HS Optimus Holdings Limited

GEARING FOR GROWTH OPPORTUNITIES

ANNUAL REPORT 2023

VISION & MISSION STATEMENT

To be a resilient, robust, reliable and sustainable Wood Manufacturing and Property Group committed to creating sustainable and environmentally kinder products and homes for everyone, improving lives, communities and stakeholder value.

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This annual report 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 Singapore Exchange Securities Trading Limited ("SGX-ST").

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

The details of the contact person for the Sponsor are:
Name: Howard Cheam Heng Haw, Registered Professional
Address: 9 Straits View, Marina One West Tower, #06-07, Singapore 018937
Telephone: 6232 0685

HS Optimus Holdings Limited ("HS Optimus") is an investment holding company that focuses on two core businesses in:

Door Manufacturing and Distribution

Property Investments and Property Developments

In December 2021, HS Optimus obtained the mandate from its shareholders to expand into Secured Property Financing business.

HS Optimus was incorporated in Singapore in 1995 and listed on the Catalist Board (formerly "SESDAQ") of the Singapore Exchange in 1998.

OUR BUSINESSES

Door Manufacturing & Distribution

Over the years, HS Optimus Group has not only built her name in the manufacturing and distribution of high-quality doors such as timber doors, fire doors, engineered doors, customized doors and door products, she has developed a robust, reliable and resilient reputation for high quality products, good delivery times and good customer satisfaction, making her the international supplier of premium doors of choice. She has been supplying our products to well-known quality home improvement DIY chain-stores, door distributors and development projects in Asia, Europe and USA.

Our door business operates in the following bases:

Malaysia
Manufacturing Operations

Plo 34, Kawasan Perindustrain Simpang Renggam, 86200 Simpang Renggam, Johor, Malaysia

Plo 32, Kawasan Perindustrain Simpang Renggam, 86200 Simpang Renggam, Johor, Malaysia

Singapore
Project Management and Supply and Installation

2 Kallang Ave #07-03
Singapore 339407

Property Investments and Developments

The Group also has property investments and developments in Melbourne, Australia and Jakarta, Indonesia, and provides financing and marketing support for a property in Melbourne.

Lincoln Square Carlton, Australia
23-31 Lincoln Square South, Carlton, Melbourne, Australia

This is a property situated close to central business district area and the University of Melbourne. The 5 storey fully refurbished heritage building is freehold and has a building area of approximately 3,745 square metres sitting on land area of approximately 906 square metres. The Group is actively looking for appropriate tenants to lease out the property.

South Jakarta, Indonesia
Jalan RA. Kartini No. 18, Jakarta,Indonesia

The land which the Group has a 65% stake in is located in a prime district of South Jakarta which is surrounded by well-developed infrastructure and MRT track and depot. In addition, it is also surrounded with existing amenities such as shopping mall, international school and affluent neighbourhood. It has an aggregate area of approximately 7,913 square metres and the focus is to develop into condominium and SOHO/office units for sale.

Investment (Debt) and Marketing Agreement
82 Westgarth Street, Fitzroy, Victoria, Australia

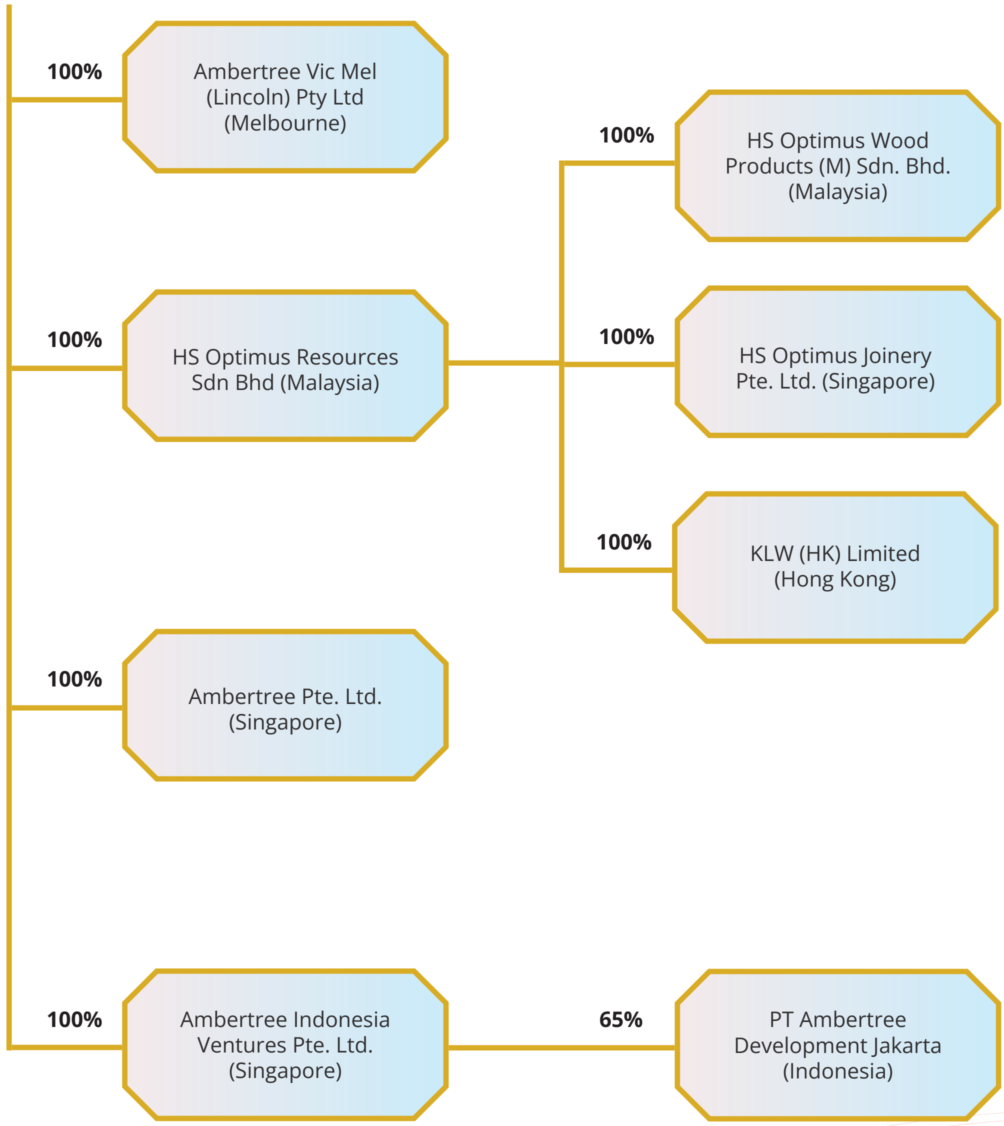
In July 2021, HS Optimus Group entered into an Investment (Debt) and Marketing Agreement ("IDMA") with 82 Westgarth Pty Ltd (as trustee for the 82 Westgarth St Unit Trust) ("82 WG"). The IDMA involved a loan disbursement by the Group to finance the acquisition of a freehold property in Melbourne by 82 WG and the Group providing marketing support services to 82 WG in return for fees. 82 WG has on 2 February 2023 made full repayment of the loan together with all interest accured, in full.

Secured Property Financing

The Group had built this new business line by entering into its maiden secured property financing arrangement in January 2023. The Group will continue to develop this new business line and look for attractive opportunities, in order to add new revenue streams to the Group.

HS OPTIMUS GROUP STRUCTURE

HS Optimus
Holdings Limited



CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

FYE23 Economic Conditions

The financial year ended 31 March 2023 ("FYE23") was a difficult year for the Company and its subsidiaries. Although parts of the world have welcomed the return to pre-COVID-19 normalcy and adapted to living with the pandemic, much of the world's economy continued to experience weakness and uncertainly brought about by the on-going Russian-Ukraine conflict, increasing inflationary pressures and continued escalation of raw material prices.

Updates on Door Operations

The Company has observed in FYE23 significant weakening of demand for our core product, timber doors, from the United Kingdom (the "UK"), being our largest and traditionally main customer base and key export market. The weakened demand and slowdown in orders received may be attributed to factory shutdowns amidst the last two years of the pandemic, and higher levels of unsold inventory stocked by our main customers. There are also persistent signs of an economic slowdown and decline in the disposable income of end users largely due to the high inflation rate and continued weakness in the British Pound which has adversely affected buying behaviour. In addition, the on-going Russian-Ukraine conflict had resulted in an increase in oil and gas prices, which increased both logistics and transport cost.

Updates on Melbourne Property

Despite the Group's efforts which included an extensive refurbishment of its five-storey freehold heritage building at Lincoln Square to derive rental income and appointment of two of Melbourne's leading realtor agencies to lease the building out, there has been no suitable offers or tenants. While this is in part attributed to the move towards "work from home" trends, the commercial property continues to see an uptick in enquiries. This commercial property is unencumbered, free of mortgage and had a fair value of S$16,198,000 as at 31 March 2023. While this asset is located near the University of Melbourne campuses and in one of the world's most liveable cities, its financial performance was affected by negative rental income coupled with the high annual land tax and the sustained weakening of the Australian dollar against the Singapore dollar resulting in a large unrealised foreign exchange loss.

The entry into a Deed of Extension of the Investment (Debt) and Marketing Agreement ("IDMA") on 12 July 2022 by the Company's wholly-owned subsidiary Ambertree Vic Mel (Lincoln) Pty Ltd with 82 Westgarth Pty Ltd (as trustee for the 82 Westgarth St Unit Trust) (the "Borrower") to extend the repayment date by 6 months, continuing to accrue interest income with all securities remaining effective and enforceable, went some way in mitigating the above by generating a positive Return on Investment ("ROI"). I am pleased to update that on 2 February 2023, the Group announced that the Borrower had made full repayment and restitution of the principal sum of AUD 2.0 million together with all interest accrued under the IDMA, in full, together with the default margin of 4% accrued.

Updates on Singapore Property

On 5 March 2023, the Group announced that HS Optimus Joinery Pte Ltd ("HSOJ" or "Vendor"), a wholly-owned subsidiary of the Company, had on 1 March 2023 granted an option to purchase ("Option") to a Singapore-domiciled company (the "Purchaser") in respect of a property located at 39 Kaki Bukit Industrial Terrace, Singapore 416119 (the "Property") held by HSOJ for a purchase consideration of S$2.9 million (excluding goods and services tax). On 22 March 2023, the Company announced that the Purchaser had exercised the Option and that the remaining 4% of the purchase consideration had been received. On 23 June 2023, the Company announced the completion of the disposal of the Property, which resulted in a net positive cash inflow of approximately S$168,322 (after deducting expenses in relation to the disposal).

Although the sale was below valuation and that the Group will record a loss on disposal on the Property, it provides an opportunity for us to realise and exit this long held investment asset and limit its future cash burn resulting from negative rental yields from low rental income and high floating mortgage rates, which continue to increase.

Updates on Indonesian Development Property

The situation in Jakarta, Indonesia through FYE23 was similarly uncertain and challenging. The lifting of various COVID-19 restrictions in FYE23 did not translate into a stronger property development market. In contrast, the Company observed slower property launches given market uncertainty with developers and buyers adopting a "wait-and-see" attitude, and more significantly, the continued weakening of the Indonesian Rupiah and property market. In view of the continued weakness, the Group registered an impairment loss on development properties amounting to S$0.13 million, in addition to the S$0.45 million recorded in the financial year ended 31 March 2022 ("FYE22").

FYE23 Financial Results

Against this backdrop, the Group presented a weakened set of financial results for FYE23 compared with FYE22.

The Group posted a net loss attributable to shareholders of S$7.4 million in FYE23 compared to net loss attributable to shareholders in FYE22 of S$1.8 million from continuing operations. Our revenue from continuing operations decreased by 30% from S$15.4 million in FYE22 to S$10.8 million in FYE23 due to lower export sales and weakened demand and orders. Our total other income decreased by 53% from S$1.1 million in FYE22 to S$0.5 million in FYE23. Our administrative expenses increased by 51% from

S$5.7 million in FYE22 to S$8.6 million in FYE23 largely due to the high foreign exchange loss resulting from the weakening of the Australian Dollar against the Singapore dollar.

Door Business

The continued after-effects of the pandemic, inflation and on-going Russian-Ukraine conflict that threatens to escalate further, have affected the buying trend and consumption behaviour of our main customers in Europe, and in particular, the UK. The Group will conserve assets, continue to trim costs and overheads, and importantly protect and keep market share and its position as a premier reliable and consistent manufacturer and supplier of high-quality timber doors to the UK. In addition to building new customer bases, the Group is accelerating its efforts into new markets, including re-entering the Singapore door market, where the shortage and construction back-log of both public and private housing remains a significant growth opportunity.

Property Business

In view of the continued weakness in the Melbourne commercial leasing market, the Group is considering altering its leasing strategy, which may include shifting the focus from searching for a sole tenant to multiple tenants. This would allow inflow of rental income to mitigate the annual land tax bill, depreciation and foreign exchange losses arising from the weakened Australian dollar against Singapore dollar.

After our successful roll out of the IDMA and with all funds fully repaid with positive ROI, the Group remains on the look out for similar asset light opportunities to generate positive returns and mitigate against the weak commercial leasing market seen in Melbourne.

For our development property in Jakarta, Indonesia, there is less visibility, and given the challenging property market, construction costs and interest rate environment, the Group will continue to be cautious and vigilant with regard to costs, permits and re-development plans and will study the available options to see how to best monetarize the value of this sizable land asset.

Secured Property Financing Business

The Group had 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. With the initial success of this roll out, the Group will continue to explore such opportunities carefully in both Singapore and Australia to increase our net tangible assets and shareholder value.

Conclusion

Despite the losses above, we remain steadfast and anchored in our commitment to return the Group to sustainable profitability and growth. This may include expanding the scope of the Group's business and acquiring and/or entering into joint ventures with new businesses to mitigate against current losses and weakness in our traditional businesses. More information on our future plans will be provided to, and requisite approvals will be obtained from, shareholders at the appropriate juncture if and when these proposals materialise.

To all our shareholders, partners, suppliers, customers, employees and stakeholders, thank you for your continuous support. We hope for your continued support and patience to outlast these tumultuous times.

Pengiran Muda Abdul Qawi
Non-Executive Chairman

OPERATIONAL AND FINANCIAL REVIEW

Business Overview

HS Optimus Group is synonymous with the manufacturing and global distribution of high-quality doors such as timber doors, fire doors, engineered doors and customised doors to international customers in the United Kingdom, the United States and Asia. In 2014, the Group obtained a mandate from shareholders to diversify into the business of property investment and property development to capture opportunities for capital gain and investment returns prevalent in the real estate markets as well as the Investment Business which involved engaging in financial investment activities as principal including investing in quoted and/or unquoted securities. In 2021, the Group obtained a mandate from shareholders to further expand into secured property financing business. This is a strategic initiative by the Group to diversify its income streams. Currently, the Group has 4 business segments, namely, (i) Investment segment (ii) Door business segment (iii) Property business segment and (iv) Secured property financing. The Group's 2 core business segments are the Door business segment, and the Property business segment.

Revenue

The Group's revenue for the financial year ended 31 March 2023 ("FYE23") decreased by 30% from $15.43 million for the financial year ended 31 March 2022 ("FYE22") to $10.84 million in FYE23 largely due to the on-going weakness in the macro-economic environment, and weak demand and slowdown in orders from its main customer base in the United Kingdom ("UK") as the high inflation rate has adversely affected the UK customers' buying behaviour. This was evidenced by lower orders received by 3 of our traditionally major customers each of which individually contributed 10% or more of the Group's revenue.

Cost of Sales and Gross Profit

Cost of sales decreased by 19% from $12.41 million in FYE22 to $10.00 million in FYE23. The decrease in cost of sales corresponded to the lower demand for doors by our customers, which led to a decrease in raw material purchases and associated labour costs. The Group's gross margin decreased from 20% in FYE22 to 8% in FYE23 due largely to the decrease in revenue as explained above.

Other Income

Other income decreased by 53% from $1.13 million in FYE22 to $0.53 million in FYE23. The decrease was mainly due to the absence of a gain on voluntary liquidation of subsidiary, write back of expected credit loss on trade receivable and performance fee earned from the investment (debt) and marketing agreement which were recognised in FYE22. In addition, the decrease was also due to decrease in government grants and scrap sales offset against an increase in interest income from the fixed deposit and the deed of extension of the investment (debt) and marketing agreement and reversal of impairment loss on right-of-use assets.

Expenses

Selling and distribution expenses decreased by 8% from $0.37 million in FYE22 to $0.34 million in FYE23. While there were higher inspection and test fees and travelling expenses resulting from the gradual removal of various movement restrictions, this increase was offset against lower marketing support fee and handling fee for export containers for doors from the decrease in the demand of doors.

Administrative expenses increased by 51% from $5.71 million in FYE22 to $8.63 million in FYE23. The increase was mainly due to impairment loss on property held-for-sale, unrealised foreign exchange loss of $3.16 million in FYE23 as compared to $0.08 million in FYE22 offset against decrease in staff costs, depreciation and impairment loss on development properties in Jakarta, Indonesia in FYE23.

Finance costs increased by 78% from $0.11 million in FYE22 to $0.20 million in FYE23 as a result of higher interest expenses incurred for foreign currency loan against import and term loan for the industrial property at Kaki Bukit.

Loss for the year

The Group recorded a loss of $7.50 million in FYE23 as compared to $2.00 million in FYE22.

Balance Sheet Highlights

Non-Current Assets

Investment properties decreased by 30% from $17.99 million as at 31 March 2022 to $12.65 million as at 31 March 2023. The decrease was mainly due to the reclassification of the Singapore Kaki Bukit industrial property from investment property to property held-for-sale under current assets as the Group's subsidiary had signed an option to purchase with a third party on 5 March 2023, as announced by the Company on 5 March 2023. Accordingly, the property is stated at lower of its carrying amount and fair value less costs to sell as at 31 March 2023. The additional decrease was also due to depreciation of the Australian investment property and the continued weakening of the Australian dollar relative to the Singapore dollar.

OPERATIONAL AND FINANCIAL REVIEW

Current Assets
Development properties decreased by 6% from $31.14 million as at 31 March 2022 to $29.21 million as at 31 March 2023. This was mainly due to impairment loss on land held for development and weakening of the Indonesian rupiah relative to the Singapore dollar.

Prepayments, trade and other receivables decreased by 37% from $5.87 million as at 31 March 2022 to $3.70 million as at 31 March 2023. This was mainly due to lower export sales of doors and the repayment which took place on 2 February 2023 for the AUD 2.0 million loan and interest in accordance with the Investment Debt and Marketing Agreement previously entered on 13 July 2021, as announced by the Company on 2 February 2023. This was offset against the Group's first steps into the new secured property financing arrangement which was previously announced in the 3rd quarter business update on 15 February 2023.

Inventories decreased by 25% from $5.94 million as at 31 March 2022 to $4.44 million as at 31 March 2023 mainly due to decrease in finished goods due to lower sales orders received, lower buffer stock and decrease in the purchase of raw materials such as veneer.

Cash and cash equivalents decreased by 25% from $11.13 million as at 31 March 2022 to $8.31 million as at 31 March 2023 primarily due to working capital expenses.

Current Liabilities
Trade and other payables decreased by 18% from $5.00 million as at 31 March 2022 to $4.08 million as at 31 March 2023 mainly due to lesser purchase of raw materials from suppliers, payments to suppliers and vendors, land tax instalments payments in Australia and accruals.

Borrowings decreased by 60% from $2.50 million as at 31 March 2022 to $1.00 million as at 31 March 2023 as a result of lower utilisation of the foreign currency loan against import due to lower sales orders received.

Non-Current Liabilities
Loans and borrowings decreased by 6% from $2.68 million as at 31 March 2022 to $2.51 million as at 31 March 2023 mainly due to repayment of term loan.

Equity
Total equity decreased by 13% from $71.45 million as at 31 March 2022 to $62.48 million as at 31 March 2023 mainly due to the full year loss recognised in FYE23.

Cash Flow Review
The Group's net cash used in operating activities for FYE23 was $0.56 million as compared to $1.75 million for FYE22. Net cash used in operating activities in FYE23 was mainly due to working capital use.

Net cash used in investing activities for FYE23 was $0.12 million as compared to $0.16 million for FYE22. Net cash used in investing activities in FYE23 was for purchase of plant and equipment.

Net cash used in financing activities for FYE23 was $1.90 million as compared to net cash generated of $1.70 million for FYE22. Net cash used in financing activities in FYE23 was mainly due to the repayments of the loans and borrowings, lease payments and interest.

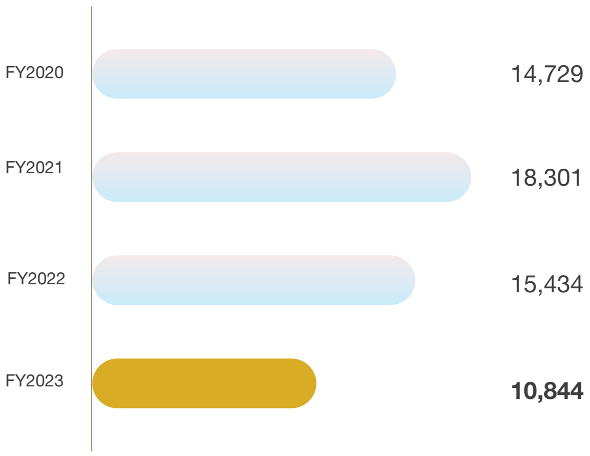
As a result of the above, the Group's cash and cash equivalents stood at $8.32 million as at 31 March 2023.

FINANCIAL HIGHLIGHTS

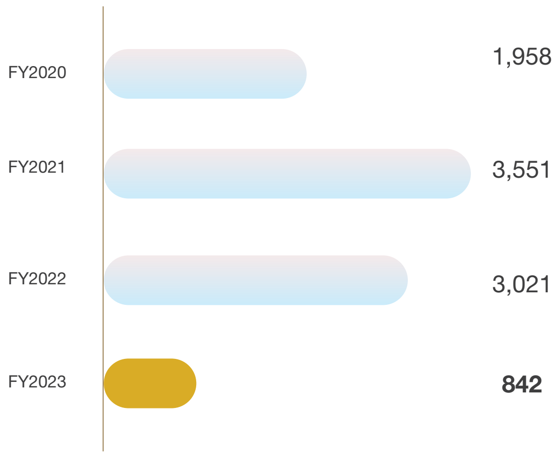
FINANCIAL HIGHLIGHTS	FY2019	FY2020	FY2021	FY2022	FY2023
Revenue ($'000)	30,295	14,729	18,301	15,434	**10,844**
Profit (Loss) after tax ($'000)	(1,486)	(9,477)	1,816	(1,996)	**(7,499)**
Shareholders' equity ($'000)	74,067	62,643	64,631	62,442	**54,192**
Earnings (Losses) per share "EPS" (cents)	(0.026)	(0.175)	0.039	(0.033)	**(0.138)**

FOUR YEARS COMPARISON ($'000)

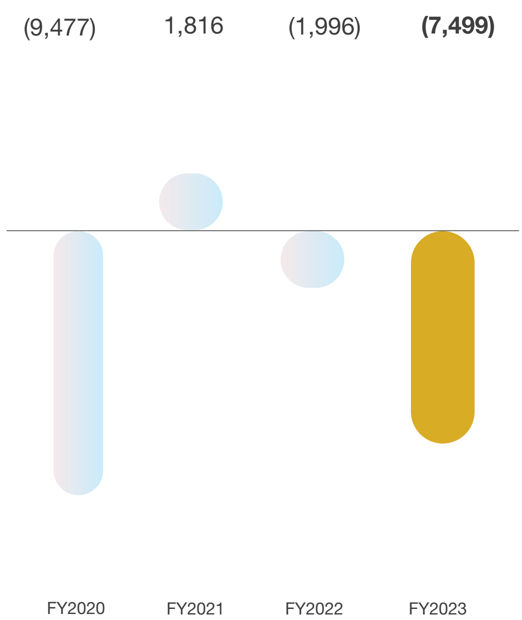
REVENUE



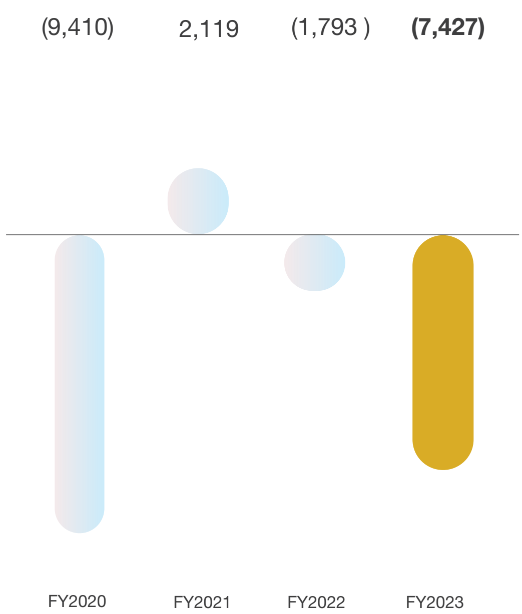
GROSS PROFIT



PROFIT (LOSS) AFTER TAX



PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS



WONG GLORIA
Executive Director

Ms Wong was appointed as an Executive Director of the Company on 1 August 2016 and was re-elected on 29 September 2020. She is responsible for the Group's strategy and business development, as well as the implementation of decisions and policies approved by the Board. Ms Wong graduated from Queen Mary College, University of London with a Bachelor's degree in Economics and Finance and from King's College London with a Master's degree in International Management.

CHIA FOOK SAM
Executive Director and Chief Operating Officer

Mr Chia was appointed as an Executive Director on 1 January 2022 and Chief Operating Officer on 10 March 2021 and was re-elected on 28 July 2022. He is responsible for the management, operation and business development of the Group. Prior to this, he joined the Group's Door Business in Malaysia in April 2019. He has more than 21 years of experience in building materials and manufacturing business industry. Mr Chia graduated from University of North Dakota with a Bachelor of Science in Civil Engineering.

PENGIRAN MUDA ABDUL QAWI
Non-Executive Chairman

Pengiran Muda Abdul Qawi joined the Board of HS Optimus Holdings Limited on 30 September 2014 as Non-Executive Chairman and was re-elected on 28 July 2022. Prince Abdul Qawi is also the Chairman of National Insurance Bhd, QOS Sdn Bhd, Everon Sdn Bhd and Supremo Management Services Sdn Bhd in Brunei. His past experience includes Chairman of The Brunei Hotel, Deputy and Executive Chairman of QAF Brunei, a member of Baiduri Group and a Director of Baiduri Bank from 2000 - 2010. He was on the ASEAN Business Advisory Council from 2002 to 2012. Prince Abdul Qawi has been an active member of the INSEAD East Asia Business Council since 2005, the Confederation of Asia-Pacific Chambers of Commerce and Industry since 2004 and a Patron for the Young Entrepreneurs Association Brunei since 2010.

BOARD OF DIRECTORS

MARK LEONG KEI WEI
Independent Director

Mr Leong was appointed as an Independent Director on 19 September 2017 as the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees and was re-elected on 28 July 2021. He has considerable corporate, management and directorship experience in a broad range of functions and industries, having held various C-suite positions in several private and public listed companies. He presently serves as a Non-Executive Director of four SGX listed companies (including HS Optimus Holdings Limited) and a NSADAQ listed company CytoMed Therapeutics Ltd. He is also an Executive Chairman of a SGX listed company Lifebrandz Ltd. In addition, he also sits on the board of Australia-listed Catalano Seafood Ltd as a Non-Executive Director and Osteopore Ltd as an Executive Chairman. Mr Leong is a Fellow of the Association of Chartered Certified Accountants (ACCA), a Chartered Accountant of the Institute of Singapore Chartered Accountants (ISCA) and a Member of the Singapore Institute of Directors (SID).

VIVIEN GOO BEE YEN
Independent Director

Ms Goo was appointed as an Independent Director on 30 March 2020 and was re-elected on 28 July 2022. She is currently the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. Ms Goo is currently a Business Director of Shosha Beauty Company. Prior to this, she had worked in the banking industry for 11 years holding managerial positions in Brunei. She has also worked in the construction and property development industries in Brunei and Australia. Ms Goo holds a Bachelor of Commerce Marketing from Curtin University of Western Australia.

ANG WEE MING
Independent Director

Mr Ang was appointed as an Independent Director on 1 December 2020 and was re-elected on 28 July 2021. He is currently the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees. Mr Ang is currently the Managing Director, ASEAN Team Head with Bank of Singapore. Prior to this, he had worked in JP Morgan Chase and Standard Chartered Bank (Brunei). In total, he has 24 years of experience in the banking industry. Mr Ang holds a Master of Engineering, Second Class Honours degree in Chemical Engineering from Imperial College, University of London.

LIM LI HUI
Independent Director

Ms Lim was appointed as an Independent Director on 1 July 2021 and was re-elected on 28 July 2021. She is currently a member of the Audit, Nominating and Remuneration Committees. Ms Lim is currently the Partner at Cheok Advocates & Solicitors and admitted as an Advocate and Solicitor of the Supreme Court of Brunei Darussalam in 2003. She has extensive experience in corporate advisory, banking security and real estate transactions in Brunei. Ms Lim holds a Bachelor of Laws –LLB (Honours) degree from the University of Manchester.

KEY MANAGEMENT

ALBERT TAN SAI BENG
Chief Marketing Officer

Mr Albert Tan was appointed as Chief Marketing Officer on 1 September 2018. He is now in charge of the marketing and business development for the Group's Door Business. He has more than 25 years of experience in various industries such as fashion and furniture retailing, building material supplies, interior renovation and construction, real estate development, property turnkey management and the hospitality industry. Mr Tan graduated from University of Brunei Darussalam in 1997 majoring in Business Management and Marketing.

NG YUI WEI
Group Financial Controller

Mr Ng was appointed as Group Financial Controller on 29 April 2020. He is responsible for the Group's accounting, finance, compliance, internal control and other regulatory requirements. He has more than 22 years of working experience in finance and accounting in various industries/organisations and held several financial roles, which included overseeing the finance and accounting function of SGX listed companies. Mr Ng holds a Bachelor Degree (Hons) in Business Economics and a Master's Degree in Professional Accounting. He is a member of the Institute of Singapore Chartered Accountants (ISCA), a member of CPA Australia and a member of the Institute of Internal Auditors.

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REPORT ON CORPORATE GOVERNANCE

HS Optimus Holdings Limited (the **"Company**" and, together with its subsidiaries, the "**Group**") has embraced the tenets of good governance, including accountability, transparency and sustainability and in doing so, has adopted substantially appropriate processes, practices and policies to direct and manage the business and affairs of the Company based on the Code of Corporate Governance 2018 (the "**Code**") issued by the Monetary Authority of Singapore on 6 August 2018, which forms part of the continuing obligations of the Listing Manual Section B: Catalist Rules ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") with a view to maximise long-term shareholders' value while taking into account the interests of the other stakeholders.

This Report describes the Company's corporate governance practices and structures that were in place during the financial year from 1 April 2022 to 31 March 2023 ("**FYE23**") with specific references to principles and provisions of the Code, and should be read as a whole. The Company has complied, in all material aspects, with the principles and provisions of the Code. Where there are deviations from the provisions of the Code, the Company has provided the reasons and explanations in relation to the Company's practices as to how they remain consistent with the aim and philosophy of the overarching principles, where appropriate.

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Within the broad role of providing oversight, the Board of Directors (the "**Board**") is responsible for setting the strategic direction of the Company as well as the Company's approach to governance, including by establishing appropriate culture, values and ethical standards of conduct at all levels of the Company. The Board is committed to maintaining a high standard of corporate governance and in doing so, not only provides oversight for the management of the Company ("**Management**") by establishing goals for the Management team, monitoring the achievement of such goals, holding Management accountable for the performance of the Company, ensuring the Management has sufficient resources to meet its objectives and that shareholders' as well as stakeholder's including customers, suppliers, vendors and employee's interests are being safeguarded, but also sets appropriate tone-from-the-top, desired organisational culture and ensures proper accountability within the Company. The Board has established an oversight framework and processes for the Management and the Group, including a system of internal controls which enable risks to be assessed and managed.

In summary, the responsibilities of the Board are to:

- set the strategic directions and the long-term goals of the Group and ensuring that adequate resources are available to meet these objectives;
- establish a proper risk management system to ensure that key potential risks faced by the Group are properly identified and managed;
- review Management performance;
- identify key stakeholder groups and recognize that their perceptions affect the Group's reputation;
- approve the nominations of Directors and appointment of key management personnel;
- set the Group's values and standards, and ensure that obligations to shareholders and other stakeholders are understood and met;
- provide shareholders with a balanced and understandable assessment of the Group's performance, position, financial results and prospects on a half- and full-yearly basis;
- provide shareholders with business and operational updates in a clear and concise manner where and when appropriate; and
- considering sustainability issues, e.g., environmental, social and governance factors, as part of the Group's strategic formulation.

Board approval

The Board is also responsible for approving transactions exceeding certain limits in accordance with an established set of approved limits of the Group, while delegating authority for transactions below those limits to the Management, to facilitate operational efficiency. Matters which require the Board's review and approval have been communicated clearly to the Management in writing, and such matters include the following:

- all capital expenditure, acquisitions, investments and divestments exceeding S$500,000, subject to the requirements of the Catalist Rules and the SGX-ST;
- material funding decisions relating to operational matters;
- annual plans, budgets, policies, strategies and financial objectives;
- monitoring the performance of Management and remuneration of the Executive Directors, Chief Operating Officer, Chief Marketing Officer and key management personnel;
- assessing the financial performance and recommending dividends and other returns to shareholders, if appropriate;
- overseeing the framework and processes for risk management, financial reporting and compliance, and evaluate the adequacy of the Group's internal control system (including financial, operational, compliance and information technology risks), as may be recommended by the Audit Committee ("**AC**");
- review the performance of the Management, approve the nomination to the Board of Directors and appointment of key management personnel, as may be recommended by the Nominating Committee ("**NC**");
- review the framework of remuneration for the Board of Directors and key management personnel, as may be recommended by the Remuneration Committee ("**RC**");
- the Group's half- and full-year financial results announcements and operational and business updates;
- the appointment and removal of the Company Secretary; and
- the annual report and accounts for each financial year.

Board and Board Committee meetings

The Board meets every quarter to review the financial performance of the Group. It also holds ad-hoc meetings as warranted by particular circumstances and as deemed appropriate by the Board members. The Board also reviews the risks relating to the assets of the Group, examines liabilities and comments from the auditors of the Group and ensures that measures are implemented in accordance with key recommendations.

The Company's constitution (the "**Constitution**") allows for Board meetings to be conducted by way of tele-conference and video-conference and for decisions of the Board and Board Committees to be obtained through circular resolutions. In preparation for the Board meetings, Management provides the Directors with complete, adequate and timely information prior to meetings and on an ongoing basis to enable them to make informed decisions and discharge their duties and responsibilities. This has allowed the Board and Board committees to meet given the various travel restrictions that were announced upon the onset of the pandemic.

The Board, with the concurrence of the NC, is of the view that the Directors have attended and actively participated in Board and Board Committee meetings, and that each Director has ensured that sufficient time and attention has been given to the affairs of the Group for FYE23, regardless of their board representations on other companies. The following table discloses the number of meetings held by the Board and Board Committees and the attendance of all Directors in FYE23:

Board members	AGM		Board		AC		RC		NC	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Pengiran Muda Abdul Qawi	1	1	6	4	4	2	1	1	1	1
Wong Gloria (1)	1	1	6	6	4	4	1	1	1	1
Chia Fook Sam (2)	1	1	6	6	4	4	1	1	1	1
Mark Leong Kei Wei	1	1	6	6	4	4	1	1	1	1
Vivien Goo Bee Yen	1	1	6	6	4	4	1	1	1	1
Ang Wee Ming	1	1	6	4	4	4	1	1	1	1
Lim Li Hui	1	1	6	6	4	4	1	1	1	1

Notes:

(1) Ms Wong Gloria is not a member of the AC, NC and RC. Upon invitation, Ms Wong Gloria attended the AC, NC and RC meetings.
(2) Mr Chia is not a member of the AC, NC and RC. Upon invitation, Mr Chia attended the AC meetings.

Board Committees

The Board has established various committees to assist it in discharging its responsibilities as set out above. These committees have clearly written terms of reference which set out the compositions, duties and authority of each committee as well as qualifications for committee membership, in line with the Code. The committees are each responsible for reporting back to the Board. The terms of references are reviewed on a regular basis to ensure their continued relevance, as are the committee structures and membership. The committees established by the Board are:

- the AC
- the NC; and
- the RC.

Further details on the committee members, terms of reference and the activities of the relevant committees are set out on pages 19 to 36 of the Annual Report.

Directors’ Orientation and Training

The Directors are fiduciaries who act objectively in the best interests of the Company, and understand the Company’s business as well as their directorship duties (including their roles as executive, non-executive and independent directors). The Directors are of the view that they have objectively discharged their duties and responsibilities at all times as fiduciaries in the best interests of the Company for FYE23. Where a conflict or a potential conflict of interest arises, the relevant Director(s) will declare their interest at the relevant meeting or provide notice to the Chairman and/or Company Secretary setting out the details of their interest and the conflict, and recuse themselves from discussions and decisions involving the matter.

When a new Executive Director is to be appointed, a formal letter of appointment is provided to him, setting out his duties and obligations. Each new Director will also be provided proper briefings or explanations in respect of the regulatory requirements that a director has to comply with on appointment, the on-going obligations of a director under the Companies Act 1967 of Singapore (“**Companies Act**”), the Securities and Futures Act 2001 of Singapore (“**SFA**”), the Catalist Rules, the Code and other regulatory requirements. In addition, each Director is also given access to Board resources, including the Constitution and governing documents, the Board’s and each Board committee’s terms of reference, the Group’s policies, Annual Reports, previous Board meeting minutes and other pertinent information for his reference. The Directors have separate and independent access to the Management, the Company Secretary and external advisers (where necessary) at the Company’s expense. The Company Secretary attends Board meetings and ensures that such proceedings comply with Board procedures and all other rules and regulations applicable to the Company.

The NC ensures that all new Directors are aware of their duties and obligations. Further, the Company conducts an orientation programme for newly appointed Directors to familiarise them with the businesses, operations, financial performance and key management personnel of the Group. They also have the opportunity to visit the Group's operational facilities and meet with Management to obtain a better understanding of the Group's business operations.

The Management monitors changes to regulations, policies and financial reporting standards issued by, amongst others, the SGX-ST and the Accounting and Corporate Regulatory Authority of Singapore. Any change that might impact the Group and its disclosure obligations are promptly brought to the attention of the Board, either during Board meetings or via circulation of Board papers. The Management works closely with Company Secretary and Sponsor to advise the Board on regulatory matters under Singapore law and continuing listing obligations pursuant to the Catalist Rules.

To provide Directors with opportunities to develop and maintain their skills and knowledge, the Company periodically identifies relevant updates, briefing and training programs for the Directors to attend, which is funded by the Company. On 15 December 2021, the SGX-ST announced that all directors of listed issuers are to undergo a one-time training on sustainability from 1 January 2022. All the Directors had attended the mandated sustainability training course organised by the Singapore Institute of Directors ("**SID**").

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

As the Non-Executive Chairman is not independent, Independent Directors are required to and do make up a majority of the Board, which currently comprises one (1) Non-Executive Chairman, two (2) Executive Directors and four (4) Non-Executive, Independent Directors. Further, the Board comprises a majority of Non-Executive Directors, which safeguards the Board's against domination of its decision-making process by an individual or a small group of individuals.

As at the date of this Report, the Board comprises the following members:

Name of Director	Designation	Board Committee Membership		
		AC	NC	RC
Pengiran Muda Abdul Qawi	Non-Executive Chairman	–	–	–
Mark Leong Kei Wei	Non-Executive and Independent Director	Chairman	Member	Member
Vivien Goo Bee Yen	Non-Executive and Independent Director	Member	Chairman	Member
Ang Wee Ming	Non-Executive and Independent Director	Member	Member	Chairman
Lim Li Hui	Non-Executive and Independent Director	Member	Member	Member
Wong Gloria[1]	Executive Director	–	–	–
Chia Fook Sam	Executive Director	–	–	–

Note:

(1) Ms Wong Gloria will resign as an Executive Director of the Company with effect from 1 August 2023, due to personal commitments and to pursue other opportunities unrelated to the Group. Following Ms Wong Gloria's resignation, Mr Chia Fook Sam, the Executive Director and Chief Operating Officer, remains the sole Executive Director of the Group. Meanwhile, Ms Wong Gloria will till her last effective date, assist the Company in transition and handover to ensure a smooth transition. The detailed announcement on Ms Wong Gloria's resignation had been released separately on 5 May 2023.

There are no alternate Directors appointed on the Board. Under the Constitution of the Company, a maximum of fifteen (15) Directors and a minimum of two (2) Directors may be appointed to the Board.

The composition of the Board and Board Committees are reviewed annually by the NC to ensure that they are of an appropriate size, and comprise Directors who as a group provide the appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age so as to avoid groupthink and foster constructive debate while still ensuring that the Board and the Board Committees can carry out their respective roles and responsibilities effectively.

Pursuant to provision 2.4 of the Code, the Board has adopted a Board Diversity Policy. Under the Board Diversity Policy, the NC will, in reviewing the Board's composition, rotation and retirement of Directors and succession planning, consider a number of aspects, including but not limited to gender, age, nationality, ethnicity, cultural background, educational background, experience, skills, knowledge, independence and length of service. The final decision on selection of Directors will be based on merit against objective criteria that complements and expands the skills and experience of the Board as a whole, and after having given due regard to the overall balance and effectiveness of a diverse Board. The Board is committed to ensuring diversity on the Board, including but not limited to an appropriate balance and mix of skills, knowledge, experience, gender, age and the core competencies of accounting or finance, business or management experience and strategic planning to avoid groupthink and foster constructive debate. On gender diversity, the Board comprises three (3) female Directors and four (4) male Directors. The NC is of the view that in fulfilment of the objectives under the Board Diversity Policy, the current Board composition is appropriate, effective and adequate for the nature and scope of the Company's operations for the time being, taking into account the collective diversity of skills, experience and knowledge of the Directors. The Directors' collective experience includes core competencies such as business development, finance, manufacturing, legal and strategic planning experience, and such wealth of experience has enhanced the overall quality of the Board. More information on the Directors is set out in the sections entitled "Board of Directors" and "Directors' Statement" of the FYE23 Annual Report.

Accordingly, the Board and the NC are of the view that there is sufficient diversity in its composition, and that the targets under the Board Diversity Policy have currently been achieved. Notwithstanding, the NC will continue to review the setting of targets and plans to achieve such targets for various aspects of diversity, guided by the fundamental principle that the candidate must be of the right fit and able to meet the relevant needs and vision of the Company. Diversity will be considered in determining the optimum composition of the Board as a whole.

Given the above, the Board and the NC are satisfied that the Board currently has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company, consistent with the intent of principle 2 of the Code. As and when there is a need for Board renewal, the Board will abide by the Board Diversity Policy in its search of the new candidate(s).

Board Independence

The NC determines annually, and as and when circumstances require, if each Director is independent, having regard to the circumstances set forth in provision 2.1 of the Code. Each Director is required to declare their relationships with the Company, its related corporations, its substantial shareholders or its officers (if any) which may affect his/her independence through the completion and submission of a confirmation of independence form. Such relationships include business relationships which the Director, his/her immediate family member, or an organization in which the Director and/or his/her immediate family member is a director, substantial shareholder, partner (with 5% or more stake) or executive officer has with the Company or any of its related corporations and the director's direct association with a substantial shareholder of the Company, in the current and immediate past financial year.

Based on the confirmation of independence submitted by each of the Independent Directors, the NC is of the view that there is a strong and independent element on the Board and the Independent Directors (who represent more than half of the Board) are each independent in accordance with Rule 406(3) of the Catalist Rules in that they: (i) are not employed by the Company or any of its related corporations for the current or any of the past three (3) financial years; or (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three (3) financial years, and whose remuneration is determined by the RC.

The NC notes that under the Code, the independence of any Director who has served on the Board of the Company for an aggregate period of more than nine (9) years (whether before or after listing) from the date of his first appointment should be subject to particularly rigorous review. Effective from 1 January 2022 and pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, a director will not be independent if he has been a director for an aggregate period of more than nine (9) years (whether before or after listing) and whose continued appointment as an independent director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) all shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the company, and associates of such directors and the chief executive officer. For FYE23, there are no Independent Directors who have served on the Board for an aggregate period of more than nine (9) years since the date of their first appointment.

For the appointment of any new Director to the Board, the NC's search, selection and nomination process for candidates will include, amongst others, the use of search companies, personal contacts and recommendations, reviewing the range of expertise, skills and attributes of the existing Board members, the need for progressive renewal of the Board (including the Chairman and Executive Directors) as well as the needs of the Board, taking into consideration the Group's future business directions and strategies, before any nomination is put forward to the Board for consideration. The NC will also ensure that the new Director possesses the necessary skills, knowledge and experience to facilitate the Board's making of sound and well-considered decisions. For re-appointments, the NC takes into account the composition and progressive renewal of the Board and each director's competencies, commitment, contributions and performance.

Each Independent Director exercises his own judgment independently and in the best interests of the Company and shareholders. None of the Independent Directors has any relationship with the Company, its subsidiaries, its related corporations, its substantial shareholder or its officers that could interfere, or reasonably be perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of the Company.

The Independent Directors also do not receive any remuneration, significant payments or material services payments from the Company and its subsidiaries apart from Directors' fees which are subject to shareholders' approval at an annual general meeting ("**AGM**"). In addition, none of the Independent Directors or his immediate family members are or was a substantial shareholder, partner (with 5% or more stake) or executive officer has with the Company or any of its related corporations and the independent director direct association with a substantial shareholder of the Company, in the current and immediate past financial year.

Management provides the Board members with quarterly management accounts to keep them abreast with the Group's business development and performance. The Independent Directors also have at any given time separate and independent access to the Executive Directors, the Management, Chief Operating Officer and other key management personnel of the Group. This enables them to make enquiries or seek clarification on the Group's affairs. The Non-Executive Directors further constructively review and assist the Board to facilitate and develop proposals on strategy as well as review and monitor the performance of the Management in reporting on and meeting agreed goals and objectives. The Independent Directors also aid in developing proposals on strategy, actively participate in discussions and decision-making at Board and committees' level. The Non-Executive Directors (including the Independent Directors) regularly meet on their own without the presence of Management, and the chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Pengiran Muda Abdul Qawi is the Non-Executive Chairman of the Board and is responsible for leading the Board. He, with the assistance of the Executive Directors, (i) sets the agenda for Board meetings, (ii) ensures that adequate time is available for discussion for all agenda items, in particular, strategic issues, and that complete, adequate and timely information is made available to the Board, (iii) promotes a culture of openness and full and frank exchange of views at the Board meetings, (iv) encourages constructive relations within the Board and between the Board and Management, (v) facilitates effective contribution of the Independent Directors and (vi) ensures effective communication with shareholders. As the Chairman, he takes a prominent role in promoting high standards of corporate governance, with the full support of the directors, the Company Secretary and Management.

Currently, there is no Chief Executive Officer of the Company. The Executive Directors of the Company are responsible for managing the Company's business. Further information on the Non-Executive Chairman and Executive Directors can be found in the sections entitled "Board of Directors" and "Directors' Statement" in the FYE23 Annual Report. The roles of the Non-Executive Chairman and the Executive Directors are distinct and separate, with a clear division of responsibilities between the Non-Executive Chairman and the Executive Directors to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The Chairman and the Executive Directors are not related to each other.

The Board has not appointed a Lead Independent Director, as the Chairman and the Executive Directors are separate persons who are not related to each other and the Chairman is not part of the executive Management team. There is a clear division of responsibilities between the Chairman and the Management and as such, no one individual has unfettered powers of decision making. As part of its continuous assessment of corporate governance standards, the Board will appoint a Lead Independent Director if and when the composition of the Board warrants it. The NC is of the view that the Independent Directors have demonstrated a high degree of commitment in their role as Directors. The Independent Directors had also met periodically without the presence of Executive Directors.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.

The NC comprises the following four Directors, all of whom are independent:

Chairman:	Ms Vivien Goo Bee Yen	(Non-Executive and Independent)
Members:	Mr Mark Leong Kei Wei	(Non-Executive and Independent)
	Mr Ang Wee Ming	(Non-Executive and Independent)
	Ms Lim Li Hui	(Non-Executive and Independent)

The NC pursuant to its written terms of reference shall:

- make recommendations to the Board on the review of succession plans for Directors (including alternate directors, if applicable), in particular the appointment and/or replacement of the Executive Directors, the Chairman, the Chief Executive Officer (if applicable) and key management personnel;
- regularly review the structure, size and composition of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- annually review whether or not a Director is independent, in accordance with the Catalist Rules, the Code and other salient factors;
- be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- review and recommend to the Board for re-election, the Directors due for retirement by rotation in considering their contribution or performance;
- review and decide whether or not a Director is able to and has been adequately carrying out his duties as Director of the Company;
- decide and recommend for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual Director to the Board;
- assess the effectiveness of the Board as a whole and the contribution of each individual Director to the effectiveness of the Board;
- review and make recommendations to the Board on training and professional development programs for the Board;
- make recommendations to the Board on the appointment and re-appointment of Directors (including alternate directors, if any); and
- make recommendations concerning any matters relating to a Director's continuation in office and the appointment of new Directors at any time.

When sourcing for potential appointees, the NC would consider candidates proposed by the other Directors, key management personnel or substantial shareholders, and may engage external search consultants, where necessary, and go through the process of shortlisting and selecting all new Directors. The factors for consideration before appointing new candidates include referrals, background checks and candidates' knowledge of the industry based on their resume and interview with the NC.

In assessing the suitability of a candidate to be appointed or to be re-elected to the Board, the NC will consider if he is able to make the appropriate contributions to the Board and the Group. The key factors which the NC will take into consideration are:

- qualifications, industry knowledge and functional expertise which are relevant and beneficial to the Group;
- the candidate's independence, in the case of the appointment of an independent director;
- extensive experience and business contacts in the industry in which the Group operates; and
- any potential competing time commitments if the candidate has multiple board representations.

The NC will conduct interviews with the candidates to assess other attributes or soft skills of the candidates before a decision is made for recommendation to the Board for final approval and adoption.

Based on Rule 720(4) of the Catalist Rules, a listed issuer must have all Directors submit themselves for re-nomination and re-appointment at least once every three (3) years. Pursuant to the Constitution, one-third of the Directors, including the Managing Director, retire from office at each AGM. The Directors submit themselves for re-election at regular intervals of three (3) years.

The year of initial appointment and last re-election of each Director are set out below(1):

Director	Date of first appointment as a Director	Date of last re-appointment as a Director
Pengiran Muda Abdul Qawi	30 September 2014	28 July 2022
Ms Wong Gloria	1 August 2016	29 September 2020
Mr Mark Leong Kei Wei	19 September 2017	28 July 2021
Ms Vivien Goo Bee Yen	30 March 2020	28 July 2022
Mr Ang Wee Ming	1 December 2020	28 July 2021
Ms Lim Li Hui	1 July 2021	28 July 2021
Mr Chia Fook Sam	1 January 2022	28 July 2022

Note:

(1) Other information on the directors, such as academic and professional qualifications, shareholding in the company and its related corporations, board committees served on (as a member or chairman), directorships or chairmanships both present and those held over the preceding three (3) years in other listed companies, and other principal commitments can be found in the sections entitled "Board of Directors" and "Directors' Statement" as well as on page 27 of the Annual Report.

After assessing the contributions and performances of the retiring Directors, the NC has recommended the re-election of Ms Wong Gloria and Mr Ang Wee Ming, who will be retiring by rotation at the forthcoming AGM under regulation 109 of the Constitution. Subject to re-election at the forthcoming AGM, Ms Wong Gloria will remain as an Executive Director, up till her retirement on 1 August 2023, and Mr Ang Wee Ming will remain as a Non-Executive and Independent Director as well as the Chairman of RC and a member of AC and NC respectively. Each member of the NC abstains from making any recommendations and/or participating in any deliberation of the NC and from voting on any resolution, in respect of the assessment of their own performance or re-nomination as a Director.

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to each Director being proposed for re-election, namely Ms Wong Gloria and Mr Ang Wee Ming, as set out in the format of Appendix 7F of the Catalist Rules is set out below.

	Wong Gloria	Ang Wee Ming
Date of Appointment	1 August 2016	1 December 2020
Date of last Re-Appointment (if applicable)	29 September 2020	28 July 2021
Age	40	52
Country of Principal Residence	Hong Kong	Brunei Darussalam
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Pursuant to Article 109 of the Company's Constitution, Ms Wong Gloria will be retiring due to rotation. The re-election of Ms Wong Gloria as an Executive Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration her qualifications, expertise, past experience and overall contributions since she was appointed as a Director of the Company. Ms Wong Gloria has abstained from the deliberation of the Board pertaining to her re-election. If re-elected, Ms Wong Gloria will remain as an Executive Director up till her last day, 31 July 2023, in order to assist the Company in transition and handover to ensure a smooth transition.	The re-election of Mr Ang Wee Ming as an Independent Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contributions since he was appointed as a Director of the Company. Mr Ang Wee Ming has abstained from the deliberation of the NC as well as that of the Board pertaining to his re-election.
Whether appointment is executive, and if so, the area of responsibility	Executive. Ms Wong Gloria is responsible for the Group's strategy and business development of the Group.	Non-Executive Director.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director.	Independent Director, Chairman of the RC and Member of the AC and the NC.
Professional Qualifications	Please refer to the section entitled "Board of Directors" of this FYE23 Annual Report.	Please refer to the section entitled "Board of Directors" of this FYE23 Annual Report.
Working experience and occupation(s) during the past 10 years	Please refer to the section entitled "Board of Directors" of this FYE23 Annual Report.	Please refer to the section entitled "Board of Directors" of this FYE23 Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	None.	None.

	Wong Gloria	Ang Wee Ming
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Save for her role as Executive Director of the Company, none.	Save for his role as Independent Director of the Company, none.
Conflict of interest (including any competing business)	None.	None.
Undertaking (in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules) has been submitted to the listed issuer	Yes.	Yes.
Other Principal Commitments[1] including Directorships – Past (for the last 5 years)	• Prosperity International Holdings (H.K.) Ltd • Verton Ventures Limited • PT Tritama Barata Makmur • Preferred Mining Sdn. Bhd. • 蘇州市嘉欣房地產開發有限公司 • 濱海僑宏置業有限公司 • Jetgo Development Limited • Meureubo 2 Hydro Power Ptd Ltd • Deluxe Wise Limited • Prosperity Resources Holdings Limited • Everich Investment Limited	JP Morgan Chase
Other Principal Commitments[1] including Directorships – Present	• Century Global Commodities Corporation • Prosperity Cement Trading Ltd • First World Venture Resources Sdn Bhd • Brazil Resources Holdings Limited • Brazil South Resources Holding Limited	Bank of Singapore-Managing Director, Team Head of Relationship Managers

[1] "Principal Commitments" has the same meaning as defined in the Code.

	Wong Gloria	Ang Wee Ming
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No.	No.
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	On 29 November 2019, Prosperity International Holdings (H.K) Ltd, an entity which is listed on the Stock Exchange of Hong Kong Limited and which Ms Wong Gloria is an executive director of, announced that a winding up petition together with the application for the appointment of Joint provisional liquidators of the company on a light touch approach for restructuring purposes was presented and filed with the Supreme Court of Bermuda.	No.
(c) Whether there is any unsatisfied judgment against him?	No.	No.
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No.	No.

	Wong Gloria	Ang Wee Ming
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No.	No.
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No.	No.
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No.	No.
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No.	No.

	Wong Gloria	Ang Wee Ming
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No.	No.
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:— **(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or** **(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or** **(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or** **(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,** **in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?**	No.	No.

	Wong Gloria	Ang Wee Ming
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No.	No.
Any prior experience as a director of a listed company?	Not applicable as this relates to re-appointment of director.	Not applicable as this relates to re-appointment of director.
If yes, please provide prior experience.	Not applicable as this relates to re-appointment of director.	Not applicable as this relates to re-appointment of director.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. **Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).**	Not applicable as this relates to re-appointment of director.	Not applicable as this relates to re-appointment of director.

Directors' Commitments

The NC considers whether a Director has been and is able to adequately carry out his duties as a Director of the Company, taking into consideration, inter alia, the Director's number of listed company board representations, other principal commitments (which include, amongst others, significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organizations) and a qualitative assessment of each Director's contributions. The NC reviews annually the directorships held by each Director as well as principal commitments, if any. Where a Director holds a significant number of listed company directorships and principal commitments, the NC and the Board will make a reasoned assessment of the ability of the Director to diligently discharge his or her duties.

The present and past listed company board representations and other principal commitments of each Director is set out below:

Name of Director	Present Directorships or Chairmanships in Other Listed Companies (as at 31 March 2023)	Past Directorships or Chairmanships in Other Listed Companies in the Preceding Three (3) Years	Other Principal Commitments (as at 31 March 2023)
Pengiran Muda Abdul Qawi	Nil	Nil	**Chairman** • National Insurance Bhd • QOS Sdn Bhd • Everon Sdn Bhd • Supremo Management Services Sdn Bhd
Mr Mark Leong Kei Wei	• MDR Limited • LMIRT Management Limited • 9R Limited • Catalano Seafood Ltd • Osteopore Ltd	LCT Holdings Limited	**Director** • Avalon Partners Pte Ltd • Aperion Agrocommodities Pte Ltd
Ms Wong Gloria	Century Global Commodities Corporation	Prosperity International Holdings (H.K.) Ltd	Nil
Ms Vivien Goo Bee Yen	Nil	Nil	**Business Director** • Shosha Beauty Company
Mr Ang Wee Ming	Nil	Nil	**Managing Director, Team Head of Relationship Managers** • Bank of Singapore
Ms Lim Li Hui	Nil	Nil	**Partner** • Cheok Advocates & Solicitors
Mr Chia Fook Sam	Nil	Nil	**Director** • HS Optimus Wood Products Sdn Bhd

Based on a reasoned assessment of the ability of each Director to diligently discharge his or her duties, the number of listed company directorships and principal commitments of each Director and their contribution to the Company, the NC and the Board are of the view that all the Directors are able to and have adequately carried out their duties as Directors of the Company. NC was of the opinion that although Mr Mark Leong has a few directorships and commitments, he had adequately carried out his duties as director by attending all meetings and providing valuable input and regular feedback during each meeting.

Although Practice Guidance 4 of the Code recommends the Board to determine the maximum number of listed company board representations which any Director may hold, the NC does not recommend setting this limit. The Board considers several factors as described above to be a more effective assessment of a Director's commitment rather than to prescribe a limit. Suitable candidates who have multiple board representations may still have the capacity to participate and contribute as members of the Board. Currently, the number of directorships in other listed companies, excluding the Company, held by the Directors ranges from nil to five.

BOARD PERFORMANCE

Principle 5: ***The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.***

The NC has established an objective performance criteria and annual review process for the Board's approval, to assess the performance and effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board. Each year, all Directors will complete a confidential Board assessment questionnaire to provide their views on the overall effectiveness of the Board including the Chairman, taking into account a set of performance criteria which includes, without limitation, the Board composition and size, the Board processes and standards of conduct and communication with shareholders of the Company. The completed assessment forms are collated, and the consolidated responses are presented during the NC meeting for discussion, determining areas for improvement and enhancement of Board effectiveness. Based on the responses received, the Board has met its performance objectives for FYE23. The NC's evaluation of the Board's performance was discussed and considered by the Board and recommendations to strengthen the effectiveness of the Board and the committees were accepted by the Board.

The performance criteria for assessment of the Board are in respect of board size, board independence, board processes, the board's key responsibilities and accountability and the board committees' performance in relation to discharging their responsibilities as set out in their terms of reference.

In assessing the Directors' contributions and the overall performance of the Board, the NC also takes into consideration the Directors' individual performance of principal functions and fiduciary duties, attendance, preparedness and participation at and the candour of the meetings of the Board, Board committees and AGM, the individual Director's functional expertise and his commitment to the Company. Board committees' assessments are incorporated into Board assessment as a whole. For FYE23, the Board had also evaluated the performance of the AC, NC and RC. The performance criteria included, without limitation, the AC/NC/RC's ability to function properly and to discharge its responsibility effectively, strong support from Management in the preparation and submission of papers for discussion, papers for meetings are distributed to members in advance and the members represent the talent and skill set required to fulfil AC/NC/RC's. In the course of the year, the NC has assessed the performance of individual directors as well as the contribution of the Chairman by preparing a questionnaire to be completed by each Director, which were then collated and consolidated responses are presented during the NC meeting for discussion. The criteria taken into consideration by the NC include contribution and performance based on factors such as attendance, preparedness and participation. The NC has reviewed and is satisfied with the contribution by individual Directors to the overall effectiveness of the Board. No external facilitator was used in the assessment of the Board, its Board Committees, individual directors and Chairman.

Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance as Director.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

<u>Remuneration Committee</u>

The RC comprises the following four Directors, all of whom are Non-Executive and Independent:

Chairman:	Mr Ang Wee Ming	(Non-Executive and Independent)
Members:	Mr Mark Leong Kei Wei	(Non-Executive and Independent)
	Ms Vivien Goo Bee Yen	(Non-Executive and Independent)
	Ms Lim Li Hui	(Non-Executive and Independent)

The RC pursuant to its written terms of reference shall:

- review and make recommendations to the Board as to the framework or broad policy for the remuneration of the Board and key management personnel and the specific remuneration packages for each Director as well as for the key management personnel;

- in determining such policy, take into account all factors which it deems necessary. The objective of such policy shall be to ensure that the Group provides the appropriate incentives to encourage enhanced performance and that each of the Board and the key management personnel are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group;

- determine performance targets for any performance-related remuneration schemes operated by the Group, taking into account remuneration and employment conditions within the industry and in comparable companies;

- within the terms of the agreed policy, determine the individual remuneration package of each Executive Director including, where appropriate, allowances, bonuses, benefits in kind, incentive payments and share options;

- review the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of services, to ensure that such contracts of services contain fair and reasonable termination clauses which are not overly generous;

- determine the policy for and scope of service agreements for the Executive Directors including compensation commitments, fixing the appointment period for the Executive Directors and providing for consequences in the event of early termination; and

- determine whether the Directors and key management personnel should be eligible for benefits under the long-term incentive schemes.

The objective of the RC is to facilitate appropriateness, transparency and accountability to shareholders on issues relating to remuneration of the Executive Directors and key management personnel of the Company.

The Board considers that the members of the RC collectively have strong senior management and/or listed issuer board experience and expertise on remuneration issues. If necessary, the RC members may seek expert advice inside and/or outside the Company on the remuneration of the Executive Directors and the key management personnel. During FYE23, the RC did not engage any external remuneration consultant.

Procedures for Setting Remuneration

The Company has implemented a formal and transparent process in relation to determining the remuneration of the key management personnel and the remuneration packages of individual Directors. The RC reviews and recommends to the Board a general framework of remuneration and specific remuneration packages for the Board and key management personnel, and reviews all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination terms, to ensure that they are fair. The RC's recommendations are submitted for endorsement by the entire Board. Each RC member does not participate in discussions, and abstains from decision-making, in relation to any remuneration, compensation, options or any form of benefits to be granted to him or her. No director is involved in deciding his or her own remuneration.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Remuneration Policies

The Company's policy is to set a level of remuneration that is appropriate to attract, retain and motivate Directors and key management personnel to provide good stewardship of the Company and successfully manage the Company for the long term. As part of the RC's review, the RC ensures that the Directors and key management personnel are not excessively remunerated as compared to industry benchmarks and other comparable companies. In discharging its functions, the RC may obtain independent external legal and other professional advice as it deems necessary. The expenses of such advice will be borne by the Company.

Remuneration of Directors and Key Management Personnel

Non-executive and Independent Directors are paid yearly Directors' fees based broadly on the recommended guidelines from the SID and which is appropriate to their level of contribution, taking into account the factors such as effort and time spent, obligations and responsibilities of the Directors. These fees are subject to shareholders' approval at the AGM. Other than the Directors' fees, the Independent Directors do not receive any other remuneration from the Company and do not have any service agreements with the Company. The RC also ensures that the Non-executive and Independent Directors should not be over-compensated to the extent that their independence may be compromised.

The current Executive Directors were paid based on their individual service agreements with the Company which are subject to review by the RC. The RC is of the opinion that there are no excessive or onerous termination clauses in these service agreements. Under the terms of their service agreements, the remuneration for the Executive Directors comprises a basic salary component and a variable component, namely the annual bonus. In addition, pursuant to the terms of their service agreements, the Executive Directors' appointment may be terminated at any time by the Company giving him six (6) months' notice to that effect or six (6) months' salary in lieu of such notice.

The Group does not have any short-term or long-term incentive schemes for the Executive Directors and key management personnel. The employment contracts of the Executive Directors and key management personnel do not provide for incentive components. The remuneration package of key management personnel comprises basic salary, allowances, commission and bonuses depending on their roles and responsibilities in the organisation. The Board with the concurrence of the RC is of the view that the remuneration of the Executive Directors and key management personnel for FYE23 is appropriate to the level of contribution and that such remuneration is commensurate with their performance and value-add to the Group, having due regard for the financial and commercial health and business needs of the Group. No Director is involved in deciding his or her own remuneration package.

Details of the remuneration of the Directors and key management personnel are set out on page 31 of the Annual Report.

Disclosure of Remuneration

Principle 8: ***The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.***

Remuneration of Directors for FYE23

The breakdown (in Singapore dollars terms) of the remuneration of the Directors for FYE23 is set out below:

Name of Directors	Fixed Salary (S$)	Allowance (S$)	Commission / Incentives (S$)	Benefits in kind (S$)	Bonus (S$)	Directors' fee (S$)	Total (S$)
Pengiran Muda Abdul Qawi	–	–	–	–	–	75,000	75,000
Wong Gloria	216,000	–	–	–	6,000	–	222,000
Chia Fook Sam	416,400	–	–	–	6,000	–	422,400
Mark Leong Kei Wei	–	–	–	–	–	48,000	48,000
Vivien Goo Bee Yen	–	–	–	–	–	40,000	40,000
Ang Wee Ming	–	–	–	–	–	40,000	40,000
Lim Li Hui	–	–	–	–	–	40,000	40,000

Currently, there is no Chief Executive Officer of the Company.

Remuneration of Key Management Personnel who are not Directors or the CEO for FYE23

The breakdown (in percentage terms) of the remuneration of the top two key management personnel of the Group (who are not Directors or the CEO) for FYE23 is set out below:

Remuneration band and name of key management personnel	Fixed Salary (%)	Allowance (S$)	Commission / Incentives (S$)	Bonus (%)	Benefits in kind (%)	Total (%)
S$250,000 and up to S$500,000						
Albert Tan Sai Beng	99	–	–	1	–	100
Below S$250,000						
Ng Yui Wei	96	–	–	4	–	100

Save as set out above, there are no other key management personnel of the Group. Given the highly competitive business environment and the sensitive nature of the subject, the Board is of the view that full disclosure of the exact remuneration of each of the key management personnel of the Group (who are not Directors or the CEO) for FYE23 is not in the best interests of the Company, the Group or its stakeholders. In arriving at this decision, the Board had taken into consideration, inter alia, the commercial sensitivity and confidential nature of remuneration matters, the relative size and performance of the Group, and the negative impact such disclosure may have on the Group in attracting and retaining talent at the Board and key management level on a long-term basis. As an alternative, in compliance with provision 8.1 of the Code, the Company has disclosed the remuneration of these key management personnel of the Group (who are not Directors or the CEO) in bands of S$250,000 and also a breakdown in percentage terms.

In aggregate, the total remuneration paid to the above-mentioned key management personnel of the Group (who are not Directors or CEO) was S$591,375 in FYE23.

Remuneration of employees who are substantial shareholders, or are immediate family members of a Director, the CEO or a substantial shareholder

There is no employee who is a substantial shareholder of the Company or an immediate family member of a Director or the CEO or a substantial shareholder and whose remuneration exceeded S$100,000 during FYE23.

The Company does not have in place any share or share option schemes in place for employees or any long-term incentive schemes for the Executive Directors and key management personnel. There are no termination, retirement, and post-employment benefits that may be granted to the Directors and key management personnel. The remuneration packages of the key management personnel of the Group comprise fixed salary, allowances, commission and bonuses depending on their role and responsibilities in the Group. Yearly bonuses declared are based on financial and operational performance of their respective subsidiaries and individual performances.

Relationship between remuneration, performance and value creation

A significant and appropriate proportion of the remuneration of the Executive Directors and key management personnel is structured so as to link rewards with the achievement of corporate and individual performance targets in an objective and equitable way and reflects the degree of responsibility held by each employee. The Group seeks to ensure that the variable component is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.

To ensure that the level and structure of remuneration is proportionate to the sustained performance and value creation of the Group, the Company has put in place a framework of remuneration for the Executive Directors and key management personnel. The key areas of focus of the remuneration framework and details of the implementation within the Group are set out below:

Key Areas of Focus	Details
Link to Performance and Value Creation	• Put in place and promote a pay-for-performance culture • Ensure that remuneration is closely linked to corporate and individual performance targets
Competitive remuneration	• Benchmark remuneration packages against other companies of similar size in the Group's industries
Accountability	• Focus on prudent risk taking, responsible capital management and sustainability

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board is aware of the risk profiles which may adversely affect the Company's financial performance, financial position and cash flows in the event that any of these risk factors develop into actual events. The Board, with the assistance from the AC, is responsible for the overall governance of risk by ensuring that Management maintains sound systems of risk management and internal controls to safeguard shareholders' interest and the Group's assets, and for determining the nature and extent of the significant risks which the Company is willing to take in achieving strategic objectives and value creation. The Board's policy is that risks should be managed within the Group's overall risk tolerance.

The Board did not establish a separate Board risk committee as the Board is currently assisted by the AC, the Management and the internal and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies. The AC and the Board review the Group's risk management and internal controls system (addressing financial, operational, compliance and information technology risks) and risk management system, at least annually.

The AC and Management review the Group's businesses and operational activities on an ongoing basis to identify areas of significant risks. The AC and Executive Directors are responsible for monitoring the Group's risk management framework.

The financial risks management objectives and policies of the Group are set out in Note 29 of the Financial Statements.

The internal and external auditors also assist in the risk management process by identifying areas of concern that are uncovered through financial/audit checks. The key risks facing the Group have been identified and appropriate measures are in place to mitigate such risks.

Internal Audit

BDO Advisory Pte Ltd ("**IA**"), an established international auditing firm was appointed to conduct an internal audit of the Malaysian entity and to follow up on past internal audit issues for FYE23. The IA conducts the internal audits based on the BDO Global Internal Audit Methodology which is consistent with the International Professional Practices Framework established by the Institute of Internal Auditors. For FYE23, the annual internal audit plan has been expanded to incorporate the internal review of the Company's sustainability reporting processes, which was approved by the AC. The IA reports directly to the AC Chairman and the AC, and administratively to the Group Financial Controller, and the IA has full and unfettered access to the Group's documents, records, properties and personnel, including access to the AC. The AC approves the hiring, removal, evaluation and compensation of the IA. The AC reviews annually the adequacy, effectiveness and independence of the internal audit function. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit.

The IA engagement partner has more than 20 years of audit and advisory experience and is a Chartered Accountant (Singapore), Certified Internal Auditor and Certified Information System Auditor. The IA performs outsourced internal audits of several other listed companies, government bodies and regulated entities. Members of the internal audit team also have relevant academic qualifications, professional certifications and internal audit experience.

The AC is satisfied that the IA is independent, adequately qualified (given, inter alia, its adherence to standards set by internationally recognised professional bodies), adequately resourced, and has the appropriate standing in the Company to discharge its duties effectively.

The AC has set in place internal controls such as approving limits for cheque signatories and the authority of the Executive Directors and has relied on the assistance of the external auditor, Ernst & Young LLP and IA (during its internal audit on the Group) to ensure compliance. In addition, material control weaknesses, if any, are highlighted by the external auditors in the course of the statutory audit.

The current Board has received assurance from the Executive Directors and the Group Financial Controller during the relevant period that the financial records of the Group for the financial year ended 31 March 2023 have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances. In relation to the adequacy and effectiveness of the Company's risk management and internal control systems, the Board has received assurance from the Executive Directors and the Group Financial Controller that the Group's risk management and internal controls systems (including financial, operational, compliance and information technology controls) are adequate and effective for the period commencing from 1 April 2022 to 31 March 2023.

Based on the internal controls (including financial, operational, compliance and information technology controls) established and maintained by the Group, work performed by the internal and external auditors, information provided to the AC and the Board and reviews performed by the Management, the AC and the Board at least annually, the Board with the concurrence of the AC is of the opinion that the Group's internal controls (including financial, operations, compliance and information technology controls) and risk management systems were adequate and effective as at 31 March 2023.

The system of internal controls and risk management established by the Group provides reasonable assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

AUDIT COMMITTEE

Principle 10: The Board has an AC which discharges its duties objectively

The AC comprises the following four Non-Executive and Independent Directors:

Chairman:	Mr Mark Leong Kei Wei	(Non-Executive and Independent)
Members:	Ms Vivien Goo Bee Yen	(Non-Executive and Independent)
	Mr Ang Wee Ming	(Non-Executive and Independent)
	Ms Lim Li Hui	(Non-Executive and Independent)

At least two members of the AC have recent and relevant accounting or related financial management expertise or experience to discharge the AC's responsibilities objectively. In particular, Mr Mark Leong Kei Wei, the Chairman of the AC was previously an auditor with a Big Four firm and he is also a fellow of the Association of Chartered Certified Accountants (ACCA) and a Chartered Accountant of the Institute of Singapore Chartered Accountants (ISCA). Mr. Ang Wee Ming also has 24 years of experience in various financial institutions and international banks, especially in the area of wealth management and banking and financial management solutions across major Asian markets. The other members of the AC are experienced in business and capital raising.

The AC's primary function is to provide assistance to the Board in fulfilling its responsibility relating to corporate accounting and auditing, reporting practices of the Company, the quality and integrity of the financial reports of the Company, and the Company's system of internal controls regarding finance, accounting, legal compliance and ethics established by the Management and the Board. The AC met four (4) times during FYE23.

The AC pursuant to its written terms of reference shall:

- review with the internal and external auditors, their audit plans;
- review at least annually the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems;
- review with the internal and external auditors, their audit reports;
- review the independence and objectivity of the external auditor on an annual basis;
- review the appointment, termination and remuneration of the head of the internal audit function, which is outsourced to a professional services firm;
- review with the internal auditors the findings of their review report, internal control process and procedures and make recommendations on the internal control process and procedures to be adopted by the Group;
- review, either internally or with the assistance of any third parties, and report to the Board at least annually, the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance, risk management policies and information technology controls;
- review the co-operation / assistance given by the Group's key management personnel to the internal and external auditors;
- review the adequacy, effectiveness, independence, scope and results of the external audit procedures and the internal audit function, which is outsourced to a professional services firm;
- review the quarterly and annual financial statements and the auditors' report on the annual financial statements of the Group before they are presented to the Board;
- review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- review the assurance from the Executive Directors and the Group Financial Controller on the financial records and financial statements;

- determine the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation; and assessment on whether there is a need to obtain independent legal advice or appoint a compliance adviser in relation to the sanctions-related risks applicable to the Company and continuous monitoring of the validity of the information provided to shareholders;

- make recommendations to the Board on proposals to the shareholders on the appointment, re-appointment and removal of the external auditors and internal auditors, and the remuneration and terms of engagement of the external and internal auditors;

- review interested party transactions and examine the relevant supporting documents of all related party transactions;

- review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns; and

- generally undertake such other functions and duties as may be required by law or the Catalist Rules, and by such amendments made thereto from time to time.

The AC also has full access to both the internal and external auditors and has reviewed the Group's system of internal controls including operational policies established by the Management, and has been given reasonable resources to enable it to discharge its functions.

The AC has the authority to investigate any matter within its terms of reference. It has full access to, and the cooperation of the Management and full discretion to invite Executive Directors and/or key management personnel to attend its meetings.

The AC has reviewed the scope and quality of work of the external auditors, Ernst & Young LLP, after taking into account the resources and experience of the audit engagement partner assigned to the audit, the size and complexity of the audit for the Group as well as the number and experience of the staff assigned for the audit.

The AC meets with the external and internal auditors, without the presence of Management, at least once a year to discuss the reasonableness of the financial reporting process, the weaknesses in internal controls raised during the course of statutory audit, and the significant comments and recommendations by the auditors. The AC has met with the external and internal auditors without the presence of the Management at least once for FYE23.

The AC is kept abreast by the Management and the external auditor of changes to accounting standards. Prior to commencement of the statutory audit, the external auditor had presented their audit planning memorandum to the AC in which they had highlighted recent changes in accounting standards and the potential impact on the Group's financial statements.

<u>External Auditors</u>

The AC reviews the independence and objectivity of the external auditor on an annual basis. During the financial year under review, the AC has reviewed the independence of Ernst & Young LLP as well as the fees paid to them. There was no non-audit related work carried out by the external auditor in the current financial year, and accordingly, no non-audit fees were paid to Ernst & Young LLP. According to Rule 1204(6)(a) of the Catalist Rules, the audit fee to be paid to the external auditor for the year under review is reflected in Note 7 of the Financial Statements. Having considered the non-audit fee rendered to the Group during FYE23 (which is nil), the AC is satisfied with the independence and objectivity of Ernst & Young LLP and has recommended to the Board the nomination of Ernst & Young LLP for re-appointment as auditors of the Company at the forthcoming AGM.

The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

Ernst & Young LLP is also being appointed as auditors for the Singapore-incorporated subsidiaries of the Company. For the significant foreign-incorporated subsidiaries of the Company, it was audited by Ernst & Young PLT, which is a member of Ernst & Young Global Limited.

The Company is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of the auditors. Ernst & Young LLP is registered with the Accounting and Corporate Regulatory Authority of Singapore.

Whistle-Blowing Policy

Please refer to the section entitled "Whistle-Blowing Policy" of this Report on Corporate Governance for more information on the Company's whistle-blowing policy. No whistle-blowing reports were received in FYE23.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: ***The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***

The Company welcomes active and effective participation from shareholders at general meetings. Shareholders of the Company are invited to attend the shareholders' meetings through notices in the annual report and circulars sent to them prior to the meetings, notices advertised in the local newspaper and notices announced through SGXNET. Shareholders are also informed of the rules and voting procedures governing general meeting during the meeting.

Each issue or matter requiring shareholders' approval is tabled in the form of separate and distinct resolutions at general meetings and resolutions are not bundled unless the issues are interdependent and linked so as to form one significant proposal, in which case, the Company will explain the reasons and material implications in the notice of meeting.

All Directors, including the Chairman of the Board and the Chairmen of the AC, NC and RC, respectively, will attend the meetings for FYE23 to address any queries raised by shareholders and had called upon professional service providers to respond where appropriate. The Company's external auditors will also be present to address questions raised by shareholders at the general meetings.

To facilitate voting by shareholders, the Constitution allows shareholders to vote by proxy. The Company's Constitution has not been amended to provide for abstentia voting methods such as via mail, electronic mail or facsimile. The Company is reviewing available methods of voting in absentia to ascertain which method would ensure that the integrity of the information and authentication of the identity of the shareholders is not compromised. Proxy forms can be sent to the Company by mail.

The Constitution allows each shareholder to appoint up to two (2) proxies to attend general meetings. In addition, the Companies Act also allows corporations which provide nominee or custodial services to appoint more than two proxies such that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

The Company Secretary, with the assistance of his representatives, prepares minutes of general meetings (including substantial or relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and/or Management). These minutes are available to shareholders upon request and are released via SGXNET and published on the Company's corporate website as soon as practicable after such meetings and in any case, within one month from the date of the general meeting and are generally available to the shareholders upon request. All resolutions are passed at the general meetings by way of poll. Results of the meeting showing the number of votes cast for and against each resolution and the respective percentages are announced via SGXNET within the same day of the meeting.

Provision 11.6 of the Code recommends that the Company has a dividend policy and communicates it to shareholders. The Company does not have a formal dividend policy. Notwithstanding, the Company announced in the unaudited financial results for FYE23 on 30 May 2023 the reasons for not declaring or recommending a dividend in compliance with Rule 704(24) of the Catalist Rules, which requires that in the event the Board decides not to declare or recommend a dividend, the Company must expressly disclose the reason(s) for the decision together with the announcement of the financial statements. Please also refer to the section entitled "Dividend Policy" of this Report on Corporate Governance set out on page 38 below.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: ***The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.***

The Company takes a serious view of maintaining full and adequate disclosure in a timely manner of material events and matters concerning its business. All the necessary disclosures and communications to stakeholders are made through public announcements, press releases and annual reports to shareholders.

Information is communicated to shareholders on a timely basis via SGXNET and through the Company's website at http://www.hso.com.sg through:

- Circulars;
- Announcements and voluntary business updates;
- Half-yearly financial results and annual reports which are broadcast within the prescribed period; and
- notices and explanatory notes of both AGMs and extraordinary general meetings.

The Board provides shareholders with a balanced and understandable assessment of the Group's financial performance, position, and prospects through the announcement of half-yearly and annual financial results, business updates and press release (where appropriate) via SGXNET.

Conduct of general meetings

General meetings (including AGM) are important forums for dialogue and interaction with shareholders. Shareholders were notified of general meetings within the prescribed period before the scheduled date of such meetings via notices in annual reports or circulars, announcements on SGXNET and advertisements in the Business Times. Members are entitled to attend all general meetings so as to participate effectively and vote. They are also given the opportunity to share and communicate their views and seek clarification with the Board on issues relating to the Group's performance either formally at or informally after the meeting. Shareholders are informed of the rules, including voting procedures that govern general meetings of members at the commencement of each meeting.

At these meetings, shareholders are given the opportunity to engage the Board and the Management on the Group's business activities, financial performance and other business-related matters. The Company could also gather views and inputs and address the concerns of shareholders at the general meetings. All Board members had attended the general meetings via live webcast last year and provided their inputs on the questions submitted by the shareholders in advance of the general meetings.

The Company also maintains an updated corporate website at http://www.hso.com.sg to keep shareholders abreast of the Company's developments and to serve as a platform to gather shareholders' queries. The Company may conduct media interviews or briefings sessions to engage shareholders when opportunities present themselves.

The Company does not practise selective disclosure. Price-sensitive information is first publicly released via SGXNET before the Company meets with any group of investors or analysts.

The Company has an in-house team for investor relations. Shareholders may contact the Company directly as the Company has personnel dedicated to handle investor queries and deal with all matters related to investor relations. Shareholders may contact the Company with their questions via email at ir@hso.com.sg and telephone at 6754 1854, and the Company will provide responses to such questions in a timely manner.

Provision 12.3 of the Code recommends that the Company has in place an investor relations policy. The Company currently does not have a formal investor relations policy but considers advice from its investor relations team, corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders so as to promote regular, effective and fair communication with shareholders.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Through regular feedback on the concerns and expectations of the stakeholders obtained through both formal and informal channels, the Company' has identified its customers, suppliers, employees and shareholders as key stakeholders. It has been the Company's core business and sustainability strategy of engaging and managing its relationship with the stakeholders in a fair and responsible manner through hard work, dedication and commitment. The needs and interests of each group of stakeholders are carefully considered and balanced for the best interests of the Company.

In managing stakeholder relationships, the Company has identified and targeted the following key areas of focus through the accompanying methods of engagement in FYE23:

STAKEHOLDERS	KEY AREAS OF FOCUS	METHODS OF ENGAGEMENT
Customers	Quality product, on time delivery, attractive pricing and customer service.	Customer visits, business meetings and after sales follow up.
Suppliers	Repeat orders and increased market share.	Supplier visits, factory visits and business meetings.
Employees	Remuneration, health, career growth and business stability.	Management's meeting with employees, employee feedback and appraisals & discussions.
Shareholders	Financial results, business growth, conservation of assets and investment returns.	Financial results announcements, annual report, and AGMs. Timely disclosures on SGX-ST of various announcements. Please also refer to past years Sustainability Report ("**SR**") and the Company's FYE23 SR which is set out on pages 40 to 58 of the Annual Report.

The Company maintains a current corporate website at http://www.hso.com.sg to communicate and engage with various stakeholders.

DIVIDEND POLICY

The Company does not have a formal dividend policy at present. The Board, in determining a dividend proposal, will take into consideration the Group's profits, cash position, projected capital requirements for business growth and other factors as the Board may deem appropriate. In view of its cumulative financial performance over the years, the Board is not proposing the payment of dividends for FYE23 as the Group is not in a financial position to declare dividends.

DEALINGS IN THE COMPANY'S SECURITIES

In line with the Catalist Rules, the Group has adopted and implemented an internal compliance code to provide guidance to the Directors and employees of the Group with regard to dealings in the Company's securities. In particular, it has been highlighted that it is an offence to deal in the Company's securities when the party dealing in the securities is in possession of unpublished material price sensitive information relating to those securities. Directors and employees are reminded that:

(a) there should be no dealing in the Company's securities on short-term considerations; and

(b) there should be no dealing in the Company's securities during the period commencing one (1) month before the announcement of the Company's half year and full year financial statements.

The Board confirms that for FYE23, the Company has complied with Rule 1204(19) of the Catalist Rules on dealings in securities.

INTERESTED PERSON TRANSACTIONS ("IPTs")

The Company has established procedures to ensure that all IPTs are reported in a timely manner to the AC and that these transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders.

There have been no IPTs equal to or exceeding S$100,000 in value for the financial year ended 31 March 2023 and the Group does not have a shareholders' mandate for IPTs.

MATERIAL CONTRACTS

No material contracts have been entered into by the Group involving the interests of each Director or controlling shareholder either still subsisting at the end of FYE23 or if not subsisting, entered into since the end of the previous financial year ended 31 March 2022.

WHISTLE-BLOWING POLICY

The Company has put in place a whistle-blowing policy which sets out the procedures for employees of the Group and other persons such as vendors, customers and other stakeholders with accessible channels to the AC Chairman for reporting in confidence suspected fraud, corruption, dishonest practices or other similar matters. The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the persons making such reports will be treated fairly and, to the extent possible, the identities of whistle-blowers are protected without fear of reprisals when acting in good faith and are protected against detrimental or unfair treatment. A whistle-blower may report his or her concern to the AC Chairman through a designated email address at whistleblowing@hso.com.sg, who is responsible for the oversight and monitoring of whistle-blowing, and for handling all reported cases and ensuring that issues raised are properly resolved by the management or such parties as appropriate and within a reasonable timeframe. The AC Chairman may at his discretion form an Investigation Committee comprising of only Independent-Non-Executive Directors to assist and investigate valid whistle-blowing complaints. The policy is reviewed and updated at least annually to ensure its continual effectiveness, and may only be amended in writing upon approval by the AC. Anonymous reports will be accepted and anonymity honoured.

CATALIST SPONSOR

Pursuant to Rule 1204(21) of the Catalist Rules, the Company wishes to disclose that there were no non-sponsor fees paid to its sponsor, R & T Corporate Services Pte. Ltd., for FYE23. The amount of fees paid to Rajah & Tann Singapore LLP, an affiliate of the Sponsor, for work done in FYE23 was S$34,385.

TREASURY SHARES

There are no treasury shares held by the Company at the end of the financial year from 1 April 2022 to 31 March 2023.

SUSTAINABILITY REPORT

VISION & MISSION STATEMENT
To be a resilient, robust, reliable and sustainable Wood Manufacturing and Property Group committed to creating sustainable and environmentally kinder products and homes for everyone, improving lives, communities and stakeholder value.

愿景与使命宣言
成为一个稳定、稳健、可靠和可持续发展的木材制造和房地产集团。
致力于为每个人创造环保且可持续使用的产品与家园，并改善生活、社区和利益相关者的价值。

BOARD STATEMENT
"The Board reviews the material economic, environmental, social and governance factors facing HS Optimus and considers them imperative when formulating and supervising the execution of the company's strategy and provides the necessary oversight to ensure these factors are managed and monitored practically."

We hereby present the annual Sustainability Report of HS Optimus Holdings Limited ("**HSO**", the "**Company**", and together with its subsidiaries, the "**Group**") for our financial year ended 31 March 2023 ("**FYE23**").

The aftereffects of COVID-19, the continued weakened economy, high inflationary environment and the ongoing Russian-Ukraine conflict continues to weaken global economic demand, especially in the United Kingdom, our main export market. Despite these challenges, the Group remains focus in carrying out its business in an economically sustainable manner.

Recognising the importance of sustainability, our Board of Directors ("**Board**") leads the sustainability efforts of the Group. The Board has considered sustainability issues as part of its strategic formulation, determined the material economic, environmental, social and governance ("**EESG**") factors relevant to its business and overseen the management and monitoring of these material EESG factors.

We continue to stay committed to conducting business in a sustainable manner to build a sustainable future, with a focus on continuous improvement that balances today's needs with long term development.

ABOUT THIS REPORT
In this report, we have applied the Global Reporting Initiative ("**GRI**") Standards by considering the Group's activities, impact and substantive expectations as well as interests of its stakeholders. For reporting quality, we observed the principles of balance, comparability, accuracy, timeliness, clarity and reliability.

The EESG data and information provided in this report have been derived from internal data monitoring and verification to ensure accuracy. The Company's sustainability reporting process was subject to internal review. We may consider seeking external assurance in the future.

REPORTING PERIOD, SCOPE AND FRAMEWORK
This report is issued on an annual basis (most recently on 31 August 2022) and has been prepared with reference to the GRI Standards: Core option, and on a "comply or explain" basis in accordance with Rule 711B and Practice Note 7F of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Section B: Rules of Catalist ("**Catalist Rules**"). We have chosen to report using the GRI Standards because it is an internationally recognised sustainability reporting framework that covers a comprehensive range of sustainability disclosures. Moreover, the structured framework promotes reporting a full and balanced picture of the material EESG factors affecting the Group and the management of its impact.

Pursuant to Catalist Rule 711B(1)(aa) read with Practice Note 7F, the Company falls under the classification of Cyclical Consumer Products (based on the Thomson Reuters section classification as indicated on SGX-ST's stock screener), and therefore does not fall within any of the industries required to carry out mandatory climate reporting. The Company and Board prioritises sustainability efforts in its business activities and intends to commence climate reporting in the future, after familiarising itself with the recommendations of the Taskforce for Climate-related Financial Disclosures and gathering sufficient resources to ensure a successful and effective implementation of climate reporting. As of the date of this report, all directors of the Company have undergone training on sustainability matters as prescribed by the SGX-ST.

Corresponding to the GRI Standards' emphasis on materiality, this report highlights some of the EESG related initiatives carried out throughout the 12-month period, from 1 April 2022 to 31 March 2023 by the Group's Doors Business ("**main business**"). Further information on the Group's activities, products, brands and services can be found in the "Our Businesses" section of our 2023 Annual Report released via SGXNET and our corporate website on 12 July 2023.

Unless stated otherwise, the report covers the EESG performance and activities of HSO's main business activity in Singapore and Malaysia. The other businesses of Property Development and Property Investment which pertains mainly to the property assets held in both Melbourne, Australia and Jakarta, Indonesia, as well as the Secured Property Financing Business did not contribute materially to FYE23 audited revenue.

FEEDBACK
We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to improve our policies, systems and results. Please send your feedback to enquiries@hso.com.sg. We have also uploaded a digital copy on our website at www.hso.com.sg.

A) STAKEHOLDER ENGAGEMENT
Stakeholder engagement is the focus point to create long term and sustainable value as a business organisation. We define our stakeholders as persons or groups whom our business has a significant impact on and those with a vested interest in our business or operational performance. We have identified the following stakeholders who have significant impact on our operations and sustainability performance. We will continue to maintain open communication and strong relationships with our stakeholders to better understand their concerns.

These key stakeholders include, but are not limited to (i) the Board, (ii) employees, (iii) customers, (iv) suppliers, (v) the investing public, (vi) local government and (vii) local communities. We adopt both formal and informal channels of communication to understand the needs of key stakeholders and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

The following sets out our engagement platforms with our stakeholders:

STAKEHOLDERS	MODE OF ENGAGEMENT	FREQUENCY	ISSUES & CONCERNS	HSO EFFORTS
BOARD OF DIRECTORS	• Board Meetings • Board Papers	• Quarterly	• Financial performance • Annual Budget • Policies and strategies	• Quarterly business updates and review • Review of policies
CUSTOMERS	• Face-to-face / Virtual meetings • Post-COVID-19 Market and Customer visits • Email feedback • Customer satisfaction questionnaire	• As and when, and annually	• Quality and consistency of our products and affordability. • Competitive and quicker product pricing, customer support. • Reliability and shipment punctuality. • Product safety, quality and safety.	• Records log showed lower level of complains or rejects. • Continued efforts to manage inflationary environment and raw material price escalation, improved production efficiency and at the same time securing orders from recurring customers, by reviewing and offering competitive prices. • Continued to work closely with forwarders and shippers to deliver on time to customers' port of call. • Facilitated customer audits and hosted customer visits to manufacturing facility for them to assess quality, work practices, production process and to facilitate order taking. • Passed respective SMETA audits & continued FSC certification.

SUSTAINABILITY REPORT

STAKEHOLDERS	MODE OF ENGAGEMENT	FREQUENCY	ISSUES & CONCERNS	HSO EFFORTS
SUPPLIERS & SERVICE PROVIDERS	• Visit to suppliers and face to face meetings post-COVID-19 lock downs. • Where necessary, flexibility to adopt virtual meetings. • Assessment of vendor.	• As and when	• Cost and quality of the product. • Delivery and availability of inventory or product. • Shorter credit terms in line with market practice. • Punctual payments. • Stable long-term relationship, recurring orders.	• Periodic visits to local suppliers. Increasing the scope of suitable local suppliers. • Continuous negotiation with view to achieve costs savings, quoting from different sources. • Continued to find alternative sources in case of future supply disruptions, both locally and overseas. • Continued payment within approved credit terms.
EMPLOYEES	• Staff Appraisals • Staff bonding sessions and whistle-blowing policy. • Departmental meetings • Employee Sustainability Report Feedback Form	• As and when, and annually	• Health & Safety • Safe working environment and safe practices. • Market and fair remuneration. • Room for individual growth / job rotation. • Job security and livelihoods. • No whistle-blowing reports were received in FYE23 • Feedback on content, style, format of Sustainability Report	• Continued review of employee compensation and benefits, personal development and performance appraisal.

STAKEHOLDERS	MODE OF ENGAGEMENT	FREQUENCY	ISSUES & CONCERNS	HSO EFFORTS
INVESTORS / SHAREHOLDERS	• Annual General Meetings / Extraordinary General Meetings • Annual Reports / SGX announcements / voluntary operational updates / Financial results • HSO Group website	• As and when, and annually	• Return to sustainable profitability. • Financial results • Value of the Company's assets • Geo-political risks to the Company. • Transparent and timely disclosure of material information. • Undervalued share price.	• Continued cost cutting and increasing productivity to achieve cost savings. • Selling price adjustments. • Staff attrition and increased staff training to improve productivity. • Continue to develop asset light deals like (i) Investment (Debt) and Marketing Agreements and (ii) Secured Property Financing Business which mandate was obtained. • Continue road map to win new export customers and possibly new businesses. • Continue to be on a lookout for any property development and investment opportunities.
Local Government	• Regular reporting • Inspections • Email / Circulars Survey	• As and when, and annually	• Regulatory and compliance matters	• Timely reporting / filing
Local Communities	• Community outreach initiatives • Employment opportunities • Business transactions	• As and when	• Contribution to local community • Job creation	• Employment of local workforce • Business dealing with local suppliers

B) MATERIALITY ASSESSMENT

After identifying key stakeholders, Management identifies relevant EESG factors, taking into consideration their relevance to the business, strategy, business model and key stakeholders. Relevant EESG factors are then prioritised to identify material EESG factors that the Management considers significant to the Group and its stakeholders which are subject to validation by our Board. The result of this process is a list of material EESG factors to be disclosed in this report. The process described is shown below:

IDENTIFICATION | **PRIORITISATION** | **VALIDATION** | **REVIEW**

Materiality refers to issues or factors that have a present or future impact on the Group's value creation and its business over time.

To determine if an EESG factor is material, we conducted a materiality assessment during FYE23 and assessed its potential impact on the economy, environment, society, and the influence on the stakeholders. Based on the materiality assessment and feedback from our stakeholders, we have identified the EESG factors which are material to the Group in FYE23.

In FYE23, we have included two new material topics under the environmental factors namely: (i) Energy Consumption and (ii) Water Consumption.

Overall, EESG factors which are material to the Group in FYE23 are:

ECONOMIC	Economic performance Anti-corruption
ENVIRONMENTAL	Energy and Water consumption Environmental compliance Disposal and management of waste Supplier environmental assessment
SOCIAL	Occupational health and safety Training and education Diversity and equal opportunity Local communities Socioeconomic compliance
GOVERNANCE	Corporate and sustainability governance Risk management Business ethics and compliance

1) ECONOMIC

ECONOMIC PERFORMANCE

The Group's basic principle is that long-term return to profitability and shareholder value is ensured by considering the interests of stakeholders, including but not limited to shareholders, employees, suppliers, customers and society as a whole.

For FYE23, the Group continued to be impacted by the aftermath of the pandemic and weakened macroeconomic conditions exacerbated by high inflation and weakness in demand in our largest market, the United Kingdom.

Below are the financial highlights from our 2023 Annual Report, based on the audited financial statements, the full details of which are set out on pages 59 to 124 of the Annual Report.

YEAR (S$'000)	FY2023	FY2022	FY2021
Revenue	$10,844	$15,434	$18,301
(Loss) / Profit after tax	$(7,499)	$(1,996)	$1,816
Shareholders' equity	$54,192	$62,442	$64,631
Net Asset Value per Share ("NAV") (cents)	1.01	1.16	1.20
Share Price (cents)	0.002	0.002	0.004
Market Capitalisation	$10,761	$10,761	$21,522

Despite the weakened financial performance and continued weak demand for our doors, the Group endeavours to continue re-strengthening its door business including the supply and export of premium wood products to the United Kingdom, and at the same time making inroads into new markets, including re-entering the Singapore door market. The process to return to profitability involves the continued contribution to local economies, improvement of welfare of our employees and direct labour, and importantly, provision of good quality and long-lasting products for communities. Please refer to the "Chairman's Statement" section of this Annual Report for more details on the FYE23 economic conditions and updates on certain operations and business segments.

Target for FYE24:

To return to profitability and improved economic performance.

ANTI-CORRUPTION

At HSO, we do not tolerate any form of corruption. This has been made clear to all of our employees, our suppliers and our business partners. We, together with our Board of Directors, are committed to conducting business that is consistent with the standards of corporate governance. As one of the elements of corporate governance, HSO has an existing Whistleblowing policy in place to protect a genuine whistle blower from any unfair treatment.

The individual may report his/ her concern to the Audit Committee Chairman (via e-mail, mail or telephone) on a confidential basis. The Audit Committee Chairman is responsible for handling all the reported cases and ensuring that issues raised are properly resolved by the Management or such parties as appropriate and within a reasonable timeframe. Any report of corruption is escalated to the attention of senior management.

We have achieved our target set in FYE23, which was to maintain zero incidents of corruption. For FYE24, we will strive to maintain our target of zero incidents of corruption too. Additionally, we will conduct regular review on the policies regarding whistle-blowing and anti-corruption.

The Group would also highlight to stakeholders that we are in compliance with the guidance on "What SGX expects of issuers in respect of sanctions-related risks, subject or activity" issued by the Singapore Exchange Regulation ("**SGX RegCo**") on 7 March 2022 (the "**Guidance**").

The Guidance sets out SGX RegCo's expectations if an issuer, or any person or entity closely associated with the issuer, is exposed to sanctions-related risks. These expectations also apply to the issuer's subsidiaries and associated companies. Briefly, certain key items that issuers must be mindful of include: (i) Assess and announce, where necessary, exposure or nexus to sanctions-related risks; (ii) Suspension of trading of Sanctioned Subject or Sanctioned Activity and (iii) Fundraising prohibitions for Sanctioned Subject or when issuer is engaged in Sanctioned Activities.

Even though the Group's operations do not fall under the ambit of any of SGX regulations above for FYE23, the Group will continue to monitor and comply with the SGX RegCo requirements, including regular monitoring in relation to any sanctions-related risks in view of the on-going Russian-Ukraine conflict. The monitoring of sanctions-related risks forms part of the duties of the Audit Committee, as set out in our Report on Corporate Governance under the Audit Committee – Principle 10.

Target for FYE24:

To continue to have zero cases of corruption.

2) ENVIRONMENTAL

The table below provides an overview of our management approach (Evaluation, Progress and Targets) for each material issue, based on the GRI Standards:

<table>
<tr><th>TOPIC</th><th>METRIC</th><th>UNIT</th><th>FRAMEWORK ALIGNMENT</th><th>DESCRIPTION</th></tr>
<tr><td>Energy Consumption</td><td>• Total energy consumption
• Energy consumption intensity</td><td>MWhs
MWhs</td><td>GRI 302-1

GRI 302-3</td><td>Our factory's energy use is mainly in the form of electricity and power for production and machinery. We adopted also computed based on information available, our Energy Intensity Ratio in (MWhs) per unit of door. Our energy consumption for the last 3 financial years is as follows:
<table>
<tr><td>Energy Consumption in MWhs</td><td>FY2021</td><td>FY2022</td><td>FY2023</td></tr>
<tr><td>Consumption</td><td>2,416.78</td><td>1,593.25</td><td>1,633.96</td></tr>
<tr><td>Intensity per door</td><td>0.01</td><td>0.01</td><td>0.02</td></tr>
</table>
Target for FYE24: To achieve intensity per door: 0.20</td></tr>
</table>

<table>
<tr><th>TOPIC</th><th>METRIC</th><th>UNIT</th><th>FRAMEWORK ALIGNMENT</th><th>DESCRIPTION</th></tr>
<tr><td>Water Consumption</td><td>• Total Water consumption
• Water Consumption Intensity</td><td>ML or m3

ML or m3 per organisation-specific metrics.</td><td>GRI 303-5</td><td>Our factory’s water consumption is required for production and operations and what the Company is doing is to conserve water usage and reuse water at the spray booth section cause the water curtain is constantly moving during spraying activities for environment purpose and to catch waste paint. Our water consumption for the last 3 financial years is as follows:
<table>
<tr><td>Water usage in m3</td><td>FY2021</td><td>FY2022</td><td>FY2023</td></tr>
<tr><td>Consumption</td><td>8,856</td><td>5,627</td><td>6,631</td></tr>
<tr><td>Intensity per door</td><td>0.04</td><td>0.03</td><td>0.06</td></tr>
</table>
Target for FYE24: To achieve intensity per door: 0.17</td></tr>
</table>

Details of net waste are set out in the disposal and management of waste section below.

ENVIRONMENTAL COMPLIANCE

Regular activities including inspection and testing were performed in HSO to ensure compliance with environmental and safety regulations (Environmental Quality Act 1974 & ISO 14001:2015). Throughout FYE23, the following activities took place at our Johor production facility and were monitored by our external service providers:

DATE	DETAILS/ REGULATION
28 September 2022	Isokinetic Stack and Air Emission
26 September 2022	Chemical Exposure Monitoring
28 September 2022	Environmental Noise Monitoring
22 September 2022	Environmental Air Monitoring
14,15 September 2022	Annual Examination & Testing of Local Exhaust Ventilation
24 September 2022	Sewage Monitoring
27 September 2022	Effluent Monitoring
26 April 2022	Chemical Health Risk Assessment

The Quality and Environmental Policy sets out the Group’s quality control policies for incoming raw materials and acceptable environmental standards for production procedures, which is based on the quality standards set under ISO 9001:2015, the air, noise, sewage and effluent standards set under ISO 14001: 2015, and the chemical exposure and annual local exhaust ventilation requirements under the Occupational Safety and Health Administration, respectively. The Quality and Environmental Policy is well-communicated to all workers, and made available as an attachment to the employee card in their respective languages.

We have achieved the target we set last year, which was to record no (FYE22: nil) significant fines or non-monetary sanctions for non-compliance with environmental laws or regulations in our operations. We aim to maintain zero incidents of non-compliance in the upcoming years.

Target for FYE24:

To continue to achieve zero incidents on non-compliance laws or regulations.

DISPOSAL AND MANAGEMENT OF WASTE

The Company aims to minimise wastage. The amount of waste would continue to rise at an unsustainable rate without recycling efforts in an environmentally friendly manner. Our waste is carefully handled by an accredited third-party service provider so that it can be treated and processed before being responsibly recycled. We have ISO-recognised procedures in place to improve waste reduction such as:

- Recycle by-products and/or waste;
- Avoid using hazardous raw materials;
- Substitute raw materials by using less hazardous varieties;
- Modify processes so that by-products or waste could be reduced; and
- Reduction of unnecessary waste as part of our conservation efforts.

Amount of waste generated for the last 3 financial years is as follows:

<table>
<tr><th>TOPIC</th><th>METRIC</th><th>UNIT</th><th>FRAMEWORK ALIGNMENT</th><th>DESCRIPTION</th></tr>
<tr><td>Net Waste Generation</td><td>Net waste generated

{Waste refers to the following:
• Glue sludge
• Used engine oil
• Waste coolant
• Used Thinner
• Contaminated dust
• Steel drum
• Used of empty container contaminated with chemical
• Contaminated cotton rags}</td><td>KG</td><td>GRI 306-3</td><td><table><tr><td>Net Waste generated in KG</td><td>FY2021</td><td>FY2022</td><td>FY2023</td></tr><tr><td>Net Waste*</td><td>19,915</td><td>10,794</td><td>12,741</td></tr></table>
*Net waste is computed based on balance brought forward and waste generated during the year offset against waste disposed during the year.

Target for FYE24: To achieve not more than 20 metric ton/20,000 KG or 6 months of scheduled waste collection.</td></tr>
</table>

In FYE23, the amount of waste generated was higher as compared to FYE22 due to more rework activity is required because there was an increase in the usage of glue to reskin the veneer and increase in the usage of thinner for respraying works due to colour mismatch.

We have also achieved our goal of not accumulating more than 6 months or 20 metric ton/20 000 KG for scheduled waste collection. We aim to continue to put in place proper processes in handling waste disposal in FYE23 and to comply with the guidelines set by the Department of Environment of the Ministry of Environment and Water of Malaysia of accumulating not more than 6 months or 20 metric ton/20 000 KG for scheduled waste collection.

Target for FYE24:

To achieve not more than 6 months or 20 metric ton/20 000 KG for scheduled waste collection.

SUPPLIER ENVIRONMENTAL ASSESSMENT

HSO will continue to reduce its environmental impact and to encourage its stakeholders, such as suppliers and trading partners, to meet the same expectations. The Group also performs annual supplier assessment on their vendors to verify that they are providing high quality and green products in accordance with our Quality and Environmental Policy. We have attained the certificate for chain of custody of forest-based products for the central office and other multiple sites, under the Forest Stewardship Council ("**FSC**") and Programme for the Endorsement of Forest Certification ("**PEFC**").

The scope of our certification includes the (i) to purchase FSC or PEFC certified and FSC controlled wood and PEFC controlled source of medium-density fibreboard, particleboard, sawn timber and veneer and (ii) to manufacture FSC or PEFC certified doors and door components using transfer system and percentage system in FSC and physical separation and percentage-based method in PEFC. Our FSC certification is valid until 11 October 2025 while our PEFC certification is valid until 25 August 2024. Our procurement manager is responsible for purchasing of raw materials, for verifying the validity and scope of the supplier's FSC or PEFC certificate via the FSC and PEFC data in info.fsc.org or www.pefc.org and for verifying purchase documents. HSO purchased FSC Certified medium-density fibreboard, particleboard, wooden timber, veneer and FSC controlled wooden timber and veneer for its FSC production.

TOPIC	METRIC	UNIT	FRAMEWORK ALIGNMENT	DESCRIPTION
Suppliers – Supplier Environmental Assessment	Certification and audits such as: • "**FSC**" Forest Stewardship Council • "**PEFC**" Program for the Endorsement of Forest Certification.	N.A.	GRI 308-1	• Continue to ensure compliance with Company's Quality and Environmental Policy • Continue that new Suppliers if any are FSC or PEFC certified so that our FSC and PEFC certification are not affected. Target for FYE24: • To continue zero incidents of supplier assessment non-compliance. • To continue to source more than 80% of the accessories locally.

In FYE23, there were 4 new suppliers (FYE22: nil) who were screened under the Environmental Requirement Guidelines (HSO-EMS-FM-04-00) to our significant suppliers who enter the factory site as per Environmental Significant List (HSO-EMS-FM-05-00).

In line with the World's aspiration in protecting the enviromental, **HS OPTIMUS WOOD PRODUCTS SDN BHD** seeks to implement, promote and maintain an Environmental Management Systems in mitigating the impacts created by our operations with relation to the manufacturing of wooden doors and fire retardant doors. We therefore seek full cooperation from your esteem company in realizing our endeavour. We shall take the opportunity to communicate our environmental policy as below.

QUALITY AND ENVIRONMENTAL POLICY

HS OPTIMUS WOOD PRODUCT SDN BHD is committed to be:

H	Highly committed to achieve customers satisfaction by implementing quality and environmental procedure which be operated, communicated and continuously review to meet or exceed the requirement of ISO 9001 and 14001,
S	Significantly providing customers with good products and service to the agreed requirement, protect the environment by using sustainable resources, protect the ecosystems and biodiversity by preventing pollution, adhering to interested party advices by complying with legal and customers requirements through continual improvement programmes,
O	Objective in respecting human rights. Aiming to ensure employees and supply chain are meeting all aspects in promoting decent work through complying with company Safety and Healt Policy and Human Rights Policy.

Our Malaysia plant is ISO9001 and ISO14001 certified. Our products do not possess any materials which may qualify it as hazardous waste and zero (FYE22: nil) environmental hazards have been reported or known. All new chemicals brought into factory will be carefully managed by the related person in charge regarding hazard warning labels, CDS, PPE, storage and handling.

We have achieved our goal set in prior year to maintain zero incidents of non-compliance through the supplier assessment in FYE23. In FYE24, we aim to continue the supplier assessment on a yearly basis and ensure that the suppliers are carefully selected taking into consideration their adherence with environmental requirements specifically with our Environmental Requirement Guidelines.

Target for FYE24:

To continue zero incidents of supplier assessment non-compliance.

Local Purchases

Most of our accessories are sourced locally (FYE23: 90% and FYE22: 97%), which is coherent with our long-term goal of procuring from sustainable suppliers and lowering our carbon footprint in the form of reducing transportation and logistics arrangements between the factory and suppliers. These local purchases include items such as abrasive cutter, glass, glue, hardware, packaging, paint, tools, bearing, belt and other spare parts.

Target for FYE24:

To continue to source more than 80% of the accessories locally.

3) SOCIAL

OCCUPATIONAL HEALTH AND SAFETY

We are committed to safeguarding our employees' health and safety against any potential workplace hazards. The focus on health and safety is important for HSO to achieve outstanding performance. It is a fundamental right for our workers to be able to work in a safe environment. By doing so, not only is the health of our employees safeguarded, our overall productivity also increases, enabling us to deliver the best goods and services to our customers. From implementing job safety guidelines and procedures to conducting rigorous safety trainings, we are committed to provide a hazard-free workplace to ensure the well-being of both our employees and the environment.

HSO employs a variety of measures to ensure the health and safety of all our staff. We have achieved 100% compliance of Occupational, Safety & Health Workplace Audit (OSHWA) in MYKKP system under the Department of Occupational, Safety and Health (DOSH, Malaysia). In FYE23, we have conducted the following safety policy briefings and awareness training for our employees:

- HR, Safety & Health and Quality induction plan for new employees
- Quality Assurance Training on glass inspection, specification and handling
- Loading and unloading process
- Seminar on thermal hazard (fire and electrical arc), hazard assessment and protection
- Course for certified environmental profession in bag filter operation
- Environment awareness and personal protective equipment training
- Production training on the work instruction in workplace
- Worker's safety awareness to forklift movement
- Chemical and Spillage Handling
- Schedule Waste Handling and storage
- COVID-19 Preventive Measures
- Basic Awareness and Internal Auditor Skills for ISO 9001:2015 (QMS) and ISO 14001:2015 (EMS)
- Upgrading the FSC and PEFC integrated chain of custody systems

On a monthly basis, key performance indicators on safety and health were reported and tabulated by the Health and Safety Officer. These reports track and monitor the injuries and accidents on site. Following is the table on the number of cases for each injury and accidents:

<table>
<tr><th>TOPIC</th><th>METRIC</th><th>UNIT</th><th>FRAMEWORK ALIGNMENT</th><th>DESCRIPTION</th></tr>
<tr><td>Occupational Health & Safety</td><td>• Fatalities</td><td>Number of cases</td><td>GRI 403-9</td><td><table><tr><td>Fatalities</td><td>FY2021</td><td>FY2022</td><td>FY2023</td></tr><tr><td>Number of cases</td><td>Nil</td><td>Nil</td><td>Nil</td></tr></table></td></tr>
<tr><td></td><td>• High-consequence injuries</td><td>Number of cases</td><td>GRI 403-9</td><td><table><tr><td>High-consequence injuries</td><td>FY2021</td><td>FY2022</td><td>FY2023</td></tr><tr><td>Number of cases</td><td>Nil</td><td>Nil</td><td>Nil</td></tr></table></td></tr>
<tr><td></td><td>• Recordable injuries</td><td>Number of cases</td><td>GRI 403-9</td><td><table><tr><td>Recordable injuries</td><td>FY2021</td><td>FY2022</td><td>FY2023</td></tr><tr><td>Number of cases</td><td>5</td><td>4</td><td>1</td></tr></table></td></tr>
<tr><td></td><td>• Recordable work-related ill health cases</td><td>Number of cases</td><td>GRI 403-10</td><td><table><tr><td>Recordable work-related ill health cases</td><td>FY2021</td><td>FY2022</td><td>FY2023</td></tr><tr><td>Number of cases</td><td>Nil</td><td>Nil</td><td>Nil</td></tr></table>Target for FYE24: To minimize accident rates and no more than 5 accidents cases and to achieve 100% compliance of Occupational, Safety & Health Workplace Audit.</td></tr>
</table>

In FYE23, we had 1 work-related incident on our premises (FYE22: 4). We investigated the 1 work-related incident in compliance with the Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease Regulations 2004 as per the Occupational Safety and Health Act 1994 (Act 514). While this case was non-fatal, it was considered major as the worker was hospitalised, received more than 4 days of medical leave, and the incident was duly reported to Jabatan Keselamatan dan Kesihatan Pekerjaan Negeri Johor @ Department of Safety & Health ("**JKKP**"). This case is neither related to nor recurring from the work-related incidents from FYE22. No further action was taken by JKKP.

The main cause of the aforementioned work-related incidents was due to human error especially relating to handling of machineries. Whenever each case occurs, the Safety and Health Officer will conduct an investigation and committee meeting to review the hazard identification risk assessment and risk control in workplace. Thereafter, corrective and preventive action are put in place such as, refresher training on working at height and safe work procedures. Following each work-related incident, the management adopted the following actions:

We will continue to stress on workplace safety at all times through safety and environment campaigns, hazard and awareness training, and monthly inspections. We have achieved our target set of a workplace accident rate of not more than 5 accident cases for FYE23. In addition, we have achieved 100% compliance of Occupational, Safety & Health Workplace Audit (OSHWA) in MYKKP system under the Department of Occupational, Safety and Health (DOSH, Malaysia).

Target for FYE24:

To minimize accident rates and no more than 5 accidents cases and to achieve 100% compliance of Occupational, Safety & Health Workplace Audit.

TRAINING AND EDUCATION

HSO has provided its employees with regular training to ensure that they upgrade their skillsets, continue to keep pace with the growth and developments of the Group, and professional development. Training is conducted to educate our employees about the Group's processes. In FYE23, we conducted training on topics such as awareness training on FSC and PEFC integrated chain of custody systems, induction trainings to smoothly on-board new employees, health and safety training, machine training and department/function-specific training.

<table>
<tr><th>TOPIC</th><th>METRIC</th><th>UNIT</th><th>FRAMEWORK ALIGNMENT</th><th>DESCRIPTION</th></tr>
<tr><td>Development and training</td><td>• Training sessions per month</td><td>No. of training session</td><td>GRI 404-1</td><td>
<table>
<tr><td>Average training sessions</td><td>FY2021</td><td>FY2022</td><td>FY2023</td></tr>
<tr><td>Number of training sessions per year</td><td>165</td><td>135</td><td>254</td></tr>
<tr><td>Number of months</td><td>12</td><td>12</td><td>12</td></tr>
<tr><td>Average per month</td><td>14</td><td>15</td><td>21</td></tr>
</table>
Target for FYE24: To achieve at least 10 training sessions per month.</td></tr>
</table>

We will continue to deploy our resources and offer training courses to continuously enhance safety and ensure the competency of all our employees. We have achieved our target set in prior year to achieve at least 10 training sessions per month in FYE23.

Target for FYE24:

To achieve at least 10 training sessions per month.

DIVERSITY AND EQUAL OPPORTUNITY

<table>
<tr><th>TOPIC</th><th>METRIC</th><th>UNIT</th><th>FRAMEWORK ALIGNMENT</th><th>DESCRIPTION</th></tr>
<tr><td>Gender Diversity</td><td>• Current employees by gender</td><td>%</td><td>GRI 405-1</td><td>
<table>
<tr><td>Current Employees by gender</td><td>FY2021</td><td>FY2022</td><td>FY2023</td></tr>
<tr><td>Male</td><td>259</td><td>221</td><td>187</td></tr>
<tr><td>Female</td><td>76</td><td>62</td><td>53</td></tr>
<tr><td>TOTAL</td><td>335</td><td>283</td><td>240</td></tr>
</table>
Target for FYE24: To achieve zero incidents of complaints on discrimination.</td></tr>
<tr><td>Aged-Based Diversity</td><td>• Current employees by age groups</td><td>%</td><td>GRI 405-1</td><td>
<table>
<tr><td>Current employees by age groups</td><td>FY2021</td><td>FY2022</td><td>FY2023</td></tr>
<tr><td><30 years</td><td>51%</td><td>44%</td><td>34%</td></tr>
<tr><td>31 to 50 years</td><td>39%</td><td>46%</td><td>54%</td></tr>
<tr><td>>50 years</td><td>10%</td><td>10%</td><td>12%</td></tr>
<tr><td>TOTAL</td><td>100%</td><td>100%</td><td>100%</td></tr>
</table>
Target for FYE24: To achieve zero incidents of complaints on discrimination.</td></tr>
<tr><td>Employment</td><td>• Average Length of Service

• Nationality</td><td>No.

No.</td><td>GRI 401-1

GRI 401-1</td><td>
<table>
<tr><td>Length of Service</td><td>FY2021</td><td>FY2022</td><td>FY2023</td></tr>
<tr><td><5 years</td><td>260</td><td>202</td><td>159</td></tr>
<tr><td>6-10 years</td><td>29</td><td>28</td><td>31</td></tr>
<tr><td>>10 years</td><td>46</td><td>53</td><td>50</td></tr>
<tr><td>Number of employees</td><td>335</td><td>283</td><td>240</td></tr>
</table>
<table>
<tr><td>Nationality</td><td>FY2021</td><td>FY2022</td><td>FY2023</td></tr>
<tr><td>Bangladesh</td><td>127</td><td>113</td><td>95</td></tr>
<tr><td>Malaysia</td><td>131</td><td>102</td><td>91</td></tr>
<tr><td>Myanmar</td><td>39</td><td>36</td><td>25</td></tr>
<tr><td>Nepal</td><td>26</td><td>24</td><td>20</td></tr>
<tr><td>Singaporean</td><td>4</td><td>4</td><td>5</td></tr>
<tr><td>Bruneian</td><td>2</td><td>1</td><td>1</td></tr>
<tr><td>Chinese</td><td>2</td><td>1</td><td>1</td></tr>
<tr><td>Indonesian</td><td>4</td><td>2</td><td>2</td></tr>
<tr><td>Number of employees</td><td>335</td><td>283</td><td>240</td></tr>
</table>
Target for FYE24: To achieve zero incidents of complaints on discrimination.</td></tr>
</table>

HSO does not discriminate on the basis of the employees' race, age, gender, religion, ethnicity, facial attractiveness, physical impairments, sexual preference, political viewpoints or nationality. Based on the group's human resource records, we have a total of 240 (FYE22:283) employees. During the year, there have been no reported cases (FYE22: nil) concerning any discrimination or unfair employment practices. We will continue to uphold the principle of equal opportunities and respect the rights of our people.

The Group considers its employees the most valuable asset and offers them fair and competitive remuneration packages. Discretionary incentives are granted to eligible employees based on the performance of the Group and contribution of individual employees. Contributions to retirement benefit schemes are offered as part of the remuneration package. Remuneration policies and packages are reviewed regularly to ensure that compensation and benefits are in line with the market, thus helping the recruitment and retention of talent. Employee rewards in the form of bonuses are discretionary and when possible, are distributed in the form of monetary yearly bonus.

17.11% of our employees in Malaysia are subject to an agreement between our subsidiary, HS Optimus Wood Products Sdn Bhd, and the Timber Employee Union of Malaysia.

Throughout the year, activities were held to promote cohesiveness and inclusiveness within the workplace such as New Year celebration and goodies for employees during festive such as Hari Raya Aidilfitri, Deepavali and Lunar New Year. In FYE23, we have achieved the goal set in prior year of zero incident of complaints on discrimination and we will continuously aim to maintain zero incident of complaints on discrimination in FYE24.

Target for FYE24:

To achieve zero incidents of complaints on discrimination.

LOCAL COMMUNITIES

HSO strongly believes in being a socially responsible corporate citizen by contributing back to communities, with enriching the economy and local communities as some of our key values. This may be through the creation of employment opportunities, business transactions, community contributions, and others.

In FYE23, our operations created employment opportunities for local staff through direct employment. In addition, we also contributed to the local economy and businessess via our local procurement activities as mentioned in the above section, Local Purchases.

SOCIOECONOMIC COMPLIANCE

We pride ourselves in having good corporate governance and observing compliance with applicable laws and regulations. The Group is committed to conduct the business with integrity and to safeguard the interest of all our stakeholders, both internal and external.

The Group complies with and puts in every effort in complying with the relevant laws and regulations that include the Occupational Safety and Health Act 1994, Factory and Machinery Act 1957, and Employment Act 1955. We have achieved the target we set last year, which was to record no significant fines and non-monetary sanctions for non-compliance with the applicable laws and regulations reported in FYE23.

MEMBERSHIP OF ASSOCIATIONS

- Malaysian Wood Moulding & Joinery Council
- Forest Stewardship Council (FSC)
- Malaysian Timber Industry Board
- Licensed Manufacturing Warehouse
- Programme for the Endorsement of Forest Certification
- Supplier Ethical Data Exchange (SEDEX)
- Shipper Member under Marine Department Malaysia
- Malaysian Employers Federation (MEF)

Target for FYE24:

To achieve zero incidence of non-compliance with the applicable legal laws and regulations in the relevant jurisdiction of operation.

4) GOVERNANCE

CORPORATE AND SUSTAINABILITY GOVERNANCE

At HSO, we believe that strong governance is the key to a sustainable business. Throughout FYE23, we continue to comply with the Code of Corporate Governance 2018 and achieved targets we set last year and to meet the requirements expected by stakeholders. Please refer to the "Report on Corporate Governance" section in our 2023 Annual Report for more information on the governance structure of the Group, including committees of the Board of Directors and their roles and responsibilities.

The challenge to successfully manage environmental and social issues is an ongoing process. HSO has incorporated this into our business model and implemented sustainable and responsible practices throughout the Group. Our products and services meet relevant safety and environmental requirements demanded by our customers and the regulatory bodies.

HSO pays strict attention to enforce good labour practices in all our operations. The Group provides various training opportunities for continued employee development, and this is reflected in the quality and delivery of our products and services. We value our relationships with our clients and the wider community in which we operate, and these relationships have helped us through the challenging times in the past. HSO strongly believes that in the long run, these efforts will have a positive impact on our economic performance.

Similar in the past, we will continue to comply with the Code of Corporate Governance 2018 and meet all requirements that are expected of us by our stakeholders in FYE24.

RISK MANAGEMENT

Risk Management ("**RM**") is an integral part of good corporate governance as well as resource management. HSO has a thorough and comprehensive RM framework to identify and manage its risks and exposures in an integrated, systematic and consistent manner. The Management reviews the Group's business and operational activities on an on-going basis to identify areas of significant risks. The Audit Committee also reviews at least annually the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems. The external and internal auditors also assist in the aforementioned risk management process by identifying areas of concern and that appropriate measures are in place to mitigate such risks. For detailed disclosure on RM, please refer to the "Report on Corporate Governance" section in our 2023 Annual Report.

In FYE23, we reviewed the RM policies, essentially covering the operational risk to ensure relevant policies and material risks are identified, communicated and addressed in a timely manner. We will perform the same review in FYE24.

BUSINESS ETHICS AND COMPLIANCE

While we believe our reputation for producing premium and long-lasting products is the main reason for our customers' trust in us, equally important is our integrity and code of business ethics which determines the publics' and shareholders' faith and trust in us. We endeavour to conduct our business ethically and in accordance with legal standards, laws, and industry best practices.

Target for FYE24:

To maintain zero tolerance against corruption.

To maintain zero significant fines or non-monetary sanctions with laws and regulations.

COMPLIANCE WITH LAWS AND REGULATIONS

In respect of hiring personnel, we take into consideration any possibility of conflicts of interest. Our code of conduct clearly spells out HSO's expectations for our staff and consequences if any of the rules are violated or standards are not met. In addition, we also have clear and fair grievance procedures.

Our staff are reminded of the importance of upholding the highest standards when it comes to business ethics. We have posters and memos reminding everyone on the importance of ethics clearly displayed in public areas of the Group's factories and workspaces so that employees from all levels are fully aware that compliance with rules and regulations is a key part of running a responsible business.

The Group regularly updates relevant staff with developments in international and local regulations. HSO complied fully, in all material aspects, with all environmental rules and regulations, anti-competitive behaviour laws and all requirements on health and safety.

In FYE23, we have achieved the target we set last year. There were no (FYE22: nil) significant fines or non-monetary sanctions for non-compliance with laws and regulations.

Target for FYE24:

To maintain zero significant fines or non-monetary sanctions and full compliance with laws and regulations.

CYBERSECURITY AND PRIVACY OF DATA

Cybersecurity and data privacy are important not just for compliance, but in safeguarding both our data and that of our customers. HSO takes measures to guard against cyber risks and protecting the confidential information for both our internal and external stakeholders by ensuring that our information systems are robust enough to safeguard the data. This also applies to our employment process where the privacy of all applicants is safeguarded and access to personal data is restricted to authorised persons on a need-to-know basis. During the FYE23, there were zero incidents of data leaks and cybersecurity breach.

Target for FYE24:

To maintain zero incidents of cybersecurity breach.

GRI CONTENT INDEX

GRI STANDARD		DISCLOSURE	PAGE REFERENCE / DESCRIPTION
GRI 101: Foundation 2016			
GENERAL DISCLOSURE			
GRI 102: General Disclosures 2016	102-1	Name of organisation	HS Optimus Holdings Limited
	102-2	Activities, brands, products and services	Our Businesses section, page 2
	102-3	Location of headquarters	Corporate Information
	102-4	Location of operations	Our Businesses section, page 2
	102-5	Ownership and legal form	Corporate Information; HS Optimus Group Structure, page 3; Statistics of shareholdings section, pages 125 to 126
	102-6	Markets served	Our Businesses section, page 2
	102-7	Scale of the organisation	Chairman's Statement section, pages 4 to 5; Operational and Financial Review section, pages 6 to 7; Diversity and Equal Opportunity, pages 52 to 53;
	102-8	Information on employees and other workers	Diversity and Equal Opportunity, pages 52 to 53
	102-9	Supply chain	Supplier Environmental Assessment, pages 47 to 48
	102-10	Significant changes to the organisation and its supply chain	None
	102-11	Precautionary Principle or approach	HSO supports the intent of the Precautionary Principle, but has not expressed a specific commitment.
	102-13	Membership of associations	Membership, page 53
	102-14	Statement from senior decision maker	Board Statement, page 40
	102-16	Values, principles, standards and norms of behaviour	Business Ethics and Compliance, page 54
	102-18	Governance structure	Corporate and Sustainability Governance, page 54
	102-40	List of stakeholder groups	Sustainability Approach, pages 41 to 43
	102-41	Collective bargaining agreements	Diversity and Equal Opportunity, pages 52 to 53
	102-42	Identifying and selecting stakeholders	Sustainability Approach, pages 41 to 43

GRI STANDARD		DISCLOSURE	PAGE REFERENCE / DESCRIPTION
	102-43	Approach to stakeholder engagement	Sustainability Approach, pages 41 to 43
	102-44	Key topics and concerns raised	Sustainability Approach, pages 41 to 43
	102-45	Entities included in the consolidated financial statements	Financial Contents section under note: Subsidiaries, pages 90 to 92
	102-46	Defining report content and topic boundaries	About this Report, page 40
	102-47	List of material topics	Sustainability Approach, page 44
	102-48	Restatement of information	There are no restatements made in respect of information given in previous reports.
	102-49	Changes in reporting	No change in reporting.
	102-50	Reporting period	Reporting Period, Scope and Framework, pages 40 to 41
	102-51	Date of most recent previous report	31 August 2022
	102-52	Reporting cycle	Annually
	102-53	Contact point for questions about the report	Feedback, page 41
	102-54	Claims if reporting in accordance with the GRI Standards	About this Report, page 40
	102-55	GRI content index	GRI Content Index, pages 56 to 58
	102-56	External Assurance	About this Report, page 40
MATERIAL TOPICS			
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	Economic, page 44
GRI 205 Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Anti-corruption, page 45
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Environmental, page 45
GRI 302: Energy 2016	302-3	Energy intensity	Environmental, page 45
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	Disposal and Management of Waste, page 47
GRI 306: Waste 2020	306-3	Waste generated	Environmental, page 47

GRI STANDARD		DISCLOSURE	PAGE REFERENCE / DESCRIPTION
GRI 307: Environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	Environmental Compliance, page 46
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	Supplier Environmental Assessment, pages 47 to 48
GRI 403: Occupational health and safety 2018	403-1 403-5 403-9 403-10	Occupational health and safety management system Worker training on occupational health and safety Work-related injuries Work-related ill health	Occupational Health and Safety, pages 49 to 51
GRI 404: Training and Education 2016	404-1 404-2	Average hours of training per year per employee Programs for upgrading employee skills and transition assistance programs	Training and Education, page 51
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	Diversity and Equal Opportunity, pages 52 to 53 Corporate Governance, page 5 and 17
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Local Communities, page 53
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Socioeconomic Compliance, pages 53 to 54

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of HS Optimus Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2023.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Pengiran Muda Abdul Qawi	(Non-Executive Chairman)
Wong Gloria	(Executive Director)
Chia Fook Sam	(Executive Director and Chief Operating Officer)
Mark Leong Kei Wei	(Independent Director)
Vivien Goo Bee Yen	(Independent Director)
Ang Wee Ming	(Independent Director)
Lim Li Hui	(Independent Director)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of director	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
The Company				
Ordinary shares				
Pengiran Muda Abdul Qawi	–	–	500,000,000	500,000,000
Vivien Goo Bee Yen	–	–	8,825,000	8,825,000

The directors' interest in the ordinary shares of the Company as at 21 April 2023 were the same as those as at 31 March 2023.

By virtue of Section 7 of the Singapore Companies Act 1967, Pengiran Muda Abdul Qawi and Vivien Goo Bee Yen are deemed to have an interest in the shares of all the subsidiaries to the extent held by the Company.

DIRECTORS' STATEMENT

Directors' interests in shares and debentures (cont'd)

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Share options

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to subscribe for unissued shares of the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

Audit committee

The members of the AC at the date of this statement are as follows:

Mark Leong Kei Wei	-	Chairman
Vivien Goo Bee Yen	-	Member
Ang Wee Ming	-	Member
Lim Li Hui	-	Member

The Audit Committee performed the functions specified in the Singapore Companies Act 1967. The functions performed are detailed in the Corporate Governance Report.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Wong Gloria
Director

Chia Fook Sam
Director

Singapore
4 July 2023

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HS Optimus Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and Company as at 31 March 2023, the statements of changes in equity of the Group and Company, and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entitie*s (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter described below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Impairment assessment of investment properties, development properties and investment in subsidiaries

As at 31 March 2023, the net carrying amounts of investment properties and development properties amounted to S$12.7 million and S$29.2 million, representing 17.8% and 41.1% of Group's total assets respectively. Investment properties are held under the cost model and carried at cost less accumulated depreciation and impairment. Development properties are carried at lower of cost or net realisable value.

The development properties are held by a subsidiary and relate to projects that have not been launched or completed as at 31 March 2023. Management has determined that there are indicators of impairment for the investment properties. In determining the recoverable amount of the investment properties and net realisable value ("NRV") of the development properties, management engaged an independent professional valuer to support their determination of their values as at 31 March 2023. During the year ended 31 March 2023, management recognised a write down of S$0.1 million on the development properties.

INDEPENDENT AUDITOR'S REPORT

To the members of HS Optimus Holdings Limited

Key audit matters (cont'd)

Impairment assessment of investment properties, development properties and investment in subsidiaries (cont'd)

As at 31 March 2023, the Company's investment in subsidiaries amounted to S$39.1 million. This included non-trade amounts due from subsidiaries, which are unsecured and interest-free, the settlement of which is neither planned nor likely to occur in the foreseeable future. The management has identified impairment indicators in two of its subsidiaries and the carrying amount of these investment in subsidiaries prior to the impairment amounted to S$42.0 million as at 31 March 2023. Management performed the impairment assessment for subsidiaries with indictors of impairment and determined their recoverable amounts based on value-in-use calculations and considering the NRV of development properties held by one of the subsidiary. An impairment loss of S$2.9 million was recorded for the year ended 31 March 2023.

We considered the audit of management's impairment assessment of the investment properties, development properties and cost of investment in subsidiaries to be a key audit matter due to the magnitude of their carrying amounts as at 31 March 2023. In addition, these areas were significant to our audit because the impairment assessment process involves the application of significant judgement and use of subjective assumptions by management.

In response to these areas of focus, we performed the following procedures, amongst others:

- obtained an understanding of management's impairment assessment process and the future business plans for the investment properties, development properties and investment in subsidiaries;

- assessed the competency, qualifications and objectivity of the independent valuers and the valuation methodology applied in the valuation of the investment properties and development properties;

- assessed the valuation method used by management and evaluated the key assumptions used in the impairment analysis, in particular the discount rate, long-term growth rate, budgeted revenue and budgeted costs;

- evaluated, with the assistance of our internal valuation specialists, the key assumptions and inputs used by the independent valuers applied in the valuation of the investment properties and development properties, and by management in the impairment analysis of investment in subsidiaries, in particular the discount rate and long-term growth rate;

- evaluated management's analysis of the valuation sensitivity to reasonably possible changes in the key assumptions.

The investment properties, development properties and investment in subsidiaries are disclosed under Notes 14, 16 and 13 to the financial statements.

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor's responsibilities for the audit of the financial statements (cont'd)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ng Boon Heng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
4 July 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2023

	Note	2023 $	2022 $
Revenue	4	**10,843,854**	15,433,993
Cost of sales		**(10,001,546)**	(12,412,900)
Gross profit		**842,308**	3,021,093
Other income	5	**526,799**	1,127,941
Selling and distribution expenses		**(339,648)**	(371,143)
Administrative expenses		**(8,629,910)**	(5,708,589)
Finance costs	6	**(196,479)**	(110,477)
Loss before tax from continuing operations	7	**(7,796,930)**	(2,041,175)
Income tax credit	10	**298,164**	37,705
Loss for the financial year from continuing operations		**(7,498,766)**	(2,003,470)
Discontinued operations			
Profit from discontinued operations, net of tax	9	**–**	7,188
Loss for the financial year		**(7,498,766)**	(1,996,282)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Currency translation differences			
- (Loss)/gain		**(1,465,814)**	332,441
- Reclassification		**–**	(508,188)
Other comprehensive loss for the financial year, net of tax		**(1,465,814)**	(175,747)
Total comprehensive loss for the financial year		**(8,964,580)**	(2,172,029)
Loss for the financial year attributable to:			
Owners of the Company			
Loss from continuing operations		**(7,427,154)**	(1,799,917)
Profit from discontinued operations		**–**	7,188
Non-controlling interests		**(71,612)**	(203,553)
		(7,498,766)	(1,996,282)
Total comprehensive (loss)/income attributable to:			
Owners of the Company			
Total comprehensive loss from continuing operations		**(8,249,311)**	(2,184,854)
Total comprehensive loss from discontinued operations		**–**	(4,430)
Non-controlling interests		**(715,269)**	17,255
		(8,964,580)	(2,172,029)
Loss per share from continuing operations attributable to owners of the Company (cents per share)			
- Basic	11	**(0.138)**	(0.033)
- Diluted		**(0.138)**	(0.033)
Loss per share attributable to owners of the Company (cents per share)			
- Basic	11	**(0.138)**	(0.033)
- Diluted		**(0.138)**	(0.033)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2023

	Note	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
ASSETS					
Non-current assets					
Property, plant and equipment	12	**6,250,003**	7,229,336	**4,385**	15,860
Investment in subsidiaries	13	**–**	–	**39,124,245**	41,922,999
Investment properties	14	**12,652,689**	17,986,512	**–**	–
Financial asset at fair value through profit or loss	15	**111**	144	**–**	–
Right-of-use assets	25	**3,707,801**	3,835,368	**2,069,214**	2,060,993
		22,610,604	29,051,360	**41,197,844**	43,999,852
Current assets					
Development properties	16	**29,212,484**	31,140,575	**–**	–
Property held-for-sale	17	**2,839,963**	–	**–**	–
Trade and other receivables	18	**3,704,195**	5,867,017	**23,183,047**	22,244,118
Tax recoverable		**33,481**	–	**–**	–
Inventories	19	**4,436,158**	5,942,884	**–**	–
Cash and cash equivalents	20	**8,314,212**	11,126,838	**1,376,367**	4,274,086
		48,540,493	54,077,314	**24,559,414**	26,518,204
Total assets		**71,151,097**	83,128,674	**65,757,258**	70,518,056
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	21	**4,078,386**	5,002,279	**234,736**	247,718
Loans and borrowings	23	**1,004,236**	2,496,862	**–**	–
Income tax payable		**701**	18,501	**–**	–
		5,083,323	7,517,642	**234,736**	247,718
Net current assets		**43,457,170**	46,559,672	**24,324,678**	26,270,486
Non-current liabilities					
Loans and borrowings	23	**2,512,236**	2,684,308	**–**	–
Deferred tax liabilities	24	**1,072,818**	1,479,424	**–**	–
		3,585,054	4,163,732	**–**	–
Total liabilities		**8,668,377**	11,681,374	**234,736**	247,718
Net assets		**62,482,720**	71,447,300	**65,522,522**	70,270,338
Equity attributable to owners of the Company					
Share capital	22	**103,170,633**	103,170,633	**103,170,633**	103,170,633
Foreign currency translation reserve	26	**(8,237,198)**	(7,415,041)	**–**	–
Accumulated losses		**(40,741,022)**	(33,313,868)	**(37,648,111)**	(32,900,295)
		54,192,413	62,441,724	**65,522,522**	70,270,338
Non-controlling interests		**8,290,307**	9,005,576	**–**	–
Total equity		**62,482,720**	71,447,300	**65,522,522**	70,270,338
Total equity and liabilities		**71,151,097**	83,128,674	**65,757,258**	70,518,056

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Share capital (Note 22)	Foreign currency translation reserve (Note 26)	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total
	$	$	$	$	$	$
Group						
2023						
Opening balance at 1 April 2022	**103,170,633**	**(7,415,041)**	**(33,313,868)**	**62,441,724**	**9,005,576**	**71,447,300**
Loss for the financial year	**–**	**–**	**(7,427,154)**	**(7,427,154)**	**(71,612)**	**(7,498,766)**
Other comprehensive income:						
Exchange differences on translation of foreign operations	**–**	**(822,157)**	**–**	**(822,157)**	**(643,657)**	**(1,465,814)**
Other comprehensive loss for the financial year, net of tax	**–**	**(822,157)**	**–**	**(822,157)**	**(643,657)**	**(1,465,814)**
Total comprehensive loss for the financial year	**–**	**(822,157)**	**(7,427,154)**	**(8,249,311)**	**(715,269)**	**(8,964,580)**
Closing balance at 31 March 2023	**103,170,633**	**(8,237,198)**	**(40,741,022)**	**54,192,413**	**8,290,307**	**62,482,720**
Group						
2022						
Opening balance at 1 April 2021	103,170,633	(7,018,486)	(31,521,139)	64,631,008	8,988,321	73,619,329
Loss for the financial year	–	–	(1,792,729)	(1,792,729)	(203,553)	(1,996,282)
Other comprehensive income:						
Exchange differences on translation of foreign operations	–	(396,555)	–	(396,555)	220,808	(175,747)
Other comprehensive (loss)/income for the financial year, net of tax	–	(396,555)	–	(396,555)	220,808	(175,747)
Total comprehensive (loss)/income for the financial year	–	(396,555)	(1,792,729)	(2,189,284)	17,255	(2,172,029)
Closing balance at 31 March 2022	103,170,633	(7,415,041)	(33,313,868)	62,441,724	9,005,576	71,447,300

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2023

	Share capital (Note 22)	Accumulated losses	Total
	$	$	$
Company			
2023			
Opening balance at 1 April 2022	**103,170,633**	**(32,900,295)**	**70,270,338**
Loss for the financial year, representing total comprehensive loss for the financial year	**–**	**(4,747,816)**	**(4,747,816)**
Closing balance at 31 March 2023	**103,170,633**	**(37,648,111)**	**65,522,522**
2022			
Opening balance at 1 April 2021	103,170,633	(31,326,621)	71,844,012
Loss for the financial year, representing total comprehensive loss for the financial year	–	(1,573,674)	(1,573,674)
Closing balance at 31 March 2022	103,170,633	(32,900,295)	70,270,338

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Loss before tax from continuing operations		**(7,796,930)**	(2,041,175)
Profit before tax from discontinued operation		**–**	7,188
Adjustments for:			
Depreciation of property, plant and equipment	12	**616,991**	667,508
Depreciation of right-of-use-assets	25	**97,225**	117,377
Depreciation of investment properties	14	**466,775**	478,920
Gain on disposal of property, plant and equipment		**(256)**	(2,652)
Gain on voluntary liquidation of subsidiary	5	**–**	(508,188)
Interest expense from continuing operations	6	**196,479**	110,477
Interest income	5	**(331,208)**	(144,275)
Write back on property, plant and equipment		**–**	(124)
Impairment loss on development properties	16	**134,891**	453,039
Impairment loss on property held-for-sale	17	**266,614**	–
Fair value loss/(gain) on financial asset at fair value through profit or loss	15	**33**	(3)
Reversal of impairment loss on contract assets	5	**–**	(130,281)
Reversal of impairment loss on right-of-use assets	25	**(47,228)**	–
Allowance for inventory obsolescence	19	**–**	21,081
Write back of allowance for inventory obsolescence	19	**(92,390)**	–
Right-of-use assets written off		**–**	(87)
Unrealised foreign exchange differences		**884,567**	502,988
Operating cash flows before changes in working capital		**(5,604,437)**	(468,207)
Changes in working capital:			
Decrease/(increase) in development properties		**1,793,200**	(615,193)
Decrease/(increase) in inventories		**1,599,116**	(147,816)
Decrease in trade and other receivables and contract assets		**2,163,096**	600,460
Decrease in trade and other payables		**(799,862)**	(1,258,361)
Cash used in operations		**(848,887)**	(1,889,117)
Interest income received		**331,208**	144,275
Income tax paid, net		**(39,051)**	(2,226)
Net cash used in operating activities		**(556,730)**	(1,747,068)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**447**	2,776
Additions to investment properties	14	**–**	(119,378)
Purchase of property, plant and equipment	12	**(118,396)**	(44,700)
Net cash used in investing activities		**(117,949)**	(161,302)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2023

	Note	2023 $	2022 $
Cash flows from financing activities			
Proceeds from loans and borrowings	23	**3,524,178**	4,181,626
Repayment of loans and borrowings	23	**(5,192,009)**	(2,329,118)
Interest paid		**(196,479)**	(110,477)
Payment of principal portion of lease liabilities	23	**(31,291)**	(43,130)
Net cash flows (used in)/generated from financing activities		**(1,895,601)**	1,698,901
Net decrease in cash and cash equivalents		**(2,570,280)**	(209,469)
Cash and cash equivalents at 1 April		**11,129,915**	11,299,021
Effect of exchange rate fluctuations on cash and cash equivalents		**(242,483)**	40,363
Cash and cash equivalents at 31 March	A	**8,317,152**	11,129,915

Note A

For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Note	2023	2022
Cash and bank balances		**3,872,070**	7,479,646
Fixed deposits		**4,442,142**	3,647,192
Cash and cash equivalents as per consolidated statement of financial position	20	**8,314,212**	11,126,838
Cash and cash equivalents			
- Continuing operations		**8,314,212**	10,988,104
- Discontinued operations		**–**	138,734
- Disposal group assets classified as held-for-sale		**2,940**	3,077
Cash and cash equivalents as per consolidated statement of cash flows		**8,317,152**	11,129,915

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

HS Optimus Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 2 Kallang Avenue, CT Hub #07-03, Singapore 339407.

The principal activities of the Company are investment holding and provision of management support services. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $), except when otherwise indicated.

2.2 *Adoption of new and amended standards*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 April 2022. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

2. Summary of significant accounting policies (cont'd)

2.3 ***Standards issued but not yet effective***

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements* and SFRS(I) *Practice Statement 2*: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8 *Accounting Policies, Changes in Account Estimates and Errors*: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12 *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 16 *Leases*: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*: Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 1-7 *Statement of Cash Flows* and SFRS(I) 7 *Financial Instruments: Disclosures*: Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.4 ***Basis of consolidation and business combinations***

(a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation and business combinations (cont'd)*

(b) *Business combinations*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Non-controlling interest in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquire are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.5 *Transactions with non-controlling interests*

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 *Foreign currency*

The financial statements are presented in Singapore Dollars ("SGD"), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.6 *Foreign currency (cont'd)*

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over the estimated useful lives. The estimated useful lives are as follows:

Buildings	–	37 - 40 years
Plant and equipment	–	10 years
Motor vehicles	–	5 - 6 years
Office equipment	–	5 years
Renovation	–	5 years

Capital work-in-progress included in property, plant are not depreciated as these assets are not yet available for use. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 *Development properties*

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value. Net realisable value of development properties is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2. Summary of significant accounting policies (cont'd)

2.9 *Investment properties*

Investment properties are properties that are owned by the Group held to earn rentals or for capital appreciation, or both, rather than for use in the production of supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and are measured under the cost model.

Renovation included under investment properties are initially measured at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 3 years.

Investment properties are initially measured at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 50 years for freehold properties. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at end of each reporting period. The effects of any revision are included in profit or loss when they arise.

Freehold land has an unlimited useful life and therefore is not depreciated.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property is determined as the difference between any sale proceeds and the carrying amounts of the assets and is recognised in profit or loss in the year in which they arise.

Transfers are made to or from investment property only when there is a change in use.

2.10 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.11 *Subsidiaries*

A subsidiary is an investee that is controlled by the Company. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less impairment losses.

2. Summary of significant accounting policies (cont'd)

2.12 *Financial instruments*

Financial assets and liabilities are offset and the net amount presented on the statements of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the entity becomes party to the contractual provisions of the instruments. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

<u>Investments in debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The measurement category for classification of debt instruments is:

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

<u>Investments in equity instruments</u>

Upon initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.12 *Financial instruments (cont'd)*

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.13 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a "lifetime ECL").

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are past due beyond a specific credit period granted as individually determined by the Company and respective entities within the Group based on individual default considerations. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.14 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, bank deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2. Summary of significant accounting policies (cont'd)

2.15 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

2.16 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.18 *Employee benefits*

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. The Malaysia companies in the Group make contributions to the Employees Provident Fund scheme in Malaysia, a defined contribution pension scheme. Contributions to defined contributions pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

(c) *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after statement of financial position date are discounted to present value.

2. Summary of significant accounting policies (cont'd)

2.19 *Leases*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as the lessee

The Group applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset, as follows:

Leasehold land and buildings	–	58 to 60 years
Hostel	–	1 to 3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The right-of-use assets are also subject to impairment. Refer to accounting policy for impairment of non-financial assets set out in Note 2.10.

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, or a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The lease liabilities are presented within "loans and borrowings" in the statements of financial position.

2. Summary of significant accounting policies (cont'd)

2.19 *Leases (cont'd)*

Group as the lessee (cont'd)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of assets (i.e those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.20 *Assets held for sale and discontinued operations*

Assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. A component of the Group is classified as a 'discontinued operation' when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations. Property, plant and equipment once classified as held for sale are not depreciated or amortised.

2.21 *Revenue*

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of goods

Revenue from sales of doors is recognised at the point when the doors are delivered to the customer. The amount of revenue recognised is the amount of transaction price allocated to the satisfied performance obligation as per specified in the contract with no element of financing deemed present. The transaction price determined is the amount of consideration in the contract to which the Group expects to be entitled in exchange for satisfying the performance obligation. A receivable is recognised when the goods are delivered and the consideration is unconditional.

Interest income from secured property financing

Interest income arising from secured property financing is recognised over time based on the duration stated in the contractual loan agreement.

Contract balances

<u>Contract liabilities</u>

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2. Summary of significant accounting policies (cont'd)

2.22 ***Government grants***

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. The grant is recognised in profit or loss on a systematic basis over the period in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under heading such as "Other income".

Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.23 ***Taxes***

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investment in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. Summary of significant accounting policies (cont'd)

2.23 ***Taxes (cont'd)***

(b) *Deferred tax (cont'd)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(c) *Sales tax*

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- When receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.24 ***Share capital and share issue expenses***

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 ***Judgements made in applying accounting policies***

Management is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 ***Key sources of estimation uncertainty***

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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3. Significant accounting judgements and estimates (cont'd)

3.2 *Key sources of estimation uncertainty (cont'd)*

(a) *Valuation of investment properties and development properties*

The Group's investment properties are held under the cost model and carried at cost less accumulated depreciation and any accumulated impairment. The Group's development properties relate to projects that have not been launched or completed as at 31 March 2023. Development properties are measured at the lower of cost and net realisable value ("NRV").

The determination of the recoverable amount of the investment properties and NRV of the development properties involves estimation and use of assumptions by management. The Group has engaged independent professional valuers to determine the fair values of the investment properties and development properties as at year end using the Direct Comparison Approach. Management has evaluated and are satisfied that the independent professional valuers have the appropriate recognised professional qualifications, are competent, used appropriate valuation methodology and have provided estimates which are reflective of current and future property market and economic conditions at the statement of financial position date. Management has also taken into consideration the future property market and economic conditions.

The carrying amounts and the valuation techniques used to determine the fair values of investment properties and development properties as at 31 March 2023 and 31 March 2022 are disclosed in Notes 14 and 16 of the financial statements respectively.

(b) *Impairment of investment in subsidiaries*

The Company assesses impairment of investment in subsidiaries whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the cash-generating unit (CGU) requires assessment as to whether the carrying amount of the CGU exceeds the recoverable amount. Recoverable amount is defined as the higher of the CGU's fair value less costs to sell and its value in use. Management has assessed the recoverable amounts of the investment in the subsidiary with an indicator of impairment based on the higher of its fair value less cost of disposal calculations and value in use.

The determination of the recoverable amount of the subsidiary involve estimation of the fair value of development properties which is held by the subsidiary. The Company has engaged an independent professional valuer to determine the fair value of development properties as at year end using the Direct Comparison Approach. Management has evaluated and are satisfied that the independent professional valuer has the appropriate recognised professional qualification, is competent, used appropriate valuation methodology and has provided estimates which are reflective of current and future property market and economic conditions at the statement of financial position date. Management has also taken into consideration the future property market and economic conditions.

The carrying amount of the Company's investments in subsidiaries as at 31 March 2023 and 31 March 2022 are disclosed in Note 13 of the financial statements.

4. Revenue

	Group	
	2023	**2022**
	$	**$**
Recognised at a point in time		
Sale of goods	**10,833,194**	15,433,993
Recognised over time		
Interest income from secured property financing	**10,660**	–
	10,843,854	15,433,993

4. Revenue (cont'd)

Receivables and contract liability from contracts with customers

Information about receivables from contracts with customers and contract liability are disclosed as follows:

	Group 2023 $	Group 2022 $
Receivables from contracts with customers (Note 18)	**1,653,437**	1,959,766
Contract liability (Note 21)	**23,390**	–

5. Other income

	Group 2023 $	Group 2022 $
Interest income	**331,208**	144,275
Gain on voluntary liquidation of subsidiary	**–**	508,188
Reversal of impairment loss on contract assets	**–**	130,281
Reversal of impairment loss on right-of-use-assets (Note 25)	**47,228**	–
Rental income	**96,037**	95,998
Government grants	**7,049**	97,519
Sale of scraps	**21,459**	82,283
Others	**23,818**	69,397
	526,799	1,127,941

6. Finance costs

	Group 2023 $	Group 2022 $
Bankers' acceptance and foreign currency loan against import	**54,808**	11,591
Bank overdraft	**–**	1,864
Interest expense on lease liabilities	**1,285**	1,641
Interest expense on term loans	**140,386**	95,381
	196,479	110,477

7. Loss before tax from continuing operations

The following items have been included in arriving at loss before tax from continuing operations:

	Note	Group 2023 $	Group 2022 $
Cost of inventories sold	19	**7,133,699**	8,736,648
Depreciation of property, plant and equipment	12	**616,991**	667,508
Depreciation of right-of-use assets	25	**97,225**	117,377
Depreciation of investment properties	14	**466,775**	478,920
Fair value loss/(gain) with respect to financial assets at fair value through profit or loss	15	**33**	(3)
Audit fees			
- auditor of the Company		**122,000**	111,000
- other auditors*		**48,693**	37,837
Foreign currency exchange loss, net		**3,160,329**	77,437
Impairment loss on development properties	16	**134,891**	453,039
Impairment loss on property held-for-sale	17	**266,614**	–
Allowance for inventory obsolescence	19	**–**	21,081
Write back of allowances for inventory obsolescence	19	**(92,390)**	–
Expenses relating to short term leases or low-value assets	25	**25,854**	29,333
Utility expenses		**296,444**	270,042
Staff costs	8	**4,464,651**	5,101,501

* Includes independent member firms of the EY global firms

8. Staff costs

	Group 2023 $	Group 2022 $
Staff costs (including directors):		
Salaries, bonuses and others	**4,267,363**	4,901,485
Contributions to defined contribution plans	**197,288**	200,016
	4,464,651	5,101,501
Representing staff costs charged to:		
Cost of sales	**1,792,746**	2,406,484
Administrative expenses	**2,671,905**	2,695,017
	4,464,651	5,101,501

9. Profit from discontinued operations

Discontinued operations relate to Dongguan Lebex Doors Co. Ltd and KLW (HK) Limited as these two entities are considered part of a cash-generating unit.

In prior year, the Group completed the voluntary winding up of its wholly-owned subsidiary, Dongguan Lebex Doors Co. Ltd. The decision is consistent with the Group's strategy to restructure its Door Business as part of its plan to streamline its operational processes, cease non-performing units and lower cost structure with a view to improve productivity and bringing down costs.

As at year end 31 March 2022, the results of both subsidiaries are presented separately on the consolidated statement of comprehensive income as "Loss from discontinued operations, net of tax". There is no income or expense recorded for the financial year ended 31 March 2023.

The results of Dongguan Lebex Doors Co. Ltd and KLW (HK) Limited for the financial year ended 31 March 2022 are presented below:

	Group 2022 $
Revenue	(739)
Cost of sales	–
Gross loss	(739)
Other income	46,901
Expenses	(38,974)
Profit before tax from discontinued operations	7,188
Tax expense	–
Profit from discontinued operations, net of tax	7,188

The cash flows attributable to discontinued operations are as follows:

	Group 2022 $
Operating	(220,779)
Investing	122
Net cash outflows	(220,657)

Loss per share disclosure

	Group 2022 $
Loss per share from discontinued operation attributable to owners of the Company (cents per share)	
- Basic	*–
- Diluted	*–

*Amount is less than 0.001

The basic and diluted loss per share from discontinued operation are calculated by dividing the loss from discontinued operation, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares for basic and diluted earnings per share computation.

10. Income tax credit

(a) ***Major components of income tax credit***

The major components of income tax credit for the financial years ended 31 March 2023 and 2022 are:

	Group	
	2023	**2022**
	$	**$**
Current tax expense – continuing operations		
- Current year	**721**	42,688
- (Over)/under provision in previous years	**(13,225)**	839
Deferred tax expense – continuing operations		
- Origination and reversal of temporary difference	**(284,423)**	175,746
- Over provision in prior years	**(1,237)**	(256,978)
Income tax credit attributable to continuing operations and recognised in profit or loss	**(298,164)**	(37,705)

(b) ***Relationship between tax credit and accounting loss***

A reconciliation between tax credit and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 March 2023 and 2022 is as follows:

	Group	
	2023	**2022**
	$	**$**
Loss before tax from continuing operations	**(7,796,930)**	(2,041,175)
Profit before tax from discontinued operations	**–**	7,188
Accounting loss before tax	**(7,796,930)**	(2,033,987)
Applicable corporate tax rate of 17% (2022: 17%)	**(1,325,478)**	(345,777)
Adjustments:		
Effect of different tax rates in foreign jurisdictions	**(467,742)**	(4,963)
Income not subject to tax	**(119,355)**	(78,876)
Expenses not deductible for income tax purposes	**1,383,306**	403,377
Deferred tax assets not recognised	**275,548**	273,887
Crystallisation of deferred tax liabilities	**(29,981)**	(29,214)
(Over)/under provision of income tax in prior years	**(13,225)**	839
Over provision of deferred tax in prior years	**(1,237)**	(256,978)
Income tax credit recognised in profit or loss	**(298,164)**	(37,705)

As at 31 March 2023, the Group has unutilised tax losses of approximately $39,470,000 (2022: $38,752,000) that are available for offset against future taxable profits of the subsidiaries in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of unutilised tax losses and capital allowances is subject to agreement of the tax authorities and compliance with certain provisions of tax regulation of the respective countries in which the subsidiaries operate.

Deferred tax assets of approximately $6,710,000 (2022: $6,588,000) relating to the unabsorbed tax losses have not been recognised as it is not probable that future taxable profit will be available against when these unabsorbed tax losses can be utilised.

10. Income tax credit (cont'd)

(b) ***Relationship between tax credit and accounting loss (cont'd)***

The Group is subject to income taxes in numerous jurisdictions. In determining the income tax liabilities, management has estimated the amount of capital allowances, non-taxability of dividend income and the deductibility of certain expenses ("uncertain tax positions") at each tax jurisdiction. The Group has open tax assessments with the tax authorities in the respective jurisdictions at the statement of financial position date. As management believes that the tax positions of those prior years are sustainable, the Group has not recognised any additional tax liability on these uncertain tax positions. The maximum exposure of these uncertain tax positions not recognised in these financial statements is $394,000 (2022: $495,000).

11. Loss per share

Basic loss per share are calculated by dividing loss for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share are calculated by dividing the net loss for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. As at 31 March 2023 and 31 March 2022, the Company does not have any outstanding dilutive instruments.

The following reflects the loss and share data used in the computation of basic and diluted loss per share for the years ended 31 March:

	Group	
	2023	**2022**
	$	**$**
Loss for the year attributable to owners of the Company	**(7,427,154)**	(1,792,729)
Adjusted for: profit from discontinued operations, net of tax, attributable to owners of the Company	**–**	(7,188)
Loss from continuing operations, net of tax, attributable to owners of the Company used in the computation of basic and diluted earnings per share from continuing operations	**(7,427,154)**	(1,799,917)
Weighted average number of ordinary shares for basic earnings per share computation	**5,380,556,316**	5,380,556,316
Loss per share from continuing operations attributable to owners of the Company (cents per share)		
- Basic	**(0.138)**	(0.033)
- Diluted	**(0.138)**	(0.033)
Loss per share attributable to owners of the Company (cents per share)		
- Basic	**(0.138)**	(0.033)
- Diluted	**(0.138)**	(0.033)

12. Property, plant and equipment

Group	Buildings	Plant and equipment	Motor vehicles	Office equipment	Renovation	Total
	$	$	$	$	$	$
Cost:						
At 1 April 2021	4,994,437	6,555,423	279,942	114,337	446,328	12,390,467
Additions	–	–	–	37,553	7,147	44,700
Disposals	–	(148,764)	–	–	(9,677)	(158,441)
Exchange differences	(56,071)	(59,727)	(1,010)	1,125	(1,972)	(117,655)
At 31 March 2022	4,938,366	6,346,932	278,932	153,015	441,826	12,159,071
Accumulated depreciation and impairment loss:						
At 1 April 2021	529,901	3,241,883	226,323	90,927	375,789	4,464,823
Depreciation for the financial year	118,857	472,407	29,101	11,202	35,941	667,508
Disposals	–	(148,764)	–	–	(9,677)	(158,441)
Exchange differences	(11,982)	(31,186)	(768)	1,382	(1,601)	(44,155)
At 31 March 2022	636,776	3,534,340	254,656	103,511	400,452	4,929,735
Net carrying amount:						
At 31 March 2022	4,301,590	2,812,592	24,276	49,504	41,374	7,229,336

Group	Buildings	Plant and equipment	Motor vehicles	Office equipment	Renovation	Capital work-in-progress	Total
	$	$	$	$	$		$
Cost:							
At 1 April 2022	4,938,366	6,346,932	278,932	153,015	441,826	–	12,159,071
Additions	–	–	–	10,582	12,303	95,511	118,396
Disposals	–	(212,250)	–	(10,673)	–	–	(222,923)
Exchange differences	(392,488)	(406,849)	(7,073)	6,490	(14,858)	(2,743)	(817,521)
At 31 March 2023	**4,545,878**	**5,727,833**	**271,859**	**159,414**	**439,271**	**92,768**	**11,237,023**
Accumulated depreciation and impairment loss:							
At 1 April 2022	636,776	3,534,340	254,656	103,511	400,452	–	4,929,735
Depreciation for the financial year	113,896	452,469	12,775	14,405	23,446	–	616,991
Disposals	–	(212,250)	–	(10,483)	–	–	(222,733)
Exchange differences	(91,263)	(236,413)	(5,859)	9,253	(12,691)	–	(336,973)
At 31 March 2023	**659,409**	**3,538,146**	**261,572**	**116,686**	**411,207**	**–**	**4,987,020**
Net carrying amount:							
At 31 March 2023	**3,886,469**	**2,189,687**	**10,287**	**42,728**	**28,064**	**92,768**	**6,250,003**

12. Property, plant and equipment (cont'd)

Company	Office equipment $	Motor vehicles $	Renovation $	Total $
Cost:				
At 1 April 2021 and 31 March 2022	16,557	128,000	219,430	363,987
Additions	1,468	–	–	1,468
At 31 March 2023	**18,025**	**128,000**	**219,430**	**365,455**
Accumulated depreciation:				
At 1 April 2021	9,916	101,334	193,020	304,270
Depreciation for the financial year	1,899	21,334	20,624	43,857
At 31 March 2022 and 1 April 2022	11,815	122,668	213,644	348,127
Depreciation for the financial year	1,825	5,332	5,786	12,943
At 31 March 2023	**13,640**	**128,000**	**219,430**	**361,070**
Net carrying amount:				
At 31 March 2023	**4,385**	**–**	**–**	**4,385**
At 31 March 2022	4,742	5,332	5,786	15,860

13. Investments in subsidiaries

	Note	Company 2023 $	Company 2022 $
Unquoted equity shares, at cost			
Investment in subsidiaries		**42,469,672**	42,469,672
Loan to subsidiary	A	**23,697,381**	23,575,867
		66,167,053	66,045,539
Less: Impairment losses	B	**(27,042,808)**	(24,122,540)
		39,124,245	41,922,999

Note A

During the year, the Company extended a loan of $121,514 (2022: $143,434) to its subsidiary which is accounted for as an investment in equity instrument. The loan due from its subsidiary of $23,697,381 (2022: $23,575,867) is unsecured, non-interest bearing and repayable at the discretion of the subsidiary, only when the cash flows of the subsidiary permit. The amount relates to contributions from the Company, which forms a part of the Company's net investment in subsidiary and are accounted for at cost less accumulated impairment losses.

Note B

An impairment loss of $2,920,268 was recognised for the financial year ended 31 March 2023 based on discounted cash flow model using cash flow projections from financial budget and forecasts. The Company has used cash flow projections of five years to reflect the time period for investment returns for its door business. Cash flows beyond the terminal year are extrapolated using the estimated growth rate of 1% (2022: 1%). Key assumptions used in the discounted cash flow models are growth rate, operating margins and discount rate. The discount rate of 11.5% (2022: 11.0%) applied to the cash flow projections are based on weighted average cost of capital (WACC) where the cost of a company's debt and equity capital are weighted to reflect its capital structure.

13. Investments in subsidiaries (cont'd)

Details of the subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal place of business	Principal activities	Proportion of ownership interest	
			2023	2022
			%	%
Held by the Company				
Ambertree Pte. Ltd. (1)	Singapore	Rental of premises	**100**	100
HS Optimus Resources Sdn. Bhd. ("HSOR") (2)	Malaysia	Investment holding	**100**	100
Ambertree Vic Mel (Lincoln) Pty Ltd (3)	Australia	Investment holding and property investment	**100**	100
Ambertree Indonesia Ventures Pte. Ltd. (1)	Singapore	Investment holding	**100**	100
Held by Ambertree Indonesia Ventures Pte. Ltd.				
PT Ambertree Development Jakarta (3)	Indonesia	Property development	**65**	65
Held by HS Optimus Resources Sdn. Bhd.				
HS Optimus Wood Products Sdn. Bhd. (2)	Malaysia	Manufacture and supply of doors, mouldings and wood floorings	**100**	100
HS Optimus Joinery Pte. Ltd. (1)	Singapore	Supply and installation of doors, mouldings and wood floorings	**100**	100
KLW (HK) Limited (4)	Hong Kong	Trading of doors, mouldings, floorings and related products	**100**	100

(1) Audited by Ernst & Young LLP, Singapore

(2) Audited by Ernst & Young PLT, Malaysia

(3) Audited by Ernst & Young LLP, Singapore for the purpose of consolidation

(4) Audited by Ernst & Young PLT, Malaysia for the purpose of consolidation

Summarised financial information of a subsidiary with material non-controlling interest ("NCI")

The Group has the following subsidiary which has NCI that is material to the Group:

Name of subsidiary	Principal place of business	Principal activities	Ownership interests held by NCI	
			2023	2022
			%	%
PT Ambertree Development Jakarta ("PTADJ")	Indonesia	Property development	**35**	35

13. Investments in subsidiaries (cont'd)

Summarised financial information of a subsidiary with material non-controlling interest ("NCI") (cont'd)

Summarised financial information including consolidation adjustments but before intercompany eliminations of the subsidiary with material non-controlling interests are as follows:

Summarised statement of financial position

	PTADJ	
	2023	**2022**
	$	**$**
Non-current assets	**245**	434
Current assets	**29,818,602**	31,869,838
Current liabilities	**(9,950)**	(8,748)
Net assets	**29,808,897**	31,852,524
Net assets attributable to NCI	**10,433,114**	11,148,383
Less: Capital contribution by NCI	**(2,142,807)**	(2,142,807)
Adjusted net assets attributable to NCI	**8,290,307**	9,005,576

Summarised statement of comprehensive income

	PTADJ	
	2023	**2022**
	$	**$**
Loss before tax	**(204,605)**	(581,579)
Income tax expense	**–**	–
Loss after tax	**(204,605)**	(581,579)
Other comprehensive (loss)/income	**(1,839,019)**	630,880
Total comprehensive (loss)/income for the year	**(2,043,624)**	49,301
(Loss)/profit allocated to NCI	**(715,269)**	17,255

Summarised statement of cash flows

	PTADJ	
	2023	**2022**
	$	**$**
Cash flows used in operating activities	**(75,438)**	(126,795)
Net decrease in cash and cash equivalents	**(75,438)**	(126,795)

14. Investment properties

	Group	
	2023	**2022**
	$	**$**
Cost		
At beginning of financial year	**19,906,966**	15,245,410
Additions	**–**	119,378
Transfer from right-of-use assets	**–**	4,644,948
Transfer to property held-for-sale	**(4,645,050)**	–
Currency translation differences	**(1,839,875)**	(102,770)
At end of financial year	**13,422,041**	19,906,966
Accumulated depreciation		
At beginning of financial year	**1,920,454**	93,353
Depreciation charge for the year	**466,775**	478,920
Transfer from right-of-use assets	**–**	1,342,862
Transfer to property held-for-sale	**(1,538,612)**	–
Currency translation differences	**(79,265)**	5,319
At end of financial year	**769,352**	1,920,454
Net carrying amount	**12,652,689**	17,986,512

There is rental income of $96,037 (2022: $95,998) and direct operating expenses of $111,302 (2022: $111,000) arising from the investment property held in Singapore during the year.

During the financial year, the Group transferred cost and accumulated depreciation of $4,645,050 and $1,538,612 respectively from investment property to property held-for-sale as its subsidiary had signed an option to purchase with a third party in respect of the leasehold property located in Singapore and in compliance with SFRS(I) 5.

In prior year, the Group transferred cost and accumulated depreciation of $4,644,948 and $1,342,862 from right-of-use assets to investment properties due to a change in use of the leasehold building located in Singapore.

The investment property held by the Group as at 31 March 2023 is as follows:

Description of property	Tenure	Building area (sqm)
A block of five-storey commercial/office building at 23-31 Lincoln Square South, Carlton, Melbourne, Australia	Freehold	3,745

The Group has no restriction on the realisability of its investment properties and no contractual obligation to purchase, construct or develop investment properties or for repairs, maintenance or enhancements.

Fair valuation of investment properties

The fair value of the investment property held by the Group in Australia is valued at $16,198,000 (2022: $18,064,200). The valuation was performed as of 31 March 2023 based on the property's highest and best use. The valuation was performed by accredited independent valuer with recognised and relevant professional qualifications and recent experience in the location and category of the property being valued. The valuations were carried out based on the Direct Comparison Approach, a comparative method of valuation of the open market value of the subject property, taking into consideration the state and condition of the property. The fair value measurement of the investment properties was categorised under Level 3 of the fair value hierarchy (Note 30 (e)).

15. Financial asset at fair value through profit or loss ("FVTPL")

	Group	
	2023	**2022**
	$	**$**
Financial asset measured at FVTPL		
At beginning of the financial year	**144**	141
Fair value (loss)/gain	**(33)**	3
At end of the financial year, representing financial asset at fair value through profit or loss	**111**	144

The fair value measurement of the financial asset at fair value through profit or loss is categorised within Level 1 of the fair value hierarchy.

16. Development properties

	Group	
	2023	**2022**
	$	**$**
Land use rights designated as part of development properties		
At beginning of the financial year	**10,489,019**	8,920,759
Additions	**6,573**	–
Depreciation of right-of-use asset capitalised	**1,785,398**	1,835,158
Impairment loss on the land	**(134,891)**	(453,039)
Currency translation differences	**(650,239)**	186,141
At end of the financial year	**11,495,860**	10,489,019
Net carrying amount of land use rights (Note A)	**17,716,624**	20,651,556
Total	**29,212,484**	31,140,575

The COVID-19 pandemic has resulted in economic uncertainty in the current and future economic environment and negatively impacted the selling price of properties in Indonesia. Accordingly, the Group recognised an impairment loss of $134,891 (2022: $453,039) on land held for redevelopment during the financial year.

Note A

Land use rights designated as part of development properties relate to right-of-use assets ("ROUA") on the land held by a subsidiary of the Group. Depreciation of ROUA recognised during the year is subsequently capitalised under development properties. The movement of ROUA in relation to land use rights is shown below.

16. Development properties (cont'd)

	Group $
Land use rights designated as part of development properties	
Cost	
At 1 April 2021	27,828,896
Exchange difference	555,064
At 31 March 2022 and 1 April 2022	28,383,960
Exchange difference	(1,643,482)
At 31 March 2023	**26,740,478**
Accumulated depreciation	
At 1 April 2021	5,771,234
Depreciation charge	1,835,158
Exchange difference	126,012
At 31 March 2022 and 1 April 2022	7,732,404
Depreciation charge	1,785,398
Exchange difference	(493,948)
At 31 March 2023	**9,023,854**
Net carrying amount	
At 31 March 2023	**17,716,624**
At 31 March 2022	20,651,556

The information on the land use rights designated as part of development properties is as follows:

Location	Description	Tenure	Building land area (sqm)	Percentage of completion at year end	Expected completion date
Jl. R.A Kartini No. 18, Jakarta, Indonesia	Parcels of land	Expiry date varies from 16 October 2026 to 6 December 2045	7,913	–	Unknown

Fair value of the development properties

As at year end, the fair value of the land use rights designated as part of development properties of the Group is valued at $26,873,516 (2022: $28,665,000), excluding VAT and land tax incurred on the land. The valuations were performed by accredited independent valuers with a recognised and relevant professional qualification and recent experience in the location and category of the properties being valued. The valuation was carried out based on the Direct Comparison Approach, a comparative method of valuation of the open market value of the subject property, taking into consideration the state and condition of the properties. The fair value measurement of the development properties was categorised under Level 3 of the fair value hierarchy.

17. Property held-for-sale

	Group 2023 $
Net carrying amount	
At beginning of financial year	–
Transfer from investment property	**3,106,438**
Impairment loss on properties held-for-sale	**(266,614)**
Currency translation differences	**139**
At end of financial year	**2,839,963**

During the financial year, the Group transferred cost and accumulated depreciation of $4,645,050 and $1,538,612 respectively from investment property to property held-for-sale as its subsidiary had signed an option to purchase with a third party in respect of the leasehold property located in Singapore and in compliance with SFRS(I) 5.

The property held-for-sale held by the Group as at 31 March 2023 is as follows:

Description of property	Tenure	Building area (sqm)
A block of four-storey corner terrace factory at 39 Kaki Bukit Industrial Terrace Singapore 416119	Leasehold (60 years)	723

Property held-for-sale is stated at the lower of its carrying amount and fair value less costs to sell.

The sale of this asset was completed on 22 June 2023.

18. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Trade receivables:				
- third parties	**1,655,404**	1,961,871	**–**	–
- subsidiaries	**–**	–	**299,529**	299,529
	1,655,404	1,961,871	**299,529**	299,529
Less: Allowance for expected credit losses	**(1,967)**	(2,105)	**(299,529)**	(299,529)
	1,653,437	1,959,766	**–**	–
Other receivables:				
- commitment fees	**3,450,000**	3,450,000	**–**	–
- sundry receivables	**456,217**	2,623,568	**17,751**	873
- deferred purchase consideration ^	**466,830**	474,903	**–**	–
- due from subsidiaries (non-trade)	**–**	–	**29,636,829**	28,235,337
- refundable deposits	**45,601**	52,713	**7,728**	7,448
Less: Allowance for expected credit losses	**(3,471,386)**	(3,472,878)	**(6,526,389)**	(6,046,589)
	947,262	3,128,306	**23,135,919**	22,197,069
Prepayments	**235,355**	233,852	**47,128**	47,049
VAT/GST receivables	**868,141**	545,093	**–**	–
	2,050,758	3,907,251	**23,183,047**	22,244,118
Total trade and other receivables	**3,704,195**	5,867,017	**23,183,047**	22,244,118
Less:				
Prepayments	**(235,355)**	(233,852)	**(47,128)**	(47,049)
VAT/GST receivables	**(868,141)**	(545,093)	**–**	–
Add:				
Cash and cash equivalents (Note 20)	**8,314,212**	11,126,838	**1,376,367**	4,274,086
Financial assets at amortised cost	**10,914,911**	16,214,910	**24,512,286**	26,471,155

^ Deferred purchase consideration of $466,830 (2022: $474,903) relates to outstanding cash consideration from the Purchaser as at year end, arising from the disposal of Key Bay.

Trade receivables

Trade receivables are non-interest bearing and are generally on 0 to 60 days credit term (2022: 0 to 60 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Sundry receivables

Sundry receivables in prior year mainly relate to a loan of AUD 2,000,000 offered by Ambertree Vic Mel (Lincoln) Pty Ltd to its borrower on 13 July 2021. The loan bears interest at 9% per annum, payable in full at the end of the 12 months, with a land valued at AUD 7,000,000 being held as collateral.

On 12 July 2022, Ambertree Vic Mel (Lincoln) Pty Ltd entered into a Deed of Extension of the Investment (Debt) and Marketing Agreement with the borrower to extend the repayment date of the loan by 6 months. The loan was fully repaid on 2 February 2023.

18. Trade and other receivables (cont'd)

Expected credit losses

The movement in allowance for expected credit losses of trade and other receivables computed based on lifetime ECL are as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Trade receivables				
At 1 April	**2,105**	2,124	**299,529**	299,529
Exchange differences	**(138)**	(19)	**–**	–
	1,967	2,105	**299,529**	299,529
Other receivables				
At 1 April	**3,472,878**	3,473,091	**6,046,589**	5,812,364
Charge for the year	**–**	–	**479,800**	234,225
Exchange differences	**(1,492)**	(213)	**–**	–
	3,471,386	3,472,878	**6,526,389**	6,046,589
At 31 March	**3,473,353**	3,474,983	**6,825,918**	6,346,118

Commitment fees

For the financial year ended 31 March 2015, the Group paid a total amount of $16,200,000 as commitment fees in connection with the three non-binding term sheets, which comprises:

(i) $2,200,000 paid under a term sheet in respect of a property development project in Bali, Indonesia ("Bali Term Sheet"). During the financial year 2016, the Group recovered $2,000,000 commitment fee with remaining balance of $200,000 due by the counterparty. The Group has made an allowance for impairment loss on the $200,000 of the commitment fee since financial year 2015.

(ii) $7,000,000 paid under a term sheet in respect of a hotel acquisition in Zhangye, Gansu, China ("Zhangye Hotel Term Sheet"). The counterparty in this term sheet is a company incorporated in the British Virgin Islands ("Zhangye counterparty"). During the financial year 2016, the Group fully recovered this commitment fee from the counterparty.

(iii) $7,000,000 paid to the Zhangye counterparty under a term sheet in respect of a property development project in Zhangye, Gansu, China ("Zhangye Property Term Sheet"), which remained outstanding as at 31 March 2019. Despite having agreed on a new plan and entered into an agreement to recover the said amount from the counterparty, the Group did not recover the sum and therefore a full allowance for impairment loss recognised since the financial year 2015.

The Group did not enter into any definitive agreement with any of the counterparties by the stipulated deadline in July 2014 and as a result, the commitment fees became due and refundable in full.

The Group entered into another term sheet with the same counterparty, i.e. Zhangye counterparty on 25 May 2015, which sets out certain key indicative terms of a potential transaction proposed to be introduced by the Zhangye counterparty and its director and shareholder to the Company (collectively the "Parties"). The proposal relates to a proposed joint venture in a property development project in Vietnam between the Group and two companies incorporated in Vietnam ("Vietnam Term Sheet").

By entering into the Vietnam Term Sheet, it was agreed amongst the Parties that the outstanding commitment fee amounting to $7,000,000 owing by the Zhangye counterparty to the Group under the Zhangye Property Term Sheet will be paid into an escrow account by 25 August 2015, which will serve as the commitment fee paid by the Company under the Vietnam Term Sheet.

18. Trade and other receivables (cont'd)

Commitment fees (cont'd)

For commitment fees relating to (iii) above, $250,000 was recovered during the financial year ended 2019 and $3,500,000 was recovered during the financial year ended 2020. On 22 November 2015, the Company had announced that it had issued a letter of demand for the remaining $200,000 but the Board has kept the claim in abeyance in the meantime.

In view of the above payments, reversal of impairment loss of other receivables had also been made in the Group's financial statements.

Accordingly, the remaining outstanding balances of $3,450,000 relating to the Bali Term Sheet and Vietnam Term Sheet (originally paid under Zhangye Property Term Sheet) amounted to $200,000 and $3,250,000 respectively have remained outstanding and fully impaired as at year end.

As at year end, the estate matters of Mr Chan are in the hands of the administrator of Official Assignee Office of the Ministry of Law, pursuant to an application to commence bankruptcy proceedings against Mr Chan on 12 February 2018.

For further details, please refer to the disclosures in the Group's 2021 Annual Report.

Due from subsidiaries (non-trade)

These amounts are unsecured, interest-free and repayable on demand.

19. Inventories

	Group	
	2023	**2022**
	$	**$**
Finished goods	**826,039**	1,780,043
Work-in-progress	**1,504,395**	1,476,815
Raw materials	**2,105,724**	2,686,026
	4,436,158	5,942,884

The cost of inventories recognised as expense and included in "cost of sales" amounted to $7,133,699 (2022: $8,736,648).

During the financial year, the Group recognised written back of allowance for inventory obsolescence of $92,390 (2022: Nil).

In prior year, the Group recognised allowance of inventory obsolescence of $21,081.

20. Cash and cash equivalents

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Cash and bank balances	**3,872,070**	7,479,646	**450,344**	626,894
Fixed deposits	**4,442,142**	3,647,192	**926,023**	3,647,192
Cash and cash equivalents	**8,314,212**	11,126,838	**1,376,367**	4,274,086

Fixed deposits of the Group and the Company bear interest rates ranging from 0.56% to 5.10% (2022: 0.08% to 0.88%) per annum and have a maturity period of 1 to 12 months (2022: 1 to 12 months) from year end.

21. Trade and other payables

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Trade payables:				
- third parties	**526,994**	1,089,486	**–**	–
Other payables:				
- third parties	**577,178**	863,222	**36,841**	60,761
Contract liability	**23,390**	–	**–**	–
VAT/GST payables	**33,898**	20,613	**25,108**	15,422
Deposits received	**45,000**	16,000	**–**	–
Accrued operating expenses:				
- salaries and bonuses	**189,757**	251,807	**44,940**	60,957
- professional fees	**198,870**	167,041	**110,698**	107,998
- commission fees	**141,239**	162,012	**–**	–
- others	**324,002**	290,009	**17,149**	2,580
Loan from non-controlling shareholder	**2,018,058**	2,142,089	**–**	–
	3,551,392	3,912,793	**234,736**	247,718
Total	**4,078,386**	5,002,279	**234,736**	247,718
Add: Loans and borrowings (Note 23)	**3,516,472**	5,181,170	**–**	–
Less: Provision for unutilised leave	**(17,149)**	(2,580)	**(17,149)**	(2,580)
Less: Contract liability	**(23,390)**	–	**–**	–
Less: VAT/GST payables	**(33,898)**	(20,613)	**(25,108)**	(15,422)
Financial liabilities at amortised cost	**7,520,421**	10,160,256	**192,479**	229,716

Trade payables are unsecured, non-interest bearing and are normally settled between 30 to 90 days (2022: 30 to 90 days) terms.

The loan from non-controlling shareholder is unsecured, interest-free and repayable on demand.

22. Share capital

	Group and Company			
	2023	**2022**	**2023**	**2022**
	No. of shares	**No. of shares**	**$**	**$**
Issued and fully paid ordinary shares:				
At 1 April and 31 March	**5,380,556,316**	5,380,556,316	**103,170,633**	103,170,633

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

23. Loans and borrowings

	Group	
	2023	2022
	$	$
Current		
Lease liabilities	**17,439**	27,773
Loans and borrowings:		
- Foreign currency loan against import	**825,272**	2,070,250
- Bankers' acceptance	**–**	237,314
- Term loan	**161,525**	161,525
	1,004,236	2,496,862
Non-current		
Lease liabilities	**8,600**	19,147
Loans and borrowings:		
- Term loan	**2,503,636**	2,665,161
	2,512,236	2,684,308
Total loans and borrowings	**3,516,472**	5,181,170

Foreign currency loan against import

Foreign currency loan against import pertains to short-term loans drawn down to finance the import of inventories.

(i) The foreign currency loan against import of the Group is secured by ways of the following:

(a) corporate guarantee from the Company;

(b) negative pledge over certain assets of the Group; and

(c) legal charges over certain properties of the Group (Note 25).

(ii) Foreign currency loan against import is drawn down for a period of up to 120 days (2022: 120 days) and is renewable upon maturity. Interest rates range from 2.12% to 7.30% (2022: 1.83% to 2.05%) per annum.

Banker's acceptance

(i) Interest is charged for banker's acceptance at rates at 3.61% to 4.42% (2022: 3.53% to 3.68%) per annum. The banker's acceptances of the Group are secured by way of:

(a) corporate guarantee from the Company;

(b) negative pledge over certain assets of the Group; and

(c) legal charges over certain properties of the Group (Note 25)

The amount was fully repaid during the financial year ended 31 March 2023.

23. Loans and borrowings (cont'd)

Term loan - Floating rate

(i) Term loan is secured by way of the following:

(a) legal charges over one of the Group's investment properties (Note 14) (2022: right-of-use assets (Notes 25)) in Singapore; and

(b) corporate guarantee from the Company.

(ii) Term loan is repayable by monthly instalments commencing from October 2014 over 25 years and bears interest of 3.29% to 7.02% (2022: 3.00%) per annum.

Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group	
	2023	**2022**
	$	**$**
At 1 April	**46,920**	61,227
Additions	**12,943**	34,231
Accretion of interest	**1,285**	1,641
Disposal	**–**	(4,902)
Payments	**(32,576)**	(44,771)
Foreign exchange	**(2,533)**	(506)
At 31 March	**26,039**	46,920
Current	**17,439**	27,773
Non-current	**8,600**	19,147
	26,039	46,920

The maturity analysis of lease liabilities is disclosed in Note 29(d).

Determination of fair value of borrowings

The carrying amounts of borrowings approximates their fair values at the statement of financial position date.

The fair value of the borrowings is determined based on discounted cash flows using market lending rate for similar borrowings which the management expects would be available to the Group and the Company at the statement of financial position date. The fair value of the non-current borrowings at year end approximates its carrying value as there are no significant changes in the interest rate available to the Group at year end. This fair value measurement for disclosure purpose is categorised within Level 3 (2022: Level 3) of the fair value hierarchy.

23. Loans and borrowings (cont'd)

Reconciliation of liabilities arising from financing activities

A reconciliation of liabilities arising from financing activities is as follows:

	1.4.2022	Cash flows	Non-cash changes				31.03.2023
			Addition	Disposal	Foreign exchange	Other	
	$	$	$	$	$	$	$
Group							
Loans and borrowings:							
- current	2,469,089	(5,192,009)	–	–	24,014	3,685,703	**986,797**
- non-current	2,665,161	3,524,178	–	–	–	(3,685,703)	**2,503,636**
Lease liabilities:							
- current	27,773	(31,291)	12,943	–	(2,533)	10,547	**17,439**
- non-current	19,147	–	–	–	–	(10,547)	**8,600**
Loan from non-controlling interest	2,142,089	–	–	–	(124,031)	–	**2,018,058**
Total	7,323,259	(1,699,122)	12,943	–	(102,550)	–	**5,534,530**

	1.4.2021	Cash flows	Non-cash changes				31.03.2022
			Addition	Disposal	Foreign exchange	Other	
	$	$	$	$	$	$	$
Group							
Loans and borrowings:							
- current	467,269	(2,329,118)	–	–	(12,213)	4,343,151	2,469,089
- non-current	2,826,686	4,181,626	–	–	–	(4,343,151)	2,665,161
Lease liabilities:							
- current	39,819	(43,130)	34,231	(4,902)	(506)	2,261	27,773
- non-current	21,408	–	–	–	–	(2,261)	19,147
Loan from non-controlling interest	2,100,199	–	–	–	41,890	–	2,142,089
Total	5,455,381	1,809,378	34,231	(4,902)	29,171	–	7,323,259

24. Deferred tax liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same regulatory authority.

The movement in deferred income tax account is as follows:

	Group	
	2023	**2022**
	$	**$**
At beginning of the financial year	**1,479,424**	1,574,636
Recognised in profit or loss (Note 10)	**(285,660)**	(81,232)
Currency translation differences	**(120,946)**	(13,980)
	1,072,818	1,479,424

The following are the major deferred tax liabilities and assets recognised by the Group and the movements thereon, during the current and prior reporting periods:

	Net book values over tax written down values	**Others**	**Total**
	$	**$**	**$**
Group			
Deferred tax liabilities/(assets)			
At 1 April 2021	2,056,858	19,299	2,076,157
Recognised in the profit or loss	(453,991)	(126,233)	(580,224)
Currency translation differences	(16,665)	217	(16,448)
At 31 March 2022 and 1 April 2022	1,586,202	(106,717)	1,479,485
Recognised in the profit or loss	(43,505)	47,228	3,723
Currency translation differences	(134,865)	5,603	(129,262)
At 31 March 2023	**1,407,832**	**(53,886)**	**1,353,946**

	Unutilised tax losses and capital allowances	**Right-of-use assets**	**Total**
	$	**$**	**$**
Deferred tax assets/(liabilities)			
At 1 April 2021	(501,417)	(104)	(501,521)
Recognised in the profit or loss	498,949	43	498,992
Currency translation differences	2,468	–	2,468
At 31 March 2022 and 1 April 2022	–	(61)	(61)
Recognised in the profit or loss	(289,401)	18	(289,383)
Currency translation differences	8,312	4	8,316
At 31 March 2023	**(281,089)**	**(39)**	**(281,128)**

At year end, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is $13,000,000 (2022: $14,000,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and these will not reverse in the foreseeable future.

25. Right-of-use assets

Group as a lessee

The Group has lease contracts for its leasehold land and buildings, staff hostel and motor vehicles. The leasehold buildings located in Singapore and Malaysia have lease terms of 60 and 99 years respectively, while the leases for staff hostels have lease terms of 1 to 3 years.

The leases of staff hostel contain extension options but do not contain variable payments and termination options. The remaining leases held by the Group do not contain variable payments, extension and termination options. The Group has certain leases of equipment with lease terms of 12 months or less and leases of low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Group	**Leasehold land and buildings**	**Hostel**	**Total**
	$	**$**	**$**
Cost			
At 1 April 2021	8,902,229	87,869	8,990,098
Additions	–	34,231	34,231
Reclassifications	(4,644,948)	–	(4,644,948)
Disposal	–	(67,041)	(67,041)
Exchange difference	(17,802)	(669)	(18,471)
At 31 March 2022 and 1 April 2022	4,239,479	54,390	4,293,869
Additions	–	12,943	12,943
Disposal	–	(19,544)	(19,544)
Exchange difference	(123,900)	(3,357)	(127,257)
At 31 March 2023	**4,115,579**	**44,432**	**4,160,011**
Accumulated depreciation and impairment			
At 1 April 2021	1,695,923	54,570	1,750,493
Depreciation charge	81,324	36,053	117,377
Reclassifications	(1,342,862)	–	(1,342,862)
Disposal	–	(62,226)	(62,226)
Exchange difference	(3,891)	(390)	(4,281)
At 31 March 2022 and 1 April 2022	430,494	28,007	458,501
Depreciation charge	72,706	24,519	97,225
Disposal	–	(19,544)	(19,544)
Reversal of impairment loss	(47,228)	–	(47,228)
Exchange difference	(34,776)	(1,968)	(36,744)
At 31 March 2023	**421,196**	**31,014**	**452,210**
Net carrying amount			
At 31 March 2023	**3,694,383**	**13,418**	**3,707,801**
At 31 March 2022	3,808,985	26,383	3,835,368

25. Right-of-use assets (cont'd)

Company	Leasehold buildings $
Cost	
At 1 April 2021, 31 March 2022, 1 April 2023 and 31 March 2023	**2,339,679**
Accumulated depreciation	
At 1 April 2021	239,679
Depreciation charge	39,007
At 31 March 2022 and 1 April 2022	278,686
Depreciation charge	39,007
Reversal of impairment loss	(47,228)
At 31 March 2023	**270,465**
Net carrying amount	
At 31 March 2023	**2,069,214**
At 31 March 2022	2,060,993

The following are the amounts recognised in profit or loss:

	Group	
	2023 $	2022 $
Depreciation of right-of-use assets	**97,225**	117,377
Interest expenses on lease liabilities (Note 6)	**1,285**	3,665
Expenses relating to short term leases or low-value assets	**25,854**	29,333
Reversal of impairment loss on right-of-use assets	**(47,228)**	–
	77,136	150,375

Impairment of leasehold land and building - Group and Company

The Group has performed an impairment test when there are observable indicators that the asset's value has declined during the period significantly more than would be expected as a result of normal use and the subsidiary had been persistently making losses.

As at 31 March 2023, the fair value of a leasehold building of the Company located at CT Hub, Singapore was valued at $2,450,000. As the recoverable amount is higher than the carrying amount of the leasehold building of $2,069,214, a full reversal of previously recognised impairment loss of $47,228 was recognised in "administrative expenses" for the financial year ended 31 March 2023.

Significant inputs used in the valuation are the price per square foot of comparable properties in the vicinity, ranging from $807 to $1,026 (2022: $770 to $913) per square foot for CT hub buildings. Appropriate adjustments have been made between comparable properties and the subject property to reflect the differences in size, tenure, type of property and other relevant factors affecting its value. Higher/lower price per square foot will result in a higher/lower fair value measurement. The fair value measurement is categorised under Level 3 (2022: Level 3) of the fair value hierarchy.

25. Right-of-use assets (cont'd)

Group as a lessee (cont'd)

Impairment of leasehold land and building - Group and Company (cont'd)

The above valuation was determined based on an accredited independent valuer with a recognised and relevant professional qualification and recent experience in the location and category of the properties being valued. The valuation was carried out based on the Direct Comparison Approach, a comparative method of valuation of the open market value of the subject property, taking into consideration the state and condition of the property.

Right-of-use assets financed through lease

The Group's addition of right-of-use assets for the financial year is settled by lease financing of $12,943 (2022: $34,231). The Group had total cash outflows for leases of $32,576 (2022: $44,771) in 2023.

26. Foreign currency translation reserve

	Foreign currency translation reserve
	$
Group	
2023	
At beginning of the financial year	**(7,415,041)**
Net exchange differences on translation of financial statements of foreign subsidiaries	**(822,157)**
At end of the financial year	**(8,237,198)**
2022	
At beginning of the financial year	(7,018,486)
Net exchange differences on translation of financial statements of foreign subsidiaries	(396,555)
At end of the financial year	(7,415,041)

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. Foreign currency translation reserve is non-distributable.

27. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

Compensation of key management personnel

	Group	
	2023	**2022**
	$	**$**
Directors of the Company		
- Salaries and related costs	**652,408**	559,309
- Employer's contribution to defined contribution plans	**3,840**	720
- Directors' fees	**243,000**	236,333
Directors of subsidiaries		
- Directors' fees	**145,033**	135,167
- Salaries and related costs	**–**	4,851
- Employer's contribution to defined contribution plans	**–**	679
Other key management personnel		
- Salaries and related costs	**599,452**	635,701
- Employer's contribution to defined contribution plans	**13,378**	14,450
	1,657,111	1,587,210

A summary of key management personnel compensation is as follows:

	Group	
	2023	**2022**
	$	**$**
Salaries and related costs	**1,251,860**	1,199,861
Directors' fees	**388,033**	371,500
Employer's contribution to defined contribution plans	**17,218**	15,849
	1,657,111	1,587,210

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entities. All directors and certain managers are considered key management personnel.

28. Contingent liabilities

	Company	
	2023	**2022**
	$	**$**
Corporate guarantee		
Guarantee issued for bank facilities granted to subsidiaries (Note 23)	**6,351,100**	6,542,200
Amounts utilised by subsidiaries	**3,490,433**	5,134,250

The directors have assessed the fair values of these financial guarantees to have no material financial impact on the results for the financial year ended 31 March 2023 and 31 March 2022. The credit risk of the financial guarantees are assessed under Note 29(c) in the financial statements.

29. Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks from its operations. The key financial risks include foreign currency risk, interest rate risk, liquidity risk and credit risk.

The Board of Directors reviews and agrees on policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken, except for the use as hedging instruments where appropriate and cost-efficient. The Group does not apply hedge accounting.

There has been no change to the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks for the financial years ended 31 March 2023 and 31 March 2022.

The following sections provide details regarding the Group's exposure to the risks and the objectives, policies and processes for the management of these risks.

(a) ***Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group has currency exposure arising from transactions, assets and liabilities that are denominated in currencies other than the respective functional currencies of entities of the Group. The Group's exposure to foreign currency risk are mainly related to United States Dollar ("USD") and Australian Dollar ("AUD"). The Company has investments in foreign subsidiaries whose net assets are exposed to currency translation risk. The Group does not have a policy to hedge its exposure to foreign currency risk.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the Group's functional currency are as follows:

	USD $	AUD $
Group		
2023		
Financial assets		
Trade and other receivables	**2,112,133**	**–**
Cash and cash equivalents	**5,588,676**	**7,697**
	7,700,809	**7,697**
Financial liabilities		
Trade and other payables	**528,936**	**–**
Loans and borrowings	**825,272**	**–**
	1,354,208	**–**
Net financial assets denominated in foreign currency exposure	**6,346,601**	**7,697**

29. Financial risk management objectives and policies (cont'd)

(a) ***Foreign currency risk (cont'd)***

	USD $	AUD $
Group		
2022		
Financial assets		
Trade and other receivables	1,959,766	–
Cash and cash equivalents	10,296,871	1,742
	12,256,637	1,742
Financial liabilities		
Trade and other payables	874,833	–
Loans and borrowings	1,530,119	–
	2,404,952	–
Net financial assets denominated in foreign currency exposure	9,851,685	1,742

	USD $	AUD $
Company		
2023		
Financial assets		
Cash and bank balances	**1,231,412**	**7,697**
Net financial assets denominated in foreign currency exposure	**1,231,412**	**7,697**
2022		
Financial assets		
Cash and bank balances	4,176,803	1,742
Net financial assets denominated in foreign currency exposure	4,176,803	1,742

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in the USD and AUD exchange rates against the respective functional currencies, with all other variables held constant.

If the relevant foreign currency weakens/strengthens by 10% against the functional currency of the Group, loss before tax for the financial year will increase/(decrease) by:

	Group	
	2023 $	2022 $
USD/SGD		
- weakened 10% (2022: 10%)	**526,768**	347,478
- strengthened 10% (2022: 10%)	**(526,768)**	(347,478)
AUD/SGD		
- weakened 10% (2022: 10%)	**(639)**	(145)
- strengthened 10% (2022: 10%)	**639**	145

29. Financial risk management objectives and policies (cont'd)

(a) ***Foreign currency risk (cont'd)***

During the financial year, the Group is also exposed to currency translation risk arising from its net investment in its foreign operation in other countries mainly Malaysia (2022: Malaysia). The Group's net investments in Malaysia and Australia are not hedged as currency positions in Malaysian Ringgit, Australian Dollar and United States are considered to be long-term in nature.

(b) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from its loans and borrowings that are charged floating interest rates and interest rates on its fixed deposits. The Group's policy is to obtain comparative interest rates under the most favourable terms and conditions without increasing its foreign currency exposure and place surplus funds with reputable banks.

Summary quantitative data of the Group's interest-bearing financial instruments can be found in Note 23.

Sensitivity analysis for interest rate risk

At year end, if interest rates had been 100 (2022: 100) basis points higher/lower with all other variables were held constant, the Group's loss before tax for financial year ended 31 March 2023 would increase/decrease by $16,028 (2022: $6,497). This is mainly attributable to the Group's exposure to interest rates on its floating rate loans and borrowings as well as the interest rates on its fixed deposits.

(c) ***Credit risk***

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties. It is the Group's policy that all customers whose wish to trade on credit terms are subject to credit verification procedures. Exposure to the credit risk is monitored on an ongoing basis.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the Group's Finance department based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the Group's Finance department.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments within a specific period given, which is individually determined by respective entities within the Group based on individual default considerations and historical information.

29. Financial risk management objectives and policies (cont'd)

(c) ***Credit risk (cont'd)***

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the Group and changes in the operating results of the debtor

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is past due for more than a specific period given as individually determined by respective entities within the Group based on individual default considerations.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a receivable for potential write-off when a debtor fails to make contractual payments within the specific period given. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Group's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	There is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
III	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

29. Financial risk management objectives and policies (cont'd)

(c) ***Credit risk (cont'd)***

Exposure to credit risk

At year end, $1,594,296 (2022: $1,962,488) of the Group's trade receivables were due from 3 (2022: 3) major customers in door business segment, who supply building materials in the United Kingdom. 86% (2022: 87%) of the Company's other receivables were balances with 2 (2022: 2) subsidiaries.

Movements in allowance for expected credit losses are as follows:

	Trade receivables	Other receivables	Total
	$	$	$
Group			
Balance at 1 April 2021	2,124	3,473,091	3,475,215
Currency translation differences	(19)	(213)	(232)
Balance at 31 March 2022 and 1 April 2022	2,105	3,472,878	3,474,983
Currency translation differences	(138)	(1,492)	(1,630)
Balance at 31 March 2023	**1,967**	**3,471,386**	**3,473,353**

	Amounts due from subsidiaries
	$
Company	
Balance at 1 April 2021	6,111,893
Loss allowance provided:	
Provision for lifetime ECL - credit-impaired	234,225
Balance at 31 March 2022 and 1 April 2022	6,346,118
Loss allowance provided:	
Provision for lifetime ECL - credit-impaired	479,800
Balance at 31 March 2023	**6,825,918**

Trade receivables

The Group has applied the simplified approach to measure the lifetime expected credit loss allowance for trade receivables.

The Group has recognised a loss allowance of 100% against all trade receivables over 365 days past due because historical experience has indicated that these receivables are generally not recoverable. A trade receivable is written off when there is information indicating that there is no realistic prospect of recovery from the debtor.

29. Financial risk management objectives and policies (cont'd)

(c) ***Credit risk (cont'd)***

Trade receivables (cont'd)

The table below details the credit quality of the Group's and the Company's financial assets:

	12-month or lifetime ECL	Gross carrying amount $	Allowance for expected credit losses $	Net carrying amount $
Group				
31 March 2023				
Trade receivables	Lifetime ECL-credit-impaired	**1,655,404**	**(1,967)**	**1,653,437**
Other receivables				
- commitment fees	Lifetime ECL-credit-impaired	**3,450,000**	**(3,450,000)**	**–**
- sundry receivables	12-month ECL	**434,831**	**–**	**434,831**
	Lifetime ECL-credit-impaired	**21,386**	**(21,386)**	**–**
- deferred purchase consideration	12-month ECL	**466,830**	**–**	**466,830**
- refundable deposits	12-month ECL	**45,601**	**–**	**45,601**
Cash and cash equivalents	12-month ECL	**8,314,212**	**–**	**8,314,212**
31 March 2022				
Trade receivables	Lifetime ECL-credit-impaired	1,961,871	(2,105)	1,959,766
Other receivables				
- commitment fees	Lifetime ECL-credit-impaired	3,450,000	(3,450,000)	–
- sundry receivables	12-month ECL	2,600,690	–	2,600,690
	Lifetime ECL-credit-impaired	22,878	(22,878)	–
- deferred purchase consideration	12-month ECL	474,903	–	474,903
- refundable deposits	12-month ECL	52,713	–	52,713
Cash and cash equivalents	12-month ECL	11,126,838	–	11,126,838

29. Financial risk management objectives and policies (cont'd)

(c) ***Credit risk (cont'd)***

Trade receivables (cont'd)

	12-month or lifetime ECL	Gross carrying amount $	Allowance for expected credit losses $	Net carrying amount $
Company				
31 March 2023				
Trade receivables	Lifetime ECL-credit-impaired	**299,529**	**(299,529)**	**–**
Due from subsidiaries	12-month ECL	**23,110,440**	**–**	**23,110,440**
	Lifetime ECL-credit-impaired	**6,526,389**	**(6,526,389)**	**–**
Cash and cash equivalents	12-month ECL	**1,376,367**	**–**	**1,376,367**
Other receivables	12-month ECL	**25,479**	**–**	**25,479**
31 March 2022				
Trade receivables	Lifetime ECL-credit-impaired	299,529	(299,529)	–
Due from subsidiaries	12-month ECL	22,188,748	–	22,188,748
	Lifetime ECL-credit-impaired	6,046,589	(6,046,589)	–
Cash and cash equivalents	12-month ECL	4,274,086	–	4,274,086
Other receivables	12-month ECL	8,321	–	8,321

Information regarding movement of allowance for expected credit losses of trade and other receivables are disclosed in Note 18.

Amounts due from subsidiaries and loan to subsidiary

For amounts due from subsidiaries of $29,936,358 (2022: $28,534,866), the Company assessed the latest performance and financial position of the respective subsidiaries, adjusted for the fair value uplift of the subsidiaries' development properties and future outlook of the industry in which the subsidiaries operate, including the consideration of COVID-19, and concluded that there has been significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company recognised the impairment loss allowance using lifetime ECL of $6,825,918 (2022: $6,346,118).

Financial guarantees

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations, and that the term loan is also secured by legal charges over the subsidiary's leasehold land and building in Singapore where its fair value exceeds its net carrying value as at year end. Therefore, the Company does not expect significant credit losses arising from these guarantees.

29. Financial risk management objectives and policies (cont'd)

(d) ***Liquidity risk***

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

To manage liquidity risk, the Group monitors its net operation cash flows and maintains an adequate level of cash and cash equivalents and funding facilities from banks. In assessing the adequacy of these funding facilities, management reviews its working capital requirement regularly.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayments obligations.

	One year or less	More than one to five years	More than five years	Total
	$	$	$	$
Group				
2023				
Financial assets:				
Trade and other receivables	**2,600,699**	–	–	**2,600,699**
Cash and cash equivalents	**8,314,212**	–	–	**8,314,212**
Financial asset at FVTPL	**111**	–	–	**111**
Total undiscounted financial assets	**10,915,022**	–	–	**10,915,022**
Financial liabilities:				
Trade and other payables	**4,003,949**	–	–	**4,003,949**
Interest bearing borrowings				
- Foreign currency loan against import (floating rates)	**842,640**	–	–	**842,640**
- Term loan (floating rates)	**386,867**	**1,405,219**	**2,791,029**	**4,583,115**
Lease liabilities	**18,384**	**8,745**	–	**27,129**
Total undiscounted financial liabilities	**5,251,840**	**1,413,964**	**2,791,029**	**9,456,833**
Total net undiscounted financial assets/(liabilities)	**5,663,182**	**(1,413,964)**	**(2,791,029)**	**1,458,189**

29. Financial risk management objectives and policies (cont'd)

(d) ***Liquidity risk (cont'd)***

	One year or less $	More than one to five years $	More than five years $	Total $
Group				
2022				
Financial assets:				
Trade and other receivables	5,277,967	–	–	5,277,967
Cash and cash equivalents	11,126,838	–	–	11,126,838
Financial asset at FVTPL	144	–	–	144
Total undiscounted financial assets	16,404,949	–	–	16,404,949
Financial liabilities:				
Trade and other payables	4,979,086	–	–	4,979,086
Interest bearing borrowings				
- Banker acceptance (floating rates)	237,314	–	–	237,314
- Foreign currency loan against import (floating rates)	2,086,799	–	–	2,086,799
- Term loan (floating rates)	242,973	924,099	2,394,938	3,562,010
Lease liabilities	29,813	19,786	–	49,599
Total undiscounted financial liabilities	7,575,985	943,885	2,394,938	10,914,808
Total net undiscounted financial assets/(liabilities)	8,828,964	(943,885)	(2,394,938)	5,490,141

	One year or less	
	2023 $	2022 $
Company		
Financial assets:		
Trade and other receivables	**23,135,919**	22,197,069
Cash and cash equivalents	**1,376,367**	4,274,086
Total undiscounted financial assets	**24,512,286**	26,471,155
Financial liabilities:		
Trade and other payables	**192,479**	229,716
Total undiscounted financial liabilities	**192,479**	229,716
Total net undiscounted financial assets	**24,319,807**	26,241,439

29. Financial risk management objectives and policies (cont'd)

(d) ***Liquidity risk (cont'd)***

The table below shows the contractual expiry by maturity of the Company's contingent liabilities. The maximum amount of the financial guarantee contracts is allocated to the earliest period in which the guarantee could be called.

	One year or less	
	2023	**2022**
	$	**$**
Company		
Financial guarantees	**6,351,100**	6,542,200

The directors have assessed the fair values of these financial guarantees to have no material financial impact on the financial statements of the Company for the financial years ended 31 March 2023 and 31 March 2022.

30. Fair value of financial assets and liabilities

(a) ***Fair value hierarchy***

The table below analyses the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

(i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and

(iii) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) ***Fair value measurements of assets and liabilities that are measured at fair value***

There were no assets and liabilities that are measured at fair value at year end, except for financial assets at fair value through profit or loss (Note 15).

The following table presents the level of fair value hierarchy for each class of asset measured at fair value on the statement of financial position date:

	Level 1	Total
	$	**$**
Group		
2023		
Recurring fair value measurement		
Financial assets at fair value through profit or loss	**111**	**111**
2022		
Recurring fair value measurement		
Financial assets at fair value through profit or loss	144	144

There has been no transfer between Level 1, Level 2 and Level 3 of the fair value hierarchy during the financial years ended 31 March 2023 and 31 March 2022.

30. Fair value of financial assets and liabilities (cont'd)

(c) ***Fair value of financial instruments by classes that are not carried measured at fair value***

The carrying amounts of financial assets and financial liabilities reported on the statement of financial positions are reasonable approximation of their fair values, due to their short term nature and the effect of discounting is immaterial, or that they are floating rate instruments that are repriced to market interest rate on or near year end,

(d) ***Assets and liabilities not carried at fair value but for which fair value is disclosed***

Aside from investment properties, the carrying amounts of financial assets and financial liabilities reported at year end are reasonable approximation of their fair values, due to their short term nature and the effect of discounting is immaterial, or that they are floating rate instruments that are repriced to market interest rate on or near the statement of financial position date,

(e) ***Assets not carried at fair value but for which fair value is disclosed***

		Fair value measurements as the end of the reporting period using	
	Note	**Significant unobservable inputs (Level 3)**	**Total**
		$	**$**
Recurring fair value measurements			
Group			
2023			
Assets			
Investment properties	14	**16,198,000**	**16,198,000**
Development properties	16	**26,873,516**	**26,873,516**
2022			
Assets			
Investment properties	14	21,364,200	21,364,200
Development properties	16	28,665,000	28,665,000

Fair values of the investment properties and development properties are based on independent valuations performed and further details are disclosed until Note 14 and Note 16 of the financial statements respectively.

30. Fair values of assets and liabilities (cont'd)

(e) ***Assets not carried at fair value but for which fair value is disclosed (cont'd)***

Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value at year end $	Valuation technique	Unobservable inputs	Range (weighted average)
Group				
2023				
Investment properties	**16,198,000**	Direct Comparison Approach	Yield adjustments based on management's assumptions*	**13% - 77%**
Development properties	**26,873,516**	Direct Comparison Approach	Yield adjustments based on management's assumptions*	**20% - 33%**
2022				
Investment properties	21,364,200	Direct Comparison Approach	Yield adjustments based on management's assumptions*	13% - 47%
Development properties	28,665,000	Direct Comparison Approach	Yield adjustments based on management's assumptions*	20% - 33%

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

For investment properties and development properties, a significant increase/(decrease) in yield adjustments based on management's assumptions would result in a significantly lower/(higher) fair value measurement.

31. Segment information

The Group has four reportable segments, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different business strategies. For each of the strategic business units, the Group's Executive Directors review internal management reports on a quarterly basis.

The following summary describes the operation in each of the Group's reportable segments:

(a) *Investment segment*

This relates to investment holding companies.

(b) *Door business segment*

This relates to the manufacture and distribution of doors, furniture and fittings, wood related products and supply and installation of doors.

(c) *Property business segment*

This relates to rental of premises, property developments and investments.

31. Segment information (cont'd)

(d) *Secured property financing segment*

This relates to provision of financing to corporations in the form of loan secured by a first mortgage charge.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit, as included in the internal management reports that are reviewed by the Executive Directors. Segment assets consist of property, plant and equipment, investment properties, financial assets at fair value through profit or loss, development properties, property held-for-sale, prepayments, trade and other receivables, inventories, property held-for-sale, disposal group assets classified as held-for-sale, and cash and cash equivalents. Segment liabilities comprise operating liabilities and exclude items such as income tax payable, deferred tax liabilities and borrowings. Capital expenditure comprises additions to property, plant and equipment (Note 12) and right-of-use assets (Note 25).

The segment information provided to management for the reportable business segments are as follows:

	Investment $	Door business $	Property business $	Secured property financing $	Total $
31 March 2023					
Segment revenue					
Sales - external	–	10,833,194	–	10,660	10,843,854
Segment (loss)/profit	(2,414,327)	(923,745)	(4,799,838)	10,660	(8,127,250)
Other income					526,799
Finance costs					(196,479)
Loss before tax					(7,796,930)
Income tax credit					298,164
Loss for the financial year					(7,498,766)
Assets					
Segment and consolidated total assets	3,522,573	22,392,667	44,869,816	366,041	71,151,097
Liabilities					
Segment liabilities	234,736	1,368,172	2,475,478	–	4,078,386
Borrowings	–	3,516,472	–	–	3,516,472
Deferred tax liabilities	–	1,072,818	–	–	1,072,818
Income tax payable	–	701	–	–	701
Consolidated total liabilities	234,736	5,958,163	2,475,478	–	8,668,377
Other segment items					
Depreciation of property, plant and equipment	12,943	603,880	168	–	616,991
Depreciation of right-of-use assets	39,007	58,218	–	–	97,225
Depreciation of investment property	–	97,879	368,896	–	466,775
Write back of allowances for inventory obsolescence	–	(92,390)	–	–	(92,390)
Gain on disposal of property, plant and equipment	–	256	–	–	256
Impairment loss on development properties	–	–	134,891	–	134,891
Impairment loss on property held-for-sale	–	266,614	–	–	266,614
Reversal of impairment loss on right-of-use assets	(47,228)	–	–	–	(47,228)

31. Segment information (cont'd)

	Continuing operation			Discontinued operations	
	Investment	Door business	Property business	Door business	Total
	$	$	$	$	$
31 March 2022					
Segment revenue					
Sales - external	–	15,433,993	–	(739)	15,433,254
Segment (loss)/profit	(2,320,197)	998,785	(1,737,227)	(37,690)	(3,096,329)
Other income					1,174,842
Finance costs					(112,500)
Loss before tax					(2,033,987)
Income tax credit					37,705
Loss for the financial year					(1,996,282)
Assets					
Segment and consolidated total assets	6,406,310	27,393,496	49,328,868	–	83,128,674
Liabilities					
Segment liabilities	247,718	2,094,723	2,659,838	–	5,002,279
Borrowings	–	5,181,170	–	–	5,181,170
Deferred tax liabilities	–	1,479,424	–	–	1,479,424
Income tax payable	–	18,501	–	–	18,501
Consolidated total liabilities	247,718	8,773,818	2,659,838		11,681,374
Other segment items					
Depreciation of property, plant and equipment	43,856	623,480	172	–	667,508
Depreciation of right-of-use assets	39,007	78,370	–	–	117,377
Depreciation of investment properties	–	97,839	381,080	–	478,920
Inventories written down	–	21,081	–	–	21,081
Gain on disposal of property, plant and equipment	–	2,652	–	–	2,652
Impairment loss on development properties	–	–	453,039	–	453,039

Geographical information

The Group's four business segments operate in following geographical areas:

Singapore/Australia/Indonesia

The Company is headquartered in Singapore. The areas of operation mainly relate to supply and installation of doors and wood-based floorings, import and distribution of doors, locksets ironmongeries, furniture and fittings, wood related products, rental of premises, investment property, investment holding, development of land and property and provision of property financing.

31. Segment information (cont'd)

Geographical information (cont'd)

Malaysia / Hong Kong

The main activities are the manufacturing and supply of wood-based doors, mouldings and floorings.

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follow:

	Group Revenue		Group Non-current assets	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Singapore	**–**	–	**2,072,029**	5,281,436
Malaysia	**–**	13,938	**7,885,530**	8,987,151
Australia	**10,660**	–	**12,652,689**	14,782,195
United Kingdom	**9,782,475**	14,798,359	**–**	–
Ireland	**1,050,719**	621,696	**–**	–
Indonesia	**–**	–	**245**	434
	10,843,854	15,433,993	**22,610,493**	29,051,216

Non-current assets presented above excludes financial assets at fair value through profit or loss.

Information about major customers

Revenue of approximately $9,556,103 (2022: $13,489,747) are derived from 4 (2022: 3) external customers who individually contributed 10% or more of the Group's revenue and are attributable to the segments as detailed below:

		Group	
		2023	**2022**
		$	**$**
Customer	Attributable segments		
Customer 1	Door business	**3,017,065**	6,241,060
Customer 2	Door business	**2,002,580**	5,849,611
Customer 3	Door business	**–**	1,399,076
Customer 4	Door business	**3,485,739**	473,886
Customer 5	Door business	**1,050,719**	568,218
		9,556,103	14,531,851

32. Capital management

The primarily objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue new shares or obtain new borrowings.

The Group's overall strategy remains unchanged from prior year.

The Group monitors its capital structure based on the Group's net debt and total equity. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt. The Group is not subjected to any externally imposed capital requirements for the financial year ended 31 March 2023 and 31 March 2022.

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Total borrowings	**3,516,472**	5,181,170	**–**	–
Less: Cash and cash equivalents	**(8,314,212)**	(11,126,838)	**(1,376,367)**	(4,274,086)
Net surplus	**(4,797,740)**	(5,945,668)	**(1,376,367)**	(4,274,086)
Total equity	**54,192,413**	62,441,724	**65,522,522**	70,270,338
Total capital	**49,394,673**	56,496,056	**64,146,155**	65,996,252

33. Legal claims and contingent liabilities

As at 31 March 2020, both the Bankruptcy Appeal and Suit 918 had concluded, bringing closure to a series of claims and counterclaims which commenced on 7 September 2015 through a writ of summons and statement of claim issued against Mr Michael Chan ("Mr Chan") in the High Court Suit No.918/2015 ("Suit 918"), cumulating with Bankruptcy Order HC/ORC 5043/2018 and the staying of that order by 7 October 2019.

As at year-end, the estate matters of Mr Chan are in the hands of the administrator of Official Assignee Office of the Ministry of Law and a provision for expected credit loss amounting to S$3,450,000 in relation to Suit 918 above remains in the balance sheet as a result of impairment. (Note 18)

With respect to the counterclaims filed against the Company, which has since concluded, the directors of the Company, based on legal advice obtained, are of the view that there are no further liabilities required to be recognised in the financial statements, save for the above.

For further details, please refer to the disclosures in the Group's 2021 Annual Report.

34. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2023 were authorised for issue in accordance with a directors' resolution dated 4 July 2023.

STATISTICS OF SHAREHOLDINGS

As at 27 June 2023

Number of shares	:	5,380,556,316
Class of shares	:	ordinary shares
Voting rights	:	one vote per share
Number of shares held in treasury	:	Nil
Number of subsidiary holdings	:	Nil

Based on information available to the Company as at 27 June 2023, approximately 77% of the total issued share capital (excluding treasury shares) of the Company is held by the public and, therefore, Rule 723 of the Catalist Rules issued by the Singapore Exchange Securities Trading Limited is complied with.

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	48	1.65	660	0.00
100 - 1,000	124	4.26	105,527	0.00
1,001 - 10,000	458	15.73	2,795,607	0.05
10,001 - 1,000,000	1,892	65.00	477,519,814	8.88
1,000,001 and above	389	13.36	4,900,134,708	91.07
TOTAL	**2,911**	**100.00**	**5,380,556,316**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	LEE HAN PENG	731,816,500	13.60
2	UOB KAY HIAN PRIVATE LIMITED	604,648,600	11.24
3	HSBC (SINGAPORE) NOMINEES PTE LTD	327,618,200	6.09
4	PHILLIP SECURITIES PTE LTD	228,914,439	4.25
5	MAYBANK SECURITIES PTE. LTD.	152,811,600	2.84
6	CITIBANK NOMINEES SINGAPORE PTE LTD	146,322,677	2.72
7	DBS NOMINEES (PRIVATE) LIMITED	122,744,900	2.28
8	NG HIAN WOON	92,902,800	1.73
9	MICHAEL KOH KOW TEE	77,289,000	1.44
10	LIEW WING ONN	74,047,500	1.38
11	TAN MENG CHIANG	62,205,000	1.16
12	OCBC SECURITIES PRIVATE LIMITED	57,231,100	1.06
13	KHAIZAL BIN KHAMIS	53,000,000	0.99
14	ABN AMRO CLEARING BANK N.V.	49,001,900	0.91
15	TAN GUAN YU, DARREL	48,476,300	0.90
16	BUN HUI PING	47,408,100	0.88
17	HENG YONG SENG	43,000,000	0.80
18	WONG LEH ING	39,997,300	0.74
19	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	38,646,500	0.72
20	RAFFLES NOMINEES (PTE.) LIMITED	36,727,700	0.68
	TOTAL	**3,034,810,116**	**56.41**

STATISTICS OF SHAREHOLDINGS

As at 27 June 2023

Substantial Shareholders (based on the Register of Substantial Shareholders)

	No of Shares	
Name of Shareholders	**Direct Interest**	**Deemed Interest**
Pengiran Muda Abdul Qawi	–	500,000,000#
Lee Han Peng	731,816,500	–

Interest registered under UOB Kay Hian Pte Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of HS OPTIMUS HOLDINGS LIMITED will be held at HomeTeamNS-JOM Balestier, Seminar Room, Level 3, 31 Ah Hood Road, Singapore 329979 on Thursday, 27 July 2023 at 10.00 a.m., for the following purposes:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company and its subsidiaries for the financial year ended 31 March ("**FY**") 2023 and the Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of S$243,000 for FY2024. (FY2023: S$ 243,000) **(Resolution 2)**

3. To re-elect the following Directors retiring under Article 109 of the Company's Constitution:

   a. Ms. Wong Gloria [See Explanatory Note (a)] **(Resolution 3)**

   b. Mr. Ang Wee Ming [See Explanatory Note (b)] **(Resolution 4)**

4. To re-appoint Messrs Ernst & Young LLP as the Company's Independent Auditors and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**

5. To transact any other ordinary business that may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

6. "**SHARE ISSUE MANDATE**

   That pursuant to Section 161 of the Companies Act 1967 of Singapore and the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to:

   a. (i) issue shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise); and/or

      (ii) make or grant offers, agreements or options (collectively, "**instruments**") that may or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and/or

   b. (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force,

   provided that:

   (i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent (100%) of the total number of issued Shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued Shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the instruments) that may be issued under sub-paragraph (i) above, the percentage of the total number of issued Shares excluding treasury shares and subsidiary holdings shall be calculated based on the total number of issued Shares excluding treasury shares and subsidiary holdings at the time of the passing of this Resolution, after adjusting for:

(1) new Shares arising from the conversion or exercise of any convertible securities;

(2) new Shares arising from exercising share options or vesting of share awards provided the share options or share awards (as the case may be) were granted in compliance with the Catalist Rules; and

(3) any subsequent bonus issue, consolidation or subdivision of Shares,

provided that the adjustments in accordance with sub-paragraphs (1) and (2) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(iv) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."
[See Explanatory Note (c)] **(Resolution 6)**

7. "**PROPOSED RENEWAL OF SHARE PURCHASE MANDATE**

That:–

a. for the purposes of Sections 76C and 76E of the Companies Act 1967 of Singapore ("**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to but not exceeding the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchase(s) ("**On-Market Share Purchase(s)**") transacted on the SGX-ST through the SGX-ST's ready market trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted (the "**Other Exchange**"), through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchase(s) ("**Off-Market Share Purchase(s)**") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, the Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

b. unless revoked or varied by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next annual general meeting of the Company is held or required by law to be held (whereupon it will lapse, unless renewed at such meeting);

(ii) the date on which the purchases and/or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company at general meeting (if so varied or revoked prior to the next annual general meeting);

c. in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded on the SGX-ST, immediately preceding the date of making the On-Market Share Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted in accordance with the Catalist Rules for any corporate action that occurs during the relevant five (5) Market Days' period and the day on which such purchases were made;

"**closing market price**" means the last dealt price for a Share transacted through the SGX-ST's trading system as shown in any publication of the SGX-ST or other sources;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price for an Off-Market Share Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase;

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

"**Maximum Percentage**" means that number of issued Shares representing 10% of the issued Shares (excluding subsidiary holdings and treasury shares) as at the date of the passing of this Resolution unless the Company has effected a reduction of its issued share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued share capital of the Company shall be taken to be the issued share capital of the Company as altered (excluding subsidiary holdings and any treasury shares that may be held by the Company as at that date);

"**Maximum Price**" in relation to a Share to be purchased, means an amount per Share (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price,

in either case, excluding related expenses of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate;

"**Relevant Period**" means the period commencing from the date of the general meeting at which the renewal of the Share Purchase Mandate is approved and expiring on the earliest of:

(i) the date on which the next annual general meeting of the Company is held or required by law to be held (whereupon it will lapse, unless renewed at such meeting);

(ii) the date on which the purchases and/or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company at general meeting (if so varied or revoked prior to the next annual general meeting);

d. the Directors of the Company be and are hereby authorised to deal with the Shares purchased or acquired by the Company, pursuant to the Share Purchase Mandate, in any manner as they think fit, which is permitted under the Companies Act; and

e. the Directors and/or any of them be and are and/or is hereby authorised and empowered to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution."
[See Explanatory Note (d)] **(Resolution 7)**

By Order of the Board
Abdul Jabbar Bin Karam Din
Company Secretary

Singapore, 12 July 2023

EXPLANATORY NOTES:

(a) **Resolution 3** is to re-elect Ms. Wong Gloria as a Director of the Company. Ms. Wong Gloria will, upon re-election, remain as an Executive Director of the Company until 31 July 2023. As announced on 5 May 2023, Ms. Wong Gloria has tendered her resignation as an Executive Director to take effect on 1 August 2023. Certain key information on Ms. Wong Gloria can be found in the sections entitled "Board of Directors" and "Report on Corporate Governance" of the annual report of the Company for FY2023 ("**Annual Report 2023**").

(b) **Resolution 4** is to re-elect Mr. Ang Wee Ming as a Director of the Company. Mr. Ang Wee Ming will, upon re-election, remain as an Independent Director and the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee of the Company. Certain key information on Mr. Ang Wee Ming can be found in the sections entitled "Board of Directors" and "Report on Corporate Governance" of the Annual Report 2023. The Board considers Mr. Ang Wee Ming to be independent for the purposes of Rule 704(7) of the Catalist Rules.

(c) **Resolution 6**, if passed, will empower the Directors (from the date of this Annual General Meeting until (i) the conclusion of the next annual general meeting of the Company; or (ii) the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier) to allot and issue Shares in the capital of the Company (including Shares to be issued in pursuance of instruments made or granted pursuant to this Resolution 6) up to an amount not exceeding one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of Shares issued other than on a pro rata basis to shareholders of the Company, shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings).

For the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the instruments) that may be issued, the percentage of the total number of issued Shares excluding treasury shares and subsidiary holdings will be calculated based on the total number of issued Shares excluding treasury shares and subsidiary holdings at the time of the passing of Resolution 6, after adjusting for (i) new Shares arising from the conversion or exercise of any convertible securities; (ii) new Shares arising from exercising share options or vesting of share awards provided the share options or share awards (as the case may be) were granted in compliance with the Catalist Rules of the SGX-ST; and (iii) any subsequent bonus issue, consolidation or subdivision of Shares. The adjustments in accordance with (i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of Resolution 6.

(d) **Resolution 7**, if passed, will empower the Directors of the Company from the date of the Annual General Meeting until the date of the next Annual General Meeting is to be held or is required by law to be held, whichever is the earlier, to make purchases (whether by way of On-Market Share Purchases or Off-Market Share Purchases on an equal access scheme) from time to time of up to ten per cent (10%) of the total number of Shares (excluding treasury shares and subsidiary holdings) at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the source of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are set out in greater detail in the Appendix accompanying this Notice of Annual General Meeting.

Notes:

1. The Annual General Meeting of the Company (the "**AGM**" or the "**Meeting**") will be held on Thursday, 27 July 2023 at 10.00 a.m., in a wholly physical format, at HomeTeamNS-JOM Balestier, Seminar Room, Level 3, 31 Ah Hood Road, Singapore 329979. **There will be no option for shareholders to participate virtually.**

2. **Printed copies of this Notice of AGM, the letter to shareholders accompanying this Notice of AGM ("Appendix") and the accompanying proxy form for the Meeting will be sent to members of the Company at their registered address appearing in the Register of Members or (as the case may be) the Depository Register.** This Notice of AGM, the Appendix and the accompanying proxy form for the Meeting will also be (i) uploaded on SGXNET; and (ii) published on the Company's corporate website at the URL www.hso.com.sg/investor-relations/agm-2023/. A Shareholder will need an Internet browser and PDF reader to view these documents on SGXNET and the Company's designated website.

3. Each of the resolutions to be put to the vote of members at the AGM (and at any adjournment thereof) will be voted on by way of a poll.

4. A member of the Company (whether individual or corporate and including a Relevant Intermediary*) who will not be able to attend the Meeting in person and wishes to exercise his/her/its voting rights at the Meeting, he/she/it must appoint his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting. In appointing the proxy, a member of the Company (whether individual or corporate and including a Relevant Intermediary*) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the proxy for that resolution will be treated as invalid. Alternatively, a member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

5. A proxy need not be a member of the Company.

6. The instrument appointing a proxy(ies), together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:

   (a) if sent personally or by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or

   (b) if submitted by email, be received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at hsoagm2023@boardroomlimited.com

   in either case, **by 10.00 a.m. on 25 July 2023** (being not less than forty-eight (48) hours before the time appointed for holding the Meeting or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

   CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. **by 10.00 a.m. on 18 July 2023**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint a proxy(ies) to vote on their behalf by the cut-off date.

7. In the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

8. Members may submit questions relating to the business of this AGM in advance no later than **10.00 a.m. on 20 July 2023** ("**Deadline**"):

   a. by email to Company's Share Registrar at hsoagm2023@boardroomlimited.com;

   b. by email to agm2023@hso.com.sg; or

   c. if submitted by post, be deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632.

   The Company will address all substantial and relevant queries received by the Deadline from shareholders, **by 10.00 a.m. on 23 July 2023**. Any substantial or relevant questions received after the Deadline will be addressed at the AGM itself. The Company will also publish its responses to the questions addressed during the AGM on its corporate website and on SGXNET.

9. All documents (including the Annual Report 2023, proxy form, this Notice of AGM and the Appendix) or information relating to the business of this AGM have been, or will be, published on SGXNet and/or the Company's website at www.hso.com.sg/investor-relations/agm-2023/. Printed copies of these documents will be despatched to members. Members, CPF and SRS investors are advised to check SGXNet and/or the Company's website regularly for updates.

10. The instrument appointing a proxy(ies) must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer, failing which the instrument of proxy may be treated as invalid.

11. A corporation which is a member may authorise by resolution of its director or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or

(c) The Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy:

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, or (b) submitting any question prior to the Meeting in accordance with this Notice of AGM, a member of the Company :

1. consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes (collectively, the "**Purposes**"):

    (i) processing and administration by the Company (or its agents or service providers) of proxy forms appointing a proxy(ies) for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof);

    (ii) addressing relevant and substantial questions from members of the Company received before the Meeting and if necessary, following up with the relevant members of the Company in relation to such questions; and

    (iii) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities;

2. warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

3. agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

    Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Meeting. Accordingly, the personal data of a member of the Company and proxy/representative of a member of the Company (such as his/her name, his/her presence at the Meeting and any questions he/she may raise or motions he/she propose/second) may be recorded by the Company for such purpose.

*This notice 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**").*

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

The contact person for the Sponsor is Mr Howard Cheam Heng Haw (Telephone: +65 6232 0685) at R & T Corporate Services Pte. Ltd., 9 Straits View, Marina One West Tower, #06-07, Singapore 018937.

HS OPTIMUS HOLDINGS LIMITED
(Incorporated in Singapore)
(Registration No. 199504141D)

IMPORTANT:
1. The Annual General Meeting ("**AGM**") will be held, in a wholly physical format, at HomeTeamNS-JOM Balestier, Seminar Room, Level 3, 31 Ah Hood Road, Singapore 329979 on Thursday, 27 July 2023 at 10.00 a.m. (and any adjournment thereof). There will be no option for shareholders to participate virtually. Printed copies of the Notice of AGM, the Appendix accompanying the Notice of AGM and this Proxy Form will be sent to members. The Notice of AGM, the Appendix accompanying the Notice of AGM and this Proxy Form will also be available on the Company's website at the URL: www.hso.com.sg/investor-relations/agm-2023 and the SGXNet.
2. Please read the notes overleaf which contain instructions on, inter alia, the appointment of a proxy(ies).
3. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agents Bank or SRS Operators to submit their votes **by 10:00 a.m. on 18 July 2023**.

By submitting an instrument appointing the Chairman of the AGM as proxy, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 July 2023.

Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.

PROXY FORM
(Please see notes overleaf before completing this Form)

I/We, ____ (Name)

____ (NRIC/Passport No. Co./ Company Registration. No.)

of ____ (Address)

being a member/members of HS OPTIMUS HOLDINGS LIMITED (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)
*and/or			

or failing them, the Chairman of the AGM, as *my/our proxy/proxies, to attend, speak and vote for *me/us on *my/our behalf at the AGM, being *my/our proxy, to vote for or against, or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. *I/We direct *my/our proxy/proxies to vote for or against, or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder.

All Resolutions put to the vote at the AGM shall be decided by way of poll.

*** If you wish to exercise all your votes "For" or "Against", or "Abstain" from voting the relevant Resolutions, please mark an "X" in the appropriate box provided. Alternatively, please indicate the number of votes "For" or "Against", or "Abstain" each Resolution in the boxes provided as appropriate. If you mark an "X" in the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution. If no specific direction as to voting is given in respect of a resolution, the proxy/proxies may vote or abstain from voting at his/her/their discretion as he/she/they deem(s) fit on any of the above resolutions, and on any other matter arising at the AGM and at any adjournment thereof.* ***If you have appointed the Chairman as the proxy, in the absence of specific directions in respect of a resolution, the appointment of the Chairman as your proxy for that resolution will be treated as invalid.***

No.	Resolutions relating to:	For **	Against **	Abstain **
	ORDINARY BUSINESS			
1.	Adoption of Directors' Statement and the Audited Financial Statements for the financial year ended 31 March 2023 and the Auditors' Report thereon **(Resolution 1)**			
2.	Approval of Directors' fees of S$243,000 for the financial year ending 31 March 2024 **(Resolution 2)**			
3.	Re-election of Ms. Wong Gloria as a Director retiring under Article 109 of the Company's Constitution **(Resolution 3)**			
4.	Re-election of Mr. Ang Wee Ming as a Director retiring under Article 109 of the Company's Constitution **(Resolution 4)**			
5.	Re-appointment of Messrs Ernst & Young LLP as auditors **(Resolution 5)**			
	SPECIAL BUSINESS			
6.	Authority for Directors to allot and issue new shares pursuant to Section 161 of the Companies Act 1967 **(Resolution 6)**			
7.	To approve the renewal of the Share Purchase Mandate **(Resolution 7)**			

Dated this ________ day of ________________ 2023

Total Number of Shares held in:	
CDP Register	
Register of Members	

____
Signature(s) of member(s)
or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF.

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. (a) A member who is not a Relevant Intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy(ies), together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:

   (a) if submitted by post, be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at hsoagm2023@boardroomlimited.com

   in either case, **by 10 a.m. on 25 July 2023** (being not less than forty-eight (48) hours before the time appointed for holding the Meeting or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

   This proxy form must be under the hand of the appointor or of his/her/its attorney duly authorized in writing. (i) Where this proxy form is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of an officer or attorney duly authorized. (ii) Where this proxy form is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this proxy form, failing which the instrument of proxy may be treated as invalid.

5. A corporation which is a member of the Company may authorize, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 and the person so authorized shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

6. The proxy form is not valid for use by an investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investor**") and shall be ineffective for all intents and purposes if used or purported to be used by him/her. An SRS Investor who wishes to appoint the Chairman of the AGM as proxy should approach his/her respective SRS Operators to submit his/her votes at least seven (7) working days before the AGM (i.e. **by 10:00 a.m. on 18 July 2023**).

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:

The Company shall be entitled to reject this proxy form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this proxy form. In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting this proxy form appointing the Chairman of the AGM as proxy, the member of the Company accepts and agrees to the personal data privacy terms as set out in the Notice of AGM dated 12 July 2023.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ms Wong Gloria
Executive Director

Mr Chia Fook Sam
Executive Director and
Chief Operating Officer

Pengiran Muda Abdul Qawi
Non-Executive Chairman

Mr Mark Leong Kei Wei
Independent Director

Ms Vivien Goo Bee Yen
Independent Director

Mr Ang Wee Ming
Independent Director

Ms Lim Li Hui
Independent Director

COMPANY SECRETARY

Rajah & Tann Singapore LLP
9 Straits View #06-07
Marina One West Tower
Singapore 018937

Mr Abdul Jabbar Bin Karam Din

REGISTERED OFFICE

2 Kallang Ave,
CT Hub #07-03
Singapore 339407
Telephone: 6754 1854
Fax: 6752 9908
Website: www.hso.com.sg

INVESTOR RELATIONS

Email:ir@hso.com.sg
Telephone: 6754 1854

REGISTRAR AND SHARE TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

EXTERNAL AUDITOR

Ernst & Young LLP
(Registered with ACRA)
Public Accountants and Chartered
Accountants of Singapore
One Raffles Quay,
North Tower, Level 18
Singapore 048583

Partner-in-charge: Mr Ng Boon Heng
Date of appointment: 26 March 2021

INTERNAL AUDITOR

BDO Advisory Pte Ltd
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

Partner-in-charge: Mr Willy Leow
Year of appointment: 2016

SPONSOR

R & T Corporate Services Pte. Ltd.
9 Straits View #06-07
Marina One West Tower
Singapore 018937

Registered Professional:
Mr Howard Cheam Heng Haw
Year of appointment: 2016

HS Optimus
Holdings Limited

Company Registration No. 199504141D
2 Kallang Avenue, CT Hub #07-03, Singapore 339407
Tel: (65) 6754 1854 Fax: (65) 6752 9908
www.hso.com.sg