

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

(I) PROPOSED TRANSFER OF THE LISTING OF AND QUOTATION FOR THE ENTIRE ISSUED SHARE CAPITAL OF OPTIMAX FROM THE ACE MARKET TO THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD; AND

(II) PROPOSED ADOPTION OF NEW CONSTITUTION OF OPTIMAX

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### 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 proposes to undertake the following:

- (i) Proposed transfer of the listing of and quotation for the entire issued share capital of Optimax from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Proposed Transfer**”); and
- (ii) Proposed adoption of a new Constitution of Optimax to facilitate the implementation of the Proposed Transfer (“**Proposed Adoption**”).

The Proposed Transfer and the Proposed Adoption are collectively referred to as the “**Proposals**”.

### 2. THE PROPOSALS

#### 2.1 Proposed Transfer

As at 6 May 2022, being the latest practicable date prior to the date of this announcement (“**LPD**”), Optimax has a total issued share capital of RM40,501,800.90 comprising 540,003,000 ordinary shares in Optimax (“**Optimax Shares**” or “**Shares**”). The Proposed Transfer involves the transfer of the listing of and quotation for Optimax’s entire issued share capital from the ACE Market to the Main Market of Bursa Securities.

Optimax and its subsidiaries (collectively, the “**Optimax Group**”) have met the requirements for the transfer of its listing from the ACE Market to the Main Market of Bursa Securities 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 (“**MMLR**”), which include, amongst others, the following:

#### (i) Profit Requirements

Optimax is seeking the transfer of its listing from the ACE Market to the Main Market of Bursa Securities based on the profit requirements pursuant to Paragraph 5.02(a) of the Equity Guidelines.

Optimax achieved an audited consolidated profit after taxation attributable to owners of the Company (“**PAT**”) of RM12.30 million for the most recent financial year ended (“**FYE**”) 31 December 2021 and an aggregate consolidated PAT of RM37.61 million for the past 5 financial years from the FYE 31 December 2017 to FYE 31 December 2021, as set out below:

	Audited for the FYE 31 December					
	2017	2018	2019	2020	2021	Total
	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000
PAT	7,390	4,445	7,831	5,641	12,298	37,605

	Audited for the FYE 31 December					Total
	2017	2018	2019	2020	2021	
	RM'000	RM'000	RM'000	RM'000	RM'000	
Less*:						
Other income	(2,933)	(94)	(87)	(230)	(169)	(3,513)
Finance income	(4)	(20)	(48)	(124)	(191)	(387)
<b>Adjusted PAT</b>	<b>4,453</b>	<b>4,331</b>	<b>7,696</b>	<b>5,287</b>	<b>11,938</b>	<b>33,705</b>

**Note:**

\* Excluded from the computation of aggregate PAT are other income and finance income.

On a prudent basis, in considering whether the profit requirements pursuant to Paragraph 5.02(a) of the Equity Guidelines are met, the PAT for the respective FYE has excluded other income and finance income.

After the adjustment to exclude the total amount of other income and finance income of RM3.90 million from the PAT for the 5 financial years from FYE 31 December 2017 to FYE 31 December 2021, the aggregate consolidated adjusted PAT is RM33.71 million. Further, the adjusted PAT for the most recent FYE 31 December 2021 is RM11.9 million.

Accordingly, Optimax has met the profit requirements under the Equity Guidelines based on its audited consolidated financial statements with an:

- (a) aggregate after-tax profit of at least RM20.0 million for the past 3 to 5 full financial years; and
- (b) after-tax profit for the most recent financial year of at least RM6.0 million.

**(ii) Financial Position and Liquidity**

Based on the audited consolidated statement of financial position of Optimax as at 31 December 2021, Optimax has:

- (a) no accumulated losses;
- (b) current assets and current liabilities of RM33.52 million and RM13.97 million respectively, representing a current ratio of 2.40 times; and
- (c) cash and bank balances of RM19.61 million.

Further, Optimax recorded positive net cash inflows from operating activities for the past 5 financial years from FYE 31 December 2017 to FYE 31 December 2021, as set out below:

	Audited for the FYE 31 December				
	2017	2018	2019	2020	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Net operating cashflow</b>	8,130	12,904	17,656	12,956	19,692

Based on the above, Optimax recorded positive cash flow from operating activities over the profit track record period with sufficient level of working capital for at least 12 months from the date of this announcement.

**(iii) Public Shareholding Spread**

Under the MMLR, the 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 Optimax as at the LPD, approximately 33.70% of the total number of issued Shares were held by 3,570 public shareholders holding not less than 100 Shares each.

Accordingly, Optimax has met the public shareholding spread requirement.

**2.2 Proposed Adoption**

Optimax proposes to adopt a new Constitution to substitute Optimax's existing Constitution in its entirety to facilitate the implementation of the Proposed Transfer.

In addition to facilitating the implementation of the Proposed Transfer, the Proposed Adoption will also streamline the Company's existing Constitution to be in line with the MMLR. The Board proposes the adoption of a new Constitution as the amendments required to be made are numerous and would require substantial amendments to the existing Constitution of the Company.

The details of the Proposed Adoption will be set out in a circular to shareholders of the Company, which will be issued to the Company's shareholders in due course.

**3. RATIONALE FOR THE PROPOSALS**

**3.1 Proposed Transfer**

The Board believes that the Proposed Transfer will enhance the Company's credibility, prestige and reputation, and accord the Company with greater recognition and support amongst investors, in particular, institutional investors, while reflecting Optimax's current scale of operations. This in turn is expected to improve the liquidity and marketability of Optimax Shares.

In addition, the Proposed Transfer is envisaged to build confidence and trust of Optimax's customers, suppliers, business associates, employees, shareholders and lenders/bankers in the Company, through its profile as a company listed on the Main Market of Bursa Securities.

The Proposed Transfer to the Main Market of Bursa Securities, if approved by the relevant authorities, will mark another major milestone in the achievement of Optimax after its listing on the ACE Market of Bursa Securities on 18 August 2020.

**3.2 Proposed Adoption**

The Proposed Adoption is necessary to facilitate the implementation of the Proposed Transfer and to ensure Optimax's compliance with the MMLR.

#### **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 material effect on the net assets, gearing, earnings and earnings per share of the Optimax Group.

#### **5. APPROVALS REQUIRED**

The Proposed Transfer is subject to the following approvals being obtained:

- (i) the SC for the Proposed Transfer;
- (ii) Bursa Securities for the Proposed Transfer; and
- (iii) any other relevant regulatory authority and/or third party, if required.

The Proposed Transfer is conditional upon the approval of shareholders of Optimax at an extraordinary general meeting of the Company to be convened for the Proposed Adoption.

Subject to all requisite approvals being obtained, the Proposed Adoption will take effect only on the date of listing of Optimax on the Main Market of Bursa Securities.

#### **6. INTERESTS OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

None of the Directors and/or major shareholders of Optimax and/or persons connected to them has any interest, either 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. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Board expects the Proposals to be completed by the 4<sup>th</sup> quarter of 2022.

#### **9. APPLICATION TO THE AUTHORITIES**

The application to the SC for the Proposed Transfer shall be made within 2 months from the date of this announcement.

#### **10. ADVISER**

Affin Hwang IB has been appointed as the Principal Adviser for the Proposals.

**This announcement is dated 26 May 2022.**