

FOCUS POINT HOLDINGS BERHAD ("FOCUS POINT" OR THE "COMPANY")

- I. PROPOSED TRANSFER OF THE LISTING AND QUOTATION OF THE ENTIRE ISSUED SHARE CAPITAL OF FOCUS POINT FROM THE ACE MARKET TO THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") ("PROPOSED TRANSFER"); AND
- II. PROPOSED AMENDMENTS TO THE CONSTITUTION OF FOCUS POINT TO FACILITATE THE IMPLEMENTATION OF THE PROPOSED TRANSFER ("PROPOSED AMENDMENTS")

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

1. INTRODUCTION

On behalf of the Board of Directors of Focus Point ("**Board**"), RHB Investment Bank Berhad ("**RHBIB**") wishes to announce that the Company is proposing to undertake the Proposals.

Further details of the Proposals are set out in the ensuing sections of this Announcement.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Transfer

The Proposed Transfer entails the transfer of the listing and quotation of the entire issued share capital of Focus Point from the ACE Market to the Main Market of Bursa Securities. As at 1 April 2022, being the latest practicable date prior to the date of this Announcement ("**LPD**"), the issued share capital of Focus Point is RM40,096,647 comprising 329,999,477 ordinary shares in Focus Point ("**Focus Point Shares**" or "**Shares**").

Focus Point and its subsidiaries ("**Focus Point Group**" or the "**Group**") have met the requirements for the Proposed Transfer as set out in the Equity Guidelines issued by the Securities Commission Malaysia ("**SC**") ("**Equity Guidelines**") and the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**"), which include, amongst others, the following:

i. Historical Profit Performance

Focus Point is seeking the transfer of its listing from the ACE Market to the Main Market of Bursa Securities based on the profit test pursuant to Part II, Paragraph 5.02(a)(i) of the Equity Guidelines.

Part II, Paragraph 5.02(a)(i) of the Equity Guidelines states that a corporation must have an uninterrupted profit of 3 to 5 full financial years based on audited financial statements prior to submission to the SC, with an aggregate after-tax profit of at least RM20.00 million and an after-tax profit for the most recent financial year of at least RM6.00 million. In fulfilling the profit requirements, contribution from associated companies must not exceed those of subsidiary companies.

Further, pursuant to Part I, Paragraph 2.01 of the Equity Guidelines, after-tax profit refers to profit after taxation and after:

- (a) adjusting for profits or losses attributable to minority interests; and
- (b) excluding profits or losses generated from non-recurring items or by activities or events outside the ordinary and usual course of business.

For avoidance of doubt, a corporation seeking a transfer to the Main Market of Bursa Securities is not required to comply with the 'uninterrupted' profit requirements.

Focus Point has achieved an audited consolidated after-tax profit of approximately RM12.90 million for the most recent financial year ended ("FYE") 31 December 2021 and an aggregate audited consolidated after-tax profit of approximately RM30.17 million for the past 3 financial years up to the FYE 31 December 2021 ("**Financial Years Under Review**").

Focus Point's after-tax profit for the Financial Years Under Review is set out below:

	-----Audited----->			
	<-----FYE 31 December----->			
	2019 RM'000	2020 RM'000	2021 RM'000	Total RM'000
Profit after tax attributable to the owners of the Company	9,888	10,637	14,048	34,573
Less:				
Other operating income	1,949 ^(a)	1,308	1,151	4,408
After-tax profit	7,939	9,329	12,897	30,165

Note:

- (a) *Reclassified to conform with the presentation of the audited consolidated financial statements of the Group for the FYE 31 December 2020 given that eyewear suppliers' purchase rebate and prompt payment discount should be accounted for as a reduction or discount to cost of sales instead of classified as other income.*

Based on the above, Focus Point has satisfied the profit requirements for the Proposed Transfer prescribed under Part II, Paragraph 5.02(a)(i) of the Equity Guidelines.

ii. Healthy financial position requirements

Pursuant to Part II, Paragraph 5.08 of the Equity Guidelines, a corporation seeking a transfer to the Main Market of Bursa Securities must have a healthy position, with:

- (a) sufficient level of working capital for at least 12 months from the date of the transfer;
- (b) positive cash flow from operating activities over the Financial Years Under Review; and

(c) no accumulated losses based on latest audited financial statements.

Based on the latest audited consolidated statements of financial position of Focus Point as at 31 December 2021, Focus Point has:

- (a) net assets of approximately RM75.75 million;
- (b) current assets and current liabilities of approximately RM118.67 million and RM92.12 million respectively, representing a current ratio of approximately 1.29 times;
- (c) cash and bank balances of approximately RM43.00 million; and
- (d) no accumulated losses.

In addition, Focus Point recorded positive net cash flow from operating activities for the Financial Years Under Review as follows:

	<-----Audited----->		
	<-----FYE 31 December----->		
	2019	2020	2021
	RM'000	RM'000	RM'000
Net cash flow from operating activities	50,347	53,463	58,739

Further, the Board confirms that it has sufficient level of working capital for at least 12 months from the date of the Proposed Transfer.

Based on the above, Focus Point has satisfied the healthy financial position requirements for the Proposed Transfer under Part II, Paragraph 5.08 of the Equity Guidelines.

iii. Public shareholding spread

Pursuant to Paragraph 8.02(1) of the Listing Requirements, a company is required to meet a public shareholding spread of at least 25% of the total number of listed shares (excluding treasury shares) to be in the hands of a minimum number of 1,000 public shareholders holding not less than 100 shares each.

Based on the Record of Depositors of Focus Point as at the LPD, approximately 30.13% of the issued share capital of the Company is held by 1,738 public shareholders holding not less than 100 Focus Point Shares each.

Based on the above, Focus Point has satisfied the public shareholding spread requirement of the Listing Requirements.

2.2 Proposed Amendments

The Company proposes to amend its constitution in accordance to the Proposed Amendments to ensure compliance with certain provisions of the Listing Requirements pursuant to the Proposed Transfer.

The details of the Proposed Amendments will be set out in the notice to the shareholders of Focus Point that will be circulated in due course.

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Transfer

The Proposed Transfer will mark another major milestone for the Company subsequent to its listing on the ACE Market of Bursa Securities on 23 August 2010. The Proposed Transfer signifies the financial strength of the Group as it has satisfied the profit track record requirements as well as the financial position and liquidity requirements for a transfer to the Main Market of Bursa Securities. For information purposes, the market capitalisation of the Company as at the LPD is approximately RM244.20 million, grown from its listing market capitalisation of approximately RM64.35 million on 23 August 2010.

The Board believes that the Proposed Transfer will enhance the Company's credibility, prestige and reputation, and accord the Company with greater recognition and acceptance amongst investors, in particular institutional investors, while reflecting the Group's current scale of operations. This will in turn enhance the attractiveness and marketability of Focus Point Shares.

In addition, the Proposed Transfer is envisaged to enhance the confidence of the Group's customers, suppliers, business associates, employees and shareholders through its profile as a company listed on the Main Market of Bursa Securities.

3.2 Proposed Amendments

The Proposed Amendments are necessary to facilitate the implementation of the Proposed Transfer.

4. EFFECTS OF THE PROPOSALS

The Proposals will not have any effect on the issued share capital and substantial shareholders' shareholdings of the Company.

In addition, the Proposals will not have any effect on the net assets per share, gearing, earnings and earnings per share of the Group.

5. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- i. the SC for the Proposed Transfer;
- ii. Equity Compliance Unit of the SC, for the resultant equity structure after the Proposed Transfer;
- iii. Bursa Securities for the Proposed Transfer;
- iv. the shareholders of Focus Point, for the Proposed Amendments at an extraordinary general meeting of the Company to be convened; and
- v. any other relevant authorities and/or parties, if required.

The Proposals are inter-conditional upon each other. The Proposed Amendments will only take effect on the date of listing of Focus Point on the Main Market of Bursa Securities.

The Proposals are not conditional upon any other proposal undertaken or to be undertaken by the Company.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVES AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executives of Focus Point and/or persons connected with them have any interests, whether direct or indirect, in the Proposals.

7. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company.

8. APPLICATIONS TO THE RELEVANT AUTHORITIES

Barring any unforeseen circumstance, the applications to the relevant authorities will be made within a period of 3 months from the date of this Announcement.

9. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposals are expected to be completed by the 4th quarter of 2022.

10. PRINCIPAL ADVISER

RHBIB has been appointed as the Principal Adviser to the Company for the Proposals.

This Announcement is dated 6 May 2022.