

**BUSINESS UPDATE ON THE PROPERTY BUSINESS AND DOOR BUSINESS**

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The Board of Directors (the “**Board**”) of HS Optimus Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 14 November 2020 and 15 January 2021 in relation to its unaudited half-year results for the period ended 30 September 2020 and its compliance with the movement control order (“**MCO**”) in Malaysia respectively, and wishes to provide shareholders of the Company with an update in relation to the two business segments of the Group, namely the Property Business and the Door Business, and various developments on the Covid-19 situation in the key geographical areas the Group has operations in:

**(i) Property Business**

The Group had previously announced that it is in the final phase of evaluating the best commercial options available for its property in Melbourne, Australia. The City of Melbourne had announced the exit from the 112-day lockdown from 28 October 2020 as Victoria state was the epicentre of Australia’s second wave. Considering the announcement by authorities in Victoria State of a 5-day “short sharp circuit breaker” beginning on 12 February 2021 as well as other measures to mitigate the spread of Covid-19 arising from a new cluster, the Group still expects to complete the evaluation process and execute the next steps of the best commercial plan for its Melbourne property carefully, taking necessary precautions should there any change in the situation.

The situation in Jakarta, Indonesia continues to be serious and number of Covid-19 cases remains high. Given the challenging situation, the Group is still in the process of obtaining the applications for various permits and licenses for its proposed property development in Jakarta, Indonesia.

The Group will continue to monitor the situation brought about by the ongoing Covid-19 pandemic.

**(ii) Door Business**

The Covid-19 situation in Dong Guan, China remains stable. The Group had on 12 October 2020 announced the voluntary winding up of its subsidiary Dongguan Lebex Doors Co. Ltd. Various notices have been filed with the Human Resources and Social Security Bureau of Dong Guan under the purview of The Ministry of Labor and Social Security of the People’s Republic of China. The liquidation process is in progress and the Group will make the necessary disclosures, once this process is completed.

With the closure of our door operations in Dong Guan, China and the disposal of Key Bay Furniture Co., Ltd. in Vietnam as announced on 11 May 2020, the Group has committed to and carried out restructuring of its Door Business as part of its plan to streamline its operational processes, restructure, cease non-performing units and lower cost structure wherever possible with a view to improve productivity and bringing down costs. Pursuant to the above, the Group’s door production base and manufacturing operations are now centered in Johor, Malaysia.

The Covid-19 situation in Johor and surrounding federal territories and states of Malaysia remains serious. After the first MCO announced by the Malaysian government, there were a series of further MCOs announced to help deal with the continued spread of the virus in Malaysia. The Group had announced on 15 January 2021 that the Group’s factories in Johor, Malaysia, have already received approval from Malaysia’s Ministry of International Trade and Industry to continue their operations during the MCO subject to, *inter alia*, compliance with the Covid-19 Standard Operating Procedure issued by the Malaysian Government. Factory workers are allowed to work on-site while management and other support staff will work from home or may return to office premises on a strict

rotational basis. This approval remains valid notwithstanding subsequent MCO measures announced by the Malaysia Government.

The above has allowed the Group's factories in Johor to adopt strict safety and social distancing measures, the ability to utilise most of its operational capacity and fulfill incoming customer orders from the United Kingdom. This, together with minimal supply chain disruptions and the continued recurring and strong demand for our doors by customers in the United Kingdom, has improved the revenue and profitability of the continuing operations of our Door Business for the 9 months ended 31 December 2020.

Barring any unforeseen circumstances and based on the information readily available to the Group and management, the Group while continuing to remain vigilant on costs, macroeconomic events and the Covid-19 pandemic, is cautiously optimistic that the trend of improvement in revenue and profitability of the continuing operations of our Door Business for the 9 months ended 31 December 2020 would remain on track for the current financial year ending 31 March 2021.

This announcement is based on a preliminary assessment of the latest unaudited consolidated management accounts of the Group and is not based on any financial figures or information which have been audited or reviewed by the Group's auditors. Accordingly, shareholders are cautioned not to place undue reliance on forward-looking statements within this announcement, which are based on the current view of management regarding future events. The Company will provide further details of the Group's performance as and when appropriate (including providing relevant business updates between the announcements of its financial results).

**By order of the Board**

HS Optimus Holdings Limited

Gloria Wong  
Executive Director  
17 February 2021

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, R & T Corporate Services Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement including the accuracy or completeness of any of the figures used, statements, opinions or other information made or disclosed.*

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