

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

PROPOSED BONUS ISSUE OF UP TO 131,999,790 NEW ORDINARY SHARES IN FOCUS POINT ("FOCUS POINT SHARES" OR "SHARES") ("BONUS SHARES") ON THE BASIS OF 2 BONUS SHARES FOR EVERY 5 EXISTING FOCUS POINT SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("ENTITLEMENT DATE") ("PROPOSED BONUS ISSUE OF SHARES")

1. INTRODUCTION

On behalf of the Board of Directors of Focus Point ("**Board**"), RHB Investment Bank Berhad ("**RHB Investment Bank**") wishes to announce that the Company proposes to undertake an issuance of up to 131,999,790 Bonus Shares on the basis of 2 Bonus Shares for every 5 existing Focus Point Shares held on the Entitlement Date.

Further details of the Proposed Bonus Issue of Shares are set out in the ensuing sections of this Announcement.

2. DETAILS OF THE PROPOSED BONUS ISSUE OF SHARES

2.1 Basis and number of Bonus Shares to be issued

The Proposed Bonus Issue of Shares will entail the issuance of up to 131,999,790 Bonus Shares on the basis of 2 Bonus Shares for every 5 existing Focus Point Shares held by the shareholders of Focus Point whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date ("**Entitled Shareholders**").

As at 20 February 2023, being the latest practicable date prior to the date of this Announcement ("**LPD**"), the Company has an issued share capital of RM40,096,000 comprising 329,999,477 Focus Point Shares. For shareholders' information, the Company does not have any outstanding convertible securities as at the LPD. The enlarged number of issued shares of the Company will increase from 329,999,477 Focus Point Shares to up to 461,999,267 Focus Point Shares based on up to 131,999,790 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares.

The Entitlement Date will be determined by the Board and announced by the Company at a later date upon receipt of all relevant approvals for the Proposed Bonus Issue of Shares.

Fractional entitlements of the Bonus Shares arising from the Proposed Bonus Issue of Shares, if any, will be disregarded and dealt with in such manner as the Board in its absolute discretion deems fit, expedient and in the best interest of the Company.

The entitlement basis for the Proposed Bonus Issue of Shares was determined after taking into consideration the following:

- (i) dilutive effects arising from the issuance of the Bonus Shares on the consolidated earnings per Share ("**EPS**") and net assets ("**NA**") per Share of the Company; and
- (ii) compliance with Paragraph 6.30(1A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") which states that the Company must ensure that its share price adjusted for the Proposed Bonus Issue of Shares is not less than RM0.50 based on the daily volume weighted average share price ("**VWAP**") during the 3-month period before the application date.

Focus Point's share price will be adjusted pursuant to the Proposed Bonus Issue of Shares. For illustration purposes, based on the 5-day VWAP of Focus Point Shares up to and including the LPD as well as the lowest daily VWAP of Focus Point Shares during the 3-month period before the LPD, the theoretical ex-bonus price ("**TEBP**") of Focus Point Shares after the Proposed Bonus Issue of Shares is set out below:

	VWAP before the Proposed Bonus Issue of Shares RM	TEBP after the Proposed Bonus Issue of Shares RM
5-day VWAP up to and including the LPD	1.2704	0.9074
Lowest daily VWAP during the 3-month period before the LPD	0.7180	0.5129

The Proposed Bonus Issue of Shares will be implemented in a single issuance.

2.2 No capitalisation of reserves

The Bonus Shares will be issued as fully paid, at no consideration and without capitalisation of the Company's reserves. For the avoidance of doubt, the Proposed Bonus Issue of Shares will increase the number of Focus Point Shares in issue but will not increase the value of the share capital of the Company.

2.3 Ranking of the Bonus Shares

The Bonus Shares shall, upon issuance and allotment, rank equally in all respects with the then existing Focus Point Shares, save and except that they will not be entitled to any dividend, right, allotment and/or any other distribution that may be declared, made or paid prior to the date of allotment of the Bonus Shares.

2.4 Listing and quotation of the Bonus Shares

An application will be made to Bursa Securities for the listing and quotation of the Bonus Shares on the Main Market of Bursa Securities.

2.5 Equity fundraising exercises in the past 12 months

The Company has not undertaken any equity fundraising exercises in the past 12 months before the announcement of the Proposed Bonus Issue of Shares.

3. RATIONALE FOR THE PROPOSED BONUS ISSUE OF SHARES

After taking into consideration the various options available to reward the shareholders of the Company, the Board is of the view that the Proposed Bonus Issue of Shares is the most appropriate avenue to reward its shareholders for their continuous support as the Proposed Bonus Issue of Shares will:

- (i) increase shareholders' equity participation in the Company in terms of the number of Shares held and maintaining their percentage equity shareholding without incurring any cost;
- (ii) encourage the trading liquidity of the Shares on the Main Market of Bursa Securities at a lower adjusted trading price and increased number of Shares in issue without affecting the size of the market capitalisation of the Company; and
- (iii) maintain the Company's reserves as the Proposed Bonus Issue of Shares will be implemented via the adoption of the enhanced bonus issue framework without capitalisation of its reserves.

4. EFFECTS OF THE PROPOSED BONUS ISSUE OF SHARES

4.1 Issued share capital

The pro forma effects of the Proposed Bonus Issue of Shares on the issued share capital of Focus Point are set out below:

	No. of Shares	RM
Issued share capital as at the LPD	329,999,477	40,096,000
Shares to be issued pursuant to the Proposed Bonus Issue of Shares	131,999,790	-(a)
Enlarged issued share capital	461,999,267	40,096,000

Note:

(a) *The Bonus Shares will be issued as fully paid, at no consideration and without capitalisation of the Company's reserves.*

4.2 Consolidated NA per Share and gearing

Based on the latest audited consolidated financial statements of Focus Point as at 31 December 2021, the pro forma effects of the Proposed Bonus Issue of Shares on the consolidated NA per Share and gearing of Focus Point are set out below:

	Audited as at 31 December 2021 RM'000	I After adjustments for subsequent events RM'000	II After I and the Proposed Bonus Issue of Shares RM'000
Share capital	40,096	40,096	40,096
Retained earnings	35,658	25,758 (a)	25,608 (b)
Shareholders' funds/NA	75,754	65,854	65,704
No. of Shares in issue ('000)	329,999	329,999	461,999
NA per Share (RM)	0.23	0.20	0.14
Total interest-bearing borrowings (RM'000)	36,850	36,850	36,850
Gearing ratio (times)	0.49	0.56	0.56

Notes:

(a) *After adjusting for the following:*

(i) *1st interim single tier dividend of 1.50 sen per Share amounting to RM4,949,990 in respect of the financial year ended ("FYE") 31 December 2022, which was paid on 30 June 2022; and*

(ii) *2nd interim single tier dividend of 1.50 sen per Share amounting to RM4,949,990 in respect of the FYE 31 December 2022, which was paid on 30 December 2022.*

(b) *After deducting the estimated expenses of approximately RM150,000 in relation to the Proposed Bonus Issue of Shares.*

4.3 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Bonus Issue of Shares on the substantial shareholders' shareholdings of Focus Point are set out below:

Substantial shareholders	Shareholdings as at the LPD				After the Proposed Bonus Issue of Shares			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Liaw Choon Liang	128,648,501	38.98	44,429,396 ^(a)	13.46	180,107,901	38.98	62,201,154 ^(a)	13.46
Perbadanan Nasional Berhad	49,500,000	15.00	-		69,300,000	15.00	-	
Datin Goh Poi Eong	42,429,397	12.86	130,648,500 ^(b)	39.59	59,401,155	12.86	182,907,900 ^(b)	39.59

Notes:

(a) Deemed interested by virtue of his spouse's and child's interest in the Company pursuant to Section 59(11)(c) of the Companies Act, 2016 ("**Act**").

(b) Deemed interested by virtue of her spouse's and child's interest in the Company pursuant to Section 59(11)(c) of the Act.

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4.4 Earnings and EPS

The Proposed Bonus Issue of Shares is expected to be completed by the 2nd quarter of 2023 and is not expected to have any material effect on the consolidated earnings of Focus Point and its subsidiaries ("**Group**") for the FYE 31 December 2023. However, the consolidated EPS of the Group may be diluted as a result of the increase in the number of Focus Point Shares pursuant to the issuance of the Bonus Shares.

Based on the latest audited consolidated financial statements of Focus Point for the FYE 31 December 2021, the pro forma effects of the Proposed Bonus Issue of Shares on the consolidated EPS of the Group assuming the Proposed Bonus Issue of Shares had been completed at the beginning of the FYE 31 December 2021 are set out below:

	Audited for the FYE 31 December 2021	After the Proposed Bonus Issue of Shares
Profit after tax attributable to the owners of the Company (RM'000)	14,048	13,898 ^(a)
No. of ordinary Shares in issue ('000)	329,999	461,999
Basic EPS (sen)	4.26	3.01

Note:

(a) *After deducting the estimated expenses of approximately RM150,000 in relation to the Proposed Bonus Issue of Shares.*

4.5 Convertible securities

As at the LPD, Focus Point does not have any convertible securities in issue.

5. APPROVALS REQUIRED

The Proposed Bonus Issue of Shares is subject to the following approvals being obtained:

- (i) Bursa Securities, for the listing and quotation of up to 131,999,790 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares on the Main Market of Bursa Securities;
- (ii) the shareholders of Focus Point, for the Proposed Bonus Issue of Shares at an extraordinary general meeting to be convened via poll in respect of the Proposed Bonus Issue of Shares; and
- (iii) any other relevant authorities and/or parties, if required.

The Proposed Bonus Issue of Shares is not conditional upon any other proposals undertaken or to be undertaken by the Company.

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED

None of the Directors, major shareholders and/or chief executive of Focus Point and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Bonus Issue of Shares, save for their respective entitlement under the Proposed Bonus Issue of Shares which is available to all Entitled Shareholders on a pro-rata basis.

7. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposed Bonus Issue of Shares, is of the opinion that the Proposed Bonus Issue of Shares is in the best interest of the Company.

8. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to receipt of all required approvals, the Board expects the Proposed Bonus Issue of Shares to be completed by the 2nd quarter of 2023.

9. APPLICATION TO THE RELEVANT AUTHORITIES

Barring any unforeseen circumstances, the application to the relevant authorities will be made within 2 months from the date of this Announcement.

10. PRINCIPAL ADVISER

RHB Investment Bank has been appointed as the Principal Adviser to Focus Point for the Proposed Bonus Issue of Shares.

This Announcement is dated 21 February 2023.