

BANKING FACILITY GRANTED BY RHB BANK BERHAD

1. INTRODUCTION

The Board of Directors (the “**Board**”) of HS Optimus Holdings Limited (“**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that on 8 July 2021, HS Optimus Wood Products Sdn Bhd (“**HSOM**”), a subsidiary of the Company, has been informed by RHB Bank Berhad (“**Bank**”) that the Bank has made available to HSOM new banking facilities of up to RM9,100,000 (“**Banking Facilities**”) for drawdown by HSOM. The Group intends to utilise the Banking Facilities to finance purchase of trade related goods and general working capital requirement.

For clarity, HSBC Bank Malaysia Berhad are the existing trade bankers for HSOM and part of the Banking Facilities will be used to redeem the outstanding amounts on HSOM's existing facility with HSBC Bank Malaysia Berhad, which will automatically terminate upon payment of the same.

2. SALIENT TERMS OF THE BANKING FACILITIES

The salient terms of the Banking Facilities are set out below:

a) Lender	RHB Bank Berhad
b) Borrower	HS Optimus Wood Products Sdn Bhd
c) Principal Amount	Up to RM9,100,000
d) Purpose	<p>1)<u>Combined Multi Trade Line of RM 8,000,000 comprising:</u></p> <ul style="list-style-type: none">(i) Banker's Acceptance: to finance the purchase of trade related goods(ii) Letter of Credit: to facilitate the importation or local purchase of trade related goods, not being capital investment goods(iii) Foreign Currency Trade Financing: to finance the importation or local purchase of trade related goods(iv) Trust Receipt: to finance the importation or local purchase of trade related goods(v) Shipping Guarantee: to facilitate release of goods without the production or presentation of original shipping documents(vi) Temporary Overdraft: to redeem existing Multi-Trade Line and Bank Guarantee with HSBC Bank <p>2)<u>Overdraft of RM 500,000 for working capital requirement</u></p> <p>3)<u>Bank Guarantee of RM 600,000 as utilities guarantee, performance bond and security deposit favouring various Government/Statutory Bodies and Private Companies acceptable to the Bank</u></p>

e) Repayment	<p>The repayment terms in relation to (i) Banker's Acceptance (ii) Letter of Credit, (iii) Foreign Currency Trade Financing, and (iv) Trust Receipts are payable upon maturity of the term of each of the above.</p> <p>The repayment terms in relation to (v) Shipping Guarantee and Bank Guarantee are payable upon demand.</p> <p>The repayment terms in relation to (vi) Temporary Overdraft and Overdraft are payable upon demand or expiry of tenor.</p>
f) Security	<ol style="list-style-type: none"> 1. As a Principal Instrument, against open all monies banking facilities, up to the amount of RM 9,100,000. 2. As a Subsidiary Instrument, an open all monies 1st party 1st legal charge to be stamped nominally over the property at: <ul style="list-style-type: none"> • Plot 32, Jalan SR/3, Taman Perindustrian Simpang Renggam, 86200 Simpang Renggam, Johor Darul Takzim, Malaysia. 3. A corporate guarantee by the Company for up to SGD equivalent to RM9,100,000.
g) Representations and warranties	<p>The Borrower has given customary representations and warranties for a loan of such nature.</p>
h) Events of default	<p>The Banking Facilities are subject to the customary events of default for a bank loan, which include the following:</p> <ol style="list-style-type: none"> (i) if the Borrower defaults in the payment of any money payable to the Bank after the same shall have become due whether formally demanded or not; (ii) any of the Borrower's indebtedness or the indebtedness of any of the Security Party (as defined in the facilities agreement) or their respective affiliate(s) or related corporation(s) become capable, in accordance with the relevant terms thereof, of being declared due prematurely by reason of a default by the Borrower or such Security Party or affiliate(s) or related corporation(s) of their respective obligations in respect of the same or the Borrower or any of the Security Party or affiliate(s) or related corporation(s) fail to make payment in respect thereof on the due date for such payment or if due on demand when demanded or the security for any such indebtedness becomes enforceable; (iii) if the Borrower defaults under any other provision herein which is not capable of remedy or which, being capable of remedy is not remedied within fourteen days after being required to do so by the Bank; (iv) any material provision of the Loan Agreement is or becomes for any reason illegal, invalid and/or unenforceable; (v) the Borrower or any of the Borrower's

	<p>affiliate(s) or related corporation(s) or Security Party which is a body corporate ceases or threatens to cease to carry on all or a substantial part of the Borrower's business or the Borrower's affiliate(s)' or related corporation(s)' or the Security Party's business;</p> <p>(vi) any of the prescribed insolvency events occurs in respect of the Borrower and the Company; and</p> <p>(vii) any other event or series of events whether related or not has or have occurred which in the opinion of the Bank could or might affect or prejudice the Company's ability or willingness to comply with all or any of the Borrower's obligations hereunder.</p>
i) Restrictive covenants	<p>The Borrower covenants with the Bank that during the continuance of the facilities agreement, it shall not and shall ensure that the Security Party (which includes the Company) shall not without the prior written consent of the Bank, <i>inter alia</i>, make any changes to the Board of Directors and/or its management.</p>

3. INTEREST OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the abovementioned transaction.

4. CAUTIONARY STATEMENT

Shareholders are advised to exercise caution in dealing their Shares. The Company will make the necessary announcement(s) as and when there are material developments in relation to the Agreement and other matters contemplated in this announcement. Shareholders are advised to read this announcement and any further update announcement(s) released by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By order of the Board
HS Optimus Holdings Limited

Gloria Wong
Executive Director
12 July 2021

*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.*

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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