

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

“THAT pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiaries 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 June 2020 (“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 and transaction prices 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,

(“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 340(2) of the Companies Act 2016 (“the Act”) (but will not extend to such extension as may be allowed pursuant to Section 340(4) 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 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.”