

HS OPTIMUS HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199504141D)

RESPONSE TO RELEVANT AND SUBSTANTIAL QUESTIONS FROM SHAREHOLDERS FOR EXTRAORDINARY GENERAL MEETING ON 13 DECEMBER 2021

1. The Board of Directors (the “**Board**”) of HS Optimus Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) would like to thank shareholders for submitting their questions ahead of the Company’s Extraordinary General Meeting (“**EGM**”) to be convened and held by way of electronic means on 13 December 2021 at 10.00am.
2. The Board is pleased to provide its responses to the questions in relation to relevant and substantial matters received from shareholders, as set out in the appendix hereto.
3. Please note that the questions and responses should be read in conjunction with the Circular dated 26 November 2021.

BY ORDER OF THE BOARD
HS Optimus Holdings Limited

Gloria Wong
Executive Director
12 December 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.*

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APPENDIX – RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

S/N	Questions	Responses
1.	<p>The share of HSO is at historical low and all the minority shareholders are suffering. I just don't understand instead of doing a share buy-back which is market positive, the company is going into new business which can potentially wipe out the existing cash on hand.</p>	<p>The proposed new business is expected to enhance Shareholder value by adding new revenue streams to the Group and presents the Company with an opportunity to generate a positive recurring income and return on the existing Company cash balances. The Company has also further explained on page 5 of the circular that the Group remains committed to the Existing Businesses so long as their continuity is in the best interest of the Group. The Proposed Diversification is meant to increase the Group's business opportunities and thereafter, contribute positively to the growth, financial position and long-term prospects of the Group.</p> <p>In addition, the Company has instituted a maximum loan book of up to S\$5.0 Million for this new proposed business. Any further increase of this maximum loan book will have to be submitted to shareholders for their approval at an EGM to be convened and also subject to SGX reporting requirements. Company would also like to refer shareholders to page 6 of the circular that the Group will scale down the maximum loan book in the event the amounts earmarked will result in the Group's capital being insufficient for its present requirements and for the next 12 months in respect of the existing business.</p> <p>Do note that the Company has a share buy-back mandate which was approved by shareholders at the last AGM should the Company decides to proceed with any share buy-back, taking into consideration financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of share purchases before execution.</p>
2.	<p>If company really want to diversify their earning base, it should look at some business that investors love, like block-chain related business.</p>	<p>The Company continues to assess possibilities of business ventures and opportunities in order to return to sustained profitability and enhance shareholders value. The Company continues to remain cautious and careful in relation to entry into any new business. In our circular, we have instituted that only when we have the requisite manpower and suitable joint venture partner, will we commence the new business. Company would like to highlight that one of the safeguards as contained in point 2.2, page 5 of the circular, explains that any loan granted will have to be secured by a First Mortgage on a Singapore property and personal guarantee. Company has some experience in property investment and development and is cognizant of the risks and opportunities that may be afforded by the relatively stable Singapore property market.</p> <p>In relation to possible block-chain related business including but not limited to Internet of Things ("IOT"), Cryptocurrencies, digital assets, metaverse, and non-fungible tokens ("NFT"), the Company continues to keep an open mind with regards to any proposals which may be beneficial to the Group, but at the same time continuing to stay focus and vigilant in order to return our core businesses to sustained profitability.</p>
3.	<p>I raised the questions regarding selling off the door business at the AGM 3 years ago but the board have</p>	<p>As announced in our annual report and our operational updates to the shareholders via SGX-ST, the door business has and continues to remain challenging. Despite the departure from the EU by UK, the Sino-American Trade war, the supply chain disruptions, the onset of the Covid-19 pandemic, various lockdowns and MCOs, and the unprecedented</p>

S/N	Questions	Responses
	<p>not heed my advise. If they have sold the business, it could have saved the company more than 10 million dollars.</p>	<p>aftereffects and new strains, the door business tries to remain resilient and flexible in navigating these challenges in order to preserve and build on its position as a premier provider of high quality doors to premium customers and wholesalers in the United Kingdom.</p> <p>The Company would also like to refer to shareholders to our previous announcements dated 11 September 2020, 12 October 2020 and 17 February 2021 whereby the Company announced the autonomous liquidation of our door manufacturing operations in Dong Guan, People's Republic of China. This was an integral part of the Company's internal restructuring of its non-performing operations as part of Company's steps to return to sustained profitability. With the completion of the liquidation announced on SGX-ST on 1 August 2021, the Company's sole remaining wood door facility is in Johor, Malaysia.</p> <p>The Company would like to refer shareholders to page 4 Section 2.1 of the circular whereby the Group envisages that the Group will continue to rely substantially on the Existing Business for the short to medium term. The Group continues to remain committed to the Existing Businesses so long as their continuity is in the best interest of the Group. The Proposed Diversification is meant to increase the Group's business opportunities and thereafter, contribute positively to the growth, financial position and long-term prospects of the Group.</p>
4.	<p>As investors, I will rather HS Optimus closed down the company and return back the proceeds to the shareholders as the current share price is only one third of their NTA.</p>	<p>While the Company is unable to ascertain the reasons for discount at which the share price is trading to book value, the Company would like to assure shareholders that it has and will continue to operate on Going Concern Basis, and that the Group will be able to pay their debts and that the Group is cashflow solvent. The Company would like to draw reference to the financial year 2021 audit report issued by Ernst and Young LLP in which the External Auditors issued a clean and unqualified audit opinion.</p> <p>The Group recognizes shareholders concerns and will continue to work towards strengthening existing core business and finding new suitable business to help the Group pivot towards navigating the new norm and return to sustainable growth, thereby enhancing long term shareholder value.</p>