

**BUSINESS UPDATE ON THE PROPERTY BUSINESS, DOOR BUSINESS AND SECURED PROPERTY FINANCING 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 7 November 2022 and 14 November 2022 in relation to its Half Year Profit Guidance and Half Year Unaudited Financial Results. The Board wishes to provide shareholders of the Company (“**Shareholders**”) with a business update for the third quarter of the financial year ending 31 March 2023 (“**Q3FY2023**”) in relation to the main business segments of the Group and the key geographical areas the Group has operations in:

**(i) Property Business**

The Group continues to work with Melbourne’s leading realtors to lease out its fully refurbished five-storey freehold heritage building at Lincoln Square to derive rental income. While the Group has seen a welcomed increase in the number of enquiries in the past few months in line with the continued recovery of the Australian economy after weathering the COVID-19 pandemic, these prospects did not materialise. The Group will continue to actively pursue suitable tenants and try to capitalize on a slowly improving commercial leasing market to mitigate the ongoing fixed costs and the unrealized foreign exchange losses resulting from a weakened Australian Dollar.

The Group, as part of its ongoing efforts to diversify and increase income, had on 13 July 2021 entered into an Investment (Debt) and Marketing Agreement (the “**IDMA**”) with 82 Westgarth Pty Ltd (as trustee for the 82 Westgarth St Unit Trust). The IDMA allowed the Group to earn interest income and performance fees and register a first mortgage charge over the unencumbered property located in the up-and-coming district of Fitzroy, Victoria. On 2 February 2023, the Company announced the full repayment and restitution of the principal sum of A\$2,000,000 together with all interest accrued under the IDMA and the default margin of 4% accrued from 13 January 2023.

In relation to the development of its land parcels in Jakarta, Indonesia, the Group and its partners have obtained certain initial permits and are currently working on the pre-design planning before moving on to subsequent stages of the application for its development of the land, which has been fully paid for and is free from encumbrances. The Company, together with its partners will continue to strive to keep both permit costs and administrative costs to a minimum.

**(ii) Door Business**

The Group’s door business operation in Johor, Malaysia continues to see worsening signs of weakening demand and slowdown in orders received from its main customers based in the United Kingdom (“**UK**”). The UK has traditionally been the largest customer base for the Group’s door business. In addition, raw materials prices and costs continue to increase due to high inflation and the ongoing weakness in the macro-economic environment. The Group will continue to stay vigilant on costs and productivity, control labour costs and continue to work with existing customers and on-board new customers to help stimulate demand and increase sales, and monitor costs to keep its prices competitive given the weakening demand and aggressive pricing by competitors.

**(iii) Secured Property Financing Business**

The Group has taken the first concrete steps to build this new business line by entering into its maiden secured property financing arrangement. The Company’s wholly-owned subsidiary, Ambertree Vic Mel (Lincoln) Pty Ltd, had on 4 January 2023 entered into a loan financing agreement with an Australian incorporated company (the “**Borrower**”), pursuant to which the Group extended a A\$400,000 loan to the Borrower for a term of one year at an interest rate of

12% per annum. The aforesaid loan is for working capital purposes and is secured by a first charge mortgage over an unencumbered freehold commercial property located in Geelong, Victoria. The Borrower is not related to the Group, the Directors or controlling shareholders of the Company, or their respective associates.

The Group has expanded its nascent secured property financing business line beyond Singapore to Australia as it is familiar with, and has a track record in, the Australian property market. Further, the Group has assessed the value and yields presented by various secured property financing opportunities in Australia to be more compelling and commercially attractive than the opportunities which it has evaluated in Singapore. The Company will continue to develop this new business line and look for attractive opportunities in Singapore and/or Australia, in order to add new revenue streams to the Group.

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  
15 February 2023

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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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