

OPTIMAX HOLDINGS BERHAD (“OPTIMAX” OR THE “COMPANY”)

PROPOSED BONUS ISSUE OF UP TO 404,999,992 ORDINARY SHARES IN OPTIMAX (“OPTIMAX SHARE(S)” OR “SHARE(S)”) (“BONUS SHARE(S)”) ON THE BASIS OF 1 BONUS SHARE FOR EVERY 1 OPTIMAX SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“ENTITLEMENT DATE”) (“PROPOSED BONUS ISSUE”)

1. INTRODUCTION

On behalf of the Board of Directors of Optimax (“**Board**”), Affin Hwang Investment Bank Berhad (“**Affin Hwang IB**”) wishes to announce that the Company is proposing to undertake the Proposed Bonus Issue.

Further information on the Proposed Bonus Issue is set out below.

2. THE PROPOSED BONUS ISSUE

2.1 Basis and number of Bonus Shares to be issued

As at 11 February 2022, being the latest practicable date prior to the date of this announcement (“**LPD**”), Optimax has a total issued share capital of RM39,071,001 comprising 270,000,000 Optimax Shares.

The Proposed Bonus Issue will involve an issuance of up to 404,999,992 Shares on the basis of 1 Bonus Share for every 1 existing Optimax Share held by the shareholders whose names appear in the Company’s Record of Depositors on the Entitlement Date (“**Entitled Shareholders**”).

The maximum number of 404,999,992 Bonus Shares was arrived at based on the following assumptions:

- (i) existing number of issued shares of Optimax as at the LPD of 270,000,000 Optimax Shares;
- (ii) all the existing outstanding 67,499,994 Warrants 2021/2026 which are currently listed on Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Warrants**”) would be exercised into new Optimax Shares prior to the Entitlement Date; and
- (iii) the maximum number of new Optimax Shares that may be allotted and issued pursuant to the exercise of options under the existing employees’ share option scheme of the Company (“**ESOS**”) (“**ESOS Options**”) which shall not exceed in aggregate 20% of the total number of issued shares of the Company of 67,499,998 ESOS Options, after taking into account Sections 2.1(i) and (ii) above.

As at the date of this announcement, the Company has yet to grant any ESOS Options under the existing employees’ share option scheme of the Company.

Assuming the full exercise of the outstanding Warrants and the ESOS Options prior to the Entitlement Date, the number of issued shares of the Company would increase by 404,999,992 Optimax Shares. Accordingly, the enlarged number of issued shares of the Company would be 809,999,984 Optimax Shares upon the completion of the Proposed Bonus Issue.

There will be an adjustment to the market price of Optimax Shares listed and quoted on the ACE Market of Bursa Securities pursuant to the Proposed Bonus Issue. Under Rule 6.31(1A) of the ACE Market Listing Requirements of Bursa Securities ("**Listing Requirements**"), the share price adjusted for the Proposed Bonus Issue shall not be less than RM0.20 based on the daily volume weighted average price ("**VWAP**") of Optimax Shares during the 3-month period before the application date for the Proposed Bonus Issue.

For illustrative purposes, based on the 5-day VWAP of Optimax Shares up to and including the LPD of RM1.1781, the theoretical ex-bonus share price ("**TEBP**") of Optimax Shares is RM0.5891, which is in compliance with Rule 6.31(1A) of the Listing Requirements. The Board will ensure that the Proposed Bonus Issue complies with Rule 6.31(1A) of the Listing Requirements prior to the implementation of the Proposed Bonus Issue.

The Proposed Bonus Issue is not expected to have any impact on the total value of the Optimax Shares in issue.

Fractional entitlements of the Bonus Shares arising from the Proposed Bonus Issue, if any, will be disregarded and dealt with in such manner as the Board shall in its absolute discretion deem fit and expedient in order to minimise the incidence of odd lots and in the best interest of the Company.

The Proposed Bonus Issue will not be implemented on a staggered basis.

2.2 No capitalisation of reserves

The Bonus Shares will be issued as fully paid, at *nil* consideration and without capitalisation of the Company's reserves.

For the avoidance of doubt, the Proposed Bonus Issue will increase the number of Optimax Shares, but will not increase the value of the share capital of Optimax.

2.3 Ranking of the Bonus Shares

The Bonus Shares will, upon allotment and issuance, rank equally in all respects with the existing Optimax Shares, except that the Bonus Shares will not be entitled to any dividends, rights, allotment and/or any other distributions that may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Bonus Shares.

2.4 Listing of and quotation for the Bonus Shares

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

3. RATIONALE FOR THE PROPOSED BONUS ISSUE

After due consideration of the various options available, the Board is of the view that the Proposed Bonus Issue is the most appropriate avenue for Optimax to achieve the following objectives:

- (i) to increase the number of Optimax Shares held by the existing shareholders, while maintaining their percentage of equity interest held in the Company;
- (ii) to enhance the trading liquidity and improve the affordability of the Optimax Shares on Bursa Securities by way of a larger number of shares available in the market; and
- (iii) potentially broaden the shareholder base of the Company as a result of the increase in the number of Optimax Shares.

Further, as the Proposed Bonus Issue will not require any capitalisation of the Company's reserves, the Company will be able to deploy its reserves and net assets towards future needs.

4. EFFECTS OF THE PROPOSED BONUS ISSUE

The effects of the Proposed Bonus Issue are illustrated based on the following scenarios:

Minimum Scenario : Assuming none of the Warrants and the ESOS Options are exercised prior to the Entitlement Date

Maximum Scenario : Assuming all the outstanding Warrants and the ESOS Options are exercised prior to the Entitlement Date

4.1 Share capital

The effects of the Proposed Bonus Issue on the issued share capital of Optimax based on the Minimum Scenario and the Maximum Scenario are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares ('000)	Amount (RM'000)	No. of Shares ('000)	Amount (RM'000)
Issued share capital as at the LPD	270,000	39,071	270,000	39,071
Assuming full exercise of the Warrants	-	-	67,500	⁽¹⁾ 81,000
Assuming full exercise of the ESOS Options	-	-	67,500	⁽²⁾ 71,570
	270,000	39,071	405,000	191,641
Issuance of new Optimax Shares pursuant to the Proposed Bonus Issue	270,000	-	405,000	-
Share capital after the Proposed Bonus Issue	540,000	39,071	810,000	191,641

Note:

(1) Based on the exercise price of RM1.20 per Warrant.

(2) Computed based on an illustrative exercise price of ESOS Options of RM1.0603, which represents a discount of approximately RM0.1178 or 10.0% to the share price of Optimax Shares of RM1.1781 computed based on the 5-day VWAMP of Optimax Shares up to and including the last trading day prior to the date of this announcement.

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4.2 Net assets (“NA”), NA per Share and gearing

The pro forma effects of the Proposed Bonus Issue on the NA, NA per Share and gearing of Optimax based on the latest audited consolidated financial statements of the Company as at 31 December 2020 and assuming that the Proposed Bonus Issue had been effected on 31 December 2020 are as follows:

Minimum Scenario

	Audited as at 31 December 2020 (RM'000)	(I) After the completion of the Proposed Bonus Issue (RM'000)
Share capital	39,071	39,071
Reserves	8,799	(1)(2)8,384
Total equity attributable to owners of the Company	47,870	47,455
Non-controlling interests	2,351	2,351
Total equity	50,221	49,806
No. of Shares in issue ('000)	270,000	540,000
NA per Share (RM)	0.18	0.09
Borrowings (RM'000)	17,655	17,655
Gearing ratio ⁽³⁾ (times)	0.35	0.35

Note:

(1) After deducting estimated expenses of RM250,000 for the bonus issue of Warrants and establishment of the ESOS.

(2) After deducting estimated expenses relating to the Proposed Bonus Issue of RM165,000.

(3) Computed based on total borrowings divided by total equity.

Maximum Scenario

	Audited as at 31 December 2020 (RM'000)	(I) After the exercise of all the Warrants and ESOS Options (RM'000)	(II) After (I) and the completion of the Proposed Bonus Issue (RM'000)
Share capital	39,071	191,641	191,641
Reserves	8,799	(1)8,549	(1)(2)8,384
Total equity attributable to owners of the Company	47,870	200,190	200,025
Non-controlling interests	2,351	2,351	2,351
Total equity	50,221	202,541	202,376
No. of Shares in issue ('000)	270,000	405,000	810,000
NA per Share (RM)	0.18	0.49	0.25
Borrowings (RM'000)	17,655	17,655	17,655
Gearing ratio ⁽³⁾ (times)	0.35	0.09	0.09

Note:

(1) After deducting estimated expenses of RM250,000 for the bonus issue of Warrants and establishment of the ESOS.

(2) After deducting estimated expenses relating to the Proposed Bonus Issue of RM165,000.

(3) Computed based on total borrowings divided by total equity.

4.3 Earnings and earnings per share (“EPS”)

The Proposed Bonus Issue is not expected to have any material effect on the earnings of the Group for the financial year ending 31 December 2022.

However, there will be a corresponding dilution in the EPS of the Optimax Group for the financial year ending 31 December 2022 as a result of the increase in the number of Optimax Shares in issue arising from the Proposed Bonus Issue.

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4.4 Substantial shareholders' shareholding

The pro forma effects of the Proposed Bonus Issue on the substantial shareholders' shareholding based on the Register of the Substantial Shareholders' Shareholdings as at the LPD are as follows:

Minimum Scenario

Substantial shareholders	As at the LPD				(1) After the completion of the Proposed Bonus Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Optimax Shares ('000)	(1)%	No. of Optimax Shares ('000)	(1)%	No. of Optimax Shares ('000)	(2)%	No. of Optimax Shares ('000)	(2)%
Tan Sri Dato' (Dr.) Tan Boon Hock	72,043	26.68	81,276	⁽³⁾ 30.10	144,086	26.68	162,552	⁽³⁾ 30.10
Sena Healthcare Services Sdn Bhd	78,860	29.21	-	-	157,720	29.21	-	-
Puan Sri Datin Lim Sho Hoo	356	0.13	152,963	⁽⁴⁾ 56.65	712	0.13	305,926	⁽⁴⁾ 56.65
Chung Soon Hee	15,360	5.69	-	-	30,720	5.69	-	-

Note:

- (1) Based on the total number of 270,000,000 Shares as at the LPD.
- (2) Based on the enlarged total number of 540,000,000 Shares after the Proposed Bonus Issue.
- (3) Deemed interested by virtue of the interests in the Company of his children, Tan Sing Yee ("**Sandy Tan**") and Tan Sing Chia ("**Michelle Tan**"), and his interest in Sena Healthcare Services Sdn Bhd pursuant to Section 8 of the Companies Act 2016 ("**Act**").
- (4) Deemed interested by virtue of the interests in the Company of her spouse, Tan Sri Dato' (Dr.) Tan Boon Hock and children, Sandy Tan and Michelle Tan, and her interests in Sena Healthcare Services Sdn Bhd pursuant to Section 8 of the Act.

Maximum Scenario

Substantial shareholders	As at the LPD				(I) After the full exercise of the Warrants and ESOS Options			
	Direct		Indirect		Direct		Indirect	
	No. of Optimax Shares ('000)	(1)%	No. of Optimax Shares ('000)	(1)%	No. of Optimax Shares ('000)	(2)%	No. of Optimax Shares ('000)	(2)%
Tan Sri Dato' (Dr.) Tan Boon Hock	72,043	26.68	81,276	⁽⁴⁾ 30.10	95,453	23.57	117,795	⁽⁴⁾ 29.09
Sena Healthcare Services Sdn Bhd	78,860	29.21	-	-	98,575	24.34	-	-
Puan Sri Datin Lim Sho Hoo	356	0.13	152,963	⁽⁵⁾ 56.65	445	0.11	212,803	⁽⁵⁾ 52.54
Chung Soon Hee	15,360	5.69	-	-	19,200	4.74	-	-

Substantial shareholders	(II) After (I) and the completion of the Proposed Bonus Issue			
	Direct		Indirect	
	No. of Optimax Shares ('000)	(3)%	No. of Optimax Shares ('000)	(3)%
Tan Sri Dato' (Dr.) Tan Boon Hock	190,906	23.57	235,590	⁽⁴⁾ 29.09
Sena Healthcare Services Sdn Bhd	197,150	24.34	-	-
Puan Sri Datin Lim Sho Hoo	890	0.11	425,606	⁽⁵⁾ 52.54
Chung Soon Hee	38,400	4.74	-	-

Note:

- (1) Based on the total number of 270,000,000 Shares as at the LPD.
- (2) Based on the enlarged total number of 404,999,992 Shares after the full exercise of Warrants and ESOS Options.
- (3) Based on the enlarged total number of 809,999,984 Shares after the Proposed Bonus Issue.
- (4) Deemed interested by virtue of the interests in the Company of his children, Sandy Tan and Michelle Tan, and son-in-law, Law Wei Liang, and his interest in Sena Healthcare Services Sdn Bhd pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of the interests in the Company of her spouse, Tan Sri Dato' (Dr.) Tan Boon Hock and children, Sandy Tan and Michelle Tan, and son-in-law, Law Wei Liang and her interests in Sena Healthcare Services Sdn Bhd pursuant to Section 8 of the Act.

4.5 Existing convertible securities

As at the date of this announcement, the Company has yet to grant any ESOS Options to the eligible persons. It is the intention of the Company to only grant any ESOS Options after the Entitlement Date.

As at the LPD, save for the 67,499,994 Warrants, the Company does not have any other existing convertible securities.

The Proposed Bonus Issue will give rise to adjustments to the exercise price and/or number of Warrants and the ESOS Options pursuant to the provisions of the deed poll for the Warrants dated 10 December 2021 (“**Deed Poll**”) and ESOS By-laws (“**By-Laws**”).

The adjustments will be made in accordance with the provisions of the Deed Poll and the By-Laws to reflect any potential equity dilution resulting from the Proposed Bonus Issue and to ensure that the status of the existing holders of the Warrants and the ESOS Options are not prejudiced after the Proposed Bonus Issue.

The necessary adjustments to the exercise price and/or number of Warrants and the ESOS Options shall be announced at a later date and shall be set out in a notice of adjustments to the relevant holders of the Warrants and the ESOS Options, which shall be despatched within the stipulated period as provided in the Deed Poll and the By-Laws respectively.

5. APPROVALS REQUIRED

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

- (i) Bursa Securities for the listing of and quotation for the Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the ACE Market of Bursa Securities;
- (ii) shareholders of Optimax for the Proposed Bonus Issue at an extraordinary general meeting of the Company to be convened; and
- (iii) any other relevant regulatory authorities or parties, if required.

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

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

None of the Directors and/or major shareholders and/or chief executive of the Company and/or persons connected with them have any interest, direct or indirect in the Proposed Bonus Issue other than their respective entitlements as shareholders of the Company, the rights of which are also available to all other existing shareholders of the Company as at the Entitlement Date.

7. DIRECTORS' STATEMENT

The Board, after taking into consideration all aspects of the Proposed Bonus Issue including but not limited to the rationale and effects of the Proposed Bonus Issue, is of the view that the Proposed Bonus Issue is in the best interest of the Company.

8. ADVISER

Affin Hwang IB has been appointed as Principal Adviser to the Company for the Proposed Bonus Issue.

9. APPLICATION TO THE RELEVANT AUTHORITIES AND ESTIMATED TIMEFRAME FOR COMPLETION

The application to the relevant authority in relation to the Proposed Bonus Issue will be made within one month from the date of this announcement and the Proposed Bonus Issue is expected to be completed by the second quarter of 2022.

This announcement is dated 14 February 2022.