PRESERVING TRADITIONS, INSPIRING GENERATIONS

OTS HOLDINGS LIMITED
(Company Registration Number: 201505559W)
(Incorporated in the Republic of Singapore)

RESPONSES TO QUESTIONS RAISED BY A SHAREHOLDER ON THE ANNUAL REPORT 2026

The Board of Directors (the "**Board**") of OTS Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the queries received from a shareholder via email to enquiry@ots-holdings.com on 20 October 2026.

The Board appreciates the shareholder's continued interest in the Company and thanks the shareholder for raising these important questions. The Board understands the concerns arising from the Group's financial performance in recent years and recognises the importance of providing shareholders with a clear explanation of the challenges faced by the Group and the rationale behind the Board's decisions.

Please refer to the Appendix below setting out the Company's responses to the questions on the annual report for the financial year ended 30 June 2026.

BY ORDER OF THE BOARD

Ong Bee Chip
Managing Director

22 October 2026

---

*This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The contact person for the Sponsor is Mr. Bernard Lim (Telephone no.: (65) 6232 3232) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

APPENDIX

Question 1: Financial Results (Page 7)

Q1. Can the Board explain why revenue and profit have declined from 2022 to the present, with the Group moving from a profit of approximately $1.1 million in 2022 to a loss of approximately $2 million in FY2026? At the last few AGMs, the Board and Management mentioned that various measures and strategies were being considered to turn the business around, but the results do not appear to have improved. Why is this the case?

A1. The Board acknowledges the shareholder's concerns regarding the Group's financial performance and shares the disappointment that the turnaround initiatives undertaken have yet to deliver the desired results.

The decline in the Group's financial performance reflects a combination of structural changes in the market, external cost pressures and challenges encountered in executing its business diversification and transformation strategies.

a. Structural changes in the Singapore market

The Board had recognised and reported weakening sales in Singapore as early as 2022, particularly in the Modern Trade segment, which comprises mainly supermarkets. This decline has been driven by structural changes in the retail landscape, including the expansion of supermarkets' house-brand offerings and increased imports from lower-cost countries. These developments have intensified price competition and placed pressure on the Group's market share and margins.

At the same time, supermarkets have placed greater emphasis on pricing and margins, while requiring more promotional support and other trade-related expenditure from suppliers.

b. Challenges in diversifying revenue streams

To reduce reliance on the traditional Singapore market, the Group pursued growth in Food Service, overseas markets and online sales.

The Food Service segment initially contributed positively to the Group's diversification efforts. However, customers in the food and beverage industry subsequently faced their own cost pressures, which affected business conditions and limited further growth. Certain Food Service customers have also chosen to source products directly from overseas suppliers, further affecting the Group's revenue and profitability.

The Group also explored overseas markets, including Hong Kong, Japan, Australia and the Philippines. While the Group secured orders through overseas distributors in some markets, these orders were generally irregular rather than recurring, limiting their overall contribution. In the Philippines, the costs associated with geographical coverage and local market practices were higher than anticipated. The Group therefore plans to exit this market, and the associated exit costs also affected its financial results over the past few years.

Online sales generated some additional revenue, but the contribution remained relatively small, as consumers continued to favour purchasing directly from merchants and established retail channels.

c. Manufacturing challenges and investment costs

The Group also sought to strengthen its manufacturing capabilities and reduce its manufacturing cost through overseas manufacturing investments. However, these initiatives encountered significant challenges.

The Group's investment in Delta Bridge Pte Ltd (the "**JV Co.**") for a manufacturing facility in Indonesia was adversely affected by African swine fever (ASF) in May 2023, which resulted in the Indonesia supplier halting its pork supplies due to shortage of raw materials, thus production was disrupted and resulted in share of losses and impairment charges from the JV Co. The JV Co. was eventually disposed as announced on 30 May 2025, and the resulting disruption and associated costs negatively affected the Group's financial performance.

Subsequently, the Group invested in a new halal manufacturing facility in Johor, Malaysia, as part of its longer-term growth and business transformation strategy, which was announced on 28 November 2023. The facility is operational and has obtained halal certification. However, the necessary regulatory approvals for exporting its

products to Singapore have taken longer than anticipated. Consequently, production volumes and revenue remain below the levels originally envisaged, while the facility continues to incur operating costs.

The Board and Management recognise that this investment has yet to contribute sufficiently to the Group's financial performance. Nevertheless, the facility represents an opportunity to expand the Group's halal product portfolio and manufacturing capabilities once the outstanding approvals are secured and production volumes increase.

d. Limited market acceptance of alternative meat products

In 2022, the Group ventured into alternative meat products under the ANEW brand to explore emerging consumer trends and new growth opportunities. However, market acceptance was weaker than anticipated. Consumer demand remained limited, while raw material costs were relatively high, making it difficult to achieve commercially sustainable sales volumes and margins. The Group's experience reflects the challenges of developing a market for alternative meat products that has yet to achieve broad consumer acceptance.

e. Way forward and focus on sustainable performance

The Board acknowledges that the Group's turnaround has taken longer than expected. While the Group has actively pursued alternative markets to mitigate the decline in its traditional business, some initiatives have delivered only limited results, while others have encountered unforeseen operational, market or regulatory challenges.

These experiences have highlighted the importance of balancing growth opportunities with commercial viability, execution risks and the time required to generate an adequate return on investment.

Going forward, Management continues to review the Group's business strategies, product portfolio, cost structure and market opportunities. The priorities are to strengthen sales performance, improve gross margins, exercise tighter cost control, enhance operational efficiency and focus resources on business activities that can deliver sustainable returns.

The Board remains mindful of the need to translate these initiatives into tangible financial improvements. While the timing and extent of a recovery remain dependent on market conditions and the progress of the Group's business initiatives, the Group will continue to take a disciplined approach to managing its resources and pursuing opportunities that support its longer-term sustainability.

Question 2: Senior Management Performance Review (Page 7)

Q2. Given the Group's sub-par performance from 2022 to the present, is the performance of Senior Management reviewed annually? What performance indicators are used in these reviews?

A2. Yes. The Company's Remuneration Committee comprises 3 Independent Directors, which reviews and makes recommendations on matters relating to the remuneration and performance of the Directors and Senior Management, in accordance with its terms of reference and the Company's remuneration framework.

The performance assessment takes into consideration relevant criteria, including the Group's financial performance and other applicable individual and business performance objectives. These considerations are intended to assess Management's effectiveness in executing the Group's business strategies and its contribution towards achieving the Group's overall objectives.

The Board recognises that the Group's financial performance has remained below expectations and that sustained improvement is necessary. Accordingly, the Board and the Remuneration Committee will continue to review Management's performance and the appropriateness of the relevant performance objectives in light of the Group's financial results, business conditions and strategic priorities.

In FY2026, the Directors, Management team and managers voluntarily agreed to salary and directors' fee reductions ranging from 5% to 15%. This reflected their recognition of the challenges facing the Group and their willingness to share the financial burden while the Group continues its efforts to improve business performance.

Question 3: Proposed Privatisation and Delisting (Page 9)

Q3. Have the Board and Management given up on the Company and decided to pursue privatisation? Will the removal of listing compliance costs help improve financial performance? Given the Company's heritage brands, it is a pity if the founders themselves have given up on the business.

A3. The Board would like to assure shareholders that Management has not given up on the Group or its business. The Group's heritage brands, established customer relationships and manufacturing capabilities remain valuable business assets.

As highlighted at previous AGMs, the Board and Management recognise that the Group needs to transform its business to respond to changing market conditions and establish a more sustainable path to growth. Various initiatives have been undertaken, although some require more time to deliver results and not all initiatives have progressed as quickly as desired.

For example, the investment in the Group's halal manufacturing facility in Malaysia was undertaken to expand the Group's halal product capabilities and create opportunities to serve a broader customer base. Since the project commenced in November 2023, the Group has made progress in establishing the facility and obtaining halal certification. However, the full benefits of the investment have yet to be realised, as further regulatory approvals and an increase in production volume are required before the facility can achieve its intended contribution to the Group.

The proposed privatisation and delisting should therefore be viewed in the context of the Group's longer-term business transformation and the need to focus its resources on operational and commercial priorities. Operating as a privately held group would reduce the costs and resources associated with maintaining a listed status and complying with continuing listing requirements. The resulting savings could be redirected towards business operations and development, although the extent to which these savings will improve the Group's overall financial performance will depend on the successful execution of its business strategies.

The Board also recognises the concerns of shareholders who have supported the Company over the years. The Group's disappointing financial performance has affected its ability to reward shareholders through dividends, while its share price and trading liquidity have also been challenging. In considering the proposed privatisation, the Board is mindful of the interests of shareholders and the opportunity for them to realise a better value for their investment in accordance with the terms of the proposed transaction.

The Board understands that shareholders may have differing views on the proposed privatisation, particularly given the Company's heritage brands and history. The decision to pursue the proposal does not mean that the Board and Management have abandoned the business. Rather, it reflects the circumstances the Group is facing and the need to focus on its transformation..

The Board sincerely thanks shareholders for their continued support, patience and feedback during this challenging period.

The Board and Management look forward to engaging with shareholders and addressing further questions on the Group's business performance, challenges and future direction at the Company's forthcoming Annual General Meeting, to be held on **30 October 2026 at 9.30 a.m.**