

HS OPTIMUS HOLDINGS LIMITED

(formerly known as KLV Holdings Limited)
(Incorporated in the Republic of Singapore)
(Company Registration No. 199504141D)

MATERIAL VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

The Board of Directors of HS Optimus Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the unaudited full year results announcement for the financial year ended 31 March 2021 (“**FY2021**”) released on 30 May 2021 (“**Unaudited Results**”) and to the audited financial statements of the Group for FY2021 (“**Audited Financial Statements**”) contained in the Company’s annual report for FY2021 which was released via the SGXNet and Company’s website on 12 July 2021.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Company would like to announce that subsequent to the release of the Unaudited Results, there were certain material reclassification adjustments of certain items in the Unaudited Results (“**Material Reclassification**”) following the finalisation of the audit by the Company’s external auditors, Ernst & Young LLP. The Material Reclassification has no impact to the profit and loss of the Group for FY2021 as well as its net assets as of 31 March 2021 .

The variances between the Audited Financial Statements for FY2021 and the Unaudited Results and the explanation thereon are set out as follows.

Statement of Comprehensive Income for FY2021

| | Audited Financial Statements | Unaudited Results | Variance | | Explanation |
|---|------------------------------|-------------------|----------------|----|---|
| | (S\$’ million) | (S\$’ million) | (S\$’ million) | % | |
| Other comprehensive income: | | | | | |
| Currency translation differences | 0.8 | 0.6 | 0.2 | 33 | Variance is due to reserves attributable to disposal group that were classified as held for sale becoming recorded under other comprehensive income as the disposal of the Group’s subsidiary, Key Bay Furniture Company Limited (“ Key Bay ”) had been completed on 9 May 2020. |
| Total comprehensive income for the financial year | 2.6 | 2.4 | 0.2 | 8 | |

Statements of Financial Position as at 31 March 2021

| | Audited Financial Statements | Unaudited Results | Variance | | Explanation |
|-------------------------------|------------------------------|-------------------|----------------|------|--|
| | (S\$' million) | (S\$' million) | (S\$' million) | % | |
| Group | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 7.9 | 10.9 | (3.0) | (28) | Variance is due to reclassification of [a block of five-storey commercial/office building at 23-31 Lincoln Square South, Carlton, Melbourne (" Lincoln Property ") from "Development property" to "Investment property" which reflects the intention of the building and renovation, held at cost less accumulated depreciation in accordance with SFRS (I) 1-40. |
| Investment property | 15.1 | 12.0 | 3.0 | 26 | |

Consolidated Statement of Cash Flows for the financial year ended 31 March 2021

| | Audited Financial Statements | Unaudited Results | Variance | | Explanation |
|---|------------------------------|-------------------|----------------|------|--|
| | (S\$' million) | (S\$' million) | (S\$' million) | % | |
| Cash flows from operating activities | | | | | |
| Depreciation of property, plant and equipment | 0.7 | 0.8 | (0.1) | (13) | Due to depreciation incurred for the year arising from a reclassification of Lincoln Property as "Investment property", from the previous classification as Property, plant and equipment. |
| Depreciation of investment property | 0.1 | - | 0.1 | - | |
| Changes in working capital <ul style="list-style-type: none"> • Development properties | (7.4) | (4.1) | 3.3 | 80 | Due to reclassification of Lincoln Property as an "Investment property", "Development properties" was adjusted accordingly so as to reflect the net change in development properties. |

| | | | | | |
|---|-------|-------|-------|-----|---|
| <ul style="list-style-type: none"> Currency translation adjustment | - | (3.3) | (3.3) | 100 | Due to the above reclassification of Lincoln property from "Development properties" to "Investment Properties", which was previously classified as Currency translation adjustment. Both "Development properties" and "Currency translation adjustment" fall under changes in working capital under the cash flows from operating activities. |
| Cash flows from investing activities | | | | | |
| Purchase of property, plant and equipment | (0.3) | (0.1) | (0.2) | N/M | Due to purchase of property, plant and equipment previously excluded. |

N/M: Not Meaningful

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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