



**BUILDING
AT A
STEADY PACE**

ANNUAL REPORT
2026

Vision & Mission Statement

To be a resilient, robust, reliable and sustainable Door Manufacturing and Property Group committed to creating sustainable and environmentally kinder products and homes for everyone, improving lives, communities and stakeholder value.

致力于成为一家坚韧、强健、可靠且可持续发展的木门制造与房地产集团，专注于为所有人创造可持续且更环保的产品与家园，持续改善生活、社区及利益相关者的价值。

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This annual report has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor").

This annual report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 83 Clemenceau Avenue, #10-01 UE Square, Singapore 239920, telephone (65) 6590 6881.

Door Manufacturing and Distribution



HS Optimus Holdings Limited (the "Company" and, together with its subsidiaries, the "Group") is one of Singapore's and Malaysia's leading manufacturer and exporter of higher-quality doors including timber doors, fire-rated doors, engineered doors and bespoke customised doors and door products. With an established track record of more than 30 years manufacturing and supplying door markets globally, the Group is an established turnkey solution provider, conceptualising, designing, customising, manufacturing, and delivering an extensive range of bespoke composite and good quality doors to enhance any market with many options and styles which include both traditional and contemporary styles.

The Group also has a Property Investment and Development segment and owns land assets in Jakarta. The Group owns a majority stake in 7,913 square metres land located at Jalan RA. Kartini No. 18, Jakarta, Indonesia and has been in Indonesia since 2017.

The Group has a Secured Property Financing segment which is an extension of its Property Investment and Development segment in which the Group is able to provide secured financing under stringent conditions including obtaining a first legal mortgage on unencumbered property.

HS Optimus Holdings Limited was listed on the Catalist Board (formerly "SESDAQ") of the Singapore Exchange Securities Trading Limited on 10 September 1998.

Property Investments and Developments

82 Westgarth, Melbourne



Our Businesses

DOOR MANUFACTURING AND DISTRIBUTION



NTA: \$13.8m
Revenue: \$13.6m
GP Margin: 19%
Financing: Foreign Currency Trade Financing / RM1.60m / \$0.51m
Capacity: Up to 360,000 doors per year
Qualifications (Malaysia): FSC Chain of Custody Certificate PEFC Chain of Custody Certificate ISO 14001:2015 ISO 9001:2015
Qualifications (Singapore): Fire-Rated Door Certificate of Conformity for 30 minutes and 60 minutes

Over its last 32 years, the Group has continued to build its name and brand as a premium and reliable turnkey manufacturer and distributor of a wide range of door products and solutions including timber doors, fire-rated doors, engineered doors and bespoke customised door products to well-known quality home improvement DIY chain-stores, door distributors and development projects in Asia, Europe and USA. The Group owns and operates 2 factories located in Simpang Renggam in Johor, Malaysia with a total size of 22,425 sqm and has the capacity, infrastructure and labour to manufacture and produce up to 30,000 doors a month or 360,000 doors per year.

Our door business operates from the following bases:

Johor Bahru, Malaysia / 柔佛新山, 马来西亚
Manufacturing Operations

Plo 34, Kawasan Perindustrian Simpang Renggam, 86200
Simpang Renggam, Johor, Malaysia

Plo 32, Kawasan Perindustrian Simpang Renggam, 86200
Simpang Renggam, Johor, Malaysia

Singapore / 新加坡
Project Management and Supply and Installation
8 Ubi Road 2, #05-06 Zervex, Singapore 408538

PROPERTY INVESTMENTS AND DEVELOPMENTS



Artist's impression only
and cannot be regarded as
representatives of facts.

Size: 7,913 sqm
Tenure: 11 January 2029 to 16 October 2046
Title: Land
Valuation: IDR 301.3 b/ \$22.91m
Financing: Unencumbered
Condition: Land for development

The Group also has property investments and developments in Jakarta, Indonesia.

South Jakarta, Indonesia / 雅加达南部, 印度尼西亚

Jalan RA. Kartini No. 18, Jakarta, Indonesia

The land which the Group has a 65% stake in is located in a prime district of South Jakarta, specifically the Jakarta Outer Ring Road (Pondok Pinang – TMII) highway, which is a major artery from South Jakarta to the CBD in Central Jakarta and is surrounded by well-developed infrastructure, MRT track and depot such as the Lebak Bulus Grab MRT Station which is the terminus of the Jakarta North South Line and is connected with the Transjakarta Corridor 8 bus rapid transit route. In addition, it has an aggregate area of approximately 7,913 square metres and is also surrounded by existing amenities such as Poinis Mall and Apartment, South Quarter (SQ) Dome and Residences, Mercure and Swiss-Belhotel hotels, Singapore Intercultural School, alongside Siloam and Mayapada hospitals.

SECURED PROPERTY FINANCING



The Group had built this new business line as an extension of its Property Investment and Development segment in which the Group is able to offer secured financing under certain conditions including obtaining a first legal mortgage on unencumbered property and will continue to build this business.

HS Optimus Group Structure

as at 31 March 2026



100%

HS Optimus Resources Sdn. Bhd.
(Malaysia)

100%

HS Optimus Wood Products Sdn. Bhd.
(Malaysia)

100%

HS Optimus Joinery Pte. Ltd.
(Singapore)

100%

Ambertree Pte. Ltd.
(Singapore)

100%

Ambertree Indonesia Ventures Pte. Ltd.
(Singapore)

65%

PT Ambertree Development Jakarta
(Indonesia)

100%

Ambertree Vic Mel (Lincoln) Pty Ltd
(Melbourne)

Chairman's Statement

Dear Shareholders,

FYE26 Economic Conditions

The financial year ended 31 March 2026 ("FYE26") was yet another difficult and challenging year for the Company and its subsidiaries (the "Group"). The world economy was fraught with continued uncertainty, ongoing trade tensions, high inflationary pressures, the continued escalation of costs and commodity prices. Further, the recent conflict in the Middle East has resulted in record oil prices and elevated shipping costs, exacerbating inflationary pressures and increasing business costs. The Group continues to proactively navigate these challenges while maintaining operational resilience.

While our revenue has decreased by 6% from \$14.44 million in the financial year ended 31 March 2025 ("FYE25") to \$13.55 million in FYE26, I am pleased to report that the Group recorded a profit of \$2.56 million in FYE26 as compared to a loss of \$2.58 million in FYE25, driven by the gain on disposal of our property, 23-31 Lincoln Square South, Melbourne.

I remain optimistic that we are on the right path to return to sustainable growth and profitability and my long-term view and outlook as Chairman of the Group remains steadfast and unchanged.

Updates on Door Operations

The door business to the United Kingdom has been and is the cornerstone of HS Optimus' business. Continued headwinds persist and increasing competition from other competitors in the door industry globally continues to add pressure and affect the demand for our products. Revenue decreased by \$0.89 million largely due to a decrease in the number of doors sold to United Kingdom customers with gross margins decreasing from 22% in FYE25 to 19% in FYE26.

In Singapore, we have reported revenue of \$0.37 million in FYE26 from the supply of custom-made doors manufactured by our factory in Johor as compared to \$0.12 million in FYE25 as we continue to make conservative and careful progress in our re-entry to the Singapore market.

While the door segment recorded a loss this year, due to intense price competition, weaker gross margins, and larger foreign exchange losses arising from the strengthening of the Ringgit against the USD, our strong financial position will help the door business weather these uncertainties and preserve our reputation as a reliable and consistent manufacturer of export doors for the United Kingdom and Europe.

Updates on Properties of the Group

Updates on Melbourne Property

The Group's property division made meaningful contribution to our Group results for FYE26. Our strategy to procure a planning permit together with Fathom Group of Australia for a Purpose-Built Student Accommodation ("PBSA") from the Melbourne City Council ("MCC") for up to 14 storeys has proven fortuitous. On 18 October 2025, the Group announced the receipt of planning permit from MCC for a 14 storey PBSA, after many months of collaboration with Fathom Group of Australia, Architects, Builders and town planners.

Shortly after, on 23 December 2025, the Group announced the completion of the disposal of our Melbourne property at 23-31 Lincoln Square South, Melbourne for a total purchase on consideration of AUD 19.75 million, resulting in a gain on disposal of \$5.57 million.

This represents HSO's second successful sale of land and building investment in Melbourne, the first being the purchase and sale of the office building at 301 Flinders Lane in 2017.

Updates on Singapore Property & Brunei Property

On 17 November 2025, we announced the completion of the disposal of 2 office units at 2 Kallang Ave, CT Hub, Singapore for a total consideration of \$2.52 million, which translated to a gain on disposal of \$0.56 million and a net cash inflow of \$1.16 million after deducting various expenses.

Unfortunately, our return on investment on the 60-year sublease in 6 units of shophouses in Brunei continues to be delayed. Following the issuance of the Occupational Permit in November 2025, the Group continues to work closely with the developer and relevant professionals to obtain the necessary title deeds, and the commencement of the tenancy agreement has been set for January 2027. The investment rationale continues to stay the same, which is to generate revenue via rental income stream for the Group's property investment business segment and at the same time insulate us from foreign exchange fluctuations.

The non-binding expression of interest letter received from Medicorp Sdn Bhd, a medical product company located in Brunei, to lease all 6 units for a period of 5 years while delayed, remains according to plan, as per the acquisition of Medicorp, which is explained further below.

Chairman's Statement

Updates on Indonesian Land

Despite our ongoing efforts in FYE26 and an aggressive expression of interest campaign, the Group's 15 parcels of land in Simatupang, Jakarta, comprising a total land area of 7,913 sqm, continues to attract no offers. Given the continued weakening of the Indonesian Rupiah and even weaker Jakarta property market, the Group continues to work with the appointed realtor and minority joint venture partners, PT Karya Bintang Utara for the possible divestment of the land, which is unencumbered.

FYE26 Financial Results

Against this backdrop, the Group was able to present a profit and a better set of financial results for FYE26 compared with FYE25.

The Group posted a net profit attributable to shareholders of \$2.75 million in FYE26 compared to net loss attributable to shareholders in FYE25 of \$2.61 million. Our revenue has decreased by 6% from \$14.44 million in FYE25 to \$13.55 million in FYE26 due to lower sales, but our other income increased by 173% from \$2.36 million in FYE25 to \$6.44 million due largely to gain on disposals from our property segments in Melbourne and Singapore.

Our cash and cash equivalents have increased by 583% from \$2.93 million as at 31 March 2025 to \$20.02 million as at 31 March 2026, and coupled with low gearing, we are in a better and stronger financial position.

Door Business

Our solar panel installation project on both factory buildings in our 22,425 sqm sized manufacturing factory located in Johor has been completed and is running now. This is part of our initiative and commitment to sustainability and at the same time, expected to decrease our current year utility costs by as much as 50% per year.

The outlook for the door business continues to be weak and uncertain. Most of our major customers are adopting a wait and see attitude and have been conservative in their ordering. We have lost some orders due to intense price competition and weakened demand.

The Group will intensify its ongoing strategy to win new customers, re-engage former customers, and accelerate our inroads to both the United Kingdom and Singapore door market. The Group's nearby manufacturing facility in Johor offers a compelling proposition for Singapore builders and joiners who are looking for a competitively

priced, good quality and reliable supply solutions for their products. The Group sees an increase tender enquiries in Singapore and will proceed carefully and cautiously. Thanks to the work of the property division this year, the Group's strong financial standing puts the door division in a good place to pursue customers, build market share and bid for good contracts.

Property Business

The Group still has 2 lands and properties in ASEAN, namely 15 parcels of land in South Jakarta, Simatupang and 6 units of commercial 2-storey shop lots in Kilanas, Brunei. The outlook for the next 12 months in Indonesia, specifically the property market, remains weak and uncertain, with little visibility. The devaluation of the Indonesian rupiah has correspondingly reduced the value of the land while we continue to bear the cost of holding these lands. The property division focus is now on achieving maximum value for the divestment of these lands and are working closely with the appointed realtors and our joint venture partner, PT Karya Bintang Utara to achieve this.

For Brunei, the rationale and objective of the acquisition in 2023, despite earlier construction delays, remains the same, which is to generate Singapore parity recurring income from good tenants. Now that occupation permit has finally been achieved, the Group is working closely with the Developer and parties to obtain the title deeds.

For Singapore and Australia, we are monitoring closely the developments in these two mature property markets and will continue to be on the lookout for good opportunities and comfortable sized properties for property investment or property development. The successful start to end process in achieving planning permit for PBSA has strengthened the Group's experience and expertise in the PBSA, co-living and property development sector. We are also on the lookout for other asset light investment opportunities which are backed by good property, and which can deliver a superior yield for capital redeployment, such as the successful redemption of the investment in preference shares in One Equity (Fitzroy) Pty Ltd was announced on 26 June 2025.

Secured Property Financing Business

For the Group's Secured Property Financing Business, given the decrease in interest rates in Singapore, this has made arbitrage opportunities more difficult. Nevertheless, the Company continues to be watchful for opportunities in this business segment to generate revenue streams for the Group.

Chairman's Statement

Investment Business

On 3 June 2026, the Group announced that it had entered into a sales and purchase agreement ("**SPA**") with Mr Lee Rui Ren (the "**Seller**") for the proposed acquisition by the Company of 7,500 ordinary shares in Medicorp Sdn Bhd ("**Medicorp**") from the Seller, representing 30% of the total issued share capital of Medicorp for \$4.2 million, to be satisfied by up to \$1.0 million in HSO shares and the remaining balance in cash ("**Proposed Acquisition**"). Upon completion of the Proposed Acquisition, Medicorp will become an associated company of the Group.

This acquisition is potentially expected to yield regular dividends and it allows an investment into a well-established supplier of medical equipment, consumable and disposable products in Brunei Darussalam, which has been operating since 2003. A beneficiary of Universal Healthcare in Brunei, its product range includes hospital consumables and disposables, medical furniture and patient room supplies, renal dialysis equipment and supplies, otorhinolaryngology equipment, surgical equipment, dental equipment, laboratory instrumentation and reagent test-kits, dermatological, orthopedics and gynecological products and equipment, medical freezers and refrigerators. Some of Medicorp's customers include public and private hospitals in Brunei, Government statutory boards and oil and gas companies.

The above acquisition is just one example of the Group's strategy to achieve sustainable profitability. The Group tries to adopt a measured approach, by initially acquiring small stakes, monitoring their performance and then taking larger stakes once financial and execution is proven. This allows the Group to deploy its cash resources carefully and prudently. The Group is assessing other potential opportunities and will make the necessary announcements if there are any material developments.

Conclusion

To all our long-standing shareholders, partners, suppliers, customers, employees and stakeholders, thank you for your continuous support. I would also like to thank our Chief Marketing Officer, Mr Albert Tan, who has left the Group after many years of loyal and stellar service.

We hope for everyone's continued support and patience to navigate the very difficult and uncertain macroeconomic challenges. Please join me and the Board on our long-term journey as we continue "**Building at a steady pace**" together.

Pengiran Muda Abdul Qawi

Non-Executive Chairman

Operational and Financial Review

Business Overview

HS Optimus Group is synonymous with the manufacturing and global distribution of high-quality doors such as timber doors, fire doors, engineered doors and customised doors to international customers in the United Kingdom, the United States and Asia. In 2014, the Group obtained a mandate from shareholders to diversify into the business of property investment and property development to capture opportunities for capital gain and investment returns prevalent in the real estate markets as well as the Investment Business which involved engaging in financial investment activities as principal including investing in quoted and/or unquoted securities. In 2021, the Group obtained a mandate from shareholders to further expand into secured property financing business, another strategic initiative by the Group to diversify its income streams. Currently, the Group has 4 business segments, namely, (i) Investment segment, (ii) Door business segment, (iii) Property business segment and (iv) Secured property financing segment. The Group's 2 core business segments are the Door business segment, and the Property business segment.

Revenue

The Group's revenue for the financial year ended 31 March 2026 ("FYE26") decreased by 6% from \$14.44 million for the financial year ended 31 March 2025 ("FYE25") to \$13.55 million in FYE26 largely due to a decrease in the number of doors sold to export customers, offset by an increase in doors sold in the Singapore market, following the Group's efforts to re-enter and strengthen its presence in the Singapore door market.

Cost of Sales and Gross Profit

Cost of sales decreased by 2% from \$11.21 million in FYE25 to \$10.96 million in FYE26. The decrease corresponded to the lower number of doors sold to export customers. The Group's gross margin decreased from 22% in FYE25 to 19% in FYE26 due largely to the higher purchase price of processed wood while other fixed costs remained unchanged despite the lower number of doors sold.

Other Income

Other income increased from \$2.36 million in FYE25 to \$6.44 million in FYE26. The increase was attributed to the (i) gain on disposal of 2 office units at 2 Kallang Ave amounting to \$0.56 million and (ii) gain on disposal of 23-31 Lincoln Square amounting to \$5.57 million. These increases were offset against (i) absence of gain on deregistration of subsidiary amounting to \$1.92 million and (ii) reversal of impairment loss on development properties amounting to \$0.14 million.

Expenses

Selling and distribution expenses increased by 2% from \$0.42 million in FYE25 to \$0.43 million in FYE26. This was primarily due to higher inspection and test fees of \$0.03 million offset against decrease in marketing expenses of \$0.02 million.

Administrative expenses decreased by 22% from \$7.34 million in FYE25 to \$5.70 million in FYE26. The decrease was attributed to (i) unrealised foreign exchange gain of \$0.39 million in FYE26 as compared to an unrealised foreign exchange loss of \$1.87 million in FYE25, (ii) decrease in professional consultant expenses of \$0.28 million incurred in relation to the planning permit for Lincoln Square for a Purpose-Built Student Accommodation and lower depreciation charge of \$0.32 million for Lincoln Square. These decreases were offset against (i) provision for expected credit loss on trade receivables from a customer located in the UK amounting to \$0.28 million, (ii) impairment loss on development properties of \$0.47 million, (iii) commission fee paid to realtors on disposal of 2 office units at 2 Kallang Ave and Lincoln Square of \$0.22 million, (iv) development management expenses of \$0.10 million for Lincoln Square and (v) establishment fee of \$0.12 million for Australia loan facility obtained in June 2025.

Finance costs increased from \$0.11 million in FYE25 to \$0.36 million in FYE26 largely due to interest cost of \$0.24 million resulting from the Australia loan facility.

Profit for the year

Overall, the Group recorded a profit of \$2.56 million in FYE26 as compared to a loss of \$2.58 million in FYE25.

Balance Sheet Highlights

Non-Current Assets

Property, plant and equipment increased by 5% from \$5.30 million as at 31 March 2025 to \$5.54 million as at 31 March 2026. The increase is due to purchase of property, plant and equipment for the year ended 31 March 2026 and strengthening of MYR against SGD offset against depreciation charge of \$0.61 million.

Right-of-use assets decreased by 52% from \$3.57 million as at 31 March 2025 to \$1.73 million as at 31 March 2026. The decrease was mainly due to disposal of 2 office units at 2 Kallang Ave amounting to \$1.99 million and depreciation charge of \$0.10 million offset against new rental agreement for hostel & office amounting to \$0.16 million and strengthening of MYR against SGD.

The investment property located at 23-31 Lincoln Square South, Carlton, Melbourne was reclassified from investment property to property held-for-sale under current assets in November 2025 following the change in the Group's intention to dispose the property as announced previously in the periodic business updates and in compliance with SFRS(I) 5. The disposal of the property was completed on 23 December 2025.

Operational and Financial Review

Current Assets

Development properties decreased by 8% from \$26.95 million as at 31 March 2025 to \$24.91 million as at 31 March 2026. This was mainly due to weakening of the Indonesian rupiah relative to the Singapore dollar and impairment loss of \$0.47 million recognised in FYE26.

As at 31 March 2026, investment in financial asset was recorded as Nil due to the redemption of the 33 class A preference shares in the capital of One Equity (Fitzroy) Pty Ltd ("1E") on 25 June 2025.

Trade and other receivables decreased by 35% from \$7.05 million as at 31 March 2025 to \$4.62 million as at 31 March 2026. This was mainly due to (i) decrease in trade receivables amounting to \$1.87 million as a result of lower export sales of doors in March 2026 and advance payment for purchase of raw materials of \$0.11 million, (ii) absence of dividend receivable relating to the subscription of the preference shares in 1E of \$0.11 million and prepaid land tax of \$0.57 million in Melbourne offset against progress claim paid amounting to \$0.29 million for the acquisition of 60-year sub-lease in six shophouse units in Brunei, which was previously announced on 27 November 2023.

Inventories decreased by 26% from \$5.62 million as at 31 March 2025 to \$4.15 million as at 31 March 2026 mainly due to decrease in raw material and finished goods as a result of lower sales orders received.

Cash and cash equivalents increased from \$2.93 million as at 31 March 2025 to \$20.02 million as at 31 March 2026 mainly due to the net cash proceeds received from the successful disposal of 2 office units at 2 Kallang Ave and the Lincoln Square property for \$2.52 million and \$16.81 million respectively.

Total Liabilities

Trade and other payables decreased by 36% from \$4.78 million as at 31 March 2025 to \$3.06 million as at 31 March 2026, mainly due to a decrease in trade payables of \$0.50 million arising from lower purchase of raw material from suppliers following a decline in sales orders received, as well as the payment of land tax of \$0.76 million and professional consultancy expenses of \$0.21 million relating to planning permit application.

Contract liabilities decreased by 93% from \$92,000 as at 31 March 2025 to \$6,000 as at 31 March 2026, mainly due to recognition of revenue earned during the year, coupled with lesser advanced payments received from customers as at year end.

Total loans and borrowings decreased by 64% from \$2.97 million as at 31 March 2025 to \$1.08 million as at 31 March 2026. The decrease was mainly due to the repayment of (i) revolving credit facility of \$1.40 million following the completion of the disposal of 2 office units at 2 Kallang

Ave; (ii) banker's acceptance of \$0.04 million; and (iii) bank overdraft of \$0.11 million as well as decrease in usage of foreign currency loan against import of \$0.88 million in Malaysia subsidiary. These decreases were offset against an increase in lease liabilities of \$0.54 million arising from new rental agreements for hostel and office as well as hire purchase financing for the installation of solar panels entered into by the Group in FYE26.

Equity

Total equity increased by 3% from \$54.24 million as at 31 March 2025 to \$55.75 million as at 31 March 2026 mainly due to profits recognized in FYE26.

Cash Flow Review

The Group's net cash generated from operating activities for FYE26 was \$0.51 million as compared to net cash used in operating activities of \$3.32 million in FYE25. Net cash generated in operating activities for FYE26 was due to receipts from customers offset against working capital expense. Net cash used in operating activities for FYE25 was mainly for working capital.

Net cash generated from investing activities for FYE26 was \$20.04 million as compared to net cash used of \$0.84 million in FYE25. This was mainly due to the redemption of the 33 class A preference shares in the capital of 1E as disclosed above and sales proceeds from disposal of 2 office units at 2 Kallang Ave and Lincoln Square offset against purchase of property, plant and equipment. Net cash used in investing activities for FYE25 was mainly due to subscription of preference shares in 1E.

Net cash used in financing activities for FYE26 was \$2.79 million mainly due to repayment of (i) revolving credit facility, (ii) banker's acceptance and (iii) bank overdraft by the Group and lower usage of foreign currency loan against import.

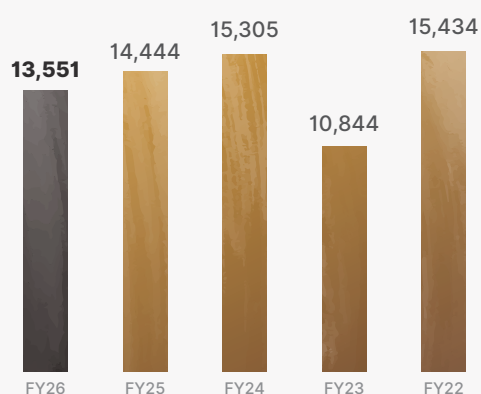
As a result of the above, the Group's cash and cash equivalents stood at \$20.02 million as at 31 March 2026 as compared to \$2.93 million as at 31 March 2025.

Financial Highlights

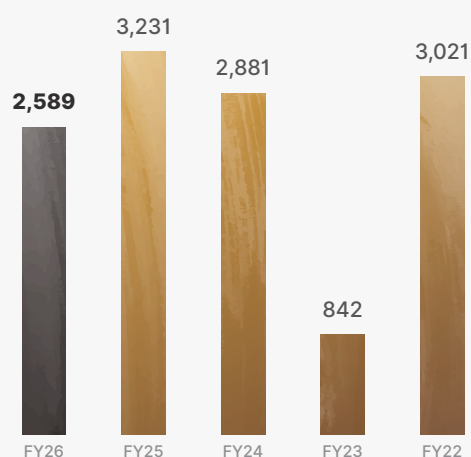
FINANCIAL HIGHLIGHTS	FY2026	FY2025	FY2024	FY2023	FY2022
Revenue (\$'000)	13,551	14,444	15,305	10,844	15,434
Profit/(Loss) after tax (\$'000)	2,558	(2,583)	(1,948)	(7,499)	(1,996)
Shareholders' equity (\$'000)	49,066	46,805	50,575	54,192	62,442
Earnings/(Loss) per share (cents)	0.051	(0.049)	(0.038)	(0.138)	(0.033)
Net asset value per share (cents)	0.91	0.87	0.94	1.01	1.16

FIVE YEARS COMPARISON

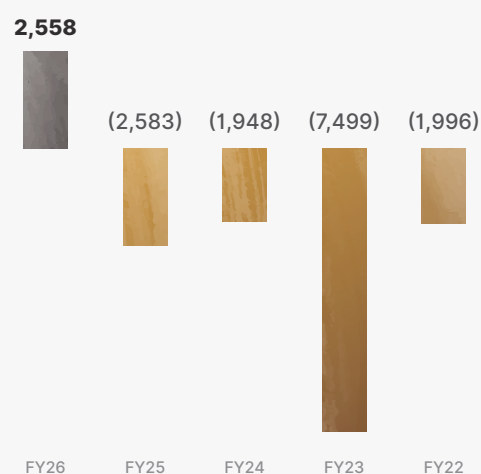
REVENUE (\$'000)



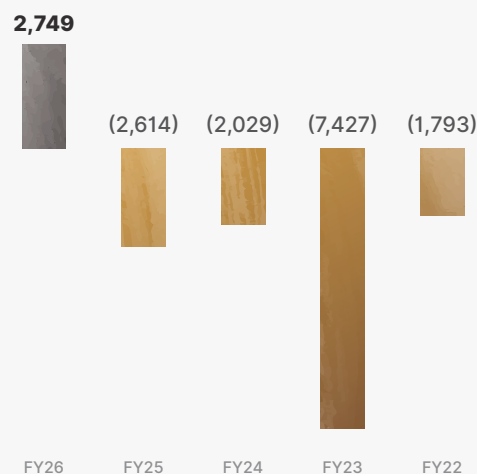
GROSS PROFIT (\$'000)



PROFIT/(LOSS) AFTER TAX (\$'000)



PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS (\$'000)



Board of Directors

PENGIRAN MUDA ABDUL QAWI

— *Non-Executive Chairman*

Pengiran Muda Abdul Qawi joined the Board of HS Optimus Holdings Limited on 30 September 2014 as Non-Executive Chairman and was re-elected on 31 July 2025. Prince Abdul Qawi is also the Chairman of National Insurance Bhd, QOS Sdn Bhd, Everon Sdn Bhd and Supremo Management Services Sdn Bhd in Brunei. His past experience includes Chairman of The Brunei Hotel, Deputy and Executive Chairman of QAF Brunei, a member of Baiduri Group and a Director of Baiduri Bank from 2000 - 2010. He was on the ASEAN Business Advisory Council from 2002 to 2012. Prince Abdul Qawi has been an active member of the INSEAD East Asia Business Council since 2005, the Confederation of Asia-Pacific Chambers of Commerce and Industry since 2004 and a Patron for the Young Entrepreneurs Association Brunei since 2010.

CHIA FOOK SAM

— *Executive Director and
Chief Operating Officer*

Mr Chia was appointed as an Executive Director on 1 January 2022 and Chief Operating Officer on 10 March 2021 and was re-elected on 31 July 2024. He is responsible for the management, operation and business development of the Group. Prior to this, he joined the Group's Door Business in Malaysia in April 2019. He has more than 30 years of experience in construction, property development, trading of building materials and building product manufacturing. Mr Chia graduated from University of North Dakota with a Bachelor of Science in Civil Engineering.

Board of Directors

MARK LEONG KEI WEI

—Independent Director

Mr Leong was appointed as an Independent Director on 19 September 2017 as the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees and was re-elected on 31 July 2024. He has considerable corporate, management and directorship experience in a broad range of functions and industries having undertaken several C-suite roles (Chairman, CEO, COO & CFO) in several private and public listed companies. Mr Leong currently serves as Non-Executive and Independent Director in several SGX-listed companies and a NASDAQ listed company and as Executive Chairman and Director of an ASX listed company. Mr Leong is a Fellow Chartered Accountant of the Institute of Singapore Chartered Accountants (ISCA), a Fellow of the Association of Chartered Certified Accountants (ACCA), ASEAN CPA and a Member of the Singapore Institute of Directors.

VIVIEN GOO BEE YEN

—Independent Director

Ms Goo was appointed as an Independent Director on 30 March 2020 and was re-elected on 31 July 2025. She is currently the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. Ms Goo is currently a Business Director of Shosha Beauty Company. Prior to this, she had worked in the banking industry for 11 years holding managerial positions in Brunei. She has also worked in the construction and property development industries in Brunei and Australia. Ms Goo holds a Bachelor of Commerce Marketing from Curtin University of Western Australia.

ANG WEE MING

—Independent Director

Mr Ang was appointed as an Independent Director on 1 December 2020 and was re-elected on 27 July 2023. He is currently the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees. Mr Ang is currently the Managing Director, Market Head of Thailand and Vietnam with Bank of Singapore. Prior to this, he had worked in JP Morgan Chase and Standard Chartered Bank (Brunei). In total, he has 27 years of experience in the banking industry. Mr Ang holds a Master of Engineering degree in Chemical Engineering from Imperial College, University of London.

Key Management

NG YUI WEI

— *Group Financial Controller*

Mr Ng was appointed as Group Financial Controller on 29 April 2020. He oversees the Group's accounting, finance, compliance, internal control and other regulatory requirements. He has more than 25 years of working experience in finance and accounting in various industries/organisations and held several financial leadership roles, which included overseeing the finance and accounting function of SGX listed companies. Mr Ng holds a Bachelor Degree (Hons) in Business Economics and a Master's Degree in Professional Accounting. He is a Fellow Chartered Accountant of Singapore (FCA Singapore), a Fellow of CPA Australia (FCPA, Australia), an ASEAN CPA and a Member of the Institute of Internal Auditors.



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HS Optimus Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) has embraced the tenets of good governance, including accountability, transparency and sustainability and in doing so, has adopted appropriate processes, practices and policies to direct and manage the business and affairs of the Company based on the Code of Corporate Governance 2018 (the “**Code**”) which forms part of the continuing obligations of the Listing Manual Section B: Catalyst Rules (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) with a view to maximise long-term shareholders’ value while taking into account the interests of the other stakeholders.

This Report describes the Company’s corporate governance practices and structures that were in place during the financial year from 1 April 2025 to 31 March 2026 (“**FYE26**”) with specific references to principles and provisions of the Code, and should be read as a whole. The Company has complied, in all material aspects, with the principles and provisions of the Code. Where there are deviations from the provisions of the Code, the Company has provided the reasons and explanations in relation to the Company’s practices as to how they remain consistent with the aim and philosophy of the overarching principles, where appropriate.

THE BOARD’S CONDUCT OF AFFAIRS

Principle 1: *The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.*

Within the broad role of providing oversight, the Board of Directors (the “**Board**”) is responsible for setting the strategic direction of the Company as well as the Company’s approach to governance, including by establishing the appropriate culture, values and ethical standards of conduct at all levels of the Company. The Board is committed to maintaining a high standard of corporate governance and in doing so, provides oversight for the management of the Company (“**Management**”) by establishing goals for the Management team, monitoring the achievement of such goals, holding Management accountable for the performance of the Company, ensuring that Management has sufficient resources to meet its objectives and safeguarding the interests of shareholders as well as stakeholders including customers, suppliers, vendors and employees. Additionally, the Board sets the tone from the top, promoting a strong ethical culture and ensuring proper accountability throughout the Company. The Board has established an oversight framework and processes for Management and the Group, including a system of internal controls to enable the identification, assessment and management of key risks across the Group.

In summary, the responsibilities of the Board are to:

- set the strategic directions and the long-term goals of the Group and ensure that adequate resources are available to meet these objectives;
- establish a proper risk management system to ensure that key potential risks faced by the Group are properly identified and managed;
- review the performance of Management;
- identify key stakeholder groups and acknowledging the impact their perceptions have on the Group’s reputation;
- approve the nominations of Directors and appointment of key management personnel (“**KMP**”);
- set the Group’s values and standards, and ensure that obligations to shareholders and other stakeholders are understood and met;
- provide shareholders with a balanced and understandable assessment of the Group’s performance, position, financial results and prospects on a half- and full-yearly basis;
- provide shareholders with business and operational updates in a clear and concise manner where and when appropriate; and
- consider sustainability issues, e.g., environmental, social and governance factors, as part of the Group’s strategic formulation.

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Board approval

The Board is also responsible for approving transactions exceeding certain limits in accordance with an established set of approved limits of the Group, while delegating authority for transactions below those limits to Management, to facilitate operational efficiency. Matters which require the Board's review and approval have been communicated clearly to Management in writing, and such matters include the following:

- all capital expenditure, acquisitions, investments and divestments exceeding S\$500,000, subject to the requirements of the Catalist Rules and the SGX-ST;
- material funding decisions relating to operational matters;
- annual plans, budgets, policies, strategies and financial objectives;
- monitoring the performance of Management and remuneration of the Executive Director(s), Chief Operating Officer, Chief Marketing Officer and KMP;
- assessing the financial performance and recommending dividends and other returns to shareholders, if appropriate;
- overseeing the framework and processes for risk management, financial reporting and compliance, and evaluating the adequacy of the Group's internal control system (including financial, operational, compliance and information technology risks), as may be recommended by the Audit Committee ("**AC**");
- reviewing the performance of Management, approving the nomination to the Board of Directors and appointment of KMP, as may be recommended by the Nominating Committee ("**NC**");
- reviewing the framework of remuneration for the Board of Directors and KMP, as may be recommended by the Remuneration Committee ("**RC**");
- the Group's half-year and full-year financial results announcements and operational and business updates;
- the appointment and removal of the Company Secretary;
- the appointment and removal of the Company Sponsor;
- the proposal for the appointment and removal of the Company Auditors;
- the appointment and removal of the Company Internal Auditors; and
- the annual report and financial statements for each financial year.

Board and Board Committee meetings

The Board meets every quarter to review the financial performance of the Group. It also holds ad-hoc meetings as warranted by particular circumstances and as deemed appropriate by the Board members. The Board also reviews the risks associated with Group's assets, evaluates liabilities and considers comments from the auditors of the Group and ensures that measures are implemented in accordance with key recommendations.

The Company's constitution (the "**Constitution**") allows for Board meetings to be conducted by way of tele-conference and video-conference, and allows decisions of the Board and Board Committees to be made by way of written resolutions. In preparation for the Board meetings, Management provides the Directors with complete, adequate and timely information in advance, as well as on an ongoing basis, to enable them to make informed decisions and discharge their duties and responsibilities effectively. These arrangements provide the Board and Board Committees with the flexibility in conducting meetings and ensure the timely consideration of matters requiring their attention.

The Board, with the concurrence of the NC, is of the view that the Directors have attended and actively participated in Board and Board Committee meetings, and that each Director has ensured that sufficient time and attention has been given to the affairs of the Group for FYE26, regardless of their other board memberships and principal commitments.

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The table below sets out the number of meetings held by the Board and Board Committees in FYE26 and the attendance of all Directors at such meetings, including general meetings of the Company:

Board members	AGM		Board		AC		RC		NC	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Pengiran Muda Abdul Qawi ⁽¹⁾	1	0	4	2	-	-	1	1	1	1
Chia Fook Sam ⁽¹⁾	1	1	4	4	4	4	1	1	1	1
Mark Leong Kei Wei	1	1	4	4	4	4	1	1	1	1
Vivien Goo Bee Yen	1	1	4	4	4	4	1	1	1	1
Ang Wee Ming	1	1	4	3	4	4	1	1	1	1

Notes:

(1) Pengiran Muda Abdul Qawi (Non-Executive Chairman) and Mr Chia Fook Sam (Executive Director and Chief Operating Officer) although not members of the AC, NC and RC had attended the AC, NC and RC meetings by invitation.

Board Committees

The Board has established various committees to assist it in discharging its responsibilities as set out above. These committees have clearly written terms of reference which set out the compositions, duties and authority of each committee as well as qualifications for committee membership, in line with the Code. The committees are each responsible for reporting back to the Board. The terms of references are reviewed on a regular basis to ensure their continued relevance, as are the committee structures and membership. The committees established by the Board are:

- the AC
- the NC; and
- the RC.

Further details on the committee members, terms of reference and the activities of the relevant committees are set out on pages 20 to 35 of the Annual Report.

Directors' Orientation and Training

The Directors are fiduciaries who act objectively in the best interests of the Company, and understand the Company's business as well as their directorship duties (including their roles as Executive, Non-Executive and Independent Directors). The Board is of the view that Directors have effectively discharged their duties and responsibilities in the best interests of the Company for FYE26. In situations where a conflict of interest or potential conflict of interest arises, the relevant Director(s) will declare their interest at the relevant meeting or provide notice to the Chairman and/or Company Secretary, detailing the nature of their interest and the conflict, and will recuse themselves from discussions and decisions involving the matter.

When a new Executive Director is to be appointed, a formal letter of appointment is provided to him, setting out his duties and obligations. Each new Director will also be provided proper briefings or explanations in respect of the regulatory requirements that a director has to comply with on appointment, the ongoing obligations of a director under the Companies Act 1967 of Singapore ("**Companies Act**"), the Securities and Futures Act 2001 of Singapore ("**SFA**"), the Catalyst Rules, the Code and other regulatory requirements. In addition, each Director is also given access to Board resources, including the Constitution and governing documents, the Board's and each Board committee's terms of reference, the Group's policies, Annual Reports, previous Board meeting minutes and other pertinent information for his reference. The Directors have separate and independent access to Management, the Company Secretary and external advisers (where necessary) at the Company's expense. The Company Secretary attends Board meetings and ensures that such proceedings comply with Board procedures and all other rules and regulations applicable to the Company.

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The NC ensures that all new Directors are made aware of their duties and obligations as Board members. To support this, the Company conducts an orientation programme for newly appointed Directors to familiarise them with the businesses, operations, financial performance and KMP of the Group. As part of the programme, new Directors are also given the opportunity to visit the Group's operational facilities and meet with Management enabling them to gain a better understanding of the Group's business operations and strategic priorities.

Management monitors changes to regulations, policies and financial reporting standards issued by, amongst others, the SGX-ST and the Accounting and Corporate Regulatory Authority of Singapore. Any changes that may impact the Group and its disclosure obligations are promptly brought to the attention of the Board as soon as practicable, either during Board meetings or via the circulation of Board papers. Management works closely with the Company Secretary and Sponsor to advise the Board on regulatory matters under Singapore law and continuing listing obligations pursuant to the Catalist Rules. The external auditors of the Company provide updates to the Directors on changes to accounting standards and issues which may have an impact on financial statements. The Executive Director also updates the Board at each Board meeting on business and strategic developments of the Group.

To support the continuing development of Directors, the Company facilitates their participation in relevant training programmes and provides updates, briefings and seminars to enable them to maintain and enhance their knowledge and skills. Such training is funded by the Company. As part of the Company's effort to facilitate the continuing development of Directors, the Company Secretary circulates SGX regulatory updates, articles, reports, news releases issued by the SGX-ST, and press releases relevant to the Group's business, to keep Directors apprised of industry developments and emerging trends.

During FYE26, Ernst & Young LLP also provided updates to the Directors in relation to changes in accounting standards. In addition, Mr Mark Leong Kei Wei attended a Cyber Resilience Training Session conducted by the Singapore Institute of Directors to enhance his knowledge of cybersecurity risks and resilience practices.

BOARD COMPOSITION AND GUIDANCE

Principle 2: *The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.*

As the Non-Executive Chairman is not independent, Independent Directors are required to and do make up a majority of the Board, which currently comprises one (1) Non-Executive Chairman, one (1) Executive Director and three (3) Independent Non-Executive Directors. Further, the Board comprises a majority of Non-Executive Directors, which safeguards the Board against influence of its decision-making process by an individual or a small group of individuals.

As at the date of this Report, the Board comprises the following members and the composition of the Board and the Board Committees is as follows:

Name of Director	Designation	Board Committee Membership		
		AC	NC	RC
Pengiran Muda Abdul Qawi	Non-Executive Chairman	-	-	-
Mark Leong Kei Wei	Non-Executive and Independent Director	Chairman	Member	Member
Vivien Goo Bee Yen	Non-Executive and Independent Director	Member	Chairman	Member
Ang Wee Ming	Non-Executive and Independent Director	Member	Member	Chairman
Chia Fook Sam	Executive Director and Chief Operating Officer	-	-	-

There are no alternate Directors appointed on the Board. Under the Constitution of the Company, a maximum of 15 Directors and a minimum of two (2) Directors may be appointed to the Board.

The composition of the Board and Board Committees are reviewed annually by the NC to ensure that they are of an appropriate size, and comprise Directors who as a group provide the appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age so as to avoid groupthink and foster constructive debate while still ensuring that the Board and the Board Committees can carry out their respective roles and responsibilities effectively.

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Pursuant to provision 2.4 of the Code, the Board has adopted a Board Diversity Policy. Under the Board Diversity Policy, the NC will, in reviewing the Board's composition, rotation and retirement of Directors and succession planning, consider factors such as gender, age, nationality, ethnicity, cultural background, educational background, experience, skills, knowledge, independence and length of service. The final decision on the selection of Directors will be based on merit against objective criteria that complement and expand the skills and experience of the Board as a whole, and be made after having given due regard to the overall balance and effectiveness of a diverse Board. The Board is committed to ensuring diversity on the Board, including but not limited to an appropriate balance and mix of skills, knowledge, experience, gender, age and the core competencies of accounting or finance, business or management experience and strategic planning to avoid groupthink and foster constructive debate.

In determining the optimum composition and size of the Board and each Board Committee, the NC has considered each Director's experience covering areas such as business development, banking and financial management, finance and accounting, manufacturing, property development and strategic planning experience to be core competencies and key skills relevant for the Director to carry out their duties and serve effectively on the Board and Board Committees, having regard to the nature and scope of the Group's operations as well as the current regulatory environment.

The current Board comprises individuals with diverse educational and professional backgrounds, skillsets and experience ranging from accounting, finance, regulatory compliance, banking and financial industry and regional knowledge. Several Directors also possess corporate leadership experience, including with listed companies. The Board considers these competencies relevant and well-aligned with the Company's current operational size, scope and strategic needs. A breakdown of the knowledge and experience of the Directors is set out below, being key areas as identified by the Board and NC as essential to supporting the Group's business objectives:

Directors' Skills Matrix	
Finance and accounting	Mr Mark Leong Kei Wei
Manufacturing	Mr Chia Fook Sam
Business development	Mr Chia Fook Sam, Ms Vivien Goo Bee Yen, Pengiran Muda Abdul Qawi
Banking and financial management	Mr Ang Wee Ming
Strategic planning	Mr Chia Fook Sam
Property development	Mr Chia Fook Sam, Ms Vivien Goo Bee Yen
Directors' Expertise and Experience by Geography	
Singapore	Mr Chia Fook Sam, Mr Mark Leong Kei Wei, Mr Ang Wee Ming
Malaysia	Mr Chia Fook Sam
Australia	Mr Chia Fook Sam, Ms Vivien Goo Bee Yen, Mr Mark Leong Kei Wei
Brunei	Mr Chia Fook Sam, Ms Vivien Goo Bee Yen, Pengiran Muda Abdul Qawi
Directors' Length of Service	
11 years 6 months	Pengiran Muda Abdul Qawi
8 years 6 months	Mr Mark Leong Kei Wei *
6 years	Ms Vivien Goo Bee Yen
5 years 3 months	Mr Ang Wee Ming
4 years 3 months	Mr Chia Fook Sam

* Mr Mark Leong Kei Wei will reach his 9-year term on 18 September 2026. Pursuant to Rule 406(3)(d)(iv) of the Catalist Rules, he may continue to be considered independent until the conclusion of the next annual general meeting of the Company.

More information on the Directors is set out in the sections entitled "Board of Directors" and "Directors' Statement" of the FYE26 Annual Report.

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The Company recognises the importance of diversity in various areas including, professional qualifications, skills, business experience, industry knowledge, gender, nationalities, tenure of service, seniority and other qualities. While the Board acknowledges that gender and age are aspects of board diversity, the Board's priority is to ensure that the composition of the Board is holistic in its core competencies and able to deliver effective leadership for the Group. In terms of gender diversity, the Board currently has one female director representing 20% of the Board. While the Company does not currently have specific targets for female director representation on the Board, it remains committed to promoting diversity. Where suitable candidates are available, the Company will continue to include and/or shortlist female candidates for its future Board renewal exercises. The Company's diversity plan over the next one (1) to three (3) years includes seeking suitably qualified candidates to strengthen the bandwidth of the Board, particularly candidates with investment, business and/or legal experience across relevant geographies as well as across businesses and industries that form part of the Company's growth strategy. Suitable candidates will be identified, including through external search firms if required. The NC will shortlist suitable candidates and make its recommendations to the Board.

Accordingly, the Board and the NC are of the view that in fulfilment of the objectives under the Board Diversity Policy, the current Board composition is appropriate, effective and adequate for the nature and scope of the Company's operations for the time being, taking into account the collective diversity of skills, experience and knowledge of the Directors, and that there is sufficient diversity in its composition. Notwithstanding this, the NC will continue to review the targets set out above along with its plans to achieve such targets on an ongoing basis.

Given the above, the Board and the NC are satisfied that the Board currently has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company, consistent with the intent of principle 2 of the Code. As and when there is a need for Board renewal, the Board will abide by the Board Diversity Policy in its search of the new candidate(s).

Board Independence

The NC determines annually, and as and when circumstances require, if each Director is independent, having regard to the circumstances set forth in provision 2.1 of the Code. Each Director is required to declare their relationships with the Company, its related corporations, its substantial shareholders or its officers (if any) which may affect his/her independence through the completion and submission of a confirmation of independence form. Such relationships include business relationships which the Director, his/her immediate family member, or an organisation in which the Director and/or his/her immediate family member is a director, substantial shareholder, partner (with 5% or more stake) or executive officer has with the Company or any of its related corporations and the director's direct association with a substantial shareholder of the Company, in the current and immediate past financial year.

Based on the confirmation of independence submitted by each of the Independent Directors, the NC is of the view that there is a strong and independent element on the Board and the Independent Directors (who represent more than half of the Board) are each independent in accordance with Rule 406(3) of the Catalist Rules and the Code in that they: (i) are not employed by the Company or any of its related corporations for the current or any of the past three (3) financial years; or (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three (3) financial years, and whose remuneration is determined by the RC; (iii) have not served as a Director for an aggregate period of more than 9 years since the date of their first appointment; (iv) do not have any relationship with the Company, its subsidiaries, its related corporations, its substantial shareholder or its officers that could interfere, or reasonably be perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of the Company; (v) have not been directly associated with a substantial shareholder of the Company, or is a substantial shareholder of the Company; (vi) are not (or were not), nor are or were their immediate family members, in the current or immediate past financial year provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S\$50,000 for services other than compensation for board service; or (vii) are not (or were not), nor are or were their immediate family members, in the current or immediate past financial year a substantial shareholder, partner, executive officer or a director of any organisation which provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S\$200,000 for services rendered. The Independent Directors also do not receive any remuneration, significant payments or material services payments from the Company and its subsidiaries apart from Directors' fees which are subject to shareholders' approval at an annual general meeting ("AGM").

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In the appointment of new Directors, the NC undertakes a formal and transparent process for the identification, selection and nomination process for candidates. This process includes, amongst others, the use of search companies, personal contacts and recommendations, reviewing the range of expertise, skills and attributes of the existing Board members, the need for progressive renewal of the Board (including the Chairman and Executive Director(s)) as well as the needs of the Board, taking into consideration the Group's future business directions and strategies, before any nomination is put forward to the Board for consideration. The NC will also ensure that the new Directors possess the necessary skills, knowledge and experience to facilitate the Board's making of sound and well-considered decisions. For re-appointments, the NC takes into account the composition and progressive renewal of the Board and each director's competencies, commitment, contributions and performance.

Management provides the Board members with quarterly management accounts to keep them abreast with the Group's business development and performance. The Independent Directors also have at any given time separate and independent access to the Executive Director, Management, Chief Operating Officer and other KMP of the Group. This enables them to make enquiries or seek clarification on the Group's affairs. The Non-Executive Directors further constructively review and assist the Board to facilitate and develop proposals on strategy as well as review and monitor the performance of Management in reporting on and meeting agreed goals and objectives. The Independent Directors also aid in developing proposals on strategy and actively participate in discussions and decision-making at Board and committee level. The Non-Executive Directors (including the Independent Directors) regularly meet on their own without the presence of Management, and the chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: *There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

Pengiran Muda Abdul Qawi is the Non-Executive Chairman of the Board and is responsible for leading the Board. He, with the assistance of the Executive Director, (i) sets the agenda for Board meetings, (ii) ensures that adequate time is available for discussion for all agenda items, in particular, strategic issues, and that complete, adequate and timely information is made available to the Board, (iii) promotes a culture of openness and full and frank exchange of views at the Board meetings, (iv) encourages constructive relations within the Board and between the Board and Management, (v) facilitates effective contribution of the Independent Directors and (vi) ensures effective communication with shareholders. As the Chairman, he takes a prominent role in promoting high standards of corporate governance, with the full support of the Directors, the Company Secretary and Management.

The Company does not have a Chief Executive Officer of the Company ("CEO"). The Executive Director is responsible for the day-to-day management of the Group's business and operations. Further information on the Non-Executive Chairman and Executive Director can be found in the sections entitled "**Board of Directors**" and "**Directors' Statement**" in the FYE26 Annual Report. The roles of the Non-Executive Chairman and the Executive Director are distinct and separate, with a clear division of responsibilities between the Non-Executive Chairman and the Executive Director to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Non-Executive Chairman and the Executive Director are not related to each other.

The Board has not appointed a Lead Independent Director, as the Non-Executive Chairman and the Executive Director are separate persons, and the Non-Executive Chairman is not part of the Management team. There is a clear division of responsibilities between the Chairman and Management and as such, no one individual has unfettered decision-making power. As part of its continuous assessment of corporate governance standards, the Board will appoint a Lead Independent Director if and when the composition of the Board warrants it. The NC is of the view that the Independent Directors have demonstrated a high degree of commitment in their role as Directors. The Independent Directors had also met periodically without the presence of the Executive Director(s).

BOARD MEMBERSHIP

Principle 4: *The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.*

The NC comprises the following three (3) Directors, all of whom are independent:

Chairman:	Ms Vivien Goo Bee Yen	(Non-Executive and Independent)
Members:	Mr Mark Leong Kei Wei	(Non-Executive and Independent)
	Mr Ang Wee Ming	(Non-Executive and Independent)

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The NC pursuant to its written terms of reference shall:

- make recommendations to the Board on the review of succession plans for Directors (including alternate directors, if applicable), in particular the appointment and/or replacement of the Executive Director(s), the Chairman, the Chief Executive Officer (if applicable) and KMP;
- regularly review the structure, size and composition of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- annually review whether or not a Director is independent, in accordance with the Catalist Rules, the Code and other salient factors;
- be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- review and recommend to the Board for re-election, the Directors due for retirement by rotation in considering their contribution or performance;
- review and decide whether or not a Director is able to and has been adequately carrying out his duties as Director of the Company;
- decide and recommend for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contributions by the Chairman and each individual Director to the Board;
- assess the effectiveness of the Board as a whole and the contribution of each individual Director to the effectiveness of the Board;
- review and make recommendations to the Board on training and professional development programs for the Board;
- make recommendations to the Board on the appointment and re-appointment of Directors (including alternate directors, if any); and
- make recommendations concerning any matters relating to a Director's continuation in office and the appointment of new Directors at any time.

In sourcing for potential appointees, the NC would consider candidates recommended by the other Directors, KMP or substantial shareholders, and may engage external search consultants, where necessary, and go through the process of shortlisting and selecting all new Directors. The factors for consideration before appointing new candidates include referrals, background checks and the candidates' knowledge of the industry and relevant skillsets based on their resume and interview with the NC.

In assessing the suitability of a candidate to be appointed or to be re-elected to the Board, the NC will consider if he is able to make the appropriate contributions to the Board and the Group. The NC takes into account the following key factors:

- qualifications, industry knowledge, skillsets and functional expertise which are relevant and beneficial to the Group;
- the candidate's independence, in the case of the appointment of an independent director;
- relevant experience and business network within the industries in which the Group operates; and
- any potential competing time commitments if the candidate has multiple board representations.

The NC will conduct in-person interviews with the candidates to assess their personal attributes and soft skills, in addition to their professional qualifications and experience. Following this evaluation, the NC will make its recommendation to the Board for final approval and appointment.

Based on Rule 720(4) of the Catalist Rules, a listed issuer must have all Directors submit themselves for re-nomination and re-appointment at least once every three (3) years. Pursuant to the Constitution, one-third of the Directors, retire from office at each AGM. The Directors submit themselves for re-election at regular intervals of three (3) years.

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The dates of the initial appointment and last re-election of each Director are set out below⁽¹⁾:

Director	Date of first appointment as a Director	Date of last re-appointment as a Director
Pengiran Muda Abdul Qawi	30 September 2014	31 July 2025
Mr Mark Leong Kei Wei	19 September 2017	31 July 2024
Ms Vivien Goo Bee Yen	30 March 2020	31 July 2025
Mr Ang Wee Ming	1 December 2020	27 July 2023
Mr Chia Fook Sam	1 January 2022	31 July 2024

Note:

(1) Other information on the Directors, such as academic and professional qualifications, shareholding in the company and its related corporations, board committees served on (as a member or chairman), directorships or chairmanships both present and those held over the preceding three (3) years in other listed companies, and other principal commitments can be found in the sections entitled “**Board of Directors**” and “**Directors’ Statement**” as well as on page 26 of the Annual Report.

After assessing the contributions and performances of the retiring Directors, the NC has recommended the re-election of Mr Ang Wee Ming and Mr Chia Fook Sam, who will be retiring by rotation at the forthcoming AGM under regulation 109 of the Constitution. Subject to their re-election at the forthcoming AGM, Mr Ang Wee Ming will remain as a Non-Executive and Independent Director as well as the Chairman of RC and as a member of AC and NC; and Mr Chia Fook Sam will remain as an Executive Director. Both Mr Ang Wee Ming and Mr Chia Fook Sam had abstained from any recommendations, participation and/or deliberation of the NC, in respect of the assessment of their own performance or re-appointment.

Pursuant to Rule 720(5) of the Catalyst Rules, the information relating to each Director being proposed for re-election, namely Mr Ang Wee Ming and Mr Chia Fook Sam, as set out in the format of Appendix 7F of the Catalyst Rules is set out below.

	Mr Ang Wee Ming	Mr Chia Fook Sam
Date of Appointment	1 December 2020	1 January 2022
Date of last Re-Appointment (if applicable)	27 July 2023	31 July 2024
Age	55	65
Country of Principal Residence	Brunei Darussalam	Brunei Darussalam
The Board’s comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The NC having assessed Mr Ang Wee Ming (“ Mr Ang ”)’s independence, and based on his experience, expertise, conduct, character, and relationships with the Company and/or its substantial shareholders, as well as his performance as an Independent Director for FYE26, had recommended to the Board the re-appointment of Mr Ang. The Board concurred with the NC’s recommendation on Mr Ang’s re-appointment as an Independent Director of the Company.	The NC having assessed Mr Chia Fook Sam (“ Mr Chia ”)’s performance, contributions, experience, expertise, conduct, character, and relationships with the Company and/or its substantial shareholders, as well as his performance as an Executive Director for FYE26, had recommended to the Board the re-appointment of Mr Chia. The Board concurred with the NC’s recommendation on Mr Chia’s re-appointment as an Executive Director of the Company.

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	Mr Ang Wee Ming	Mr Chia Fook Sam
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Director	Executive Director. He is responsible for the management, operation and business development of the Group.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the RC and Member of the AC and NC.	Executive Director and Chief Operating Officer
Professional Qualifications	Please refer to the section entitled "Board of Directors" of this FYE26 Annual Report.	Please refer to the section entitled "Board of Directors" of this FYE26 Annual Report.
Working experience and occupation(s) during the past 10 years	Please refer to the section entitled "Board of Directors" of this FYE26 Annual Report.	Please refer to the section entitled "Board of Directors" of this FYE26 Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	None.	None.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Save for his role as Independent Director of the Company, none.	Save for his role as Executive Director and Chief Operating Officer of the Company, none.
Conflict of interest (including any competing business)	None.	None.
Undertaking (in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules) has been submitted to the listed issuer	Yes.	Yes.
Other Principal Commitments ¹ including Directorships – Past (for the last 5 years)	None.	None.
Other Principal Commitments ¹ including Directorships – Present	Bank of Singapore-Managing Director, Market Head of Thailand and Vietnam	● HS Optimus Wood Products Sdn Bhd ● HS Optimus Joinery Pte Ltd ● Ambertree Vic Mel (Lincoln) Pty Ltd ● PT Ambertree Development Jakarta ● HS Optimus Resources Sdn Bhd ● Ambertree Pte Ltd ● Ambertree Indonesia Ventures Pte Ltd

¹ "Principal Commitments" has the same meaning as defined in the Code.

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	Mr Ang Wee Ming	Mr Chia Fook Sam
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No.	No.
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No.	No.
(c) Whether there is any unsatisfied judgment against him?	No.	No.
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No.	No.
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No.	No.
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No.	No.
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No.	No.

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	Mr Ang Wee Ming	Mr Chia Fook Sam
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No.	No.
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No.	No.
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—	No.	No.
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or		
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or		
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or		
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,		
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	Yes. In 2019, Mr Chia was charged with an offence in Brunei Darussalam under Section 37(2) of the Criminal Asset Recovery Order 2012. He was fined BN\$5,000 for the offence which he had paid in full. No further action was taken against him in respect of this offence.
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company?	Not applicable as this relates to re-appointment of director.	Not applicable as this relates to re-appointment of director.

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	Mr Ang Wee Ming	Mr Chia Fook Sam
If yes, please provide prior experience.	Not applicable as this relates to re-appointment of director.	Not applicable as this relates to re-appointment of director.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not applicable as this relates to re-appointment of director.	Not applicable as this relates to re-appointment of director.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).		

Directors' Commitments

The NC considers whether a Director has been and is able to adequately carry out his duties as a Director of the Company, taking into consideration, inter alia, the Director's number of listed company board representations, other principal commitments (which include, amongst others, significant time commitments such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations) and a qualitative assessment of each Director's contributions. The NC reviews annually the directorships held by each Director as well as principal commitments, if any. Where a Director holds a significant number of listed company directorships and principal commitments, the NC and the Board will undertake a reasoned and objective assessment of the Director's ability to effectively discharge his or her duties to the Company.

The present and past listed company board representations and other principal commitments of each Director are set out below:

Name of Director	Present Directorships or Chairmanships in Other Listed Companies (as at 31 March 2026)	Past Directorships or Chairmanships in Other Listed Companies in the Preceding Three (3) Years	Other Principal Commitments (as at 31 March 2026)
Pengiran Muda Abdul Qawi	Nil	Nil	<u>Chairman</u> ● National Insurance Bhd ● QOS Sdn Bhd ● Everon Sdn Bhd ● Supremo Management Services Sdn Bhd
Mr Mark Leong Kei Wei	● MDR Limited ● Landmark REIT Management Ltd (fka LMIRT Management Ltd) ● 9R Limited ● Osteopore Limited ● Cytomed Therapeutics Limited	● Catalano Seafood Ltd (Delisted) ● Autagco Ltd (fka LifeBrandz Ltd)	<u>Director</u> ● Avalon Partners Pte Ltd
Ms Vivien Goo Bee Yen	Nil	Nil	<u>Business Director</u> ● Shosha Beauty Company
Mr Ang Wee Ming	Nil	Nil	<u>Managing Director, Market Head of Thailand and Vietnam</u> ● Bank of Singapore

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Name of Director	Present Directorships or Chairmanships in Other Listed Companies (as at 31 March 2026)	Past Directorships or Chairmanships in Other Listed Companies in the Preceding Three (3) Years	Other Principal Commitments (as at 31 March 2026)
Mr Chia Fook Sam	Nil	Nil	Director ● HS Optimus Wood Products Sdn Bhd ● HS Optimus Joinery Pte Ltd ● Ambertree Vic Mel (Lincoln) Pty Ltd ● HS Optimus Resources Sdn Bhd ● Ambertree Pte Ltd ● Ambertree Indonesia Ventures Pte Ltd ● PT Ambertree Development Jakarta

Based on a reasoned and objective assessment of each Director's ability to effectively discharge his or her duties, the number of listed company directorships and the principal commitments of each Director and their contributions to the Company, the NC and the Board are of the view that all the Directors are able to and have adequately carried out their duties as Directors of the Company. In particular, the NC noted that while Mr Mark Leong Kei Wei holds multiple directorships and other commitments, he has continued to discharge his duties effectively and diligently. He has consistently demonstrated active participation through Board and Board Committee meetings attendance, and has provided constructive input and valuable contributions to Board deliberations.

Although Practice Guidance 4 of the Code recommends the Board to determine the maximum number of listed company board representations which any Director may hold, the NC does not recommend setting this limit. The Board considers several factors as described above to be a more effective assessment of a Director's commitment rather than prescribing a limit. Suitable and qualified candidates who have multiple board representations may still have the capacity to participate and contribute as members of the Board. Currently, the number of directorships held by the Directors in other listed companies, excluding the Company, held by the Directors ranges from zero (0) to five (5).

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC has established an annual performance evaluation process, with objective performance criteria approved by the Board, to assess the performance and effectiveness of the Board as a whole, and of each board committee separately, as well as the contributions by the Chairman and each individual director to the Board. Each year, all Directors complete a confidential Board assessment questionnaire to provide their views on the overall effectiveness of the Board including the Chairman, taking into account a set of performance criteria which includes, without limitation, the Board composition and size, the Board processes and standards of conduct and communication with shareholders of the Company. The completed assessment forms are collated, and the consolidated responses are presented during the NC meeting for discussion, determining areas for improvement and enhancement of Board effectiveness. Based on the responses received, the Board has met its performance objectives for FYE26. The NC's evaluation of the Board's performance was discussed and considered by the Board and recommendations to strengthen the effectiveness of the Board and the Board committees were accepted by the Board.

The performance criteria for assessment of the Board are in respect of Board size, Board independence, Board processes, the Board's key responsibilities and accountability and the Board committees' performance in relation to discharging their responsibilities as set out in their terms of reference.

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In assessing the Directors' contributions and the overall performance of the Board, the NC also takes into consideration the Directors' individual performance of principal functions and fiduciary duties, attendance, preparedness and participation at and the candour of the meetings of the Board, Board committees and AGM, the individual Director's functional expertise and his commitment to the Company. Board committees' assessments are incorporated into Board assessment as a whole. For FYE26, the Board had also evaluated the performance of the AC, NC and RC. The performance criteria include the AC/NC/RC's ability to function properly and to discharge its responsibility effectively, strong support from Management in the preparation and submission of papers for discussion, papers for meetings are distributed to members in advance and the members represent the talent and skill set required to fulfil AC/NC/RC's. During the year, the NC has assessed the performance of individual directors as well as the contribution of the Chairman by preparing a questionnaire to be completed by each Director. The responses were then collated and consolidated responses are presented during the NC meeting for discussion. The criteria taken into consideration by the NC include contribution and performance based on factors such as attendance, preparedness and participation. The NC has reviewed and is satisfied with the contributions of the individual Directors to the overall effectiveness of the Board. No external facilitator was used in the assessment of the Board, its Board Committees, individual directors and the Chairman.

Members of the NC abstain from participating in the deliberations and voting in respect of the assessment of their own performance as Director.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: *The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

Remuneration Committee

The RC comprises the following three (3) Directors, all of whom are Non-Executive and Independent:

Chairman:	Mr Ang Wee Ming	(Non-Executive and Independent)
Members:	Mr Mark Leong Kei Wei	(Non-Executive and Independent)
	Ms Vivien Goo Bee Yen	(Non-Executive and Independent)

The RC, pursuant to its written terms of reference shall:

- review and make recommendations to the Board as to the framework or broad policy for the remuneration of the Board and KMP and the specific remuneration packages for each Director, as well as for the KMP;
- in determining such policy, take into account all factors which it deems necessary. The objective of such policy shall be to ensure that the Group provides the appropriate incentives to encourage enhanced performance and that each of the Board and the KMP are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group;
- determine performance targets for any performance-related remuneration schemes operated by the Group, taking into account remuneration and employment conditions within the industry and in comparable companies;
- within the terms of the agreed policy, determine the individual remuneration package of each Executive Director, including, where appropriate, allowances, bonuses, benefits in kind, incentive payments and share options;
- review the Company's obligations arising in the event of termination of the Executive Director(s) and KMP's contracts of services, to ensure that such contracts of services contain fair and reasonable termination clauses which are not overly generous;
- determine the policy for and scope of service agreements for the Executive Director(s) including compensation commitments, fixing the appointment period for the Executive Director(s) and providing for consequences in the event of early termination; and
- determine whether the Directors and KMP should be eligible for benefits under the long-term incentive schemes.

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The objective of the RC is to ensure appropriateness, transparency and accountability to shareholders in matters relating to the remuneration of the Executive Director(s) and KMP of the Company.

The Board considers that the members of the RC collectively have strong senior management and/or listed issuer board experience and expertise on remuneration issues. If necessary, the RC members may seek expert advice inside and/or outside the Company on the remuneration of the Executive Director(s) and the KMP. During FYE26, the RC did not engage any external remuneration consultant.

Procedures for Setting Remuneration

The Company has implemented a formal and transparent process in relation to determining the remuneration of the KMP and the remuneration packages of individual Directors. The RC reviews and recommends to the Board a general framework of remuneration and specific remuneration packages for the Board and KMP, and reviews all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination terms, to ensure that they are fair. The RC's recommendations are submitted to the Board for approval. Members of the RC abstain from participating in discussions and deliberations, and refrain from making decisions, in respect of any remuneration, compensation, options or any form of benefits to be granted to themselves. No director is involved in deciding his or her own remuneration.

Level and Mix of Remuneration

Principle 7: *The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.*

Remuneration Policies

The Company's policy is to set a level of remuneration that is appropriate to attract, retain and motivate Directors and KMP to provide good stewardship of the Company and successfully manage the Company for the long term. As part of the RC's review, the RC ensures that the Directors and KMP are adequately but not excessively remunerated as compared to industry benchmarks and other comparable companies. When and if required, the RC may from time to time, direct an industry and positional benchmark study to be conducted internally in respect of the remunerations of the Chief Operating Officer ("**COO**"), the former Chief Marketing Officer ("**CMO**") and other KMP ("**Benchmark Study**"). No KMP is involved in conducting the Benchmark Study in respect of his or her own remuneration. The Benchmark Study mitigates difficulties in identifying like-for-like comparatives by adopting data collection and statistical methods from (i) SGX-listed issuers of similar market capitalisation, (ii) SGX-listed competitors, and (iii) SGX-listed issuers in similar or related industries. The RC also takes into consideration the Group's relative performance and performance of the Directors and KMP, with reference to the results of the Benchmark Study, and also endeavours to consider relevant extraneous factors and/or circumstances particular to each comparable and performance measure. The RC may also instruct that an industry and positional benchmark study be conducted externally as well as obtain independent external legal and other professional advice as it deems necessary. The cost of such services or advice will be borne by the Company.

The RC, having considered and adopted the recommendations set out in the Benchmark Study done in May 2024, determined that the remunerations remain appropriate and proportionate to the Company's sustained performance and long-term value creation.

Remuneration of Directors and KMP

Non-Executive and Independent Directors are paid yearly Directors' fees based broadly on the recommended guidelines from the Singapore Institute of Directors and which is appropriate to their level of contribution, taking into account the factors such as effort and time spent, obligations and responsibilities of the Directors. These fees are subject to shareholders' approval at the AGM. Other than the Directors' fees, the Independent Directors do not receive any other remuneration from the Company and do not have any service agreements with the Company. The RC also ensures that the Non-Executive and Independent Directors are not over-compensated to the extent that their independence may be compromised.

The current Executive Director was paid based on his individual service agreement with the Company which is subject to review by the RC. The RC is of the opinion that there are no excessive or onerous termination clauses in this service agreement. Under the terms of the service agreement, the remuneration for the Executive Director comprises a basic salary component and a variable component, namely the annual bonus. In addition, pursuant to the terms of the service agreement, the Executive Director's appointment may be terminated at any time by the Company giving him six

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(6) months' notice to that effect or six (6) months' salary in lieu of such notice. The Executive Director does not receive Director's fees. The RC also takes into account the dual roles performed by the Executive Director / COO in the absence of a CEO and the associated cost savings, as well as the specific skillsets, network, cross-border work and the lean Board size in determining the remuneration of the Executive Director / COO. In respect of remuneration of the former CMO, the RC considered his efforts in trying to secure new export customers, retaining old customers and re-entry into the Singapore door market, including obtaining various fire door certification.

The Group does not have any short-term or long-term incentive schemes for the Executive Director and KMP. The employment contracts of the Executive Director and KMP do not provide for incentive components. The remuneration package of KMP comprises basic salary, allowances, commission and bonuses depending on their roles and responsibilities in the organisation. The Board with the concurrence of the RC is of the view that the remuneration of the Executive Director and KMP for FYE26 is appropriate to the level of contribution and that such remuneration is commensurate with his performance and value-add to the Group, having due regard for the financial and commercial health and business needs of the Group. No Director is involved in deciding his or her own remuneration package.

Details of the remuneration of the Directors and KMP are set out on pages 30 to 31 of the Annual Report.

Disclosure of Remuneration

Principle 8: *The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

Remuneration of Directors for FYE26

The breakdown (in Singapore dollars terms) of the remuneration of the Directors for FYE26 is set out below:

Name of Directors	Total (S\$)	Fixed Salary (%)	Allowance (%)	Commission /Incentives (%)	Benefits in kind (%)	Bonus (%)	Directors' fee (%)
Pengiran Muda Abdul Qawi	75,000	-	-	-	-	-	100
Chia Fook Sam	468,450	89	-	-	-	11	-
Mark Leong Kei Wei	48,000	-	-	-	-	-	100
Vivien Goo Bee Yen	40,000	-	-	-	-	-	100
Ang Wee Ming	40,000	-	-	-	-	-	100

The Company does not have a CEO.

Remuneration of KMP who are not Directors or the CEO for FYE26

The breakdown (in percentage terms) of the remuneration of the top two (2) KMP of the Group (who are not Directors or the CEO) for FYE26 is set out below:

Remuneration band and name of KMP	Fixed Salary (%)	Allowance (%)	Commission / Incentives (%)	Bonus (%)	Benefits in kind (%)	Total (%)
<i>S\$250,000 and up to S\$500,000</i>						
Albert Tan Sai Beng ⁽¹⁾	92	-	-	8	-	100
<i>Below S\$250,000</i>						
Ng Yui Wei	79	-	-	21	-	100

Note:-

⁽¹⁾ Mr Albert Tai Sai Beng resigned as an Chief Marketing Officer, with his last day of service being 30 April 2026.

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Save as set out above, there are no other KMP of the Group. Given the highly competitive business environment and the sensitivities attached to remuneration matters, the Board is of the view that full disclosure of the exact remuneration of each KMP of the Group (who are not Directors or the CEO) for FYE26 is not in the best interests of the Company, the Group or its stakeholders. In arriving at this decision, the Board had taken into consideration, amongst others, the commercial sensitivity and confidential nature of remuneration information, the relative size and performance of the Group, and the negative impact such disclosure may have on the Group's ability to attract and retain talent at the Board and key management level on a long-term basis. As an alternative, in compliance with provision 8.1 of the Code, the Company has disclosed the remuneration of these KMP of the Group (who are not Directors or the CEO) in bands of S\$250,000, together with a breakdown of remuneration components in percentage terms.

In aggregate, the total remuneration paid to the above-mentioned KMP of the Group (who are not Directors or the CEO) was S\$678,001 in FYE26.

Remuneration of employees who are substantial shareholders, or are immediate family members of a Director, the CEO or a substantial shareholder

There is no employee who is a substantial shareholder of the Company or an immediate family member of a Director or the CEO or a substantial shareholder and whose remuneration exceeded S\$100,000 during FYE26.

The Company does not have in place any share or share option schemes for employees or any long-term incentive schemes for the Executive Director and KMP. There are no termination, retirement, or post-employment benefits that may be granted to the Directors and KMP. The remuneration packages of the KMP of the Group comprise fixed salaries, allowances, commissions and bonuses depending on their role and responsibilities in the Group. Yearly bonuses declared are based on the financial and operational performance of their respective subsidiaries and individual performances.

Relationship between remuneration, performance and value creation

A significant and appropriate proportion of the remuneration of the Executive Director and KMP is structured to align rewards with the achievement of corporate and individual performance targets in an objective and equitable manner to commensurate with the level of responsibility held by each employee. The Group seeks to ensure that the variable component is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.

To ensure that the level and structure of remuneration are proportionate to the sustained performance and value creation of the Group, the Company has put in place a framework of remuneration for the Executive Director and KMP. The key areas of focus of the remuneration framework and details of the implementation within the Group are set out below:

Key Areas of Focus	Details
Link to Performance and Value Creation	● Establish and promote a pay-for-performance culture ● Ensure that remuneration is aligned with both corporate and individual performance targets
Accountability	● Emphasis on prudent risk-taking, responsible capital management and long-term sustainability

During FYE26, the level of variable performance-linked remuneration of the Executive Director / COO and the former CMO were determined based on the following profit and loss driven quantitative and qualitative factors:

1. The financial performance of the Group and its respective business segments.
2. Progress in expanding into new markets and securing new customers and revenue streams.
3. Advancement of the Group's strategic initiatives towards achieving sustainable profitability.
4. Demonstration of strategic leadership.
5. Development and execution of new business initiatives.

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RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: *The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.*

The Board is aware of the risk profiles which may adversely affect the Company's financial performance, financial position and cash flows in the event that any of these risk factors develop into actual events. The Board, with the assistance from the AC, is responsible for the overall governance of risk by ensuring that Management maintains sound systems of risk management and internal controls to safeguard shareholders' interest and the Group's assets, and for determining the nature and extent of the significant risks which the Company is willing to take in achieving strategic objectives and value creation. The Board's policy is that risks should be managed within the Group's overall risk tolerance.

The Board did not establish a separate risk committee as the Board is currently assisted by the AC, Management and the internal and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies. The AC and the Board review the Group's risk management and internal controls systems (addressing financial, operational, compliance and information technology risks) and risk management system, at least annually.

The AC and Management review the Group's businesses and operational activities on an ongoing basis to identify areas of significant risks. The AC and the Executive Director are responsible for monitoring the Group's risk management framework.

The financial risks management objectives and policies of the Group are set out in Note 30 of the Financial Statements.

The internal and external auditors also assist in the risk management process by identifying control deficiencies and areas of concern through their reviews. The key risks facing the Group have been identified and appropriate measures are in place to address and mitigate such risks.

Internal Audit

BDO Advisory Pte Ltd ("**IA**"), an established international auditing firm was appointed to conduct an internal audit of the Company's Malaysian subsidiary and to follow up on past internal audit issues for FYE26. The IA conducted the internal audit based on the BDO Global Internal Audit Methodology which is consistent with the International Professional Practices Framework established by the Institute of Internal Auditors. For FYE26, the annual internal audit plan also included the internal review of the Company's sustainability reporting processes, the findings for which were subsequently presented to and approved by the AC. The IA reports directly to the AC Chairman and the AC, and administratively to the COO and Group Financial Controller, and the IA has full and unfettered access to the Group's documents, records, properties and personnel, including access to the AC. The AC approves the hiring, removal, evaluation and compensation of the IA. The AC reviews annually the adequacy, effectiveness and independence of the internal audit function. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit.

The IA engagement partner has more than 22 years of audit and advisory experience and is a Chartered Accountant (Singapore), Certified Internal Auditor and Certified Information System Auditor. The IA performs outsourced internal audits of several other listed companies, government bodies and regulated entities. Members of the internal audit team also have relevant academic qualifications, professional certifications and internal audit experience.

The AC is satisfied that the IA is independent, adequately qualified (given, inter alia, its adherence to standards set by internationally recognised professional bodies), adequately resourced, and has the appropriate standing in the Company to discharge its duties effectively.

The AC has set in place internal controls such as approving limits for cheque signatories and the authority of the Executive Director and has relied on the assistance of the external auditors, Ernst & Young LLP and IA (during its internal audit on the Group) to ensure compliance. In addition, material control weaknesses, if any, are highlighted by the external auditors in the course of the statutory audit.

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The Board has also received assurance from the Executive Director and the Group Financial Controller during the relevant period that the financial records of the Group for the financial year ended 31 March 2026 have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances. In relation to the adequacy and effectiveness of the Company's risk management and internal control systems, the Board has received assurance from the Executive Director and the Group Financial Controller that the Group's risk management and internal controls systems (including financial, operational, compliance and information technology controls) were adequate and effective for the period commencing from 1 April 2025 to 31 March 2026.

Based on the internal controls (including financial, operational, compliance and information technology controls) established and maintained by the Group, work performed by the internal and external auditors, information provided to the AC and the Board and reviews performed by Management, the AC and the Board at least annually, the Board with the concurrence of the AC is of the opinion that the Group's internal controls (including financial, operations, compliance and information technology controls) and risk management systems were adequate and effective as at 31 March 2026.

The system of internal controls and risk management established by the Group provides reasonable assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

AUDIT COMMITTEE

Principle 10: The Board has an AC which discharges its duties objectively

The AC comprises the following three (3) Non-Executive and Independent Directors:

Chairman:	Mr Mark Leong Kei Wei	(Non-Executive and Independent)
Members:	Ms Vivien Goo Bee Yen	(Non-Executive and Independent)
	Mr Ang Wee Ming	(Non-Executive and Independent)

At least two (2) members of the AC have recent and relevant accounting or related financial management expertise or experience to discharge the AC's responsibilities objectively. In particular, Mr Mark Leong Kei Wei, the Chairman of the AC was previously an auditor with a Big Four firm and he is also a fellow of the Association of Chartered Certified Accountants (ACCA) and a Chartered Accountant of the Institute of Singapore Chartered Accountants (ISCA). Mr Ang Wee Ming also has more than 25 years of experience in various financial institutions and international banks, especially in the areas of wealth management and banking and financial management solutions across major Asian markets. In addition, the AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The AC's primary function is to assist the Board in fulfilling its responsibility relating to corporate accounting and auditing, reporting practices of the Company, the quality and integrity of the financial reports of the Company, and the Company's system of internal controls regarding finance, accounting, legal compliance and ethics established by Management and the Board. The AC met four (4) times during FYE26.

The AC pursuant to its written terms of reference shall:

- review with the internal and external auditors, their audit plans;
- review at least annually the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems;
- review with the internal and external auditors, their audit reports;
- review the independence and objectivity of the external auditors on an annual basis;
- review the appointment, termination and remuneration of the head of the internal audit function, which is outsourced to a professional services firm;
- review with the internal auditors the findings of their review report, internal control process and procedures and make recommendations on the internal control process and procedures to be adopted by the Group;

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- review, either internally or with the assistance of any third parties, and report to the Board at least annually, the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance, risk management policies and information technology controls;
- review the co-operation / assistance given by the Group's KMP to the internal and external auditors;
- review the adequacy, effectiveness, independence, scope and results of the external audit procedures and the internal audit function, which is outsourced to a professional services firm;
- review the interim and annual financial statements and the auditors' report on the annual financial statements of the Group before they are presented to the Board;
- review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- review the assurance from the Executive Director and the Group Financial Controller on the financial records and financial statements;
- determine the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation;
- assess whether there is a need to obtain independent legal advice or appoint a compliance adviser in relation to the sanctions-related risks applicable to the Company and continuously monitor the validity of the information provided to shareholders;
- make recommendations to the Board on proposals to the shareholders on the appointment, re-appointment and removal of the external auditors and internal auditors, and the remuneration and terms of engagement of the external and internal auditors;
- review interested person transactions and examine the relevant supporting documents of all related party transactions;
- review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns; and
- generally undertake such other functions and duties as may be required by law or the Catalyst Rules, and by such amendments made thereto from time to time.

The AC also has full access to both the internal and external auditors and has reviewed the Group's system of internal controls including operational policies established by Management and has been given reasonable resources to enable it to discharge its functions.

The AC has the authority to investigate any matter within its terms of reference. It has full access to, and the cooperation of Management and full discretion to invite the Executive Director and/or KMP to attend its meetings.

The AC has reviewed the scope and quality of work of the external auditors, Ernst & Young LLP, after taking into account the resources and experience of the audit engagement partner assigned to the audit, the size and complexity of the audit for the Group as well as the number and experience of the staff assigned for the audit.

The AC meets with the external and internal auditors, without the presence of Management, at least once annually to discuss the reasonableness of the financial reporting process, the weaknesses in internal controls raised during the course of the statutory audit, and the significant comments and recommendations by the auditors. The AC has met with the external and internal auditors without the presence of Management at least once during FYE26.

The AC is kept apprised by Management and the external auditors of developments and changes to accounting standards. Prior to the commencement of the statutory audit, the external auditor had presented their audit planning memorandum to the AC.

Report on Corporate Governance

1 April 2025 - 31 March 2026

External Auditors

The AC reviews the independence and objectivity of the external auditors on an annual basis. During the financial year under review, the AC has reviewed the independence of Ernst & Young LLP as well as the fees paid to them. There was no non-audit related work carried out by the external auditors in FYE26, and accordingly, no non-audit fees were paid to Ernst & Young LLP for the same reporting period. In accordance with Rule 1204(6)(a) of the Catalist Rules, the audit fee to be paid to the external auditors for the year under review is reflected in Note 7 of the Financial Statements. Having considered the foregoing, the AC is satisfied with the independence and objectivity of Ernst & Young LLP and has recommended to the Board the nomination of Ernst & Young LLP for re-appointment as auditors of the Company at the forthcoming AGM.

The Company is in compliance with Rules 712 and 715 of the Catalist Rules which requires that (i) a suitable auditing firm be appointed by the Company taking into account the various factors stipulated therein, (ii) that the same firm auditing the Company is to audit the Group's Singapore-incorporated subsidiaries and significant associated companies, and (iii) a suitable auditing firm be engaged for the Group's significant foreign incorporated subsidiaries and associated companies. Ernst & Young LLP is registered with the Accounting and Corporate Regulatory Authority of Singapore. Ernst & Young LLP is also being appointed as auditors for the Singapore-incorporated subsidiaries of the Company. For the significant foreign-incorporated subsidiaries of the Company, it was audited by Ernst & Young PLT, which is a member of Ernst & Young Global Limited.

Whistle-Blowing Policy

Please refer to the section entitled “**Whistle-Blowing Policy**” of this Report on Corporate Governance for more information on the Company's whistle-blowing policy. No whistle-blowing reports were received during FYE26.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company welcomes active and effective participation from shareholders at general meetings. Shareholders of the Company are invited to attend the shareholders' meetings in person through notices in the annual report and circulars sent to them prior to the meetings, notices advertised in the local newspaper and notices announced through SGXNET. Shareholders are also informed of the rules and voting procedures governing general meetings prior to the commencement of each meeting.

Each issue or matter requiring shareholders' approval is tabled in the form of separate and distinct resolutions at general meetings and resolutions are not bundled unless the issues are interdependent and linked so as to form one significant proposal, in which case, the Company will explain the reasons and material implications in the notice of meeting.

Save for unforeseen circumstances, all Directors, including the Chairman of the Board and the Chairmen of the AC, NC and RC, respectively, will attend the meetings to address any queries raised by shareholders and had called upon professional service providers to respond where appropriate. The Company's external auditors will also be present to address questions raised by shareholders at the general meetings.

To facilitate voting by shareholders, the Constitution allows shareholders to vote by proxy. The Company's Constitution has not been amended to provide for absentia voting methods such as via mail, electronic mail or facsimile. The Company is reviewing available methods of voting in absentia to ascertain which method would ensure that the integrity of the information and authentication of the identity of the shareholders is not compromised. In the meantime, the Company allows for proxy forms to be submitted by mail and email.

The Constitution allows each shareholder to appoint up to two (2) proxies to attend general meetings. In addition, the Companies Act also allows corporations which provide nominee or custodial services to appoint more than two (2) proxies such that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

The Company Secretary prepares the minutes of general meetings (including substantial or relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and/or Management). These minutes are released via SGXNET and published on the Company's corporate website as soon as practicable after

Report on Corporate Governance

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such meetings and in any case, within one (1) month from the date of the general meeting. All resolutions are passed at the general meetings by way of poll. Results of the meeting showing the number of votes cast for and against each resolution and the respective percentages are announced via SGXNET within the same day of the meeting.

Provision 11.6 of the Code recommends that the Company has a dividend policy and communicates it to shareholders. The Company does not have a formal dividend policy and as disclosed on 28 May 2026 in the unaudited financial results for FYE26, while the Group recorded a net profit in FYE26, the Board has not declared or recommended a dividend in order to conserve its cash resources and to support future growth opportunities. Please also refer to the section entitled “**Dividend Policy**” of this Report on Corporate Governance set out on page 37 below.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company takes a serious view of maintaining full and adequate disclosure in a timely manner of material events and matters concerning its business. All the necessary disclosures and communications to stakeholders are made through public announcements, press releases and annual reports to shareholders.

Information is communicated to shareholders on a timely basis via SGXNET and through the Company’s website at <http://www.hso.com.sg> through:

- circulars;
- announcements and voluntary business updates;
- half-yearly financial results and annual reports which are broadcast within the prescribed period; and
- notices and explanatory notes of both AGMs and extraordinary general meetings.

The Board provides shareholders with a balanced and understandable assessment of the Group’s financial performance, position, and prospects through the announcement of half-yearly and annual financial results, business updates and press releases (where appropriate) via SGXNET.

Conduct of General Meetings

General meetings (including AGMs) are important forums for dialogue and interaction with shareholders. Shareholders were notified of general meetings within the prescribed period before the scheduled date of such meetings via notices in annual reports or circulars, announcements on SGXNET and advertisements in the Business Times. Members are entitled to attend all general meetings so as to participate effectively and vote. They are also given the opportunity to share and communicate their views and seek clarification with the Board on issues relating to the Group’s performance either formally during or informally after the meeting. Shareholders are informed of the rules, including voting procedures that govern general meetings of members at the commencement of each meeting.

At these meetings, shareholders are given the opportunity to engage the Board and Management on the Group’s business activities, financial performance and other business-related matters. The Company may also gather views and inputs and address the concerns of shareholders at the general meetings.

The Company also maintains an updated corporate website at <http://www.hso.com.sg> to keep shareholders apprised of the Company’s developments and to provide platform to gather shareholders’ queries. The Company may from time to time, conduct media interviews or briefing sessions to engage shareholders when opportunities present themselves.

The Company does not practise selective disclosure. Price-sensitive information is first publicly released via SGXNET before the Company meets with any group of investors or analysts.

Provision 12.2 of the Code recommends that the Company has in place an investor relations policy. The Company currently does not have a formal investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders so as to promote regular, effective and fair communication with shareholders. Further, the Company has a dedicated in-house team that handles investor relations. Shareholders may contact the Company directly as the Company has personnel dedicated to handle investor queries and deal with all matters related to investor relations. Shareholders may also contact the Company with their questions via email at ir@hso.com.sg and telephone at 6754 1854, and the Company will provide responses to such questions in a timely manner.

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1 April 2025 - 31 March 2026

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Through regular feedback on the concerns and expectations of the stakeholders obtained through both formal and informal channels, the Company has identified its customers, suppliers, employees and shareholders as key stakeholders. It has been the Company's core business and sustainability strategy to engage with and manage its relationship with the stakeholders in a fair and responsible manner through hard work, dedication and commitment. The needs and interests of each stakeholder group are carefully considered and balanced for the best interests of the Company.

In managing stakeholder relationships, the Company has identified and targeted the following key areas of focus through the accompanying methods of engagement in FYE26:

STAKEHOLDERS	KEY AREAS OF FOCUS	METHODS OF ENGAGEMENT
Customers	Quality products, on-time delivery, attractive pricing and customer service reliability.	Customer visits, business meetings and after-sales follow up.
Suppliers	Repeat orders and increased market share.	Supplier visits, factory visits and business meetings.
Employees	Remuneration, health, career growth and business stability.	Management's meetings with employees, employee feedback and appraisals & discussions.
Shareholders	Financial results, business growth, preservation of assets and investment returns to enhance shareholder value.	Financial results announcements, annual reports, and AGMs. Timely disclosures on SGX-ST of various announcements. Please also refer to past years Sustainability Report ("SR") and the Company's FYE26 SR which is set out on pages 39 to 62 of the Annual Report.

The Company maintains a current corporate website at <http://www.hso.com.sg> to communicate and engage with various stakeholders.

DIVIDEND POLICY

The Company does not have a fixed dividend policy at present. The Board, in determining a dividend proposal, will take into consideration the Group's profits, cash position, projected capital requirements for business growth and other factors as the Board may deem appropriate.

Report on Corporate Governance

1 April 2025 - 31 March 2026

DEALINGS IN THE COMPANY'S SECURITIES

In line with the Catalist Rules, the Group has adopted and implemented an internal compliance code to provide guidance to the Directors and employees of the Group with regard to dealings in the Company's securities. In particular, it has been highlighted to the Directors and employees of the Group that it is an offence to deal in the Company's securities when the party dealing in the securities is in possession of unpublished material price-sensitive information relating to those securities. Directors and employees are reminded that:

- a. there should be no dealing in the Company's securities on short-term considerations; and
- b. there should be no dealing in the Company's securities during the period commencing one (1) month before the announcement of the Company's half-year and full-year financial statements.

The Board confirms that for FYE26, the Company has complied with Rule 1204(19) of the Catalist Rules on dealings in securities.

INTERESTED PERSON TRANSACTIONS ("IPTs")

The Company has established procedures to ensure that all IPTs are reported in a timely manner to the AC and that these transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders.

There were no disclosable IPTs for the financial year ended 31 March 2026 and the Group does not have in place a general mandate from the shareholders for IPTs.

MATERIAL CONTRACTS

No material contracts have been entered into by the Group involving the interests of each Director or controlling shareholder either still subsisting at the end of FYE26 or if not subsisting, entered into since the end of the previous financial year ended 31 March 2025.

WHISTLE-BLOWING POLICY

The Company has put in place a whistle-blowing policy which sets out the procedures for employees of the Group and other persons such as vendors, customers and other stakeholders with accessible channels to the AC Chairman for reporting in confidence suspected fraud, corruption, dishonest practices or other similar matters. The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the persons making such reports will be treated fairly and, to the extent possible, the identities of whistle-blowers are protected without fear of reprisals when acting in good faith and are protected against detrimental or unfair treatment. A whistle-blower may report his or her concern to the AC Chairman via e-mail at whistleblowing@hso.com.sg, mail or telephone. The AC Chairman is responsible for the oversight and monitoring of whistle-blowing, and for handling all reported cases and ensuring that issues raised are properly resolved by Management or such parties as appropriate and within a reasonable timeframe. The AC Chairman may at his discretion form an Investigation Committee comprising only Independent Non-Executive Directors to assist with and investigate valid whistle-blowing complaints. The policy is reviewed and updated at least annually to ensure its continual effectiveness, and may only be amended in writing upon approval by the AC. Anonymous reports will be accepted and anonymity honoured.

CATALIST SPONSOR

Pursuant to Rule 1204(21) of the Catalist Rules, no non-sponsor fees were paid to its current sponsor, UOB Kay Hian Private Limited for FYE26.

TREASURY SHARES

There are no treasury shares held by the Company from 1 April 2025 to 31 March 2026.

VISION & MISSION STATEMENT

To be a resilient, robust, reliable and sustainable Door Manufacturing and Property Group committed to creating sustainable and environmentally kinder products and homes for everyone, improving lives, communities and stakeholder value.

愿景与使命宣言

致力于成为一家坚韧、强健、可靠且可持续发展的木门制造与房地产集团，专注于为所有人创造可持续且更环保的产品与家园，持续改善生活、社区及利益相关者的价值。

BOARD STATEMENT

“The Board reviews the material economic, environmental, social and governance (“ESG”) factors facing HSO and considers them imperative when formulating and supervising the execution of the company’s strategy and provides the necessary oversight to ensure these factors are managed and monitored practically.”

We hereby present the annual Sustainability Report of HS Optimus Holdings Limited (“**HSO**”, the “**Company**”, and together with its subsidiaries, the “**Group**”) for our financial year ended 31 March 2026 (“**FYE26**”).

Recognising the importance of sustainability, our Board of Directors (“**Board**”) leads the sustainability efforts of the Group. The Board has considered sustainability issues as part of its strategic formulation, determined the material ESG factors relevant to its business and oversee the management and monitoring of these material ESG factors.

We continue to stay committed to conducting business in a sustainable manner to build a sustainable future, with a focus on continuous improvement that balances today’s needs with long-term development. We also aim to conduct our business in an environmentally conscious manner and are aware of our responsibility towards global environmental and climate challenges.

ABOUT THIS REPORT

In this report (the “**Report**”), we have applied the Global Reporting Initiative Standards 2021 (“**GRI Standards**”) by considering the Group’s activities, impact and substantive expectations as well as interests of its stakeholders. For reporting quality, we observed the principles of balance, comparability, accuracy, timeliness, clarity and reliability.

The ESG data and information provided in this Report have been derived from internal data monitoring and verification to ensure accuracy. The Company’s sustainability reporting process was subject to internal review. We are developing a Data Collection Policy to ensure accurate, consistent, and timely collection of relevant information. We may consider seeking external assurance in the future.

REPORTING PERIOD, SCOPE AND FRAMEWORK

This Report is issued on an annual basis and has been prepared with reference to the (i) GRI Standards, (ii) Rule 711A, Rule 711B and Practice Note 7F of the Listing Manual Section B Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and (iii) Task Force on Climate-related Financial Disclosures (“**TCFD**”) which has been incorporated into the IFRS Sustainability Disclosure Standards, including the disclosure of Scope 1 and Scope 2 greenhouse gas (“**GHG**”) emissions. We have chosen to report using the GRI Standards because it is an internationally recognised sustainability reporting framework that covers a comprehensive range of sustainability disclosures. Moreover, the structured framework promotes reporting a full and balanced picture of the material ESG factors affecting the Group and the management of its impact. The process of selecting and approving the use of sustainability reporting frameworks will be streamlined and duly documented as set out in the Sustainability Framework Selection Policy.

This Report outlines the ESG-related initiatives carried out throughout the 12-month period, from 1 April 2025 to 31 March 2026. Corresponding to the GRI Standards’ emphasis on materiality, the reporting scope of the social section encompasses the Group’s holding company in Singapore and HS Optimus Wood Products Sdn Bhd, one of its subsidiaries which is principally engaged in door business activity operating in Malaysia. The environmental section specifically highlights the performance of HS Optimus Wood Products Sdn Bhd, given its significant impact on the environment. Further information on the Group’s activities, products, brands and services can be found in the “**Our Businesses**” section of our 2026 Annual Report.

The other businesses of property development and property investment pertain mainly to the property assets held in Melbourne, Australia and Jakarta, Indonesia, as well as the Secured Property Financing Business did not contribute materially to FYE26 audited revenue.

Sustainability Report

All directors of the Company have undergone training on sustainability matters as prescribed by the SGX-ST.

RESTATEMENT

In the Sustainability Report 2025, disclosure related to headcount included two subsidiaries which should have been excluded from the reporting scope based on the principle of materiality considering their minimal contribution to the annual revenue. Relevant figures in the social section have been restated to reflect the headcount included in HS Optimus Holdings Limited and HS Optimus Wood Products Sdn Bhd only.

To better align with the requirements under the GRI Standards, data on energy and water consumption were re-presented by changing the reporting units, leading to changes to the metrics of the corresponding targets. Details could be referred to the explanatory footnotes corresponding to the disclosures under the sections headed “**ENERGY CONSUMPTION**” and “**WATER CONSUMPTION**” respectively.

FEEDBACK

The Company is committed to transparent, consistent, and timely engagement with stakeholders on sustainability reporting matters. As we progress, we welcome feedback from our stakeholders on how we can improve our sustainability reporting. A policy on Stakeholder Queries is in place which sets out the framework for recording, approving, and responding to stakeholder questions and queries. Please send your feedback to enquiries@hso.com.sg.

We have also uploaded a digital copy on our website at www.hso.com.sg.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a focal point in creating long-term and sustainable value as a business organisation. We define stakeholders as persons or groups whom our business has a significant impact on and those with a vested interest in our business or operational performance. We have identified the following stakeholders who have significant impact on our operations and sustainability performance. We will continue to maintain open communication and strong relationships with our stakeholders to better understand their concerns.

These key stakeholders include but are not limited to (i) the Board, (ii) employees, (iii) customers, (iv) suppliers, (v) the investing public, (vi) local government and (vii) local communities. We adopt both formal and informal channels of communication to understand the needs of key stakeholders and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

The following sets out our engagement platforms with our stakeholders:

Sustainability Report

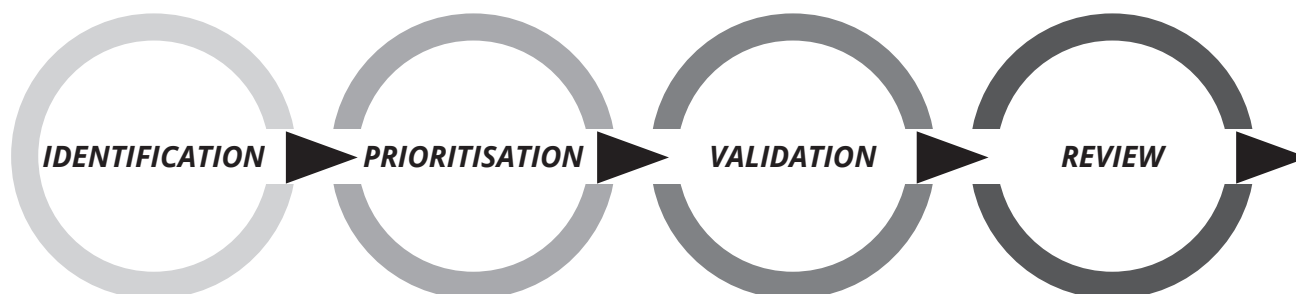
STAKEHOLDERS	MODE OF ENGAGEMENT	FREQUENCY	KEY CONCERNS	HSO EFFORTS
BOARD	- Board meetings - Board papers	Quarterly	- Financial performance - Annual Budget - Policies and strategies	- Quarterly business updates and review - Review of policies
CUSTOMERS	- Face-to-face / Virtual meetings - Customer visits - Email feedback - Customer satisfaction questionnaire	As and when, and annually	- Quality and consistency of our products and affordability. - Competitive and quicker product pricing, customer support. - Reliability and shipment punctuality. - Product safety and quality	- Records reviewed indicated that complaints and product rejects remained within acceptable levels throughout the year - Continued efforts to manage inflationary environment and raw material price escalation, improved production efficiency and at the same time securing orders from customers, by reviewing and offering competitive prices - Continued to work closely with forwarders and shippers to deliver on time to customers' port of call - Facilitated customer audits and hosted customer visits to manufacturing facility for them to assess quality, work practices, production process and to facilitate order taking - Passed respective Sedex Members Ethical Trade Audit ("SMETA") & continued Forest Stewardship Council ("FSC") certification
SUPPLIERS & SERVICE PROVIDERS	- Visit to suppliers and face to face meetings - Where necessary, flexibility to adopt virtual meetings - Assessment of vendor	As and when	- Cost and quality of the product - Delivery and availability of inventory or product - Shorter credit terms in line with market practice - Punctual payments - Stable long-term relationship, recurring orders	- Periodic visits to local suppliers. Increasing the scope of suitable local suppliers - Continuous negotiation with view to achieving costs savings, quoting from different sources - Continued to find alternative sources in case of future supply disruptions, both locally and overseas - Continued payment within approved credit terms

Sustainability Report

STAKEHOLDERS	MODE OF ENGAGEMENT	FREQUENCY	KEY CONCERNS	HSO EFFORTS
EMPLOYEES	• Staff appraisals • Staff bonding sessions and whistle-blowing policy • Departmental meetings • Employee Sustainability Report Feedback Form	• As and when, and annually	• Health & Safety • Safe working environment and safe practices • Market and fair remuneration • Room for individual growth / job rotation • Job security and livelihoods • No whistle-blowing reports received	• Continued review of employee compensation and benefits, personal development and performance appraisal
INVESTORS / SHAREHOLDERS	• Annual General Meetings / Extraordinary General Meetings • Annual Reports / Sustainability Reports / SGX-ST announcements / Voluntary operational updates / Financial results • HSO Group website	• As and when, and annually	• Return to sustainable profitability • Financial results • Value of the Company's assets • Geo-political risks to the Company • Transparent and timely disclosure of material information • Low valuation or share price compared to book value	• Continued cost cutting and increasing productivity to achieve cost savings • Selling price adjustments • Staff attrition and increased staff training to improve productivity • Continue to develop asset light deals like Secured Property Financing Business which mandate was obtained • Continue road map to win new export customers and possibly new businesses • Continue to be watchful of property investment and development opportunities • Continue to pursue capital light investments.
LOCAL GOVERNMENT	• Regular reporting • Inspections • Email / Circulars Survey	• As and when, and annually	• Regulatory and compliance matters	• Timely reporting / filing
LOCAL COMMUNITIES	• Community outreach initiatives • Employment opportunities • Business transactions	• As and when	• Contribution to local community • Job creation	• Employment of local workforce • Business dealing with local suppliers • Community support

MATERIALITY ASSESSMENT

In line with the ESG Materiality Assessment Policy, we have identified relevant ESG factors, taking into consideration their relevance to the business, strategy, business model and key stakeholders. The relevant ESG factors are then prioritised to identify material ESG factors that the Management considers significant to the Group and its stakeholders, which are subject to validation by our Board. The result of this process is a list of material ESG factors to be disclosed in this Report. The process described is shown below:



Materiality refers to issues or factors that have a present or future impact on the Group's value creation and its business over time.

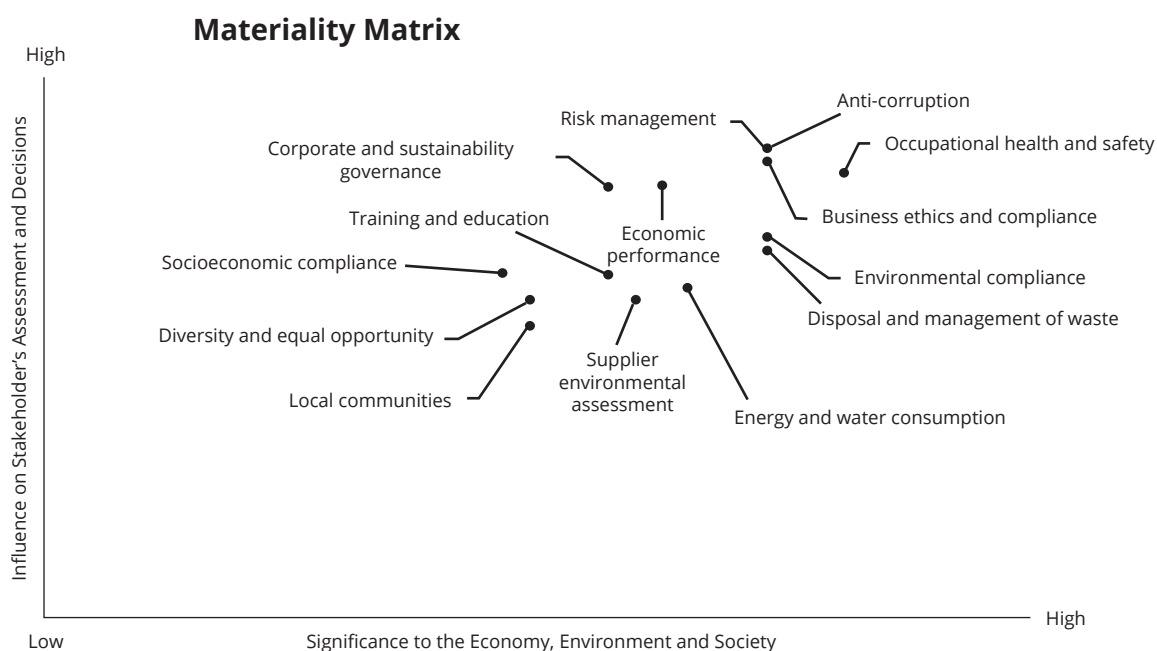
To determine if an ESG factor is material, we conducted a materiality assessment during FYE26 and assessed its potential impact on the economy, environment, society, and the influence on the stakeholders. Based on the materiality assessment and feedback from our stakeholders, we have identified the ESG factors which are material to the Group in FYE26.

Overall, the ESG factors identified as material to the Group in FYE26 remain broadly consistent with those in FYE25, as there have been no significant changes in the Group's operating environment:

Categories	Area of Impact	Material Aspect
Economic	Shareholders value	Economic performance
	In our dealings with a range of stakeholders	Anti-corruption
Environmental	In the manufacturing facility	Energy and water consumption
		Environmental compliance
	Generated in the manufacturing process	Disposal and management of waste
Social	Prior to the manufacturing process	Supplier environmental assessment
	In the manufacturing facility	Occupational health and safety
	In our workplace and all employees	Training and education
		Diversity and equal opportunity
		Local communities
Governance	Across our business operation	Socioeconomic compliance
	Across our business operation	Corporate and sustainability governance
		Risk management
		Business ethics and compliance

Sustainability Report

The materiality matrix below shows the result of the materiality assessment:



From the above materiality assessment, the top three material topics identified were namely “Occupational health and safety”, “Anti-corruption” and “Risk management”. For each of the material topics discussed in this Report, targets are set with the following time horizons, consistent with those used for strategic planning and financial reporting:

Short term: 1-3 years

Medium term: 3-5 years

Long term: >5 years

ECONOMIC

ECONOMIC PERFORMANCE

The Group’s basic principle is that to achieve long-term return to profitability and enhancement of shareholder value, the interests of stakeholders, including but not limited to shareholders, employees, suppliers, customers and society as a whole, must be considered.

For FYE26, the Group continued to be impacted by continued uncertainty in the world economy, ongoing trade tensions and high inflationary pressures. Nevertheless, the Group has recorded an improvement in profitability with the disposal of office unit in Singapore and property in Melbourne.

Below are the financial highlights from our 2026 Annual Report, based on the audited financial statements, the full details of which are set out on pages 70 to 128 of the Annual Report.

	FYE26	FYE25
Revenue (\$'000)	13,551	14,444
Profit/(Loss) after tax (\$'000)	2,558	(2,583)
Shareholders’ equity (\$'000)	49,066	46,805
Net Asset Value per Share (“NAV”) (cents)	0.91	0.87
Share price (\$)	0.004	0.002
Market capitalisation (\$'000)	21,522	10,761

The Group will continue its efforts to return to sustainable growth and profitability. Please refer to the “**Chairman’s Statement**” section of this Annual Report for more details on the FYE26 economic conditions and updates on certain operations and business segments.

Target

Short term: To be profitable and maintain positive and strong financial position.

ANTI-CORRUPTION

At HSO, we do not tolerate any form of corruption. This has been made clear to all of our employees, suppliers and business partners. The Company, together with the Board, are committed to conducting business consistent with standards of good corporate governance.

To mitigate corruption risks, the Company has implemented various measures, including existing internal controls, approval processes, segregation of duties, a Whistleblowing Procedure, and Conflict of Interest declarations signed by relevant personnel. The policy is communicated to all employees via noticeboards, company memos and internal communication channels.

As one of the elements of good corporate governance, HSO has an existing whistleblowing policy in place to protect a genuine whistleblower from any unfair treatment. The individual may report his/her concern to the Audit Committee Chairman (via e-mail, mail or telephone) on a confidential basis. Employees are encouraged to report any suspected misconduct without fear of retaliation. The Audit Committee Chairman is responsible for handling all the reported cases and ensuring that issues raised are properly resolved by the Management or such other parties as appropriate and within a reasonable timeframe. Any report of corruption is escalated to the attention of senior management.

With our continued effort in enforcing the Anti-Bribery and Anti-Corruption Policy and maintaining the whistleblowing channel to promote ethical business conduct and transparency, we have achieved our target set in FYE25, which was to maintain zero incidents of corruption. The Group would also highlight that we are in compliance with the guidance on "What SGX expects of issuers in respect of sanctions-related risks, subject or activity" issued by the Singapore Exchange Regulation ("**SGX RegCo**") on 7 March 2022 (the "**Guidance**").

The Guidance sets out SGX RegCo's expectations if an issuer, or any person or entity closely associated with the issuer, is exposed to sanctions-related risks. These expectations also apply to the issuer's subsidiaries and associated companies. Briefly, certain key items that issuers must be mindful of include: (i) assessment and announcement, where necessary, of exposure or nexus to sanctions-related risks; (ii) suspension of trading of Sanctioned Subject or Sanctioned Activity and (iii) fundraising prohibitions for Sanctioned Subject or when issuer is engaged in Sanctioned Activities.

Even though the Group's operations do not fall under the ambit of any of SGX-ST regulations above for FYE26, the Group will continue to monitor and comply with the SGX RegCo requirements, including regular monitoring in relation to any sanctions-related risks in view of the on-going geopolitical conflict. The monitoring of sanctions-related risks forms part of the duties of the Audit Committee, as set out in our Report on Corporate Governance under the Audit Committee – Principle 10.

Target

Ongoing every year in the long term: To continue to have zero cases of corruption.

ENVIRONMENTAL

ENERGY CONSUMPTION

Our factory's energy use is mainly in the form of electricity and power for production and machinery. Additionally, fuel including diesel and petrol are consumed for the operation of forklifts in the factory, and lorries and company car for transportation.

Throughout FYE26, we have been monitoring monthly usage and promoting energy-saving practices across operations. Following the work instruction on "Energy and Water Conservation", staff members were always encouraged to adhere to the principle of switching off machines and equipment when they are not in use. On or around June 2025, we invested in sustainable energy and carried out the installation of solar panels at our factory, with installed capacities of 825.5 kWp and 342.9 kWp on the two factory buildings, which went into full operation in March of the year. Under the Net Energy Metering ("**NEM**") billing mechanism of the Tenaga Nasional Berhad ("**TNB**"), surplus electricity generated could be exported back to the grid on a "one-to-one" offset basis. The solar panels are installed on the rooftops of both factory buildings and harnesses the sunrays to generate clean electricity. We are committed to supporting renewable energy initiatives in the future.

Sustainability Report

The solar energy we generated allowed us to significantly decrease our reliance on purchased electricity. We have achieved our target set in prior year on maintaining energy consumption intensity. Our energy consumption is as follows:

	Unit ¹	FYE26	FYE25
Total fuel consumption from non-renewable sources ²	GJ	641.90	661.00
• Diesel			
• Petrol			
Electricity purchased for consumption	GJ	6,619.89	6,919.79
Self-generated electricity from renewable sources	GJ	307.28	N/A
• Solar energy			
Total energy consumption	GJ	7,569.07	7,580.79
Total energy consumption intensity ³	GJ/door produced	0.05	0.05

Notes:

1. The unit conversion method of energy consumption data is formulated based on the "Energy Statistics Manual" issued by the International Energy Agency. Data for FYE25 are re-presented in line with GRI Disclosure 302-1.
2. Data for FYE25 are included in the calculation of total energy consumption in line with GRI Disclosure 302-1.
3. For FYE26, the Group produced 154,237 doors (FYE25: 165,733 doors). Unless otherwise specified, the figures are also used for calculation of other intensity data.

Target

Short term: To maintain consumption intensity below 0.07 GJ (equivalent to 0.02 MWh) per door.

WATER CONSUMPTION

Water consumption is essential for both production and operations. Our operating locations are not in areas with water stress. We regularly monitor water usage with direct measurement from the water bill and encourage water conservation practices at operational sites. To conserve water, the Group is implementing measures to reduce usage at the spray booth section. Currently, we are using an automatic spray machine, which significantly decreases the amount of water required during cleaning process. All employees are required to observe the guidelines under "Energy and Water Conservation". We have achieved our target set in prior year on maintaining water consumption intensity. Our water consumption is as follows:

	Unit ⁴	FYE26	FYE25
Water consumption	megaliter	6.41	6.64
Water consumption intensity	megaliter/door produced	0.00004	0.00004

Note:

4. Data for FYE25 are re-presented in line with GRI Disclosure 303-5.

Target

Ongoing every year in the long term: To maintain consumption intensity below 0.0001 megaliter (equivalent to 0.10 m3) per door

ENVIRONMENTAL COMPLIANCE

Regular activities including inspection and testing were performed by HSO to ensure compliance with environmental and safety regulations (Environmental Quality (Amendment) Act 2024 (Act A1712), ISO 14001:2015 (Environmental Management Systems) and Occupational Safety & Health (Amendment) Act 2022 (OSHA) & the Use and Standards of Exposure of Chemicals Hazardous to Health (USECHH) Regulations 2000. Throughout FYE26, the following activities took place at our Johor production facility and were monitored by our external service providers:

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Inspection/Test Performed	Date of Assessment/Report
Environmental Noise Monitoring	September 2025
Environmental Air Monitoring	September 2025
Annual Examination & Testing Report of Local Exhaust Ventilation (LEV)	September 2025
Sewage Monitoring 1 & 2	October 2025
Effluent Monitoring 1 & 2	October 2025
Personal Chemical Exposure Monitoring	November 2025
Annual and Baseline Audiometric Test Report	November 2025
Isokinetic Stack & Air Emission Monitoring	December 2025

The Quality and Environmental Policy sets out the Group's quality control policies for incoming raw materials and acceptable environmental standards for production procedures, which are based on the quality standards set under ISO 9001:2015 (Quality Management Systems), the air, noise, sewage and effluent standards set under ISO 14001: 2015 (Environmental Management Systems), and the chemical exposure, health risk assessments and annual local exhaust ventilation requirements under the Occupational Safety and Health Administration, respectively. The Quality and Environmental Policy has been communicated to all workers and is also available as an attachment to the employee card in their respective languages.

We perform periodic compliance reviews to ensure adherence to applicable environmental laws and regulations. In FYE26, we achieved the target we set last year which was to record no (FYE25: nil) significant fines or non-monetary sanctions for non-compliance with environmental laws or regulations in our operations. We aim to maintain zero incidents of non-compliance in the upcoming years.

Target

Ongoing every year in the long term: To achieve zero incidents of non-compliance with environmental laws or regulations and chemicals spillage.

DISPOSAL AND MANAGEMENT OF WASTE

The Group aims to minimise wastage. The amount of waste would continue to rise at an unsustainable rate without environmentally friendly recycling efforts. Our waste is carefully handled by an accredited third-party service provider for the purposes of treatment and processing before being responsibly recycled. We have procedures recognised by the International Organisation for Standardisation ("ISO") in place to improve waste reduction such as to:

- recycle by-products and/or waste;
- avoid using hazardous raw materials;
- substitute raw materials by using less hazardous varieties;
- modify processes so that by-products or waste could be reduced; and
- reduction of unnecessary waste as part of our conservation efforts.

Amount of net waste generated is as follows:

	kg	
	FYE26	FYE25
Total net waste ⁵	2,546	5,274

Note:

- ⁵ Net waste is computed based on balance brought forward and waste generated during the year offset against waste disposed during the year.

In FYE26, total net waste was lower mainly due to the disposal of accumulated glue sludge carried forward from the previous year. During the year, all glue sludge generated together with the opening balance, was disposed of, resulting in no residual glue sludge remaining at year-end.

As set out in the work instruction on "Waste Management", scheduled wastes which are toxic that may create impacts to the environment and human health are managed by a designated competent person of Certified Environmental Professional in Scheduled Waste Management (CePSWaM). This ensures that the overall control over scheduled wastes are carried out as per the applicable regulations.

In FYE26, scheduled waste was managed through licensed contractors, and waste generation was monitored periodically

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to minimise disposal quantity. As a result of the effective management of waste disposal, we have achieved our target set in prior year of accumulating not more than 20,000 kg of waste over 6 months for scheduled waste collection. We aim to continue to put in place proper processes in handling waste disposal and to comply with the guidelines set by the Department of Environment of the Ministry of Natural Resources and Environmental Sustainability of Malaysia.

Target

Ongoing every year in the long term: To accumulate not exceeding 20 metric tonnes of scheduled waste on-site, with a maximum storage period of 180 days for scheduled waste collection.

SUPPLIER ENVIRONMENTAL ASSESSMENT

HSO will continue to reduce its environmental impact and to encourage its stakeholders, such as suppliers and trading partners, to meet the same expectations. The Group also performs annual supplier assessment on their active vendors to verify that they are providing high quality and green products in accordance with our Quality and Environmental Policy.

We have attained the certificate for chain of custody of forest-based products for the central office and other multiple sites, under the FSC and Programme for the Endorsement of Forest Certification ("PEFC"). The scope of our certification encompasses the following areas:

- i. the procurement of FSC or PEFC-certified, FSC-controlled wood and PEFC-controlled source of medium-density fibreboard, particleboard, sawn timber and veneer; and
- ii. the manufacturing of doors and door components that are certified by FSC or PEFC.

This is achieved through the use of transfer system and percentage system in FSC, and a physical separation and percentage-based method in PEFC. Our FSC certification is valid until 11 October 2030 while our PEFC certification is valid until 25 August 2029. Our procurement manager is responsible for purchasing raw materials, verifying the validity and scope of the supplier's FSC or PEFC certificate via the FSC and PEFC data in search.fsc.org or www.pefc.org and verifying purchase documents. HSO has purchased FSC-certified medium-density fibreboard, particleboard, wooden timber, veneer and FSC controlled wooden timber and veneer for its FSC production. Looking forward, HSO will continue supplier screening and engagement to make certain that all new suppliers are certified by either FSC or PEFC to safeguard our FSC and PEFC certifications.

In FYE26, the Company engaged 4 new significant suppliers, of which 2 were screened under the Company's Environmental Requirement Guidelines (HSO-EMS-FM-04-00) to our significant suppliers who enter the factory site as per Environmental Significant List (HSO-EMS-FM-05-00), representing 50% of the new suppliers (FYE25: 1 out of 14, representing 7%).

In line with the world's aspiration in protecting the environment, HS Optimus Wood Products Sdn Bhd seeks to implement, promote and maintain an Environmental Management Systems in mitigating the impacts created by our operations with relation to the manufacturing of wooden doors and fire-retardant doors. We therefore seek full cooperation from your esteemed company in realizing our endeavour. We shall take the opportunity to communicate our environmental policy as below.

QUALITY AND ENVIRONMENTAL POLICY

HS OPTIMUS WOOD PRODUCTS SDN BHD is committed to be:

H	Highly committed to achieve customer satisfaction by implementing quality and environmental procedure which will be operated, communicated and continuously review to meet or exceed the requirements of ISO 9001 and 14001,
S	Significantly providing customers with good products and services to the agreed requirement, protect the environment by using sustainable resources, protect the ecosystems and biodiversity by preventing pollution, adhering to interested party advice by complying with legal and customer requirements through continual improvement programs,
O	Objective in respecting human rights. Aiming to ensure employees and supply chain are meeting all aspects in promoting decent work through complying with company Safety and Health Policy and Human Rights Policy.

Our Malaysia plant is ISO 9001 (Quality Management Systems) and ISO 14001 (Environmental Management Systems) certified. Our products do not possess any materials which may qualify it as hazardous waste and zero (FYE25: nil)

environmental hazards have been reported or known. All new chemicals brought into factory will be carefully managed by the related person in charge regarding hazard warning labels, CDS, PPE, storage and handling. It will also go through a Chemical Health Risk Assessment ("CHRA") which is a systematic evaluation of the risks associated with chemical exposure in the workplace. The goal is to identify potential hazards, assess the level of risk and implement control measures to protect employees' health.

We have achieved our goal set in prior year to maintain zero incidents of non-compliance through the supplier assessment in FYE26. We aim to continue the supplier assessment on a yearly basis and ensure that the suppliers are carefully selected taking into consideration their adherence with environmental requirements specifically with our Environmental Requirement Guidelines.

Target

Short term: To record zero incidents of supplier environmental assessment non-compliance.

Local Purchases

Most of our accessories are sourced locally, accounting for 87% (FYE25: 98%) of the total amount, which is coherent with our long-term goal of procuring from sustainable suppliers and lowering our carbon footprint in the form of reducing transportation and logistics arrangements between the factory and suppliers. These local purchases include items such as abrasive cutter, glass, glue, hardware, packaging, paint, tools, bearing, belt and other spare parts.

Target

Short to medium term: To continue to source more than 80% of the accessories locally.

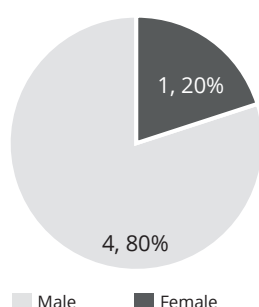
SOCIAL

DIVERSITY AND EQUAL OPPORTUNITY

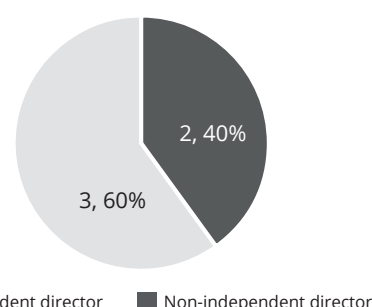
Governance Body

Our Board is characterised by a well-balanced composition of directors possessing diverse skills, experiences, and knowledge, enabling the Group to effectively pursue its long-term objectives. The following overview provides a summary of the composition of our Board and more details can be found in the earlier sections of the 2026 Annual Report.

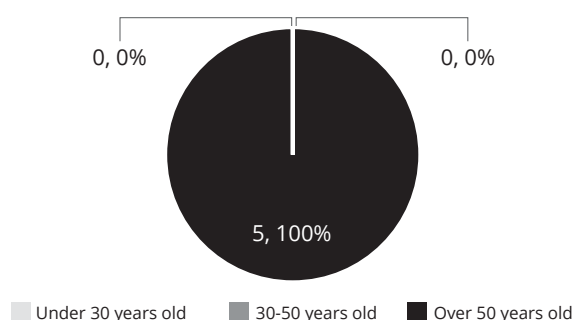
Governance Body Distribution by Gender



Governance Body Distribution by Age Group



Governance Body Distribution by Independence



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Workforce

Employees are hired in accordance with the HSO-HR-QEP-02 Recruitment Procedure, as well as the additional Foreign Workers Recruitment Guideline and Procedure, to ensure a fair, transparent, and compliant hiring process. HSO does not discriminate on the basis of the employees' race, age, gender, religion, ethnicity, facial attractiveness, physical impairments, sexual preference, political viewpoints or nationality. Based on the group's human resource records, we have a total of 232 (FYE25⁶: 243) employees as at the end of the year. During the year, there have been no reported cases (FYE25: nil) of discrimination or unfair employment practices, successfully meeting the target set in the prior year. We will continue to uphold the principle of equal opportunities for our people.

Note:

⁶ Restated to exclude the headcounts from subsidiaries which are not within the reporting scope.

The table below shows the diversity of the workforce:

	FYE26		FYE25	
	Number	Rate	Number	Rate
By gender				
Male	185	79.7%	196	80.7%
Female	47	20.3%	47	19.3%
By age group				
<30 years old	62	26.7%	79	32.5%
30-50 years old	141	60.8%	133	54.7%
>50 years old	29	12.5%	31	12.8%
By nationality				
Bangladeshi	83	35.8%	88	36.2%
Malaysian	94	40.5%	94	38.7%
Myanmese	37	15.9%	42	17.3%
Nepalese	15	6.5%	15	6.2%
Singaporean	2	0.9%	3	1.2%
Bruneian	1	0.4%	1	0.4%

The Group considers its employees the most valuable asset and offers them fair and competitive remuneration packages. Discretionary incentives are granted to eligible employees based on the performance of the Group and contribution of individual employees. Remuneration policies and packages are reviewed regularly to ensure that compensation and benefits are in line with the market, thus helping the recruitment and retention of talent. Employee rewards in the form of bonuses are discretionary and when possible, are distributed in the form of monetary yearly bonus.

In addition to the welfare and benefits mentioned above, activities were held to promote cohesiveness and inclusiveness within the workplace such as New Year celebration and goodies for employees during festive periods such as Hari Raya Haji, Deepavali and Thadingyut.



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Through extensive efforts including but not limited to fair employment opportunities and employee engagement initiatives, approximately 76% (FYE25: approximately 68%) of experienced professionals remain with HSO for more than five years, demonstrating the effectiveness of talent retention. The following table sets out the information on new employee hires employee turnover for FYE26:

	New employee hires ⁷		Employee turnover ⁸	
	Number	Rate	Number	Rate
By gender				
Male	15	8%	27	15%
Female	6	13%	6	13%
By age group				
<30 years	16	26%	20	32%
31 to 50 years	5	4%	9	6%
>50 years	-	-	4	14%
By region				
Malaysia	21	9%	33	14%

Notes:

7. The rate of new employee hires is calculated by dividing the number of employees hired in the specific category during the reporting period by the total number of employees in the specific category as at the end of the reporting period.
8. The rate of employee turnover is calculated by dividing the number of employees left in the specific category during the reporting period by the total number of employees in the specific category as at the end of the reporting period.

Approximately 21% (FYE25: approximately 20%) of our employees in Malaysia are subject to an agreement between our subsidiary, HS Optimus Wood Products Sdn Bhd, and the Timber Employee Union of Malaysia. For other employees, employee engagement initiatives including channels for grievance reporting remain ongoing.

Target

Ongoing every year in the long term: To achieve zero incidents of complaints on discrimination.

OCCUPATIONAL HEALTH AND SAFETY

We are committed to safeguarding our employees' health and safety against any potential workplace hazards. The focus on health and safety is important for HSO to achieve outstanding performance. It is a fundamental right of our workers to be able to work in a safe environment. By ensuring a safe environment, not only is the health of our employees safeguarded, but our overall productivity also increases, enabling us to deliver the best goods and services to our customers.

Occupational Health and Safety Management System

Companies are encouraged to adopt risk-based and internationally aligned systems such as ISO 45001 and to perform Chemical Health Risk Assessments (CHRA), noise assessments, and exposure monitoring, in line with the USECHH Regulations. We are pleased to note that HSO has already initiated steps in line with the USECHH Regulations with the establishment of job safety guidelines and procedures at the production facility to ensure continued compliance and the highest standards of workplace safety and health.

Whenever each incident occurs, the Safety and Health Officer will conduct an investigation and committee meeting to review the hazard identification risk assessment and risk control in workplace. Thereafter, corrective and preventive action are put in place such as installing new safety features and refresher training on safe work procedures. Following each work-related incident, the management adopted the following actions:



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In FYE26, an inspection was conducted by the Department of Occupational Safety and Health (DOSH) to assess the Company's compliance with occupational safety and health requirements. No improvement notice or prohibition notice was issued during the inspection. We have achieved 100% compliance with the new Occupational Safety and Health (Amendment) Act 2022, which came into effect on 1 June 2024.

Performance Metrics

On a monthly basis, key performance indicators on safety and health are reported and tabulated by the Company's Health and Safety Officer. These reports track and monitor the injuries and accidents on site. Following is the table on the key performance indicators:

	FYE26		FYE25	
	Number	Rate ⁹	Number	Rate
Fatalities	Nil	-	Nil	-
High-consequence work-related injuries	Nil	-	Nil	-
Recordable work-related injuries	Nil	-	2	0.78

Note:

⁹ Starting from FYE26, the rates of fatalities and work-related injuries are disclosed with reference to GRI Disclosure 403-9, calculated base on 494,369 hours (FYE25: 510,286 hours) per 200,000 hours worked.

In FYE26, we did not have any work-related incidents on our premises (FYE25: 2). The target set in the prior year to limit work-related incidents to not more than 5 cases was achieved.

Work-related Ill Health

In door manufacturing, workers are often exposed to fine particulate matter and chemical vapors leading to potential chronic respiratory diseases. In compliance with the Occupational Safety And Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000, HSO maintains a register of chemical hazards to health and conducts regular chemical health risk assessment. To minimise relevant risks, personal protective equipment is provided to all workers. Inspection on the local exhaust ventilation system was carried out during the year. Chemical exposure is monitored through reporting.

In addition, prolonged exposure to noise from the utilisation of high-speed machinery may induce hearing loss. A noise risk assessment was conducted including an audiometric test. It ensures compliance with the Occupational Safety and Health (Noise Exposure) Regulations 2019.

With the extensive risk assessment and protective measures, there were no cases of recordable work-related ill health nor fatalities as a result of it in FYE26 (FYE25: nil).

Safety Awareness Training

In FYE26, we conducted the following safety policy briefings and awareness training for our employees:

- Occupational safety, health and environment
- Warehouse and inventory management
- General administration and awareness

We will continue to emphasise workplace safety at all times through safety and environment campaigns, hazard and awareness training.

Target

(1) Short term: To minimize accident rates with no more than 5 accident cases

(2) Ongoing every year in the long term: To achieve 100% compliance of Occupational, Safety & Health Workplace Audit

TRAINING AND EDUCATION

HSO provides its employees with regular training to ensure that they upgrade their skillsets, continue to keep pace with the growth and development of the Group, and professional development. A Training Procedure is in place to establish the guidelines for the identification of staff competence and training needs, and the associated evaluation methods to determine training effectiveness. An annual training plan shall be established once the training needs are identified and summarised.

In FYE26, the annual training plan was implemented through internal and external training programmes to enhance employees' competencies and skills development. We conducted training on topics such as human resources and employment compliance, awareness training on sustainability related to FSC and PEFC, health and safety training, as well as finance, taxation and regulatory training.

	FYE26	FYE25
Number of training sessions per year	141	136
Average per month	12	11

We did not fully achieve our target, set in the previous year, of conducting at least 10 training sessions in each month. Out of the 12 months throughout FYE26, this target was successfully met in 8 months. Moving forward, we will reinforce our efforts and ensure that at least 10 training sessions are conducted each month to continuously support staff development.

The table below sets out the average hours of training¹⁰ that employees have undertaken:

	FYE26	FYE25
By gender		
Male	8.40	10.65
Female	9.63	14.47
By employee category		
Worker	7.67	9.90
Other staff	14.59	22.32

Note:

10. Average hours of training is calculated by dividing total training hours in the specific category by the number of employees trained in the specific category.

We will continue to deploy our resources and offer training courses to continuously enhance safety and ensure the competency of all our employees.

Target

Short term: To achieve at least 10 training sessions in each month.

LOCAL COMMUNITIES

HSO strongly believes in being a socially responsible corporate citizen by contributing back to communities, with enriching the economy and local communities as some of our key values. This may be through the creation of employment opportunities, business transactions, community contributions, and others.

While maintaining the ethnic diversity, our operations contributed to local employment by providing direct job opportunities to local Malaysian staff, accounting for more than 40% of the total workforce in FYE26. Additionally, we supported the Malaysia Former Customs Association (Persatuan Bekas Kastam Malaysia) through advertising in their official publication, Perbekas magazine. Furthermore, we also contributed to the local economy and businesses via our local procurement activities as mentioned in the above section, Local Purchases.

Target

Short to medium term: (1) To provide employment opportunities for local staff and (2) continue to source more than 80% of the accessories locally.

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SOCIOECONOMIC COMPLIANCE

We pride ourselves in having good corporate governance and observing compliance with applicable laws and regulations. The Group is committed to conducting the business with integrity and to safeguard the interest of all our stakeholders, both internal and external.

The Group complies with and puts in every effort in complying with the relevant laws and regulations that include the Occupational Safety and Health Act 1994, Factory and Machinery Act 1957, and Employment Act 1955. We have achieved the target we set in prior year, which was to record no significant fines and non-monetary sanctions for non-compliance with the applicable laws and regulations reported in FYE26.

MEMBERSHIP OF ASSOCIATIONS

- Malaysian Wood Moulding & Joinery Council
- Forest Stewardship Council (FSC)
- Malaysian Timber Industry Board
 - Export (4403)
 - Import (TI 625)
- Licensed Manufacturing Warehouse
- Programme for the Endorsement of Forest Certification
- Supplier Ethical Data Exchange (SEDEX)
- Shipper Member under Marine Department Malaysia
- Malaysian Employers Federation (MEF)
- Special Permit for Scheduled Controlled Goods (Diesel)
- Suruhanjaya Tenaga @ Energy Commission of Malaysia

Target

Ongoing every year in the long term: To achieve zero incidents of non-compliance with the applicable legal laws and regulations in the relevant jurisdiction of operation.

GOVERNANCE

CORPORATE AND SUSTAINABILITY GOVERNANCE

At HSO, we believe that strong governance is the key to a sustainable business. Throughout FYE26, we continue to comply with the Code of Corporate Governance 2018 and achieved targets we set last year and to meet the requirements expected by stakeholders. Please refer to the **"Report on Corporate Governance"** section in our 2026 Annual Report for more information on the governance structure of the Group, including committees of the Board and their roles and responsibilities.

The Company's effort to successfully manage environmental and social issues is an ongoing process. HSO has incorporated this into our business model and implemented sustainable and responsible practices throughout the Group. Our products and services meet relevant safety and environmental requirements demanded by our customers and the regulatory bodies.

HSO pays strict attention to enforce good labour practices in all our operations. The Group provides various training opportunities for continued employee development, and this is reflected in the quality and delivery of our products and services. We value our relationships with our clients and the wider community in which we operate, and these relationships have helped us through the challenging times in the past. HSO strongly believes that in the long run, these efforts will have a positive impact on our economic performance.

Target

Short to medium term: Continue to comply with the Code of Corporate Governance 2018 and meet all requirements that are expected of us by our stakeholders.

RISK MANAGEMENT

Risk Management (“RM”) is an integral part of good corporate governance as well as resource management. HSO has a thorough and comprehensive RM framework to identify and manage its risks and exposures in an integrated, systematic and consistent manner. The Management reviews the Group’s business and operational activities on an ongoing basis to identify areas of significant risks. The Audit Committee also reviews at least annually the adequacy and effectiveness of the Group’s internal controls (including financial, operational, compliance and information technology controls) and risk management systems. The external and internal auditors also assist in the aforementioned risk management process by identifying areas of concern and that appropriate measures are in place to mitigate such risks. For detailed disclosure on RM, please refer to the **“Report on Corporate Governance”** section in our 2026 Annual Report.

We regularly review RM policies, essentially covering operational risks to ensure that relevant policies and material risks are identified, communicated and addressed in a timely manner. With a view that climate reporting expectations will grow in the future, we maintained and reviewed the Risk and Opportunity Register to identify, assess, and monitor sustainability-related and climate-related risks and opportunities during FYE26. Further details will be described in the section headed **“CLIMATE CHANGE STRATEGY AND MANAGEMENT”**.

Target

Short to medium term: To conduct ongoing review of the Enterprise Risk Management framework and evaluate sustainability and climate-related risks that are relevant to the Group.

BUSINESS ETHICS AND COMPLIANCE

While we believe our reputation for producing premium and long-lasting products is the main reason for our customers’ trust in us, an equally important reason is our integrity and code of business ethics which determines the publics’ and shareholders’ faith and trust in us. We endeavour to conduct our business ethically and in compliance with legal standards, laws, and industry best practices.

Target

Ongoing every year in the long term: To maintain zero tolerance against corruption.

Ongoing every year in the long term: To maintain zero significant fines or non-monetary sanctions with laws and regulations.

Compliance with Laws and Regulations

In respect of hiring personnel, we take into consideration any possibility of conflicts of interest. Our code of conduct clearly sets HSO’s expectations for our staff and consequences if any of the rules are violated or standards are not met. In addition, we also have clear and fair grievance procedures.

Our staff are reminded of the importance of upholding the highest standards when it comes to business ethics. We have posters and memos reminding everyone on the importance of ethics clearly displayed in public areas of the Group’s factories and workspaces so that employees from all levels are fully aware that compliance with rules and regulations is a key part of running a responsible business.

The Group regularly updates the relevant staff with developments in international and local regulations. HSO complied fully, in all material aspects, with all environmental rules and regulations, anti-competitive behaviour laws and all requirements on health and safety.

In FYE26, we achieved the target we set last year. There were no (FYE25: nil) significant fines or non-monetary sanctions for non-compliance with laws and regulations.

Target

Ongoing every year in the long term: To incur zero significant fines or non-monetary sanctions and maintain full compliance with laws and regulations.

Sustainability Report

Cybersecurity and Privacy of Data

Cybersecurity and data privacy are important in safeguarding both our data and that of our customers. HSO takes measures to guard against cyber risks and protecting the confidential information of both our internal and external stakeholders by ensuring that our information systems are robust enough to safeguard the data. This also applies to our employment process where the privacy of all applicants is safeguarded and access to personal data is restricted to authorised persons on a need-to-know basis. In FYE26, there were no incidents of cybersecurity breaches and any leaks, thefts and loss of data.

Target

Ongoing every year in the long term: To maintain zero incidents of cybersecurity and data privacy breach.

CLIMATE CHANGE STRATEGY AND MANAGEMENT

HSO recognise that climate change is one of the biggest challenges facing society and the economy today. The Group is committed to doing our part to act responsibly and spur efforts to tackle climate change. We plan to progressively improve our climate reporting as we increase our understanding of climate related risks and opportunities facing our business and the impact of climate change on our sustainability.

With a view to align with TCFD recommendations, a summary of our progress is as follows:

Governance	
Describe the board's oversight of climate-related risks and opportunities.	The Board oversees the Group's overall sustainability practices and climate-related risk and opportunities as part of risk management.
Describe management's role in assessing and managing climate-related risks and opportunities.	Responsible Business Committee, a management-level committee comprising of internal employees across various functions. They play a key role in supporting the Board by assessing and addressing climate-related risks and opportunities.
Risk Management	
Describe the organisation's processes for identifying and assessing climate-related risks.	HSO leverages ERM framework to govern its risk management processes, adopting a structured approach to identifying, assessing, and managing ESG risks.
Describe the organisation's processes for managing climate-related risks.	HSO plans to progressively improve its climate-related disclosures as part of our broader sustainability strategy. We recognize that climate risks have the potential to impact various aspects of our business — including revenue stability, operational resilience, and investor confidence. We are closely monitoring developments in climate-related regulations, particularly those that may lead to stricter compliance requirements and increased energy costs. In response to increasing energy costs, the Group has installed solar panel system at its factory in Johor to reduce electricity consumption from the grid and improve energy cost efficiency. This initiative helps mitigate exposure to electricity tariff increases and enhances operational resilience.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	In response, HSO's approach is to focus on aligning with evolving regulatory standards while identifying opportunities to improve energy efficiency and reduce exposure to rising energy costs. This strategy not only strengthens our climate resilience but also supports long-term value creation for our stakeholders.
Strategy	
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	As part of our ongoing climate strategy development, below outline the initial preliminary risk and opportunities that were identified.

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Risk – Acute Physical Risk

Description: Those physical risks that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, heat or cold waves, or floods.

Impacts: Write-offs and early retirement of existing assets (e.g., damage to property and assets in "high-risk" locations) and reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions).

Time Horizon: Long term (> 5 years)

HSO response: Physical climate risk is considered low as the operational site has no historical exposure to flooding or cyclones.

Risk – Transition Risk: Stricter Climate Regulations

Description: Regulatory requirements around climate disclosures are becoming increasingly stringent, necessitating enhanced compliance efforts and may require additional compliance efforts and financial reporting changes.

Impacts: Increased compliance cost and reporting costs, operational burden to adapt to new regulatory standards, risk of non-compliance and associated reputational or financial consequences.

Time Horizon: Medium Term (3-5 years)

HSO response: We will proactively work with external consultants together to develop and implement policies to track and disclose climate-related risks and opportunities in line with evolving regulatory expectations.

Opportunity – Energy Management

Description: Transitioning to on-site renewable energy sources such as solar panels reduce reliance on grid electricity and can result in cost saving and reduced GHG emissions.

Impacts: Reduction in Scope 2 emissions and lower energy costs.

Time Horizon: Short to Medium Term (1-5 years)

HSO response: In FYE26, we successfully completed the installation of the solar panel system at our factory in Johor. The system began generating renewable electricity in March 2026, representing an important first step in our efforts to increase the use of clean energy and reduce our carbon footprint. This initiative reflects HSO's commitment to sustainability and supports the transition to a low-carbon future.

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Metrics & Targets

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

In addition to our existing targets set for the ESG factors, we planned to reduce carbon footprint and tackle sustainability-related risks that include climate change. This includes improving our ability to identify and measure emissions. As part of HSO's efforts, we track and report GHG including the electricity and fuel consumption within our operations. As part of our commitment to decarbonisation, we have pro-actively carried out a solar panel installation project on our factory located in Johor in FYE26. This initiative reflects our commitment to sustainability while simultaneously achieving cost savings in utility expenses. Upon completion and full functionality of the installation, projections indicate a potential reduction of up to 50% in our annual utility costs.

By integrating sustainable practices with operational efficiency, we are not only reducing our environmental footprint but also enhancing long-term financial performance.

Sustainability Report

Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.

Following the standards and guidance of GHG Protocol and using operational control approach due to the access to operational data, GHG emissions are disclosed in tonnes of CO₂ equivalent ("tCO₂e"), covering, including but not limited to, CO₂, N₂O and CH₄ in this Report. The measurement is divided into two scopes:

Scope 1: direct emissions primarily originate from the operation of company cars, lorry and forklifts within our Malaysia subsidiary. Our environmental performance is as below:

	Unit	FYE26	FYE25
Petrol consumed	litre	4,061	2,774
Diesel consumed	litre	14,017	15,707
Direct (Scope 1) GHG emissions ¹¹	tCO ₂ e	47.1	48.5
Intensity ¹²	tCO ₂ e/employee	0.21	0.20

Notes:

11. Calculation is based on, including but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "Global Warming Potential Values" from the "Sixth Assessment Report" issued by Intergovernmental Panel on Climate Change. For FYE26, emission factors for petrol and diesel are approximately 0.00228 tCO₂e/L and 0.00270 tCO₂e/L respectively.

12. As at 31 March 2026, there were 227 employees (FYE25: 237 employees) from HS Optimus Wood Products Sdn Bhd. The data are also used for calculating intensity of other GHG emissions.

Scope 2: energy indirect emissions generated from the consumption of purchased energy in the form of electricity within our Malaysia subsidiary. Following the installation and commencement of solar panels at our production facility, a total of 135,014 kWh of electricity was generated, of which 85,355 kWh was used for internal consumption. Excess electricity was exported to the grid, thereby enabling the avoidance of GHG emissions related to generating such electricity. Further details could be referred to the section headed "**ENERGY CONSUMPTION**".

Our environmental performance is as below:

	Unit	FYE26	FYE25
Operating Margin (OM) Grid Emission Factor (GEF)	kgCO ₂ e/ kWh	0.5370 ¹³	0.5571 ¹⁴
Electricity purchased	kWh	1,838,857	1,922,165
Gross energy indirect (Scope 2) emissions	tCO ₂ e	987.47	1,070.84
Intensity	tCO ₂ e/ employee	4.4	4.5
Solar energy consumed	kWh	85,355	N/A
Avoided emissions	tCO ₂ e	45.84	N/A

Notes:

13. Retrieved from: TNB's Sustainability Report 2025

14. Retrieved from: TNB's Sustainability Report 2024

We are committed to enhancing our understanding of GHG emissions and will assess the feasibility of reporting our Scope 3 GHG emissions. In particular, we will concentrate on Scope 3, Category 6: Business Travel, with a particular emphasis on emissions resulting from flights undertaken by employees for business activities. To support this, the Group will be establishing a data collection process to collect relevant travel information, including flight origin and destination, travel class etc. The collected data will be reviewed and analysed in order to determine the appropriate calculation method in accordance with GHG guidelines.

Sustainability Report

Describe the targets used by the organisation to manage climate-related risks and opportunities and performances against targets.

HSO is adopting a progressive strategy towards managing climate related risks and opportunities, with a focus on maintaining or reducing GHG emissions and increasing the use of renewable energy. We are working toward the following goals in the long term:

- Maintaining or reducing direct (Scope 1) and energy indirect (Scope 2) emissions through operational improvements comparing to the prior year.
- Increasing the use of renewable energy to support the transition towards a lower-carbon operation.

In FYE26, we successfully completed the installation of the solar panel system at our factory in Johor. The system began generating renewable electricity in March 2026, representing an important first step in our efforts to increase the use of clean energy and reduce our carbon footprint. This initiative reflects HSO's commitment to sustainability and supporting the transition to a low-carbon future.

Sustainability Report

GRI CONTENT INDEX

Statement of use	HS Optimus Holdings Limited has reported with reference to the GRI Standards for the period from 1 April 2025 to 31 March 2026.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure		Page reference / Description
GRI 2: General Disclosure 2021	2-1	Organisational details	Annual Report: Corporate Profile
	2-2	Entities included in the organisation's sustainability reporting	Page 39
	2-3	Reporting period, frequency and contact point	Page 39
	2-4	Restatements of information	Page 40
	2-5	External assurance	None
	2-6	Activities, value chain and other business relationships	Page 2
	2-7	Employees	Page 50
	2-8	Workers who are not employees	Not applicable
	2-9	Governance structure and composition	Page 54
	2-10	Nomination and selection of the highest governance body	Pages 20 to 21
	2-11	Chair of the highest governance body	Pages 14 to 15
	2-12	Role of the highest governance body in overseeing the management of impacts	Page 39
	2-13	Delegation of responsibility for managing impacts	Page 56
	2-14	Role of the highest governance body in sustainability reporting	Page 39
	2-15	Conflicts of interest	Page 23
	2-16	Communication of critical concerns	Pages 40 to 42
	2-17	Collective knowledge of the highest governance body	Pages 18 to 19
	2-18	Evaluation of the performance of the highest governance body	Pages 27 to 28
	2-19	Remuneration policies	Pages 28 to 31
	2-20	Process to determine remuneration	Pages 30 to 31
	2-21	Annual total compensation ratio	Pages 30 to 31 and N7, Page 89
	2-22	Statement on sustainable development strategy	Page 39
	2-23	Policy commitments	Pages 44 to 45
	2-24	Embedding policy commitments	Pages 44 to 45
	2-25	Processes to remediate negative impacts	Pages 44 to 45
	2-26	Mechanisms for seeking advice and raising concerns	Page 40
	2-27	Compliance with laws and regulations	Page 55
	2-28	Membership associations	Page 54
	2-29	Approach to stakeholder engagement	Page 40
	2-30	Collective bargaining agreements	Page 51

Sustainability Report

GRI Standard	Disclosure		Section
GRI 3 Material Topics 2021	3-1	Process to determine material topics	Pages 42 to 44
	3-2	List of material topics	Pages 43 to 44
	3-3	Management of material topics	Pages 44 to 56
GRI 201 Economic Performance 2016	201-1	Direct economic value generated and distributed	Economic, pages 44 to 45
GRI 205 Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption, page 45
	205-3	Confirmed incidents of corruption and actions taken	Anti-corruption, page 45
GRI 302 Energy 2016	302-1	Energy consumption within the organisation	Environmental, pages 45 to 46
	302-3	Energy intensity	Environmental, pages 45 to 46
GRI 303 Water and Effluents 2018	303-5	Water consumption	Environmental, page 46
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Environmental, page 59
	305-2	Energy indirect (Scope 2) GHG emissions	Environmental, page 59
	305-4	GHG emissions intensity	Environmental, page 59
GRI 306 Waste 2020	306-3	Waste generated	Environmental, page 47
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Environmental, page 48
GRI 401 Employment 2016	401-1	New employee hires and employee turnover	Social, page 51
GRI 403 Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Social, pages 51 to 52
	403-5	Worker training on occupational health and safety	Social, page 52
	403-9	Work-related injuries	Social, page 52
	403-10	Work-related ill health	Social, page 52
GRI 404 Training and Education 2016	404-1	Average hours of training per year per employee	Social, page 53
GRI 405 Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Social, pages 49 to 50 Corporate Governance, page 18
GRI 413 Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Social, page 53

Directors' Statement

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of HS Optimus Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2026.

Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2026 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Pengiran Muda Abdul Qawi	(Non-Executive Chairman)
Chia Fook Sam	(Executive Director and Chief Operating Officer)
Mark Leong Kei Wei	(Independent Director)
Vivien Goo Bee Yen	(Independent Director)
Ang Wee Ming	(Independent Director)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' Statement

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
The Company				
<i>Ordinary shares</i>				
Pengiran Muda Abdul Qawi	–	–	500,000,000	500,000,000
Vivien Goo Bee Yen	–	–	8,825,000	8,825,000

The directors' interest in the ordinary shares of the Company as at 21 April 2026 were the same as those as at 31 March 2026.

By virtue of Section 7 of the Singapore Companies Act 1967, Pengiran Muda Abdul Qawi and Vivien Goo Bee Yen are deemed to have an interest in the shares of all the subsidiaries to the extent held by the Company.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Share options

During the financial year, there were:

- (i) no options granted by the Company or its subsidiaries to subscribe for unissued shares of the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

Audit committee

The members of the AC at the date of this statement are as follows:

Mark Leong Kei Wei	-	Chairman
Vivien Goo Bee Yen	-	Member
Ang Wee Ming	-	Member

The Audit Committee performed the functions specified in the Singapore Companies Act 1967. The functions performed are detailed in the Corporate Governance Report.

Directors' Statement

Auditor

Ernst & Young LLP has expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Chia Fook Sam
Director

Mark Leong Kei Wei
Director

Singapore
30 June 2026

Independent Auditor's Report

to the members of HS OPTIMUS HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HS Optimus Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and Company as at 31 March 2026, the statements of changes in equity of the Group and Company, and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2026 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter described below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of development properties and impairment assessment of investment in subsidiaries

As at 31 March 2026, the net carrying amount of development properties amounted to \$24.9 million, representing 40.8% of the Group's total assets. Development properties are carried at lower of cost or net realisable value.

The development properties are held by a subsidiary and relate to projects that have not been launched or completed as at 31 March 2026. In determining the net realisable value ("NRV") of the development properties, management engaged an independent professional valuer to support their determination of the value as at 31 March 2026. During the financial year, management recognised an impairment loss of \$0.5 million on the development properties.

Independent Auditor's Report

to the members of HS OPTIMUS HOLDINGS LIMITED

Key audit matters (cont'd)

Valuation of development properties and impairment assessment of investment in subsidiaries (cont'd)

As at 31 March 2026, the Company's investment in subsidiaries amounted to \$28.9 million. This included non-trade amounts due from subsidiaries, which are unsecured and interest-free, the settlement of which is neither planned nor likely to occur in the foreseeable future.

The management has identified impairment indicators in two of its subsidiaries and the carrying amounts of these investment in subsidiaries prior to the impairment amounted to \$35.6 million as at 31 March 2026. Management performed the impairment assessment for subsidiaries with indicators of impairment and determined their recoverable amounts based on value-in-use calculations and considering the NRV of development properties held by one of the subsidiaries. A total impairment loss of \$6.7 million was recorded for the year ended 31 March 2026.

We considered the audit of management's valuation assessment of development properties and impairment assessment of cost of investment in subsidiaries to be a key audit matter due to the magnitude of their carrying amounts as at 31 March 2026. In addition, these areas were significant to our audit because the valuation and impairment assessment process involves the application of significant judgement and use of subjective assumptions by management.

In response to these areas of focus, we performed the following procedures, amongst others:

- obtained an understanding of management's impairment assessment process and the future business plans for the development properties and investment in subsidiaries;
- assessed the competency, qualifications and objectivity of the independent valuer and the valuation methodology applied in the valuation of the development properties;
- assessed the valuation method used by management and evaluated the key assumptions used in the impairment analysis, in particular the discount rate, long-term growth rate, budgeted revenue and budgeted costs;
- evaluated, with the assistance of our internal valuation specialists, the key assumptions and inputs used by the independent valuer applied in the valuation of the development properties and by management in the impairment analysis of investment in subsidiaries, in particular the discount rate and long-term growth rate;
- evaluated management's analysis of the valuation sensitivity to reasonably possible changes in the key assumptions.

The development properties and investment in subsidiaries are disclosed under Notes 15 and 12 to the financial statements.

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

to the members of HS OPTIMUS HOLDINGS LIMITED

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report

to the members of HS OPTIMUS HOLDINGS LIMITED

Auditor's responsibilities for the audit of the financial statements (cont'd)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Loo Sian Hon Briston.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
30 June 2026

Consolidated Statement of Comprehensive Income

For the Financial Year Ended 31 March 2026

	Note	2026 \$	2025 \$
Revenue	4	13,551,029	14,443,619
Cost of sales		(10,961,767)	(11,213,056)
Gross profit		2,589,262	3,230,563
Other income	5	6,438,463	2,362,032
Selling and distribution expenses		(427,761)	(418,646)
Administrative expenses		(5,700,224)	(7,340,835)
Finance costs	6	(355,115)	(110,814)
Profit/(loss) before tax	7	2,544,625	(2,277,700)
Income tax credit/(expense)	9	13,764	(305,739)
Profit/(loss) for the financial year		2,558,389	(2,583,439)
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Currency translation			
- (Loss)/gain		(1,052,713)	259,457
- Loss from recycling of foreign currency translation reserve on liquidation of a foreign subsidiary		-	(1,918,475)
Other comprehensive income for the financial year, net of tax		(1,052,713)	(1,659,018)
Total comprehensive income for the financial year		1,505,676	(4,242,457)
Profit/(loss) for the financial year attributable to:			
Owners of the Company		2,749,075	(2,614,353)
Non-controlling interests		(190,686)	30,914
		2,558,389	(2,583,439)
Total comprehensive income attributable to:			
Owners of the Company		2,260,270	(3,769,805)
Non-controlling interests		(754,594)	(472,652)
		1,505,676	(4,242,457)
Profit/(loss) per share attributable to equity owners of the Company (cents per share)			
- Basic	10	0.051	(0.049)
- Diluted		0.051	(0.049)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

For the Financial Year Ended 31 March 2026

		Group		Company	
	Note	2026	2025	2026	2025
		\$	\$	\$	\$
ASSETS					
Non-current assets					
Property, plant and equipment	11	5,543,063	5,298,747	85,397	94,956
Right-of-use assets	26	1,724,736	3,567,151	99,143	1,989,373
Investment in subsidiaries	12	-	-	28,852,768	35,444,128
Investment property	13	-	11,245,672	-	-
Financial asset at fair value through profit or loss	14	126	84	-	-
		7,267,925	20,111,654	29,037,308	37,528,457
Current assets					
Development properties	15	24,909,149	26,946,787	-	-
Investment in financial asset	17	-	837,000	-	-
Trade and other receivables	18	4,615,449	7,051,251	22,620,161	23,176,785
Income tax recoverable		53,302	-	-	-
Inventories	19	4,145,414	5,619,953	-	-
Cash and cash equivalents	20	20,019,865	2,929,460	459,650	306,999
		53,743,179	43,384,451	23,079,811	23,483,784
Total assets		61,011,104	63,496,105	52,117,119	61,012,241
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	21	3,062,258	4,783,223	1,290,881	1,170,357
Contract liabilities	22	5,500	92,325	-	-
Loans and borrowings	24	611,130	2,949,661	37,417	1,400,000
Income tax payable		-	293,706	-	-
		3,678,888	8,118,915	1,328,298	2,570,357
Net current assets		50,064,291	35,265,536	21,751,513	20,913,427
Non-current liabilities					
Loans and borrowings	24	471,068	17,906	62,589	-
Deferred tax liabilities	25	1,112,178	1,115,990	-	-
		1,583,246	1,133,896	62,589	-
Total liabilities		5,262,134	9,252,811	1,390,887	2,570,357
Net assets		55,748,970	54,243,294	50,726,232	58,441,884
Equity attributable to owners of the Company					
Share capital	23	103,170,633	103,170,633	103,170,633	103,170,633
Foreign currency translation reserve	27	(11,469,696)	(10,980,891)	-	-
Accumulated losses		(42,635,218)	(45,384,293)	(52,444,401)	(44,728,749)
		49,065,719	46,805,449	50,726,232	58,441,884
Non-controlling interests		6,683,251	7,437,845	-	-
Total equity		55,748,970	54,243,294	50,726,232	58,441,884
Total equity and liabilities		61,011,104	63,496,105	52,117,119	61,012,241

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

For the Financial Year Ended 31 March 2026

	Share capital (Note 23)	Foreign currency translation reserve (Note 27)	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total
	\$	\$	\$	\$	\$	\$
Group 2026						
Opening balance at 1 April 2025	103,170,633	(10,980,891)	(45,384,293)	46,805,449	7,437,845	54,243,294
Profit/(loss) for the financial year	-	-	2,749,075	2,749,075	(190,686)	2,558,389
Other comprehensive income:						
Exchange differences on translation of foreign operations	-	(488,805)	-	(488,805)	(563,908)	(1,052,713)
Other comprehensive income for the financial year, net of tax	-	(488,805)	-	(488,805)	(563,908)	(1,052,713)
Total comprehensive income for the financial year	-	(488,805)	2,749,075	2,260,270	(754,594)	1,505,676
Closing balance at 31 March 2026	103,170,633	(11,469,696)	(42,635,218)	49,065,719	6,683,251	55,748,970
2025						
Opening balance at 1 April 2024	103,170,633	(9,825,439)	(42,769,940)	50,575,254	7,910,497	58,485,751
(Loss)/profit for the financial year	-	-	(2,614,353)	(2,614,353)	30,914	(2,583,439)
Other comprehensive income:						
Exchange differences on translation of foreign operations	-	(1,155,452)	-	(1,155,452)	(503,566)	(1,659,018)
Other comprehensive income for the financial year, net of tax	-	(1,155,452)	-	(1,155,452)	(503,566)	(1,659,018)
Total comprehensive income for the financial year	-	(1,155,452)	(2,614,353)	(3,769,805)	(472,652)	(4,242,457)
Closing balance at 31 March 2025	103,170,633	(10,980,891)	(45,384,293)	46,805,449	7,437,845	54,243,294

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

For the Financial Year Ended 31 March 2026

	Share capital (Note 23)	Accumulated losses	Total
	\$	\$	\$
Company			
2026			
Opening balance at 1 April 2025	103,170,633	(44,728,749)	58,441,884
Loss for the financial year, representing total comprehensive income for the financial year	-	(7,715,652)	(7,715,652)
Closing balance at 31 March 2026	103,170,633	(52,444,401)	50,726,232
2025			
Opening balance at 1 April 2024	103,170,633	(42,044,328)	61,126,305
Loss for the financial year, representing total comprehensive income for the financial year	-	(2,684,421)	(2,684,421)
Closing balance at 31 March 2025	103,170,633	(44,728,749)	58,441,884

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 March 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Profit/(loss) before tax		2,544,625	(2,277,700)
Adjustments for:			
Allowance for inventory obsolescence	19	37,414	152,109
Depreciation of property, plant and equipment	11	607,395	608,810
Depreciation of right-of-use-assets	26	98,406	93,589
Depreciation of investment property	13	193,805	511,414
Fair value gain on financial asset at fair value through profit or loss	14	(42)	(29)
Gain on deregistration of subsidiary	5	–	(1,918,475)
Gain on disposal of property held-for-sale	5	(5,567,350)	–
Gain on disposal of property, plant and equipment	5	–	(1,337)
Gain on disposal of right-of-use assets	5	(556,354)	–
Impairment loss/(reversal of impairment loss) on development properties	15	469,140	(140,968)
Interest expense	6	355,115	110,814
Interest income	5	(188,716)	(125,267)
Provision for expected credit loss of trade receivables	30(c)	276,553	–
Provision for expected credit loss on other receivables	30(c)	21,914	–
Unrealised foreign exchange differences		631,941	1,871,552
Operating cash flows before changes in working capital		(1,076,154)	(1,115,488)
<u>Changes in working capital:</u>			
Increase in development properties		(12,519)	–
Decrease/(increase) in inventories		1,437,125	(879,454)
Decrease/(increase) in trade and other receivables		2,081,517	(1,726,292)
(Decrease)/increase in trade and other payables		(1,674,044)	531,203
Cash generated from/ (used in) operations		755,925	(3,190,031)
Interest income received		188,716	125,267
Income tax paid, net		(434,502)	(258,383)
Net cash generated from/(used in) operating activities		510,139	(3,323,147)
Cash flows from investing activities			
Proceeds from disposal on property held-for-sale		16,807,316	–
Proceeds from disposal of right-of-use assets	26	2,520,888	–
Purchase of property, plant and equipment		(129,570)	(3,029)
Redemption/(purchase) of financial asset	17	837,000	(837,000)
Net cash generated from/(used in) investing activities		20,035,634	(840,029)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 March 2026

	Note	2026 \$	2025 \$
Cash flows from financing activities			
Proceeds from loans and borrowings	24	9,087,353	5,342,003
Repayment of loans and borrowings	24	(11,444,952)	(3,153,427)
Loan from non-controlling interest	24	27,766	13,888
Interest paid		(355,115)	(110,814)
Payment of principal portion of lease liabilities	24	(107,031)	(30,861)
Net cash flows (used in)/generated from financing activities		(2,791,979)	2,060,789
Net increase/(decrease) in cash and cash equivalents		17,753,794	(2,102,387)
Cash and cash equivalents at 1 April		2,932,190	5,187,296
Effect of exchange rate fluctuations on cash and cash equivalents		(666,119)	(152,719)
Cash and cash equivalents at 31 March	A	20,019,865	2,932,190

Note A

For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

Cash and bank balances		6,505,143	1,619,700
Fixed deposits		13,514,722	1,309,760
Cash and cash equivalents as per consolidated statement of financial position	20	20,019,865	2,929,460
Cash and cash equivalents			
- Continuing operations		20,019,865	2,929,460
- Disposal group assets classified as held-for-sale		-	2,730
Cash and cash equivalents as per consolidated statement of cash flows		20,019,865	2,932,190

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

1. Corporate information

HS Optimus Holdings Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The registered office and principal place of business of the Company is located at 8 Ubi Road 2, #05-06 Zervex, Singapore 408538.

The principal activities of the Company are investment holding and provision of management support services. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

2. Material accounting policy information

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$), except when otherwise indicated.

2.2 Adoption of new and amended standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 April 2025. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to SFRS(I)s Volume 11	1 January 2026
SFRS(I) 18: Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Except for the below, the directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

2. Material accounting policy information (cont'd)

2.3 Standards issued but not yet effective (cont'd)

SFRS(I) 18: Presentation and Disclosure in Financial Statements

SFRS(I) 18 replaces SFRS(I) 1-1: Presentation of Financial Statements and introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to SFRS(I) 1-7: Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. SFRS(I) 18 will apply retrospectively.

The amendments will have impact on the disclosure in the financial statements but not the measurement or recognition of items in the Group's financial statements. The Group is in the process of analysing the new disclosure requirements and to assess if changes are required to their internal information systems.

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

(b) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Non-controlling interest in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

2. Material accounting policy information (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(b) Business combinations (cont'd)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.5 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Foreign currency

The financial statements are presented in Singapore Dollars ("SGD"), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

2. Material accounting policy information (cont'd)

2.7 Property, plant and equipment (cont'd)

Depreciation is calculated using the straight-line method to allocate depreciable amounts over the estimated useful lives. The estimated useful lives are as follows:

Buildings	-	30 - 37 years
Plant and equipment	-	10 years
Motor vehicles	-	5 - 6 years
Office equipment	-	5 years
Renovation	-	5 years

Capital work-in-progress included in property, plant is not depreciated as the assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 Development properties

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value. Net realisable value of development properties is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.9 Investment properties

Investment properties are properties that are owned by the Group held to earn rentals or for capital appreciation, or both, rather than for use in the production of supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and are measured under the cost model.

Renovation included under investment properties are initially measured at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 3 years.

Investment properties are initially measured at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 50 years for freehold properties. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at end of each reporting period. The effects of any revision are included in profit or loss when they arise.

Freehold land has an unlimited useful life and therefore is not depreciated.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

2. Material accounting policy information (cont'd)

2.9 Investment properties (cont'd)

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property is determined as the difference between any sale proceeds and the carrying amounts of the assets and is recognised in profit or loss in the year in which they arise.

Transfers are made to or from investment property only when there is a change in use.

2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.11 Subsidiaries

A subsidiary is an investee that is controlled by the Company. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's statement of financial position, investment in subsidiaries is accounted for at cost less impairment losses.

2.12 Financial instruments

Financial assets and liabilities are offset and the net amount presented on the statements of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the entity becomes party to the contractual provisions of the instruments. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

2. Material accounting policy information (cont'd)

2.12 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The measurement category for classification of debt instruments is:

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Investments in equity instruments

Upon initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

2. Material accounting policy information (cont'd)

2.13 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a "lifetime ECL").

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are past due beyond a specific credit period granted as individually determined by the Company and respective entities within the Group based on individual default considerations. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.14 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, bank deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.15 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

2.16 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

2. Material accounting policy information (cont'd)

2.17 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.18 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. The Malaysia companies in the Group make contributions to the Employees Provident Fund scheme in Malaysia, a defined contribution pension scheme. Contributions to defined contributions pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

(c) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after statement of financial position date are discounted to present value.

2.19 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as the lessee

The Group applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset, as follows:

Hostel	-	1 to 3 years
Leasehold land and buildings	-	58 to 60 years
Office premise	-	1 to 3 years

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

2. Material accounting policy information (cont'd)

2.19 Leases (cont'd)

Group as the lessee (cont'd)

(a) Right-of-use assets (cont'd)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The right-of-use assets are also subject to impairment. Refer to accounting policy for impairment of non-financial assets set out in Note 2.10.

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, or a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The lease liabilities are presented within "loans and borrowings" in the statements of financial position.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of assets (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.20 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

2. Material accounting policy information (cont'd)

2.20 Revenue (cont'd)

Sale of goods

Revenue from sales of doors is recognised at the point when the doors are delivered to the customer. The amount of revenue recognised is the amount of transaction price allocated to the satisfied performance obligation as per specified in the contract with no element of financing deemed present. The transaction price determined is the amount of consideration in the contract to which the Group expects to be entitled in exchange for satisfying the performance obligation. A receivable is recognised when the goods are delivered and the consideration is unconditional.

Contract balances

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.21 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. The grant is recognised in profit or loss on a systematic basis over the period in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under heading such as "Other income".

Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.22 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

2. Material accounting policy information (cont'd)

2.22 Taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investment in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investment in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(c) Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- When receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authorities is included as part of receivables or payables in the statement of financial position.

2.23 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

Management is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Valuation of development properties

The Group's development properties relate to projects that have not been launched or completed as at 31 March 2026. Development properties are measured at the lower of cost and net realisable value ("NRV").

The determination of the recoverable amount of the NRV of the development properties involves estimation and use of assumptions by management. The Group has engaged independent professional valuers to determine the fair values of development properties as at year end using the Direct Comparison Approach. Management has evaluated and are satisfied that the independent professional valuers have the appropriate recognised professional qualifications, are competent, used appropriate valuation methodology and have provided estimates which are reflective of current and future property market and economic conditions at the statement of financial position date. Management has also taken into consideration the future property market and economic conditions.

The carrying amounts and the valuation techniques used to determine the fair values of development properties as at 31 March 2026 and 31 March 2025 are disclosed in Notes 15 of the financial statements respectively.

(b) Impairment of investment in subsidiaries

The Company assesses impairment of investment in subsidiaries whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the cash-generating unit (CGU) requires assessment as to whether the carrying amount of the CGU exceeds the recoverable amount. Recoverable amount is defined as the higher of the CGU's fair value less costs to sell and its value in use. Management has assessed the recoverable amounts of the investment in the subsidiary with an indicator of impairment based on the higher of its fair value less cost of disposal calculations and value in use.

The determination of the recoverable amount of one of the subsidiaries involves estimation of the fair value of development properties which is held by the subsidiary. The Company has engaged an independent professional valuer to determine the fair value of development properties as at year end using the Direct Comparison Approach. Management has evaluated and is satisfied that the independent professional valuer has the appropriate recognised professional qualification, is competent, used appropriate valuation methodology and has provided estimates which are reflective of current and future property market and economic conditions at the statement of financial position date. Management has also taken into consideration the future property market and economic conditions.

The carrying amount of the Company's investment in subsidiaries as at 31 March 2026 and 31 March 2025 are disclosed in Note 12 of the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

4. Revenue

	Group	
	2026	2025
	\$	\$
<i>Recognised at a point in time</i>		
Sale of goods	13,551,029	14,443,619

Receivables and contract liabilities from contracts with customers

Information about receivables from contracts with customers and contract liabilities are disclosed as follows:

	31 March 2026	Group 31 March 2025	1 April 2024
	\$	\$	
Receivables from contracts with customers (Note 18)	1,695,337	3,564,913	2,404,016
Contract liabilities (Note 22)	5,500	92,325	8,732

Set out below is the amount of revenue recognised from

	Group	
	2026	2025
	\$	\$
Amounts included in contract liabilities at the beginning of the year	92,325	8,732

5. Other income

	Group	
	2026	2025
	\$	\$
Dividend income	34,040	104,796
Gain on disposal of property held-for-sale	5,567,350	-
Gain on disposal of property, plant and equipment	-	1,337
Gain on disposal of right-of-use assets	556,354	-
Gain on deregistration of subsidiary	-	1,918,475
Interest income from cash at banks	22,092	64,079
Interest income from fixed deposits	166,624	61,188
Reversal of impairment loss on development properties (Note 15)	-	140,968
Fair value gain on financial asset at fair value through profit or loss (Note 14)	42	29
Government grants	5,870	7,503
Sale of scraps	8,285	25,400
Others	77,806	38,257
	6,438,463	2,362,032

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

6. Finance costs

	Group	
	2026	2025
	\$	\$
Foreign currency loan against import	68,250	70,575
Interest expenses on bank overdraft	4,442	1,208
Interest expenses on lease liabilities	15,724	1,933
Interest expenses on loans and borrowings	239,017	-
Interest expenses on revolving credit facilities	27,682	37,098
	<u>355,115</u>	<u>110,814</u>

7. Profit/(loss) before tax

The following items have been included in arriving at profit/(loss) before tax:

	Note	Group	
		2026	2025
		\$	\$
Allowance for inventory obsolescence	19	37,414	152,109
Audit fees			
- auditor of the Company		129,448	129,452
- other auditors*		47,044	45,159
Cost of inventories sold	19	7,333,276	7,473,664
Depreciation of property, plant and equipment	11	607,395	608,810
Depreciation of right-of-use assets	26	98,406	93,589
Depreciation of investment property	13	193,805	511,414
Expenses relating to short term leases or low-value assets	26	23,095	27,011
Foreign currency exchange (gain)/loss, net		(389,000)	1,865,926
Provision for expected credit loss of trade receivables	18	276,553	-
Provision for expected credit loss on other receivables	18	21,914	-
Impairment loss/(reversal of impairment loss) on development properties	15	469,140	(140,968)
Staff costs	8	4,889,212	4,558,824
Utility expenses		<u>348,104</u>	<u>343,878</u>

* Includes independent member firms of the EY global firms

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

8. Staff costs

	Group	
	2026	2025
	\$	\$
<i>Staff costs (including directors):</i>		
Salaries, bonuses and others	4,671,687	4,364,902
Contributions to defined contribution plans	217,525	193,922
	<u>4,889,212</u>	<u>4,558,824</u>
<i>Representing staff costs charged to:</i>		
Cost of sales	2,283,531	2,200,075
Administrative expenses	2,605,681	2,358,749
	<u>4,889,212</u>	<u>4,558,824</u>

9. Income tax credit/(expense)

(a) Major components of income tax credit/(expense)

The major components of income tax credit/(expense) for the financial years ended 31 March 2026 and 2025 are:

	Group	
	2026	2025
	\$	\$
Current tax expense		
- Current year	(67,327)	(350,022)
- Under provision in previous years	(15,453)	(104,358)
Deferred tax expense		
- Origination and reversal of temporary difference	93,510	157,740
- Over/(under) provision in prior years	3,034	(9,099)
Income tax credit/(expense) attributable to continuing operations and recognised in profit or loss	<u>13,764</u>	<u>(305,739)</u>

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

9. Income tax credit/(expense) (cont'd)

(b) Relationship between tax credit/(expense) and accounting (profit)/loss

A reconciliation between tax credit/(expense) and the product of accounting (profit)/loss multiplied by the applicable corporate tax rate for the financial years ended 31 March 2026 and 2025 is as follows:

	Group	
	2026	2025
	\$	\$
(Profit)/loss before tax from	(2,544,625)	2,277,700
Applicable corporate tax rate of 17% (2025: 17%)	(432,586)	387,209
Adjustments:		
Effect of different tax rates in foreign jurisdictions	(173,580)	89,460
Income not subject to tax	1,849,946	609,534
Expenses not deductible for income tax purposes	(989,486)	(1,069,872)
Deferred tax assets not recognised	(263,547)	(241,255)
Crystallisation of deferred tax liabilities	35,436	32,642
Under provision of income tax in prior years	(15,453)	(104,358)
Under provision of deferred tax in prior years	3,034	(9,099)
Income tax credit/(expense) recognised in profit or loss	13,764	(305,739)

As at 31 March 2026, the Group has unutilised tax losses of approximately \$43,868,000 (2025: \$42,318,000) that are available for offset against future taxable profits of the subsidiaries in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of unutilised tax losses and capital allowances is subject to agreement of the tax authorities and compliance with certain provisions of tax regulation of the respective countries in which the subsidiaries operate.

Deferred tax assets of approximately \$7,458,000 (2025: \$7,194,000) relating to the unabsorbed tax losses have not been recognised as it is not probable that future taxable profit will be available against when these unabsorbed tax losses can be utilised.

The Group is subject to income taxes in numerous jurisdictions. In determining the income tax liabilities, management has estimated the amount of capital allowances, non-taxability of dividend income and the deductibility of certain expenses ("uncertain tax positions") at each tax jurisdiction. The Group has open tax assessments with the tax authorities in the respective jurisdictions at the statement of financial position date. As management believes that the tax positions of those prior years are sustainable, the Group has not recognised any additional tax liability on these uncertain tax positions. The maximum exposure of these uncertain tax positions not recognised in these financial statements is \$206,000 (2025: \$386,000).

10. Profit/(loss) per share

Basic profit/(loss) per share are calculated by dividing profit/(loss) for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted profit/(loss) per share are calculated by dividing the net profit/(loss) for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. As at 31 March 2026 and 31 March 2025, the Company does not have any outstanding dilutive instruments.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

10. Profit/(loss) per share (cont'd)

The following reflects the profit/(loss) and share data used in the computation of basic and diluted profit/(loss) per share for the years ended 31 March:

	Group	
	2026	2025
	\$	\$
Net profit/(loss) for the year attributable to equity owners of the Company	2,749,075	(2,614,353)
Weighted average number of ordinary shares for basic earnings per share computation	5,380,556,316	5,380,556,316
Profit/(loss) per share attributable to equity owners of the Company (cents per share)		
- Basic	0.051	(0.049)
- Diluted	0.051	(0.049)

11. Property, plant and equipment

Group	Buildings	Plant and equipment	Motor vehicles	Office equipment	Renovation	Total
	\$	\$	\$	\$	\$	\$
Cost:						
At 1 April 2025	4,583,258	5,937,052	398,689	163,684	446,268	11,528,951
Additions	598,795	5,648	-	3,924	-	608,367
Write-off	-	-	-	(81,881)	(219,430)	(301,311)
Exchange differences	317,421	312,882	5,964	(4,724)	11,978	643,521
At 31 March 2026	5,499,474	6,255,582	404,653	81,003	238,816	12,479,528
Accumulated depreciation and impairment loss:						
At 1 April 2025	891,244	4,471,436	291,420	141,797	434,307	6,230,204
Depreciation for the financial year	115,412	459,775	15,554	10,966	5,688	607,395
Write-off	-	-	-	(81,881)	(219,430)	(301,311)
Exchange differences	106,556	281,441	5,618	(5,159)	11,721	400,177
At 31 March 2026	1,113,212	5,212,652	312,592	65,723	232,286	6,936,465
Net carrying amount:						
At 31 March 2026	4,386,262	1,042,930	92,061	15,280	6,530	5,543,063

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

11. Property, plant and equipment (cont'd)

Group	Buildings \$	Plant and equipment \$	Motor vehicles \$	Office equipment \$	Renovation \$	Total \$
Cost:						
At 1 April 2024	4,265,527	5,606,143	382,077	165,920	433,541	10,853,208
Additions	-	-	19,326	3,029	-	22,355
Disposals	-	(1,396)	(8,652)	-	-	(10,048)
Exchange differences	317,731	332,305	5,938	(5,265)	12,727	663,436
At 31 March 2025	4,583,258	5,937,052	398,689	163,684	446,268	11,528,951
Accumulated depreciation and impairment loss:						
At 1 April 2024	696,154	3,782,530	273,655	135,686	413,948	5,301,973
Depreciation for the financial year	109,192	457,170	21,016	12,807	8,625	608,810
Disposals	-	(1,256)	(8,652)	-	-	(9,908)
Exchange differences	85,898	232,992	5,401	(6,696)	11,734	329,329
At 31 March 2025	891,244	4,471,436	291,420	141,797	434,307	6,230,204
Net carrying amount:						
At 31 March 2025	3,692,014	1,465,616	107,269	21,887	11,961	5,298,747

The cash outflow on acquisition of property, plant and equipment in 2026 amounted to \$129,570 (2025: \$3,029), with the remaining assets being purchase through hire purchase.

	Office equipment \$	Motor vehicles \$	Renovation \$	Total \$
Company				
Cost:				
At 1 April 2024, 31 March 2025 and 1 April 2025	18,025	243,270	219,430	480,725
Additions	2,432	-	-	2,432
Write-off	(12,186)	-	(219,430)	(231,616)
At 31 March 2026	8,271	243,270	-	251,541
Accumulated depreciation:				
At 1 April 2024	15,586	137,606	219,430	372,622
Depreciation for the financial year	1,620	11,527	-	13,147
At 31 March 2025 and 1 April 2025	17,206	149,133	219,430	385,769
Depreciation for the financial year	464	11,527	-	11,991
Write-off	(12,186)	-	(219,430)	(231,616)
At 31 March 2026	5,484	160,660	-	166,144
Net carrying amount:				
At 31 March 2026	2,787	82,610	-	85,397
At 31 March 2025	819	94,137	-	94,956

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

12. Investment in subsidiaries

	Note	Company	
		2026	2025
		\$	\$
Unquoted equity shares, at cost			
Investment in subsidiaries		42,469,672	42,469,672
Loan to a subsidiary	A	24,053,300	23,910,194
		66,522,972	66,379,866
Less: Impairment losses	B	(37,670,204)	(30,935,738)
		28,852,768	35,444,128

Note A

During the year, the Company extended a loan of \$143,106 (2025: \$98,908) to its subsidiary which is accounted for as an investment in subsidiary. The loan due from its subsidiary of \$24,053,300 (2025: \$23,910,194) is unsecured, non-interest bearing and repayable at the discretion of the subsidiary, only when the cash flows of the subsidiary permit. The amount relates to contributions from the Company, which forms a part of the Company's net investment in subsidiary and are accounted for at cost less accumulated impairment losses.

Note B

Impairment losses of \$6,734,466 (2025: \$1,510,665) relating to two subsidiaries were recognised for the financial year ended 31 March 2026 based on the recoverable amounts derived from value-in-use calculations of one of the subsidiaries and the net realisable value of development properties held by the other subsidiary.

For value-in-use calculations of one of the subsidiaries, the Company used cash flow projections of five years to reflect the time period for investment returns for its door business. Cash flows beyond the terminal year are extrapolated using the estimated growth rate of 1% (2025: 1%). Key assumptions used in the discounted cash flow models are growth rate, operating margins and discount rate. The discount rate applied to the cash flow projections of 11.5% (2025: 11.4%) is based on weighted average cost of capital (WACC) where the cost of a company's debt and equity capital is weighted to reflect its capital structure.

Details of the subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal place of business	Principal activities	Proportion of ownership interest	
			2026	2025
			%	%
Held by the Company				
Ambertree Pte. Ltd. ⁽¹⁾	Singapore	Rental of premises	100	100
HS Optimus Resources Sdn. Bhd. ("HSOR") ⁽²⁾	Malaysia	Investment holding	100	100
Ambertree Vic Mel (Lincoln) Pty Ltd ⁽³⁾	Australia	Investment holding and property investment	100	100
Ambertree Indonesia Ventures Pte. Ltd. ⁽¹⁾	Singapore	Investment holding	100	100
Held by Ambertree Indonesia Ventures Pte. Ltd.				
PT Ambertree Development Jakarta ⁽³⁾	Indonesia	Property development	65	65
Held by HS Optimus Resources Sdn. Bhd.				
HS Optimus Wood Products Sdn. Bhd. ⁽²⁾	Malaysia	Manufacture and supply of doors, mouldings and wood floorings	100	100
HS Optimus Joinery Pte. Ltd. ⁽¹⁾	Singapore	Supply and installation of doors, mouldings and wood floorings	100	100

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

12. Investment in subsidiaries (cont'd)

⁽¹⁾ Audited by Ernst & Young LLP, Singapore

⁽²⁾ Audited by Ernst & Young PLT, Malaysia

⁽³⁾ Audited by Ernst & Young LLP, Singapore for the purpose of consolidation

Summarised financial information of a subsidiary with material non-controlling interest ("NCI")

The Group has the following subsidiary which has NCI that is material to the Group:

Name of subsidiary	Principal place of business	Principal activities	Ownership interests held by NCI	
			2026 %	2025 %
PT Ambertree Development Jakarta ("PTADJ")	Indonesia	Property development	35	35

Summarised financial information including consolidation adjustments but before intercompany eliminations of the subsidiary with material non-controlling interests are as follows:

Summarised statement of financial position

	PTADJ	
	2026 \$	2025 \$
Current assets	25,348,085	27,424,690
Current liabilities	(7,428)	(10,105)
Net assets	25,340,657	27,414,585
Net assets attributable to NCI	8,869,230	9,595,105
Less: Capital contribution by NCI	(2,185,979)	(2,157,260)
Adjusted net assets attributable to NCI	6,683,251	7,437,845

Summarised statement of comprehensive income

	PTADJ	
	2026 \$	2025 \$
(Loss)/profit before tax	(544,818)	88,327
Income tax expense	-	-
(Loss)/profit after tax	(544,818)	88,327
Other comprehensive income	(1,611,166)	(1,438,759)
Total comprehensive income for the year	(2,155,984)	(1,350,432)
Loss allocated to NCI	(754,594)	(472,652)

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

12. Investment in subsidiaries (cont'd)

Summarised statement of cash flows

	PTADJ	
	2026	2025
	\$	\$
Cash flows used in operating activities	(88,122)	(51,108)
Cash flow generated from financing activities	77,377	38,338
Net decrease in cash and cash equivalents	(10,745)	(12,770)

13. Investment property

	Group	
	2026	2025
	\$	\$
Cost		
At beginning of financial year	11,735,829	-
Transfer (to)/from property held-for-sale	(11,932,127)	12,244,802
Currency translation differences	196,298	(508,973)
At end of financial year	-	11,735,829
Accumulated depreciation		
At beginning of financial year	490,157	-
Depreciation charge for the year (Note 7)	193,805	511,414
Transfer to property held-for-sale	(692,161)	-
Currency translation differences	8,199	(21,257)
At end of financial year	-	490,157
Net carrying amount	-	11,245,672

During the financial year, the Group transferred cost and accumulated depreciation of \$11,932,127 and \$692,161 respectively from investment property to property held-for-sale due to the change in the Group's intention to dispose the property located at 23-31 Lincoln Square South, Carlton, Melbourne, Australia and in compliance with SFRS(I) 5. The disposal of the property was completed on 23 December 2025.

In prior year, the Group transferred a carrying amount of \$12,244,802 from property held-for-sale to investment property due to the change in the Group's intention for the property located at 23-31 Lincoln Square South, Carlton, Melbourne, Australia. For further information, please refer to the announcement dated 7 July 2024, 29 July 2024 and 1 November 2024.

Fair valuation of investment property

In prior year, the fair value of the investment property held by the Group in Australia is valued at \$13,392,000. The valuation was performed as of 31 March 2025 based on the property's highest and best use. The valuation was performed by accredited independent valuer with recognised and relevant professional qualifications and recent experience in the location and category of the property being valued. The valuation was carried out based on the Direct Comparison Approach, a comparative method of valuation of the open market value of the subject property, taking into consideration the state and condition of the property. The fair value measurement of the investment property was categorised under Level 3 of the fair value hierarchy (Note 31).

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

14. Financial asset at fair value through profit or loss ("FVTPL")

	Group	
	2026	2025
	\$	\$
<i>Financial asset measured at FVTPL</i>		
At beginning of the financial year	84	55
Fair value gain (Note 5)	42	29
At end of the financial year, representing financial asset at fair value through profit or loss	126	84

The fair value measurement of the financial asset at fair value through profit or loss is categorised within Level 1 of the fair value hierarchy.

15. Development properties

	Group	
	2026	2025
	\$	\$
At beginning of the financial year	14,012,940	12,942,514
Additions	12,519	–
Depreciation of right-of-use asset capitalised	1,524,013	1,635,162
Impairment loss/(reversal of impairment loss) on development properties (Note 7)	(469,140)	140,968
Currency translation differences	(854,295)	(705,704)
At end of the financial year	14,226,037	14,012,940
Net carrying amount of land use rights (Note A)	10,683,112	12,933,847
Total	24,909,149	26,946,787

During the financial year, the Group recognised an impairment loss of \$469,140 (2025: reversal of impairment of \$140,968) on land held for redevelopment.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

15. Development properties (cont'd)

Note A

Land use rights designated as part of development properties relate to right-of-use assets ("ROUA") on the land held by a subsidiary of the Group. Depreciation of ROUA recognised during the year is subsequently capitalised under development properties. The movement of ROUA in relation to land use rights is shown below.

	Group \$
<i>Land use rights designated as part of development properties</i>	
Cost	
At 1 April 2024	25,565,957
Exchange difference	(1,275,303)
At 31 March 2025 and 1 April 2025	24,290,654
Exchange difference	(1,435,314)
At 31 March 2026	22,855,340
Accumulated depreciation	
At 1 April 2024	10,290,279
Depreciation charge	1,635,162
Exchange difference	(568,634)
At 31 March 2025 and 1 April 2025	11,356,807
Depreciation charge	1,524,013
Exchange difference	(708,592)
At 31 March 2026	12,172,228
Net carrying amount	
At 31 March 2026	10,683,112
At 31 March 2025	12,933,847

The information on the land use rights designated as part of development properties is as follows:

Location	Description	Tenure	Building land area (sqm)	Percentage of completion at year end	Expected completion date
Jl. R.A Kartini No. 18, Jakarta, Indonesia	Parcels of land	Expiry date varies from 11 January 2029 to 16 October 2046	7,913	–	Unknown

Fair value of the development properties

As at year end, the fair value of the land use rights designated as part of development properties of the Group is valued at \$22,905,126 (2025: \$24,816,948), excluding VAT and land tax incurred on the land. The valuation was performed by an accredited independent valuer with a recognised and relevant professional qualification and recent experience in the location and category of the properties being valued. The valuation was carried out based on the Direct Comparison Approach, a comparative method of valuation of the open market value of the subject property, taking into consideration the state and condition of the properties. The fair value measurement of the development properties was categorised under Level 3 of the fair value hierarchy.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

16. Property held-for-sale

	Group	
	2026	2025
	\$	\$
Net carrying amount		
At beginning of financial year	-	12,338,745
Transfer from/(to) investment property	11,239,966	(12,244,802)
Disposal	(11,239,966)	-
Currency translation differences	-	(93,943)
At end of financial year	-	-

During the financial year, the Group transferred cost and accumulated depreciation of \$11,932,127 and \$692,161 respectively from investment property to property held-for-sale due to the change in the Group's intention to dispose the property located at 23-31 Lincoln Square South, Carlton, Melbourne, Australia and in compliance with SFRS(I) 5. The disposal of the property was completed on 23 December 2025.

In prior year, the Group transferred a carrying amount of \$12,244,802 from property held-for-sale to investment property due to the change in the Group's intention for the property located at 23-31 Lincoln Square South, Carlton, Melbourne, Australia. For further information, please refer to the announcement dated 7 July 2024, 29 July 2024 and 1 November 2024.

17. Investment in financial asset

	Group	
	2026	2025
	\$	\$
At beginning of financial year	837,000	-
Addition	-	837,000
Redemption	(837,000)	-
At end of financial year	-	837,000

In prior year, the Company's wholly owned subsidiary, Ambertree Vic Mel (Lincoln) Pty Ltd ("ABTL") subscribed for 33 class A preference shares in the capital of One Equity (Fitzroy) Pty Ltd ("1E"), representing 24.8% of the total issued share capital of 1E on a fully-diluted basis for an aggregate subscription amount of A\$1,000,000. A fixed dividend rate of 16% per annum for a 12-month investment period shall accrue on such shares. For further information, please refer to the announcement dated 5 June 2024.

On 25 June 2025, the repurchase of the 33 Class A preference shares in 1E was completed and a total of \$982,011 (A\$1,153,950) including dividend income of \$138,836 (A\$160,000) (after netting off legal fees) was received by ABTL.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

18. Trade and other receivables

	Group		Company	
	2026	2025	2026	2025
	\$	\$	\$	\$
Trade receivables:				
- third parties	1,970,662	3,566,893	-	-
- subsidiaries	-	-	299,529	299,529
	1,970,662	3,566,893	299,529	299,529
Less: Allowance for expected credit losses	(275,325)	(1,980)	(299,529)	(299,529)
	1,695,337	3,564,913	-	-
Other receivables:				
- commitment fees	3,450,000	3,450,000	-	-
- sundry receivables	121,771	222,592	-	300
- deferred purchase consideration ^	452,790	471,687	-	-
- due from subsidiaries (non-trade)	-	-	31,119,999	31,174,002
- refundable deposits	75,744	78,944	19,579	8,169
Less: Allowance for expected credit losses	(3,720,942)	(3,706,671)	(8,551,354)	(8,037,689)
	379,363	516,552	22,588,224	23,144,782
Progress claims paid	1,920,000	1,632,000	-	-
Prepayments	160,598	847,846	31,937	32,003
VAT/GST receivables	460,151	489,940	-	-
	2,920,112	3,486,338	22,620,161	23,176,785
Total trade and other receivables	4,615,449	7,051,251	22,620,161	23,176,785
Less:				
Progress claims paid	(1,920,000)	(1,632,000)	-	-
Prepayments	(160,598)	(847,846)	(31,937)	(32,003)
VAT/GST receivables	(460,151)	(489,940)	-	-
Add:				
Cash and cash equivalents (Note 20)	20,019,865	2,929,460	459,650	306,999
Financial assets at amortised cost	22,094,565	7,010,925	23,047,874	23,451,781

^ Deferred purchase consideration of \$452,790 (2025: \$471,687) relates to outstanding cash consideration from the Purchaser as at year end, arising from the disposal of Key Bay.

Trade receivables

Trade receivables are non-interest bearing and are generally on 0 to 60 days credit term (2025: 0 to 75 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Progress claims paid

Progress claims paid amounting to \$1,920,000 (2025: \$1,632,000) relate to progress claim paid to supplier for acquisition of 6 units of shophouse located in Brunei by a subsidiary of the Company, Ambertree Pte Ltd.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

18. Trade and other receivables (cont'd)

Expected credit losses

The movement in allowance for expected credit losses of trade and other receivables computed based on lifetime ECL are as follows:

	Group		Company	
	2026	2025	2026	2025
	\$	\$	\$	\$
Trade receivables				
At 1 April	1,980	1,869	299,529	299,529
Charge for the year	276,553	-	-	-
Exchange differences	(3,208)	111	-	-
	275,325	1,980	299,529	299,529
Other receivables				
At 1 April	3,706,671	3,706,395	8,037,689	7,267,816
Charge for the year	21,914	-	513,665	769,873
Exchange differences	(7,643)	276	-	-
	3,720,942	3,706,671	8,551,354	8,037,689
At 31 March	3,996,267	3,708,651	8,850,883	8,337,218

Commitment fees

For the financial year ended 31 March 2015, the Group paid a total amount of \$16,200,000 as commitment fees in connection with the three non-binding term sheets, which comprises:

- (i) \$2,200,000 paid under a term sheet in respect of a property development project in Bali, Indonesia ("Bali Term Sheet"). During the financial year 2016, the Group recovered \$2,000,000 commitment fee with remaining balance of \$200,000 due by the counterparty. The Group has made an allowance for impairment loss on the \$200,000 of the commitment fee since financial year 2015.
- (ii) \$7,000,000 paid under a term sheet in respect of a hotel acquisition in Zhangye, Gansu, China ("Zhangye Hotel Term Sheet"). The counterparty in this term sheet is a company incorporated in the British Virgin Islands ("Zhangye counterparty"). During the financial year 2016, the Group fully recovered this commitment fee from the counterparty.
- (iii) \$7,000,000 paid to the Zhangye counterparty under a term sheet in respect of a property development project in Zhangye, Gansu, China ("Zhangye Property Term Sheet"), which remained outstanding as at 31 March 2019. Despite having agreed on a new plan and entered into an agreement to recover the said amount from the counterparty, the Group did not recover the sum and therefore a full allowance for impairment loss recognised since the financial year 2015.

The Group did not enter into any definitive agreement with any of the counterparties by the stipulated deadline in July 2014 and as a result, the commitment fees became due and refundable in full.

The Group entered into another term sheet with the same counterparty, i.e. Zhangye counterparty on 25 May 2015, which sets out certain key indicative terms of a potential transaction proposed to be introduced by the Zhangye counterparty and its director and shareholder to the Company (collectively the "Parties"). The proposal relates to a proposed joint venture in a property development project in Vietnam between the Group and two companies incorporated in Vietnam ("Vietnam Term Sheet").

By entering into the Vietnam Term Sheet, it was agreed amongst the Parties that the outstanding commitment fee amounting to \$7,000,000 owing by the Zhangye counterparty to the Group under the Zhangye Property Term Sheet will be paid into an escrow account by 25 August 2015, which will serve as the commitment fee paid by the Company under the Vietnam Term Sheet.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

18. Trade and other receivables (cont'd)

For commitment fees relating to (iii) above, \$250,000 was recovered during the financial year ended 2019 and \$3,500,000 was recovered during the financial year ended 2020. On 22 November 2015, the Company had announced that it had issued a letter of demand for the remaining \$200,000 but the Board has kept the claim in abeyance in the meantime.

In view of the above payments, reversal of impairment loss of other receivables had also been made in the Group's financial statements.

Accordingly, the remaining outstanding balances of \$3,450,000 relating to the Bali Term Sheet and Vietnam Term Sheet (originally paid under Zhangye Property Term Sheet) amounted to \$200,000 and \$3,250,000 respectively have remained outstanding and fully impaired as at year end.

As at year end, the estate matters of Mr Chan, the defendant, are in the hands of the administrator of Official Assignee Office of the Ministry of Law, pursuant to an application to commence bankruptcy proceedings against Mr Chan on 12 February 2018.

For further details, please refer to the disclosures in the Group's 2021 Annual Report and Note 34.

Due from subsidiaries (non-trade)

These amounts are unsecured, interest-free and repayable on demand.

19. Inventories

	Group	
	2026	2025
	\$	\$
Finished goods	976,637	1,503,295
Work-in-progress	1,706,055	1,709,649
Raw materials	1,462,722	2,407,009
	<u>4,145,414</u>	<u>5,619,953</u>

The cost of inventories recognised as expense and included in "cost of sales" amounted to \$7,333,276 (2025: \$7,473,664).

During the financial year, the Group recognised allowance for inventory obsolescence of \$37,414 (2025: \$152,109).

20. Cash and cash equivalents

	Group		Company	
	2026	2025	2026	2025
	\$	\$	\$	\$
Cash and bank balances	6,505,143	1,619,700	414,018	261,367
Fixed deposits	13,514,722	1,309,760	45,632	45,632
Cash and cash equivalents	<u>20,019,865</u>	<u>2,929,460</u>	<u>459,650</u>	<u>306,999</u>

Fixed deposits of the Group and the Company bear interest rates ranging from 1.95% to 4.50% (2025: from 2.20% to 5.20%) per annum and have a maturity period of 1 to 12 months (2025: 1 to 12 months) from year end.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

21. Trade and other payables

	Group		Company	
	2026	2025	2026	2025
	\$	\$	\$	\$
Trade payables:				
- third parties	427,396	929,823	-	-
Other payables:				
- third parties	131,431	1,036,274	9,845	52,096
Due to a subsidiary (non-trade)	-	-	1,112,348	1,005,372
VAT/GST payables	27,698	27,861	22,428	20,260
Accrued operating expenses:				
- salaries and bonuses	181,147	216,816	42,551	20,921
- professional fees	194,256	322,245	103,709	71,708
- commission fees	73,247	114,356	-	-
- others	262,522	289,256	-	-
Loan from non-controlling shareholder	1,764,561	1,846,592	-	-
	2,634,862	3,853,400	1,290,881	1,170,357
Total	3,062,258	4,783,223	1,290,881	1,170,357
Add: Loans and borrowings # (Note 24)	509,611	2,939,343	-	1,400,000
Less: Provision for unutilised leave	-	(4,043)	-	(3,231)
Less: VAT/GST payables	(27,698)	(27,861)	(22,428)	(20,260)
Financial liabilities at amortised cost	3,544,171	7,690,662	1,268,453	2,546,866

Excluding lease liabilities

Trade payables are unsecured, non-interest bearing and are normally settled between 30 to 90 days (2025: 30 to 90 days) terms.

Due to a subsidiary (non-trade) is unsecured, interest-free and repayable on demand.

The loan from non-controlling shareholder is unsecured, interest-free and repayable on demand.

22. Contract liabilities

	Group	
	2026	2025
	\$	\$
Contract liabilities	5,500	92,325

Contract liabilities relate to the Company's obligation to transfer goods to customers for which the Company has received advances from the customers.

Contract liabilities are recognised as revenue as the Company performs under the contract.

All performance obligations are expected to be recognised within one year.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

23. Share capital

	Group and Company			
	2026	2025	2026	2025
	No. of shares	No. of shares	\$	\$
Issued and fully paid ordinary shares:				
At 1 April and 31 March	5,380,556,316	5,380,556,316	103,170,633	103,170,633

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

24. Loans and borrowings

	Group		Company	
	2026	2025	2026	2025
	\$	\$	\$	\$
Current				
Lease liabilities	101,519	10,318	37,417	-
Loans and borrowings:				
Banker's acceptance	-	41,396	-	-
Bank overdraft	-	110,270	-	-
Foreign currency loan against import	509,611	1,387,677	-	-
Revolving credit facility	-	1,400,000	-	1,400,000
	611,130	2,949,661	37,417	1,400,000
Non-current				
Lease liabilities	471,068	17,906	62,589	-
	471,068	17,906	62,589	-
Total loans and borrowings	1,082,198	2,967,567	100,006	1,400,000

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

24. Loans and borrowings (cont'd)

Foreign currency loan against import

Foreign currency loan against import pertains to short-term loans drawn down to finance the import of inventories.

- (i) The foreign currency loan against import of the Group is secured by ways of the following:
 - (a) corporate guarantee from the Company;
 - (b) negative pledge over certain assets of the Group; and
 - (c) legal charges over certain properties of the Group (Note 26).
- (ii) Foreign currency loan against import is drawn down for a period of up to 120 days (2025: 120 days) and is renewable upon maturity. Interest rates range from 5.03% to 5.65% (2025: 5.48% to 6.63%) per annum.

Banker's acceptance

- (i) Interest is charged for banker's acceptance at rates from 3.95% to 4.61% (2025: 4.59%) per annum. The banker's acceptance of the Group is secured by way of:
 - (a) corporate guarantee from the Company;
 - (b) negative pledge over certain assets of the Group; and
 - (c) legal charges over certain properties of the Group (Note 26).

The banker's acceptance was fully repaid during the financial year ended 31 March 2026.

Bank overdraft

- (i) Interest is charged for bank overdraft at rates at 7.70% (2025: 7.95%) per annum. The banker's acceptance of the Group is secured by way of:
 - (a) corporate guarantee from the Company;
 - (b) negative pledge over certain assets of the Group; and
 - (c) legal charges over certain properties of the Group (Note 26).

The amount was fully repaid during the financial year ended 31 March 2026.

Revolving credit facility

- (i) The revolving credit facility of the Group is secured by way of legal charges over certain properties of the Group (Note 26).
- (ii) Revolving credit facility is drawn down for a period of up to 30 days (2025: 30 days) and is renewable upon maturity. Interest rates range from 2.77% to 3.86% (2025: 3.58% to 4.93%) per annum.

The revolving credit facility was fully repaid during the financial year ended 31 March 2026.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

24. Loans and borrowings (cont'd)

Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group		Company	
	2026	2025	2026	2025
	\$	\$	\$	\$
At 1 April	28,224	29,628	-	-
Additions	636,715	27,759	115,134	-
Accretion of interest	15,725	1,933	1,872	-
Payments	(122,756)	(32,794)	(17,000)	-
Foreign exchange	14,679	1,698	-	-
At 31 March	572,587	28,224	100,006	-
Current	101,519	10,318	37,417	-
Non-current	471,068	17,906	62,589	-
	572,587	28,224	100,006	-

The maturity analysis of lease liabilities is disclosed in Note 30(d).

During the financial year, the Group acquired solar panel by means of lease. The lease of solar panel is secured by the corporate guarantee from HSOR.

Determination of fair value of borrowings

The carrying amounts of borrowings approximates their fair values at the statement of financial position date.

The fair value of the borrowings is determined based on discounted cash flows using market lending rate for similar borrowings which the management expects would be available to the Group and the Company at the statement of financial position date. The fair value of the non-current borrowings at year end approximates its carrying value as there are no significant changes in the interest rate available to the Group at year end. This fair value measurement for disclosure purpose is categorised within Level 3 (2025: Level 3) of the fair value hierarchy.

Reconciliation of liabilities arising from financing activities

A reconciliation of liabilities arising from financing activities is as follows:

	1.4.2025	Cash flows	Non-cash changes			31.03.2026
	\$	\$	Addition	Foreign exchange	Other	\$
	\$	\$	\$	\$	\$	\$
Group						
Loans and borrowings:						
current	2,939,343	(11,444,952)	-	(72,133)	9,087,353	509,611
non-current	-	9,087,353	-	-	(9,087,353)	-
Lease liabilities:						
current	10,318	(107,031)	636,716	14,678	(453,162)	101,519
non-current	17,906	-	-	-	453,162	471,068
Loan from non-controlling interest	1,846,592	27,766	-	(109,797)	-	1,764,561
Total	4,814,159	(2,436,864)	636,716	(167,252)	-	2,846,759

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

24. Loans and borrowings (cont'd)

Reconciliation of liabilities arising from financing activities (cont'd)

	1.4.2024	Cash flows	Non-cash changes			31.03.2025
			Addition	Foreign exchange	Other	
	\$	\$	\$	\$	\$	\$
Group						
Loans and borrowings:						
current	900,098	(3,153,427)	-	(149,331)	5,342,003	2,939,343
non-current	-	5,342,003	-	-	(5,342,003)	-
Lease liabilities:						
current	24,811	(30,861)	27,759	1,698	(13,089)	10,318
non-current	4,817	-	-	-	13,089	17,906
Loan from non-controlling interest	1,929,419	13,888	-	(96,715)	-	1,846,592
Total	2,859,145	2,171,603	27,759	(244,348)	-	4,814,159

25. Deferred tax liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same regulatory authority.

The movement in deferred income tax account is as follows:

	Group	
	2026	2025
	\$	\$
At beginning of the financial year	1,115,990	1,160,211
Recognised in profit or (loss) (Note 9)	(96,544)	(148,641)
Currency translation differences	92,732	104,420
	1,112,178	1,115,990

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

25. Deferred tax liabilities (cont'd)

The following are the major deferred tax liabilities and assets recognised by the Group and the movements thereon, during the current and prior reporting periods:

	Net book values over tax written down values \$	Right-of-use assets \$	Provisions \$	Total \$
Group				
Deferred tax liabilities/(assets)				
At 1 April 2024	1,214,994	(94)	(54,689)	1,160,211
Recognised in the profit or loss	(118,796)	42	(29,887)	(148,641)
Currency translation differences	108,269	(4)	(3,845)	104,420
At 31 March 2025 and 1 April 2025	1,204,467	(56)	(88,421)	1,115,990
Recognised in the profit or loss (Note 9)	(104,034)	76	7,414	(96,544)
Currency translation differences	97,175	(1)	(4,442)	92,732
At 31 March 2026	1,197,608	19	(85,449)	1,112,178

At year end, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is \$11,000,000 (2025: \$15,000,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and these will not reverse in the foreseeable future.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

26. Right-of-use assets

Group as a lessee

The Group has lease contracts for its leasehold land and buildings, office premise and staff hostel. The leasehold building located in Malaysia has a lease term of 99 years. In prior year, Singapore had a leasehold building with a lease term of 60 years. Leases for staff hostels and office premise have lease terms of 1 to 3 years.

The leases of staff hostel and office premise contain extension options but do not contain variable payments and termination options. The remaining leases held by the Group do not contain variable payments, extension and termination options. The Group has certain leases of equipment and motor vehicles with lease terms of 12 months or less and leases of low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Group	Leasehold land and buildings \$	Office premise \$	Hostel \$	Total \$
Cost				
At 1 April 2024	4,015,979	–	56,924	4,072,903
Additions	–	–	6,813	6,813
Disposal	–	–	(24,988)	(24,988)
Exchange difference	112,880	–	3,023	115,903
At 31 March 2025 and 1 April 2025	4,128,859	–	41,772	4,170,631
Additions	–	115,134	42,785	157,919
Disposal	(2,339,679)	–	(35,571)	(2,375,250)
Exchange difference	106,240	–	2,428	108,668
At 31 March 2026	1,895,420	115,134	51,414	2,061,968
Accumulated depreciation and impairment				
At 1 April 2024	455,338	–	33,344	488,682
Depreciation charge	72,228	–	21,361	93,589
Disposal	–	–	(24,988)	(24,988)
Exchange difference	44,287	–	1,910	46,197
At 31 March 2025 and 1 April 2025	571,853	–	31,627	603,480
Depreciation charge	58,496	15,991	23,919	98,406
Disposal	(375,145)	–	(35,571)	(410,716)
Exchange difference	43,851	–	2,211	46,062
At 31 March 2026	299,055	15,991	22,186	337,232
Net carrying amount				
At 31 March 2026	1,596,365	99,143	29,228	1,724,736
At 31 March 2025	3,557,006	–	10,145	3,567,151

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

26. Right-of-use assets (cont'd)

Group as a lessee (cont'd)

Company	Leasehold buildings \$	Office premise \$	Total \$
Cost			
At 1 April 2024, 31 March 2025, 1 April 2026	2,339,679	–	2,339,679
Additions	–	115,134	115,134
Disposal	(2,339,679)	–	(2,339,679)
At 31 March 2026	–	115,134	115,134
Accumulated depreciation			
At 1 April 2024	310,386	–	310,386
Depreciation charge	39,920	–	39,920
At 31 March 2025 and 1 April 2025	350,306	–	350,306
Depreciation charge	24,839	15,991	40,830
Disposal	(375,145)	–	(375,145)
At 31 March 2026	–	15,991	15,991
Net carrying amount			
At 31 March 2026	–	99,143	99,143
At 31 March 2025	1,989,373	–	1,989,373

The following are the amounts recognised in profit or loss:

	Group	
	2026 \$	2025 \$
Depreciation of right-of-use assets (Note 7)	98,406	93,589
Interest expenses on lease liabilities (Note 6)	15,724	1,933
Expenses relating to short term leases or low value assets (Note 7)	23,095	27,011
	137,225	122,533

Impairment of leasehold land and building - Group and Company

The Group has performed an impairment test when there are observable indicators that the asset's value has declined during the period significantly more than would be expected as a result of normal use and the subsidiary had been persistently making losses.

In prior year, the fair value of a leasehold building of the Company located at CT Hub, Singapore was valued at \$2,444,000.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

26. Right-of-use assets (cont'd)

Group as a lessee (cont'd)

Impairment of leasehold land and building - Group and Company (cont'd)

Significant inputs used in the valuation are the price per square foot of comparable properties in the vicinity, ranging from \$901 to \$1,034 per square foot for CT hub buildings. Appropriate adjustments have been made between comparable properties and the subject property to reflect the differences in size, tenure, type of property and other relevant factors affecting its value. Higher/lower price per square foot will result in a higher/lower fair value measurement. The fair value measurement is categorised under Level 3 of the fair value hierarchy.

The above valuation was determined based using the Direct Comparison Approach, a comparative method of valuation of the open market value of the subject property, taking into consideration the state and condition of the property.

The leasehold building of the Company located at CT Hub was sold during the year for proceeds of \$2,520,888.

Right-of-use assets financed through lease

The Group's addition of right-of-use assets for the financial year is settled by lease financing of \$157,919 (2025: \$6,813). The Group had total cash outflows for leases of \$145,850 (2025: \$59,805) in 2026.

27. Foreign currency translation reserves

	Foreign currency translation reserve \$
Group	
2026	
At beginning of the financial year	(10,980,891)
Net exchange differences on translation of financial statements of foreign subsidiaries	(488,805)
At end of the financial year	<u>(11,469,696)</u>
2025	
At beginning of the financial year	(9,825,439)
Net exchange differences on translation of financial statements of foreign subsidiaries	(1,155,452)
At end of the financial year	<u>(10,980,891)</u>

The foreign currency translation reserve represents exchange differences arising from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. Foreign currency translation reserve is non-distributable.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

28. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

Compensation of key management personnel

	Group	
	2026	2025
	\$	\$
<i>Directors of the Company</i>		
- Salaries and related costs	468,450	416,400
- Directors' fees	203,000	203,000
<i>Directors of subsidiaries</i>		
- Directors' fees	144,846	139,043
<i>Other key management personnel</i>		
- Salaries and related costs	678,001	611,232
- Employer's contribution to defined contribution plans	16,422	16,422
	<u>1,510,719</u>	<u>1,386,097</u>

A summary of key management personnel compensation is as follows:

	Group	
	2026	2025
	\$	\$
Salaries and related costs	1,146,451	1,027,632
Directors' fees	347,846	342,043
Employer's contribution to defined contribution plans	16,422	16,422
	<u>1,510,719</u>	<u>1,386,097</u>

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entities. All directors and certain managers are considered key management personnel.

29. Contingent liabilities

	Company	
	2026	2025
	\$	\$
<i>Corporate guarantee</i>		
Guarantee issued for bank facilities granted to subsidiaries (Note 24)	<u>3,396,393</u>	<u>2,757,300</u>
Amounts utilised by subsidiaries	<u>951,596</u>	<u>1,429,073</u>

The directors have assessed the fair values of these financial guarantees to have no material financial impact on the results for the financial year ended 31 March 2026 and 31 March 2025. The credit risk of the financial guarantees is assessed under Note 30(c) in the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

30. Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks from its operations. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk.

The Board of Directors reviews and agrees on policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken, except for the use as hedging instruments where appropriate and cost-efficient. The Group does not apply hedge accounting.

There has been no change to the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks for the financial years ended 31 March 2026 and 31 March 2025.

The following sections provide details regarding the Group's exposure to the risks and the objectives, policies and processes for the management of these risks.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group has currency exposure arising from transactions, assets and liabilities that are denominated in currencies other than the respective functional currencies of entities of the Group. The Group's exposure to foreign currency risk is mainly related to United States Dollar ("USD"). The Company has investments in foreign subsidiaries whose net assets are exposed to currency translation risk. The Group does not have a policy to hedge its exposure to foreign currency risk.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the Group's functional currency are as follows:

	Group	
	2026	2025
	\$	\$
USD		
Financial assets		
Trade and other receivables	1,915,270	3,735,942
Cash and cash equivalents	3,253,143	2,218,630
	<u>5,168,413</u>	<u>5,954,572</u>
Financial liabilities		
Trade and other payables	496,553	848,016
Loans and borrowings	509,610	1,387,677
	<u>1,006,163</u>	<u>2,235,693</u>
Net financial assets denominated in foreign currency exposure	<u>4,162,250</u>	<u>3,718,879</u>

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

30. Financial risk management objectives and policies (cont'd)

(a) Foreign currency risk (cont'd)

	Company	
	2026	2025
	\$	\$
USD		
Financial asset		
Cash and bank balances	16,409	16,226
	16,409	16,226
Financial liabilities		
Trade and other payables	1,618,950	1,471,680
	1,618,950	1,471,680
Net financial liabilities denominated in foreign currency exposure	(1,602,541)	(1,455,454)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in the USD and AUD exchange rates against the respective functional currencies, with all other variables held constant.

If the relevant foreign currency weakens/strengthens by 10% against the functional currency of the Group, the effects are shown in the table below:

	Group	
	2026	2025
	\$	\$
	Decrease/ (increase) profit before tax	Increase/ (decrease) loss before tax
USD/SGD		
weakened 10% (2025: 10%)	345,467	308,667
strengthened 10% (2025: 10%)	(345,467)	(308,667)

The Group is also exposed to currency translation risk arising from its net investment in its foreign operation in other countries mainly Malaysia (2025: Malaysia). The Group's net investments in Malaysia and Australia are not hedged as currency positions in Malaysian Ringgit, Australian Dollar and United States are considered to be long-term in nature.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from its loans and borrowings that are charged floating interest rates and interest rates on its fixed deposits. The Group's policy is to obtain comparative interest rates under the most favourable terms and conditions without increasing its foreign currency exposure and place surplus funds with reputable banks.

Summary quantitative data of the Group's interest-bearing financial instruments can be found in Note 24.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

30. Financial risk management objectives and policies (cont'd)

(b) Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

At year end, if interest rates had been 100 (2025: 100) basis points higher/lower with all other variables were held constant, the Group's profit/(loss) before tax would decrease/increase by \$131,274 (2025: increase/decrease by \$10,223). This is mainly attributable to the Group's exposure to interest rates on its floating rate loans and borrowings as well as the interest rates on its fixed deposits.

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties. It is the Group's policy that all customers whose wish to trade on credit terms are subject to credit verification procedures. Exposure to the credit risk is monitored on an ongoing basis.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the Group's Finance department based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the Group's Finance department.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments within a specific period given, which is individually determined by respective entities within the Group based on individual default considerations and historical information.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the Group and changes in the operating results of the debtor

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

30. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is past due for more than a specific period given as individually determined by respective entities within the Group based on individual default considerations.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a receivable for potential write-off when a debtor fails to make contractual payments within the specific period given. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Group's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	There is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
III	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

Exposure to credit risk

At year end, \$1,601,772 (2025: \$3,149,069) of the Group's trade receivables were due from 2 (2025: 2) major customers in the door business segment, who supply building materials in the United Kingdom. 84% (2025: 85%) of the Company's other receivables were balances with 2 (2025: 2) subsidiaries.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

30. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

Movements in allowance for expected credit losses are as follows:

	Trade receivables \$	Other receivables \$	Total \$
Group			
Balance at 1 April 2024	1,869	3,706,395	3,708,264
Currency translation differences	111	276	387
Balance at 31 March 2025 and 1 April 2025	1,980	3,706,671	3,708,651
Provision for lifetime ECL - credit-impaired	276,553	21,914	298,467
Currency translation differences	(3,208)	(7,643)	(10,851)
Balance at 31 March 2026	275,325	3,720,942	3,996,267
			Amounts due from subsidiaries \$
Company			
Balance at 1 April 2024			7,567,345
Loss allowance provided:			
- Provision for lifetime ECL - credit-impaired			769,873
Balance at 31 March 2025 and 1 April 2025			8,337,218
Loss allowance provided:			
- Provision for lifetime ECL - credit-impaired			513,665
Balance at 31 March 2026			8,850,883

Trade receivables

The Group has applied the simplified approach to measure the lifetime expected credit loss allowance for trade receivables.

The Group has recognised a loss allowance of 100% against all trade receivables over 365 days past due because historical experience has indicated that these receivables are generally not recoverable. A trade receivable is written off when there is information indicating that there is no realistic prospect of recovery from the debtor.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

30. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

Trade receivables (cont'd)

The table below details the credit quality of the Group's and the Company's financial assets:

	12-month or lifetime ECL	Gross carrying amount \$	Allowance for expected credit losses \$	Net carrying amount \$
Group				
31 March 2026				
Trade receivables	Lifetime ECL - credit-impaired	1,970,662	(275,325)	1,695,337
Other receivables				
- commitment fees	Lifetime ECL - credit-impaired	3,450,000	(3,450,000)	-
- sundry receivables	12-month ECL	76,579	-	76,579
	Lifetime ECL - credit-impaired	45,192	(45,192)	-
- deferred purchase consideration	Lifetime ECL - credit-impaired	452,790	(225,750)	227,040
- refundable deposits	12-month ECL	75,744	-	75,744
Cash and cash equivalents	12-month ECL	20,019,865	-	20,019,865
31 March 2025				
Trade receivables	Lifetime ECL - credit-impaired	3,566,893	(1,980)	3,564,913
Other receivables				
- commitment fees	Lifetime ECL - credit-impaired	3,450,000	(3,450,000)	-
- sundry receivables	12-month ECL	201,121	-	201,121
	Lifetime ECL - credit-impaired	21,471	(21,471)	-
- deferred purchase consideration	Lifetime ECL - credit-impaired	471,687	(235,200)	236,487
- refundable deposits	12-month ECL	78,944	-	78,944
Cash and cash equivalents	12-month ECL	2,929,460	-	2,929,460

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

30. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

Trade receivables (cont'd)

	12-month or lifetime ECL	Gross carrying amount \$	Allowance for expected credit losses \$	Net carrying amount \$
Company				
31 March 2026				
Trade receivables	Lifetime ECL -credit-impaired	299,529	(299,529)	-
Due from subsidiaries	12-month ECL	22,568,645	-	22,568,645
	Lifetime ECL -credit-impaired	8,551,354	(8,551,354)	-
Cash and cash equivalents	12-month ECL	459,650	-	459,650
Other receivables	12-month ECL	19,579	-	19,579
31 March 2025				
Trade receivables	Lifetime ECL -credit-impaired	299,529	(299,529)	-
Due from subsidiaries	12-month ECL	23,136,313	-	23,136,313
	Lifetime ECL -credit-impaired	8,037,689	(8,037,689)	-
Cash and cash equivalents	12-month ECL	306,999	-	306,999
Other receivables	12-month ECL	8,469	-	8,469

Information regarding movement of allowance for expected credit losses of trade and other receivables are disclosed in Note 18.

Amounts due from subsidiaries and loan to subsidiary

For amounts due from subsidiaries of \$31,419,528 (2025: \$31,473,531), the Company assessed the latest performance and financial position of the respective subsidiaries, taking into consideration the subsidiaries' future outlook of the industry in which the subsidiaries operate and the fair value of the development properties held by one of the subsidiaries, and assessed for changes in credit risk since the initial recognition of the financial assets. Accordingly, the Company recognised the impairment loss allowance using lifetime ECL of \$8,850,883 (2025: \$8,337,218).

Financial guarantees

The Company has issued financial guarantees to banks for borrowings of its subsidiary. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiary has strong financial capacity to meet the contractual cash flow obligations, and that the borrowings is also secured by legal charges over the subsidiary's leasehold land and building in Malaysia where its fair value exceeds its net carrying value as at year end. Therefore, the Company does not expect significant credit losses arising from these guarantees.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

30. Financial risk management objectives and policies (cont'd)

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

To manage liquidity risk, the Group monitors its net operation cash flows and maintains an adequate level of cash and cash equivalents and funding facilities from banks. In assessing the adequacy of these funding facilities, management reviews its working capital requirement regularly.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayments obligations.

	One year or less \$	More than one to five years \$	Total \$
Group			
2026			
Financial assets:			
Trade and other receivables	2,074,700	–	2,074,700
Cash and cash equivalents	20,019,865	–	20,019,865
Financial asset at FVTPL	126	–	126
Total undiscounted financial assets	22,094,691	–	22,094,691
Financial liabilities:			
Trade and other payables	3,034,560	–	3,034,560
Interest bearing borrowings			
- Foreign currency loan against import (floating rates)	509,611	–	509,611
Lease liabilities	188,075	473,137	661,212
Total undiscounted financial liabilities	3,732,246	473,137	4,205,383
Total net undiscounted financial assets	18,362,445	(473,137)	17,889,308

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

30. Financial risk management objectives and policies (cont'd)

(d) Liquidity risk (cont'd)

	One year or less \$	More than one to five years \$	Total \$
Group			
2025			
Financial assets:			
Trade and other receivables	4,081,465	–	4,081,465
Cash and cash equivalents	2,929,460	–	2,929,460
Financial asset at FVTPL	84	–	84
Investment in financial asset	837,000	–	837,000
Total undiscounted financial assets	7,848,009	–	7,848,009
Financial liabilities:			
Trade and other payables	4,751,319	–	4,751,319
Interest bearing borrowings			
- Banker's acceptance (floating rates)	43,296	–	43,296
- Bank overdraft (floating rates)	119,037	–	119,037
- Foreign currency loan against import (floating rates)	1,471,770	–	1,471,770
- Revolving credit facility (floating rates)	1,453,760	–	1,453,760
Lease liabilities	10,995	20,256	31,251
Total undiscounted financial liabilities	7,850,177	20,256	7,870,433
Total net undiscounted financial liabilities	(2,168)	(20,256)	(22,424)
	One year or less \$	More than one to five years \$	Total \$
Company			
2026			
Company			
Financial assets:			
Trade and other receivables	22,588,224	–	22,588,224
Cash and cash equivalents	459,650	–	459,650
Total undiscounted financial assets	23,047,874	–	23,047,874
Financial liabilities:			
Trade and other payables	1,268,453	–	1,268,453
Lease liabilities	40,800	64,600	105,400
Total undiscounted financial liabilities	1,309,253	64,600	1,373,853
Total net undiscounted financial liabilities	21,738,621	(64,600)	21,674,021

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

30. Financial risk management objectives and policies (cont'd)

(d) Liquidity risk (cont'd)

	One year or less \$	Total \$
Company		
2025		
Company		
Financial assets:		
Trade and other receivables	23,144,782	23,144,782
Cash and cash equivalents	306,999	306,999
Total undiscounted financial assets	23,451,781	23,451,781
Financial liabilities:		
Trade and other payables	1,146,866	1,146,866
Interest bearing borrowings		
- Revolving credit facility (floating rates)	1,453,760	1,453,760
Total undiscounted financial liabilities	2,600,626	2,600,626
Total net undiscounted financial liabilities	20,851,155	20,851,155

The table below shows the contractual expiry by maturity of the Company's contingent liabilities. The maximum amount of the financial guarantee contracts is allocated to the earliest period in which the guarantee could be called.

	One year or less 2026 \$	2025 \$
Company		
Financial guarantees	3,396,393	2,757,300

The directors have assessed the fair values of these financial guarantees to have no material financial impact on the financial statements of the Company for the financial years ended 31 March 2026 and 31 March 2025.

31. Fair value of financial assets and liabilities

(a) Fair value hierarchy

The table below analyses the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

- (i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and
- (iii) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

31. Fair value of financial assets and liabilities (cont'd)

(b) Fair value measurements of assets and liabilities that are measured at fair value

There were no assets and liabilities that are measured at fair value at year end, except for financial assets at fair value through profit or loss (Note 14).

The following table presents the level of fair value hierarchy for each class of asset measured at fair value on the statement of financial position date:

	Level 1 \$	Total \$
Group		
2026		
Recurring fair value measurement		
Financial assets at fair value through profit or loss	126	126
2025		
Recurring fair value measurement		
Financial assets at fair value through profit or loss	84	84

There has been no transfer between Level 1, Level 2 and Level 3 of the fair value hierarchy during the financial years ended 31 March 2026 and 31 March 2025.

(c) Fair value of financial instruments by classes that are not carried measured at fair value

The carrying amounts of financial assets and financial liabilities reported on the statement of financial positions are reasonable approximation of their fair values, due to their short-term nature and the effect of discounting is immaterial, or that they are floating rate instruments that are repriced to market interest rate on or near year end,

(d) Assets not carried at fair value but for which fair value is disclosed

		Fair value measurements as the end of the reporting period using Significant unobservable inputs (Level 3)	
	Note	\$	Total \$
Group			
Recurring fair value measurements			
2026			
Assets			
Development properties	15	22,905,126	22,905,126
2025			
Assets			
Investment property	13	13,392,000	13,392,000
Development properties	15	24,816,948	24,816,948

Fair values of the development properties and investment property are based on independent valuations performed and further details are disclosed in Notes 13 and 15 of the financial statements respectively.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

31. Fair value of financial assets and liabilities (cont'd)

(d) Assets not carried at fair value but for which fair value is disclosed (cont'd)

Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value at year end \$	Valuation technique	Unobservable inputs	Range (weighted average)
Group 2026				
Development properties	22,905,126	Direct Comparison Approach	Yield adjustments based on management's assumptions*	2.1% - 2.5%
2025				
Investment property	13,392,000	Direct Comparison Approach	Yield adjustments based on management's assumptions*	36% - 330%
Development properties	24,816,948	Direct Comparison Approach	Yield adjustments based on management's assumptions*	1.1% - 1.2%

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

For investment property and development properties, a significant increase/(decrease) in yield adjustments based on management's assumptions would result in a significantly lower/(higher) fair value measurement.

32. Segment information

The Group has four reportable segments, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different business strategies. For each of the strategic business units, the Group's Executive Directors review internal management reports on a quarterly basis.

The following summary describes the operation in each of the Group's reportable segments:

(a) Investment segment

This relates to investment holding companies.

(b) Door business segment

This relates to the manufacture and distribution of doors, furniture and fittings, wood related products and supply and installation of doors.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

32. Segment information (cont'd)

(c) Property business segment

This relates to rental of premises, property developments and investments.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit, as included in the internal management reports that are reviewed by the Executive Directors. Segment assets consist of property, plant and equipment, investment property, financial assets at fair value through profit or loss, development properties, property held-for-sale, prepayments, trade and other receivables, inventories, disposal group assets classified as held-for-sale, and cash and cash equivalents. Segment liabilities comprise operating liabilities and exclude items such as income tax payable, deferred tax liabilities and borrowings. Capital expenditure comprises additions to property, plant and equipment (Note 11) and right-of-use assets (Note 26).

The segment information provided to management for the reportable business segments are as follows:

	Investment \$	Door business \$	Property business \$	Total \$
31 March 2026				
Segment revenue				
Sales - external	–	13,551,029	–	13,551,029
Segment loss	(2,133,068)	(601,090)	(804,565)	(3,538,723)
Other income				6,438,463
Finance costs				(355,115)
Profit before tax				2,544,625
Income tax credit				13,764
Profit for the financial year				2,558,389
Assets				
Segment and consolidated total assets	695,706	17,034,222	43,281,176	61,011,104
Liabilities				
Segment liabilities	178,533	1,096,566	1,792,659	3,067,758
Borrowings	–	982,192	100,006	1,082,198
Deferred tax liabilities	–	1,112,178	–	1,112,178
Consolidated total liabilities	178,533	3,190,936	1,892,665	5,262,134
Other segment items				
Allowance for inventory obsolescence	–	37,414	–	37,414
Depreciation of investment property	–	–	193,805	193,805
Depreciation of property, plant and equipment	11,991	595,404	–	607,395
Depreciation of right-of-use assets	40,830	57,576	–	98,406
Gain on disposal of property held-for-sale	–	–	(5,567,350)	(5,567,350)
Gain on disposal of right-of-use assets	(556,354)	–	–	(556,354)
Impairment loss on development properties	–	–	469,140	469,140
Provision for expected credit loss of trade receivables	–	276,553	–	276,553
Provision for expected credit loss of other receivables	–	21,914	–	21,914

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

32. Segment information (cont'd)

	Investment \$	Door business \$	Property business \$	Total \$
31 March 2025				
Segment revenue				
Sales - external	–	14,443,619		14,443,619
Segment (loss)/profit	(2,059,939)	585,461	(3,054,440)	(4,528,918)
Other income				2,362,032
Finance costs				(110,814)
Loss before tax				(2,277,700)
Income tax expense				(305,739)
Loss for the financial year				(2,583,439)
Assets				
Segment and consolidated total assets	2,431,800	19,085,258	41,979,047	63,496,105
Liabilities				
Segment liabilities	164,985	1,832,397	2,878,166	4,875,548
Borrowings	1,400,000	1,567,567	–	2,967,567
Deferred tax liabilities	–	1,115,990	–	1,115,990
Income tax payable	–	293,706	–	293,706
Consolidated total liabilities	1,564,985	4,809,660	2,878,166	9,252,811
Other segment items				
Allowance for inventory obsolescence	–	152,109	–	152,109
Depreciation of property, plant and equipment	13,147	595,586	77	608,810
Depreciation of right-of-use assets	39,920	53,669	–	93,589
Depreciation of investment property	–	–	511,414	511,414
Gain on disposal of property, plant and equipment	–	(1,337)	–	(1,337)
Gain on deregistration of subsidiary	–	(1,918,475)	–	(1,918,475)
Reversal of impairment loss on development properties	–	–	(140,968)	(140,968)

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

32. Segment information (cont'd)

Geographical information

The Group's four business segments operate in following geographical areas:

Singapore/Australia/Indonesia

The Company is headquartered in Singapore. The areas of operation mainly relate to supply and installation of doors and wood-based floorings, import and distribution of doors, locksets ironmongeries, furniture and fittings, wood related products, rental of premises, investment property, investment holding, development of land and property and provision of property financing.

Malaysia

The main activities are the manufacturing and supply of wood-based doors, mouldings and floorings.

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follow:

	Group Revenue		Group Non-current assets	
	2026	2025	2026	2025
	\$	\$	\$	\$
Singapore	367,540	120,256	182,022	2,082,109
Malaysia	325	–	7,085,777	6,783,789
Australia	–	–	–	11,245,672
Brunei	773	–	–	–
United Kingdom	12,214,083	13,652,454	–	–
Ireland	968,308	670,909	–	–
	<u>13,551,029</u>	<u>14,443,619</u>	<u>7,267,799</u>	<u>20,111,570</u>

Non-current assets presented above excludes financial assets at fair value through profit or loss.

Information about major customers

Revenue of approximately \$12,713,750 (2025: \$13,972,080) are derived from 2 (2025: 2) external customers who individually contributed 10% or more of the Group's revenue and are attributable to the segments as detailed below:

		Group	
		2026	2025
		\$	\$
Customer	Attributable segments		
Customer 1	Door business	5,525,492	6,138,774
Customer 2	Door business	–	1,359,149
Customer 3	Door business	968,308	670,909
Customer 4	Door business	6,219,950	5,803,248
		<u>12,713,750</u>	<u>13,972,080</u>

Notes to the Financial Statements

For the Financial Year Ended 31 March 2026

33. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue new shares or obtain new borrowings.

The Group's overall strategy remains unchanged from prior year.

The Group monitors its capital structure based on the Group's net debt and total equity. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt. The Group is not subjected to any externally imposed capital requirements for the financial year ended 31 March 2026 and 31 March 2025.

	Group		Company	
	2026	2025	2026	2025
	\$	\$	\$	\$
Total borrowings	1,082,198	2,967,567	100,006	1,400,000
Less: Cash and cash equivalents	(20,019,865)	(2,929,460)	(459,650)	(306,999)
Net (surplus)/deficit	(18,937,667)	38,107	(359,644)	1,093,001
Total equity	49,065,719	46,805,449	50,726,232	58,441,884
Total capital	30,128,052	46,843,556	50,366,588	59,534,885

34. Legal claims and contingent liabilities

As at 31 March 2020, both the Bankruptcy Appeal and Suit 918 had concluded, bringing closure to a series of claims and counterclaims which commenced on 7 September 2015 through a writ of summons and statement of claim issued against Mr Michael Chan ("Mr Chan") in the High Court Suit No.918/2015 ("Suit 918"), cumulating with Bankruptcy Order HC/ORC 5043/2018 and the staying of that order by 7 October 2019.

As at year-end, the estate matters of Mr Chan are in the hands of the administrator of Official Assignee Office of the Ministry of Law and a provision for expected credit loss amounting to S\$3,450,000 in relation to Suit 918 above remains in the balance sheet as a result of impairment (Note 18).

With respect to the counterclaims filed against the Company, which has since concluded, the directors of the Company, based on legal advice obtained, are of the view that there are no further liabilities required to be recognised in the financial statements, save for the above.

For further details, please refer to the disclosures in the Group's 2021 Annual Report.

35. Subsequent events

On 3 June 2026, HS Optimus Holdings Limited ("HSOH") entered into a sales and purchase agreement ("SPA") with Lee Rui Ren (the "Seller") for the proposed acquisition of 7,500 ordinary shares in Medicorp Sdn Bhd ("Medicorp"), representing 30% of the total issued share capital of Medicorp. Upon completion, Medicorp will become an associated company of the Group.

36. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2026 were authorised for issue in accordance with a directors' resolution dated 30 June 2026.

Statistics of Shareholdings

As at 19 June 2026

Number of shares	:	5,380,556,316
Class Shares	:	Ordinary Shares
Voting Rights	:	One vote per share
Number of shares held in treasury	:	Nil
Number of subsidiary holdings	:	Nil

Based on information available to the Company as at 19 June 2026, approximately 76.59% of the total issued share capital (excluding treasury shares) of the Company is held by the public and, therefore, Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited is complied with.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	42	1.61	632	0.00
100 - 1,000	127	4.88	105,886	0.00
1,001 - 10,000	447	17.18	2,719,631	0.05
10,001 - 1,000,000	1,652	63.49	388,157,680	7.22
1,000,001 AND ABOVE	334	12.84	4,989,572,487	92.73
TOTAL	2,602	100.00	5,380,556,316	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	LEE HAN PENG	744,466,200	13.84
2	UOB KAY HIAN PRIVATE LIMITED	605,608,500	11.26
3	PHILLIP SECURITIES PTE LTD	313,910,047	5.83
4	LIM MONG LUI	263,720,200	4.90
5	DB NOMINEES (SINGAPORE) PTE LTD	160,257,100	2.98
6	CITIBANK NOMINEES SINGAPORE PTE LTD	136,680,377	2.54
7	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	131,370,000	2.44
8	MAYBANK SECURITIES PTE. LTD.	119,238,100	2.22
9	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	110,994,271	2.06
10	ABN AMRO CLEARING BANK N.V.	106,987,400	1.99
11	LIEW WING ONN	105,769,200	1.97
12	NG KWEE CHEK	89,000,000	1.65
13	BUN HUI PING	86,733,100	1.61
14	OCBC SECURITIES PRIVATE LIMITED	85,928,900	1.60
15	DBS NOMINEES (PRIVATE) LIMITED	79,717,900	1.48
16	NG HIAN WOON	78,242,100	1.45
17	MICHAEL KOH KOW TEE	77,289,000	1.44
18	TAN MENG CHIANG	62,205,000	1.16
19	HENG YONG SENG	43,000,000	0.80
20	WONG LEH ING	39,997,000	0.74
	TOTAL	3,441,114,395	63.96

Statistics of Shareholdings

As at 19 June 2026

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	No. of Shares	
	Direct Interest	Indirect Interest
Pengiran Muda Abdul Qawi	–	500,000,000 [#]
Lee Han Peng	744,466,200	–

[#] Interest registered under UOB Kay Hian Private Limited

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of HS Optimus Holdings Limited (the "**Company**") will be held on 31 July 2026 (Friday) at 10.00 a.m. at Level 3, Function Room 3-3, 60 Cecil Street, ISCA House, Singapore 049709 for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2026 together with the Auditors' Report thereon. **(Resolution 1)**
2. To approve the payment of Directors' fees of up to S\$203,000/- for the financial year ending 31 March 2027 (2026: S\$203,000/-). **(Resolution 2)**
3. To re-elect Mr Chia Fook Sam, as a Director of the Company, who ceases to hold office in accordance with Regulation 109 of the Company's Constitution and Rule 720(4) of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and being eligible, offers himself for re-election.
[See Explanatory Note 1] **(Resolution 3)**
4. To re-elect Mr Ang Wee Ming, as a Director of the Company, who ceases to hold office in accordance with Regulation 109 of the Company's Constitution and Rule 720(4) of the Catalist Rules of the SGX-ST and being eligible, offers himself for re-election.
[See Explanatory Note 2] **(Resolution 4)**
5. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**
6. To transact any other ordinary business which may properly be transacted at an annual general meeting.

SPECIAL BUSINESS

7. **"ORDINARY RESOLUTION - SHARE ISSUE MANDATE"** **(Resolution 6)**
That pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") and Rule 806 of the Catalist Rules of the SGX-ST, authority be and is hereby given to the Directors of the Company to:
 - (a) (i) allot and issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

Notice of Annual General Meeting

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force), issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force, provided that:
 - (i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 100% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b)(ii) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b)(ii) below);
 - (ii) subject to such calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (b)(i) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, at the time this Resolution is passed after adjusting for:
 - (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities which are issued and outstanding or subsisting at the time of the passing of this Resolution;
 - (b) new Shares arising from exercising share options or vesting of share awards which are issued and outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;provided that any adjustments made in accordance with (b)(ii)(a) or (b)(ii)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time this Resolution is passed;
 - (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Company's Constitution; and
 - (iv) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until (i) the conclusion of the next Annual General Meeting of the Company or (ii) the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note 3]

Notice of Annual General Meeting

8. "ORDINARY RESOLUTION - PROPOSED RENEWAL OF SHARE PURCHASE MANDATE

(Resolution 7)

That:

- a. for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to but not exceeding the Maximum Price (as hereafter defined), whether by way of:

- (i) on-market purchase(s) ("**On-Market Share Purchase(s)**") transacted on the SGX-ST through the SGX-ST's ready market trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted (the "**Other Exchange**"), through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (ii) off-market purchase(s) ("**Off-Market Share Purchase(s)**") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, the Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

- b. unless revoked or varied by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

- (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held (whereupon it will lapse, unless renewed at such meeting);
- (ii) the date on which the purchases and/or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company at general meeting (if so varied or revoked prior to the next Annual General Meeting);

- c. in this Resolution:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded on the SGX-ST, immediately preceding the date of making the On-Market Share Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to Off-Market Share Purchase, and deemed to be adjusted in accordance with the Catalyst Rules for any corporate action that occurs during the relevant five (5) Market Days' period and the day on which such purchases were made;

"closing market price" means the last dealt price for a Share transacted through the SGX-ST's trading system as shown in any publication of the SGX-ST or other sources;

Notice of Annual General Meeting

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price for an Off-Market Share Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase;

"Market Day" means a day on which the SGX-ST is open for trading in securities;

"Maximum Percentage" means that number of issued Shares representing 10% of the issued Shares (excluding subsidiary holdings and treasury shares) as at the date of the passing of this Resolution unless the Company has effected a reduction of its issued share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued share capital of the Company shall be taken to be the issued share capital of the Company as altered (excluding subsidiary holdings and any treasury shares that may be held by the Company as at that date);

"Maximum Price" in relation to a Share to be purchased, means an amount per Share (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price,

in either case, excluding related expenses of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate;

"Relevant Period" means the period commencing from the date of the general meeting at which the renewal of the Share Purchase Mandate is approved and expiring on the earliest of:

- (i) the date on which the next annual general meeting of the Company is held or required by law to be held (whereupon it will lapse, unless renewed at such meeting);
 - (ii) the date on which the purchases and/or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company at general meeting (if so varied or revoked prior to the next Annual General Meeting);
- d. the Directors of the Company be and are hereby authorised to deal with the Shares purchased or acquired by the Company, pursuant to the Share Purchase Mandate, in any manner as they think fit, which is permitted under the Companies Act; and
 - e. the Directors and/or any of them be and are/is hereby authorised and empowered to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution."

[See Explanatory Note 4]

Notice of Annual General Meeting

9. "SPECIAL RESOLUTION - PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY" (Resolution 8)

That:

- (a) the New Constitution submitted to this meeting and reproduced in its entirety in the Appendix dated 9 July 2026 be approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the Existing Constitution; and
- (b) the Directors and/or any of them be and are/is hereby authorised and empowered to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

[See Explanatory Note 5]

BY ORDER OF THE BOARD

Gwendolin Lee Soo Fern/Lai Kuan Loong, Victor
Company Secretaries

9 July 2026
Singapore

Explanatory Notes:

1. **Ordinary Resolution 3** is in respect of Mr Chia Fook Sam, who is retiring by rotation in accordance with Regulation 109 of the Company's Constitution and Rule 720(4) of the Catalist Rules.

Mr Chia Fook Sam shall upon re-election, remain as an Executive Director and Chief Operating Officer of the Company.

Key information on Mr Chia Fook Sam as required pursuant to Rule 720(5) of the Catalist Rules can be found in the sections titled "Board of Directors" and "Report on Corporate Governance" of the Company's Annual Report 2026.

2. **Ordinary Resolution 4** is in respect of Mr Ang Wee Ming, who is retiring by rotation in accordance with Regulation 109 of the Company's Constitution and Rule 720(4) of the Catalist Rules.

Mr Ang Wee Ming shall upon re-election as a Director of the Company, remain as an Independent Director of the Company, Chairman of the Remuneration Committee ("RC"), a member of the Audit Committee ("AC"), and a member of the Nominating Committee ("NC"). Mr Ang Wee Ming is considered independent for the purposes of Rule 704(7) of the Catalist Rules.

Key information on Mr Ang Wee Ming as required pursuant to Rule 720(5) of the Catalist Rules can be found in the sections titled "Board of Directors" and "Report on Corporate Governance" of the Company's Annual Report 2026.

3. **Ordinary Resolution 6** if passed, will empower the Directors of the Company, from the date of this AGM until the date of the next AGM, or the date by which the next AGM is required by law to be held or the date such authority is revoked by the Company in a general meeting, whichever is the earliest, to allot and issue Shares and convertible securities in the Company. The aggregate number of Shares (including any Shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed 100% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company may be issued other than on a pro-rata basis to existing shareholders.

For the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the instruments) that may be issued, the percentage of the total number of issued Shares excluding treasury shares and subsidiary holdings will be calculated based on the total number of issued Shares excluding treasury shares and subsidiary holdings at the time of passing of this resolution, after adjusting for (i) new Shares arising from the conversion or exercise of any convertible securities; (ii) new Shares arising from the exercising of share options or vesting of share awards provided that the share options or share awards (as the case may be) were granted in compliance with the Catalist Rules of the SGX-ST; and (iii) any subsequent bonus issue, consolidation or subdivision of Shares. The adjustments in accordance with (i) and (ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share award which were issued and outstanding or subsisting at the time of the passing of this resolution.

Notice of Annual General Meeting

4. **Ordinary Resolution 7** if passed, will empower the Directors of the Company from the date of the Annual General Meeting until the date of the next Annual General Meeting is to be held or is required by law to be held, whichever is the earlier, to make purchases (whether by way of On-Market Share Purchases or Off-Market Share Purchases on an equal access scheme) from time to time of up to ten per cent (10%) of the total number of Shares (excluding treasury shares and subsidiary holdings) at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the source of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are set out in greater detail in the Appendix to shareholders dated 9 July 2026 ("**Appendix**").
5. **Special Resolution 8** if passed, will enable the Company to adopt the New Constitution in substitution for, and to the exclusion of the Existing Constitution. The New Constitution will take into account the changes to the Companies Act introduced pursuant to the Amendment Acts. The proposed New Constitution contains updated provisions which are consistent with the Catalist Rules, in compliance with Rule 730 of the Catalist Rules. Please refer to the Appendix to shareholders dated 9 July 2026 in relation to the proposed Adoption of New Constitution for further details.

Other Notes:

- (i) The Company's AGM will be held, in a wholly physical format, on 31 July 2026 (Friday), at 10.00 a.m. at Level 3, Function Room 3-3, 60 Cecil Street, ISCA House, Singapore 049709. **There will be no option for members to participate virtually.**
 - (ii) This Notice of AGM, the accompanying Appendix, proxy form and the Annual Report will be published on SGXNET at <https://www.sgx.com/securities/company-announcements> or at the Company's website at <https://www.hso.com.sg/investor-relations/aggm-2026/>. **All documents, including this Notice of AGM, the accompanying Proxy Form, the Appendix and the Annual Report will be sent to members by post.**
 - (iii) A member (whether individual or corporate) may vote live at the AGM or may appoint a proxy, including the Chairman of the AGM, to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The instrument appointing proxy(ies) for the AGM will be sent to members via post and may be accessed on SGXNET at <https://www.sgx.com/securities/company-announcements> or at the Company's website at <https://www.hso.com.sg/investor-relations/aggm-2026/>. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the instrument appointing proxy(ies), failing which, the appointment of proxy for that resolution will be treated as invalid. In addition, if no specific direction as to voting is given for the individual(s) named above, the proxy(ies) will vote or abstain from voting at his/her/their discretion, as he/they will on any other matter arising at the AGM or at any adjournment thereof.
- Only members of the Company or their appointed proxy(ies) who have been successfully verified will be entitled to attend the AGM.
- (iv) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's Proxy Form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. If no such proportion or number is specified, the first named proxy shall be deemed to represent 100% of his/her shareholding and the second named proxy shall be deemed to be an alternate to the first named.
 - (v) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM but each proxy must be appointed to exercise the rights attached to a different share or shares held by such members. Where such member's Proxy Form appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.
 - (vi) "**Relevant intermediary**" has the meaning ascribed to it in Section 181(6) of the Companies Act 1967.
 - (vii) CPF (Central Provident Fund) / SRS (Supplementary Retirement Scheme) investors who wishes to exercise their votes should approach the CPF Agent Bank or SRS Operators (as the case may be) to submit their votes at least seven (7) working days before the AGM (i.e. by 10.00 a.m., on 22 July 2026) in order to allow sufficient time for their respective relevant intermediaries to submit a Proxy Form to vote on their behalf by the cut-off date.
 - (viii) Members or their appointed proxy(ies) (other than the Chairman of the AGM) may speak and raise questions at the AGM. Members of the Company (including CPF and SRS investors) are also encouraged to submit questions related to the resolution(s) to be tabled for approval at the AGM, in advance of the AGM in the following manner no later than **16 July 2026** (being seven (7) calendar days from the date of the Notice of AGM), and submitted either by:

- (a) email to the Company's Share Registrar at srs.proxy@boardroomlimited.com;
- (b) email to aggm2026@hso.com.sg; or
- (c) if submitted by post, be deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632.

Notice of Annual General Meeting

(ix) Members who submit questions via email or by post to the Company must provide the following information:

- (a) the member's full name;
- (b) the member's identification number (i.e. NRIC/Passport/Company Registration Number);
- (c) the member's contact number and email address; and
- (d) the number and manner in which member holds shares in the Company (e.g. via CDP, CPF or SRS).

Questions submitted by members whose identification details are lacking will not be entertained.

- (x) The Company shall address the substantial and relevant questions received from members in advance of the AGM by publishing its responses on SGXNET and the Company's corporate website forty-eight (48) hours before the deadline for shareholders to submit their proxy forms (i.e. by 10.00 a.m. on 27 July 2026).
- (xi) The Company's responses to other questions addressed during the AGM will be published on the SGXNET and the Company's corporate website, together with the minutes of the AGM within one (1) month after the date of the AGM.
- (xii) A proxy, including the Chairman of the AGM, need not be a member of the Company.
- (xiii) The instrument appointing proxy(ies) must be submitted to the Company either (a) by email to srs.proxy@boardroomlimited.com; or (b) by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632, in each case, no later than **10.00 a.m. on 29 July 2026** (being not less than forty-eight (48) hours before the time fixed for the AGM).
- (xiv) The instrument appointing a proxy or proxies must be signed under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.
- (xv) The Company shall be entitled to reject an instrument appointing a proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged or submitted if such members are not shown to have Shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for the holding of the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing proxy(ies) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company and/or his proxy(ies) and/or representative(s) (such as his/her name and his/her presence at the AGM) may be recorded by the Company for such purpose.

HS OPTIMUS HOLDINGS LIMITED

(Company Registration No. 199504141D)
(Incorporated in the Republic of Singapore)

IMPORTANT:

- Printed copies of the Notice of Annual General Meeting ("AGM") and this Proxy Form will be sent to members via post. Electronic copies of the same may also be accessed on SGXNET at <https://www.sgx.com/securities/company-announcements> or at the Company's website at <https://www.hso.com.sg/investor-relations/aggm-2026/>.
- This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold ordinary shares ("Shares") through their CPF/SRS funds. CPF/SRS investors who wish to vote should approach their respective CPF agent banks or SRS operators to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 10.00 a.m., on 22 July 2026).

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Proxy Form)

*I/We _____ (Name) _____ *NRIC/Passport No./Company Registration No.

of _____ (Address)

being a member/members of HS OPTIMUS HOLDINGS LIMITED (the "Company") hereby appoint(s):

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her/them, the Chairman of the Annual General Meeting of the Company ("AGM"), as *my/our proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM to be held on 31 July 2026 (Friday) at 10.00 a.m. at Level 3, Function Room 3-3, 60 Cecil Street, ISCA House, Singapore 049709 and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the resolution to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies (except where the Chairman of the AGM is appointed as *my/our proxy) will vote or abstain from voting at *his/her/their discretion. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as *my/our proxy for that resolution will be treated as invalid.

No.	RESOLUTIONS	For**	Against**	Abstain**
Ordinary Resolutions				
1.	Adoption of Directors' Statement and Audited Financial Statements for financial year ended 31 March 2026 and the Auditors' Report thereon			
2.	Approval of payment of Directors' Fees for financial year ending 31 March 2027			
3.	Re-election of Mr Chia Fook Sam as a Director of the Company			
4.	Re-election of Mr Ang Wee Ming as a Director of the Company			
5.	Re-appointment of Messrs Ernst & Young LLP as Auditors and to authorise the Directors to fix their remuneration			
6.	Authority to Allot and Issue Shares			
7.	Renewal of Share Purchase Mandate			
Special Resolution				
8.	Proposed Adoption of the New Constitution of the Company			

Notes:

* Delete as appropriate.

** Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" please tick [✓] in the "For" or "Against" box. Alternatively, please indicate the number of votes "For" or "Against" in the appropriate box. If you wish to "Abstain" from voting on the resolution, please tick [✓] in the abstain box. Alternatively, please indicate the number of shares you wish to abstain from voting.

Dated this _____ day of _____ 2026

Total number of Shares being held	
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Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM



Notes:

- (i) The Annual General Meeting ("AGM") of the Company will be held on 31 July 2026 (Friday) at 10.00 a.m. at Level 3, Function Room 3-3, 60 Cecil Street, ISCA House, Singapore 049709. **There will be no option for members to participate virtually.**
- (ii) The Notice of AGM, the accompanying Proxy Form, the Appendix and the Annual Report will be published on SGXNET at <https://www.sgx.com/securities/company-announcements> or at the Company's corporate website at <https://www.hso.com.sg/investor-relations/aggm-2026/>. **Printed copies of the Notice of AGM, the accompanying Proxy Form, the Appendix and the Annual Report will be sent to members via post.**
- (iii) A member (whether individual or corporate) may vote live at the AGM or may appoint a proxy, including the Chairman of the AGM, to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The instrument appointing proxy(ies) for the AGM will be sent to members via post and may be accessed on SGXNET at <https://www.sgx.com/securities/company-announcements> or at the Company's website at <https://www.hso.com.sg/investor-relations/aggm-2026/>. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the instrument appointing proxy(ies), failing which, the appointment of proxy for that resolution will be treated as invalid. In addition, if no specific direction as to voting is given for the individual(s) named above, the proxy(ies) will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM or at any adjournment thereof.
Only members of the Company or their appointed proxy(ies) who have been successfully verified will be entitled to attend the AGM.
- (iv) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. If no such proportion or number is specified, the first named proxy shall be deemed to represent 100% of his/her shareholding and the second named proxy shall be deemed to be an alternate to the first named.
- (v) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM but each proxy must be appointed to exercise the rights attached to a different share or shares held by such members. Where such member's Proxy Form appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.
- (vi) **"Relevant intermediary"** has the meaning ascribed to it in Section 181 of the Companies Act 1967.
- (vii) CPF / SRS investors who wish to exercise their votes should approach the CPF Agent Bank or SRS Operators (as the case may be) to submit their votes at least seven (7) working days before the AGM (i.e. by 10.00 a.m., on 22 July 2026) in order to allow sufficient time for their respective relevant intermediaries to submit a Proxy Form to vote on their behalf by the cut-off date.
- (viii) Members or their appointed proxy(ies) (other than the Chairman of the AGM) may speak and raise questions at the AGM. Members of the Company (including CPF and SRS investors) are also encouraged to submit questions related to the resolution(s) to be tabled for approval at the AGM, in advance of the AGM in the following manner no later than 16 July 2026 (being seven (7) calendar days from the date of the Notice of AGM), and submitted either by:
 - (a) email to the Company's Share Registrar at srs.proxy@boardroomlimited.com;
 - (b) email to aggm2026@hso.com.sg; or
 - (c) if submitted by post, be deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632.
- (ix) Members who submit questions via email or by post to the Company must provide the following information:
 - (a) the member's full name;
 - (b) the member's identification number (i.e. NRIC/Passport/Company Registration Number);
 - (c) the member's contact number and email address; and
 - (d) the number and manner in which member holds shares in the Company (e.g. via CDP, CPF or SRS).Questions submitted by members whose identification details are lacking will not be entertained.
- (x) The Company shall address the substantial and relevant questions received from members in advance of the AGM by publishing its responses on SGXNET and the Company's corporate website forty-eight (48) hours before the deadline for shareholders to submit their proxy forms (i.e. by 10.00 a.m. on 27 July 2026).
- (xi) The Company's responses to other questions addressed during the AGM will be published on the SGXNET and the Company's corporate website, together with the minutes of the AGM within one (1) month after the date of the AGM.
- (xii) A proxy, including the Chairman of the AGM, need not be a member of the Company.
- (xiii) The instrument appointing proxy(ies) must be submitted to the Company either (a) by email to srs.proxy@boardroomlimited.com; or (b) by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632, in each case, no later than 10.00 a.m. on 29 July 2026 (being not less than forty-eight (48) hours before the time fixed for the AGM). **Members are strongly encouraged to submit completed Proxy Forms electronically, via email.**
- (xiv) The instrument appointing a proxy or proxies must be signed under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.
- (xv) The Company shall be entitled to reject an instrument appointing a proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged or submitted if such members are not shown to have Shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for the holding of the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies), the members accept and agree to the personal data privacy terms set out in the Notice of AGM dated 9 July 2026.

Corporate Information

BOARD OF DIRECTORS

Mr Chia Fook Sam

*Executive Director and
Chief Operating Officer*

Pengiran Muda Abdul Qawi

Non-Executive Chairman

Mr Mark Leong Kei Wei

Independent Director

Ms Vivien Goo Bee Yen

Independent Director

Mr Ang Wee Ming

Independent Director

COMPANY SECRETARY

CitadelCorp Services Pte. Ltd.

20 Collyer Quay #11-07
Singapore 049319
Ms Gwendolin Lee Soo Fern
Mr Lai Kuan Loong, Victor

REGISTERED OFFICE

8 Ubi Road 2
#05-06 Zervex
Singapore 408538
Telephone: 6754 1854
Website: www.hso.com.sg

INVESTOR RELATIONS

Email: ir@hso.com.sg
Telephone: 6754 1854

REGISTRAR AND SHARE TRANSFER OFFICE

**Boardroom Corporate & Advisory
Services Pte. Ltd.**

1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

EXTERNAL AUDITOR

Ernst & Young LLP

(Registered with ACRA)
Public Accountants and Chartered
Accountants of Singapore
One Raffles Quay,
North Tower, Level 18
Singapore 048583

Partner-in-charge: Mr Briston Loo
Date of appointment: Financial year
ended 31 March 2026

INTERNAL AUDITOR

BDO Advisory Pte Ltd

600 North Bridge Road
#23-01 Parkview Square
Singapore 188778
Partner-in-charge: Mr Willy Leow
Year of appointment: 2016

SPONSOR

UOB Kay Hian Private Limited

83 Clemenceau Avenue
#10-01 UE Square
Singapore 239920



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8 Ubi Road 2, #05-06 Zervex, Singapore 408538
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