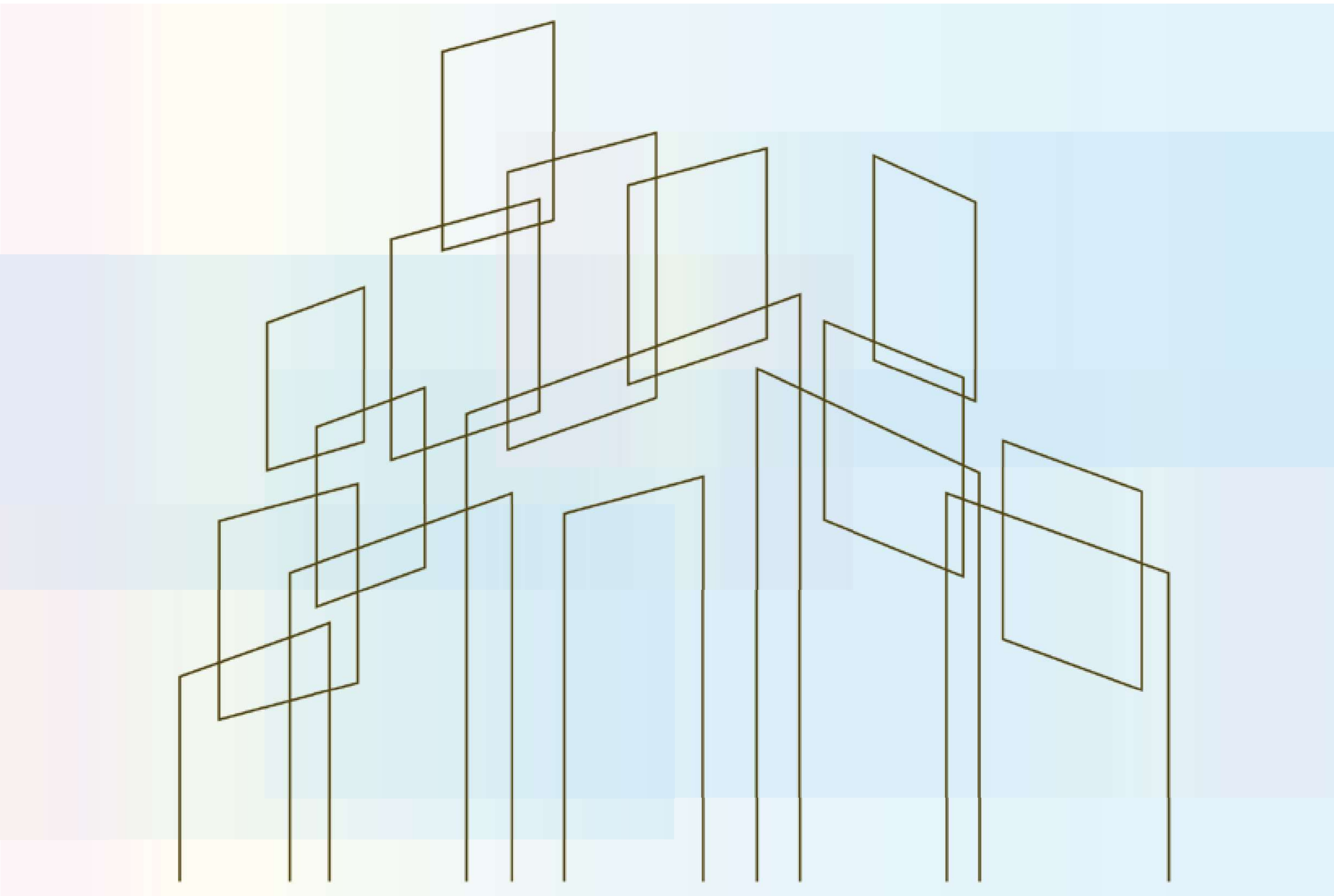
HS Optimus Holdings Limited



2024
ANNUAL 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.

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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 the 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

CORPORATE PROFILE

HS Optimus Holdings Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") is one of Singapore's and Malaysia's leading manufacturer and exporter of higher-quality doors including timber doors, fire-rated doors, engineered doors and bespoke customised doors and door products. With an established track record of more than 30 years manufacturing and supplying door markets globally, the Group is an established turnkey solution provider, conceptualising, designing, customising, manufacturing, and delivering an extensive range of bespoke composite and good quality doors to enhance any market with many options and styles which include both traditional and contemporary styles.

The Group also has a Property Investment and Development segment that owns land assets in both Melbourne and Jakarta. The Group's foray into Melbourne, Australia started in 2014 with a purchase of a 7-storey building at 301 Flinders Lane, Melbourne from Victoria University and was subsequently sold in 2016 for A$34.2 million. The Group is currently a landowner for the 5-storey refurbished heritage building located at 23-31 Lincoln Square, Carlton, near the educational nodes of Victoria's institutes of higher learning. Besides its focus on assets located near educational nodes, the Group also takes part in property investments in the burgeoning Melbourne's CBD fringes such as 82 Westgarth, located in the up-and-coming district of Fitzroy, Victoria. The Group also owns a majority stake in 7,913 square metres land located at Jalan RA. Kartini No. 18, Jakarta, Indonesia and have been in Indonesia since 2017.

The Group has a Secured Property Financing segment which is an extension of its Property Investment and Development segment in which the Group is able to provide secured financing under stringent conditions including obtaining a first legal mortgage on unencumbered property.

HS Optimus Holdings Limited was listed on the Catalist Board (formerly "SESDAQ") of the Singapore Exchange Securities Trading Limited on 10 September 1998.

Door Manufacturing and Distribution

Property Investments and Property Developments

OUR BUSINESSES

DOOR MANUFACTURING & DISTRIBUTION

Over its last 30 years, the Group has continued to build its name and brand as a premium and reliable turnkey manufacturer and distributor of a wide range of door products and solutions including timber doors, fire-rated doors, engineered doors and bespoke customised door products to well-known quality home improvement DIY chain-stores, door distributors and development projects in Asia, Europe and USA. The Group owns and operates 2 factories located in Simpang Renggam in Johor, Malaysia with a total size of 22,425 sqm and has the capacity, infrastructure and labour to manufacture and produce up to 30,000 doors a month or 360,000 doors per year.

Our door business operates in the following bases:

Johor Bahru, Malaysia / 柔佛新山，马来西亚
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 / 新加坡
Project Management and Supply and Installation

2 Kallang Ave, #07-03, Singapore 339407

NTA: $14.0M

Revenue: $15.3M

GP Margin: 19%

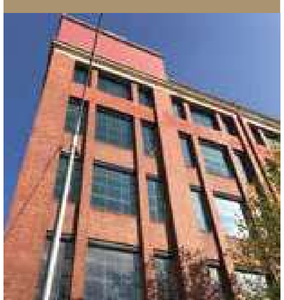
Financing:
Foreign Currency Trade Financing / RM3.15m / $0.9m

Capacity:
Up to 360,000 doors per year

Qualifications (Malaysia):
FSC Chain of Custody Certificate
PEFC Chain of Custody Certificate
ISO 14001:2015
ISO 9001:2015

Qualifications (Singapore):
Fire-Rated Door Certificate of Conformity for 30 minutes, 60 minutes and 120 minutes

PROPERTY INVESTMENTS AND DEVELOPMENTS



Artist's impression only and cannot be regarded as representatives of facts.

The Group also has property investments and developments in Melbourne, Australia and Jakarta, Indonesia.

Lincoln Square Carlton / Australia 卡尔顿, 澳大利亚

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. This land and building are unencumbered and the Group is working with relevant partners to see how to best maximize the sales value.

Size: 3,745 sqm

Tenure:
Freehold

Tittle:
Commercial office building

Valuation:
A$17.75m / $15.62m

Financing:
Unencumbered

Condition:
Fully refurbished

South Jakarta, Indonesia / 雅加达南部, 印度尼西亚

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, specifically the Jakarta Outer Ring Road (Pondok Pinang – TMII) highway, which is a major artery from South Jakarta to the CBD in Central Jakarta and is surrounded by well-developed infrastructure, MRT track and depot such as the Lebak Bulus Grab MRT Station which is the terminus of the Jakarta North South Line and is connected with the Transjakarta Corridor 8 bus rapid transit route. In addition, it has an aggregate area of approximately 7,913 square metres and is also surrounded with existing amenities such as Poins and South Quarter Dome shopping malls and apartments, Mercure and Swiss-Belinn Hotels, Singapore Intercultural School, Siloam and Mayapada hospitals. The Group will continue to work with various realtors and the minority shareholders of the land for a possible divestment of the land.

Size: 7,913 sqm

Tenure:
16 October 2026 to 6 December 2045

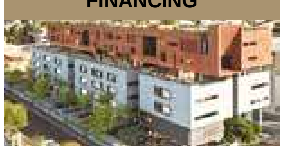
Tittle:
Land

Valuation:
IDR 305.5b / $25.98m

Financing:
Unencumbered

Condition:
Land for development

SECURED PROPERTY FINANCING



The Group had built this new business line as an extension of its Property Investment and Development segment in which the Group is able to offer secured financing under stringent conditions including obtaining a first legal mortgage on unencumbered property and will continue to build this complimentary business.

HS OPTIMUS GROUP STRUCTURE

as at 31 March 2024

HS Optimus Holdings Limited

- 100% HS Optimus Resources Sdn Bhd (Malaysia)
  - 100% HS Optimus Wood Products (M) Sdn. Bhd. (Malaysia)
  - 100% HS Optimus Joinery Pte. Ltd. (Singapore)
  - 100% KLW (HK) Limited[1] (Hong Kong)
- 100% Ambertree Pte. Ltd. (Singapore)
- 100% Ambertree Indonesia Ventures Pte. Ltd. (Singapore)
  - 65% PT Ambertree Development Jakarta (Indonesia)
- 100% Ambertree Vic Mel (Lincoln) Pty Ltd (Melbourne)

[1] Pending Notice of No Objection approval before deregistration application with the Companies Registry of Hong Kong.

CHAIRMAN'S STATEMENT

Dear Shareholders,

FYE24 Economic Conditions

The financial year ended 31 March 2024 ("FYE24") was a difficult year for the Company and its subsidiaries (the "Group"). As we saw in the financial years ended 31 March 2023 and 31 March 2022 (respectively, "FYE23" and "FYE22"), the world economy was fraught with continued uncertainty, ongoing global conflicts, high inflationary pressures and continued escalation of costs and raw material prices. With the world's transition into a multi-polar world, coupled with ever evolving challenges and uncertainty, the Group is aware of the need to navigate through these challenges.

Despite the above, I believe that the Group is on the right path to return to sustainable growth and profitability. Our revenue for FYE24 has increased by 41% from S$10.8 million in FYE23 to S$15.3 million in FYE24. Further, our losses before tax have decreased by 79% from S$7.8 million in FYE23 to S$1.6 million in FYE24.

Updates on Door Operations

In my Chairman Statement in FYE23, I explained that the Company observed 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. For FYE24, I would like to update that the Company has observed a return to normalcy in orders received from our main customer base in the UK. As a result of this, together with the Group supplying to new export customers, we have seen our door revenue increase to S$15.3 million this year, an almost S$4.5 million increase in revenue compared to FYE23. The Group's gross margin has also improved from 8% in FYE23 to 19% in FYE24. We have sold more doors and products, and the door business continues to be profitable. In Singapore, we have reported S$81,000 revenue from the supply of custom-made doors manufactured by our factory in Johor as compared to nil in FYE23 and we are making conservative and careful progress in our re-entry to the Singapore market, at the same time remembering the lessons of the past, and wary of the volatility that is prevalent in the construction industry.

Updates on Properties of the Group

Updates on Melbourne Property

While we have made efforts to pivot from the initial strategy of leasing the entire unencumbered 5 storey heritage building at 23-31 Lincoln Square in Carlton to appointing an exclusive realtor in Melbourne to launch a marketing campaign to sell the building, the exclusive period has since lapsed with no acceptable offers. As a result, the Group's Australian subsidiary continues to pay fixed overheads including foreign absentee ownership land tax and certain holding costs of the building, and with no income forthcoming.

On 7 July 2024, the Group's Australian subsidiary entered into a non-binding memorandum of understanding with Fathom Lincoln Pty Ltd with the aim of obtaining the relevant planning permits for the proposed development of the building into a Purpose-Built Student Accommodation ("PBSA"), so as to provide affordable student housing to students studying in the University of Melbourne and the Royal Melbourne Institute of Technology which are located nearby. We believe that the PBSA planning permit would present a higher chance of obtaining an uplift in the value of the property, taking into consideration the shortfall of student housing accommodation and the return of foreign students after the COVID-19 pandemic.

Updates on Brunei Property & Singapore Property

The Company announced on 27 November 2023, the acquisition of 60-year sublease in 6 units of shophouses in Brunei. This strategic investment allows the Group to generate revenue via rental income stream for our property investment business segment. It was also announced that a non-binding expression of interest letter was received from MediCorp Sdn Bhd, a medical product company located in Brunei, to lease the property for a period of 5 years at a rental of B$18,000 per month. With the properties fully paid for, the rental yield generated will be approximately 11.25% (before deduction of any expenses) and will be complementary to our regional global property development and investment portfolio.

On 22 March 2023, the Company announced that the purchaser for the property at 39 Kaki Bukit Industrial Terrace Singapore 416119 (the "Property") had exercised the option to purchase the Property, and that the balance deposit, being equivalent to 4% of the purchase consideration, had been received. On 23 June 2023, the Company announced the completion of the disposal of the Property for a total purchase consideration of S$2.9 million. This was part of the Group's strategy 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 Land

The Company announced on 26 July 2023 that the Group entered into an agency agreement with a leading realtor to advise and subsequently market the 15 parcels of land in Jakarta with a total land area of 7,913 sqm on an exclusive basis, which has since lapsed with no offers. These land parcels are free from encumbrances, debt-free and were valued at S$25,976,534 as at 31 March 2024. The lack of offers could be attributable to the continued wait and see attitude in the Jakarta property market and continued weakness of the Indonesian Rupiah. Despite this, there seems to be a slight improvement in activity of the Jakarta property market, judging by the market comparison method of valuation adopted by property valuers, and accordingly the Group registered a reversal of non-cash impairment loss on development properties amounting to S$0.3 million.

FYE24 Financial Results

Against this backdrop, the Group presented a better set of financial results for FYE24 compared with FYE23.

The Group posted a net loss attributable to shareholders of S$2.0 million in FYE24 compared to net loss attributable to shareholders in FYE23 of S$7.4 million from continuing operations. Our revenue from continuing operations increased by 41% from S$10.8 million in FYE23 to S$15.3 million in FYE24 due to higher export sales and stronger demand and orders.

Our administrative expenses decreased by 47% from S$8.6 million in FYE23 to S$4.5 million in FYE24 largely due to the lower foreign exchange loss resulting from the stabilisation and lower degree of fluctuation of the Australian Dollar against the Singapore dollar and cost savings.

Door Business

The Group is expected to take pro-active steps to make new inroads and gain market share in our export markets and accelerate our inroads into the Singapore door market. We intend to build on our 30-minute, 60-minute and 120-minute fire door test certificate of conformity which we recently attained. We are planning to invest further so that we can be a Singapore and Malaysia-based door solutions provider with total size of 22,425 sqm located in Simpang Renggam in Johor, providing quick solutions, reliability and un-interrupted supply to the Singapore door market. We face an onslaught of pricing pressures and competition, but we remain steadfast in our ambition to take on these challenges.

Property Business

In respect of our development property in Jakarta, Indonesia, given the challenging property market, construction costs and interest rate environment, the Group will continue to be vigilant with regard to costs and will continue to study the available options to see how to best way to sell this development property.

On 5 June 2024, the Company announced the subscription by the Group's Australian subsidiary of redeemable preference shares in One Equity (Fitzroy) Pty Ltd ("One Equity") representing 24.8% of the total issued share capital in One Equity on a fully-diluted basis for an aggregate subscription amount of A$1.0 million. This investment generates a fixed preferential dividend rate of 16% per annum, which amounts to an aggregate preferential dividend of A$0.16 million which will be paid to the Group together with the subscription amount after the 12-month investment period. One Equity owns an 80% stake in 82 Westgarth Unit Trust Pty Ltd, which is the developer for a boutique apartment development with 18 apartments and two townhouses located on 82 Westgarth Street in the upcoming suburb of Fitzroy, Melbourne. The above represents one of the ways which the Group tries to generate a positive return with an asset light strategy.

Secured Property Financing Business

The Group will also continue to explore any opportunities in this segment carefully in both Singapore and Australia to increase our net tangible assets and shareholder value.

New Revolving Credit Facility

I am also pleased to inform shareholders that on 4 June 2024, the Company announced the entry into a revolving credit facility of up to S$2.0 million secured by a first legal mortgage over 2 properties of the Group at 2 Kallang Avenue, CT Hub with United Overseas Bank ("UOB"). This revolving line of credit is granted to finance the Group's working capital requirements and can be tapped on to pursue any business opportunities which may arise from time to time. We look forward to working with UOB, one of Singapore's home-grown and premier banks on future collaborations going forward.

Corporate Changes

My Board members and I would also like to take this opportunity to express again our gratitude to Ms Gloria Wong and Ms Lim Li Hui who resigned as Executive Director and Independent Director on 1 August 2023 and 5 January 2024 respectively, for their stewardship and service in the past.

Conclusion

I reiterate, we remain steadfast and anchored in our commitment to return the Group to sustainable profitability and growth, will not waiver in the face of economic uncertainty and difficulty and will drive on with steely determination. To all our long-standing 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 2024 ("FYE24") increased by 41% from $10.84 million for the financial year ended 31 March 2023 ("FYE23") to $15.31 million in FYE24 largely due to higher total number of doors sold in both our traditional export markets, evidenced by higher orders received by our traditional main customer base in the United Kingdom and onboarding of a new export customers each of which contributed 10% or more of the Group's revenue, and in our re-entry into the Singapore door market.

Cost of Sales and Gross Profit

Cost of sales increased by 24% from $10.00 million in FYE23 to $12.42 million in FYE24. The increase in cost of sales corresponded to the increase in the number of doors sold to our customers, which led to an increase in raw material purchases and associated labour costs. The Group's gross margin increased from 8% in FYE23 to 19% in FYE24 due largely to the increase in revenue outpacing the increase in cost of sales as explained above.

Other Income

Other income increased by 14% from $0.53 million in FYE23 to $0.60 million in FYE24. The increase was mainly due to the reversal of impairment loss on development properties and increase in interest income from fixed deposits, offset against absence of (i) performance fee and interest earned from the investment (debt) and marketing agreement which were recognised in FYE23, (ii) rental income from property in Singapore which was recognised in FYE23 and (iii) reversal of impairment loss on right-of-use assets.

Expenses

Selling and distribution expenses increased by 25% from $0.34 million in FYE23 to $0.42 million in FYE24. The increase was primarily due to higher handling fees for export container of doors, inspection and test fees, entertainment and advertising fees offset against decrease in marketing support fees.

Administrative expenses decreased by 47% from $8.63 million in FYE23 to $4.55 million in FYE24. The decrease was mainly due to decrease in staff costs, professional fees and depreciation, absence of impairment loss on development properties and unrealized foreign exchange gain of $0.20 million in FYE24 as compared to an unrealized foreign exchange loss of $3.16 million in FYE23.

Finance costs decreased by 25% from $0.20 million in FYE23 to $0.15 million in FYE24 largely due to the full repayment of the mortgage term loan for the industrial property located at 39 Kaki Bukit Industrial Terrace, Singapore 416119 (the "Kaki Bukit property") made on 22 June 2023, offset against the higher interest cost resulting from foreign currency loan against import.

Loss for the year

The Group recorded a loss of $1.95 million in FYE24 as compared to $7.50 million in FYE23.

Balance Sheet Highlights

Non-Current Assets

Investment properties decreased by 100% from $12.65 million as at 31 March 2023 to nil as at 31 March 2024. The decrease was mainly due to the reclassification of the property located at 23-31 Lincoln Square South, Carlton, Melbourne (the "Lincoln Square property") from investment property to property held-for-sale under current assets due to the change in the Group's intention to dispose the Lincoln Square property as announced previously in the periodic business updates and in compliance with SFRS(I) 5.

Property, plant and equipment decreased by 11% from $6.25 million as at 31 March 2023 to $5.55 million as at 31 March 2024. The decrease was due to the depreciation charged for the year, offset against the purchase of property, plant and equipment.

Current Assets

Property held-for-sale increased by 334% from $2.84 million as at 31 March 2023 to $12.34 million as at 31 March 2024. The property held-for-sale amounting to $12.34 million as at 31 March 2024 is attributable to the Lincoln Square property. As stated above, this follows the reclassification of the Lincoln Square property from investment property to property held-for-sale due to the change in the Group's intention to dispose of the Lincoln Square property. By comparison, the property held-for-sale amounting to $2.84 million as at 31 March 2023 was attributable to the Kaki Bukit property, the sale of which was completed on 22 June 2023.

Development properties decreased by 3% from $29.21 million as at 31 March 2023 to $28.22 million as at 31 March 2024. This was mainly due to weakening of the Indonesian rupiah relative to the Singapore dollar, offset against reversal of impairment loss on land held for development.

Prepayments, trade and other receivables increased by 44% from $3.70 million as at 31 March 2023 to $5.33 million as at 31 March 2024. This was mainly due to increase in trade receivables as a result of the higher export sales of doors and B$192,000 paid upon signing of the sale and purchase agreement for the acquisition of 60-year sub-lease in six shophouse units in Brunei, representing 10% of the total consideration, which was announced on 27 November 2023 and related milestone progress claims amounting to B$1,248,000, representing 65% of the total consideration. This was offset against an allowance for impairment on other receivables as at 31 March 2024, and the full repayment together with all interest accrued and break costs for early repayment in relation to the Group's first secured property financing arrangement, which was announced on 4 September 2023.

Inventories increased by 10% from $4.44 million as at 31 March 2023 to $4.89 million as at 31 March 2024 mainly due to increase in finished goods as a result of higher sales orders received.

OPERATIONAL AND FINANCIAL REVIEW

Cash and cash equivalents decreased by 38% from $8.31 million as at 31 March 2023 to $5.19 million as at 31 March 2024 mainly due to working capital expenses and the deposit paid for the acquisition of 60-year sub-lease in six shophouse units in Brunei, which was announced on 27 November 2023 and subsequent milestone progress claim.

Current Liabilities

Trade and other payables increased by 9% from $4.08 million as at 31 March 2023 to $4.43 million as at 31 March 2024 mainly due to increased purchase of raw materials from suppliers, increase in other payables such as progress payments made in respect of the various milestones achieved in connection with the acquisition of 60-year sub-lease in six shophouse units in Brunei, and increase in land tax in Australia.

Borrowings decreased by 8% from $1.00 million as at 31 March 2023 to $0.93 million as at 31 March 2024 mainly due to the full repayment of the mortgage term loan in relation to the completion of the sale of the Kaki Bukit property on 22 June 2023, offset against an increase in the usage of the foreign currency loan against import due to more purchases.

Income tax payable increased from $701 as at 31 March 2023 to $88,552 as at 31 March 2024 mainly due to the profit reported from the door subsidiary in Malaysia.

Non-Current Liabilities

Loans and borrowings decreased by 100% from $2.51 million as at 31 March 2023 to $4.82 thousand as at 31 March 2024 primarily due to the full repayment of the mortgage term loan in relation to the completion of the sale of the Kaki Bukit property on 22 June 2023.

Equity

Total equity decreased by 6% from $62.48 million as at 31 March 2023 to $58.49 million as at 31 March 2024 mainly due to the losses recognised in FYE24.

Cash Flow Review

The Group's net cash used in operating activities for FYE24 was $3.01 million as compared to $0.56 million for FYE23. Net cash used in operating activities in FYE24 was mainly due to working capital use.

Net cash generated from investing activities for FYE24 was $2.64 million mainly due to the completion of the sale of the Kaki Bukit property on 22 June 2023 as compared to net cash used of $0.12 million for FYE23.

Net cash used in financing activities for FYE24 was $2.83 million as compared to $1.90 million for FYE23. Net cash used in financing activities in FYE24 was mainly due to the repayments of the loans and borrowings, lease payments and interest.

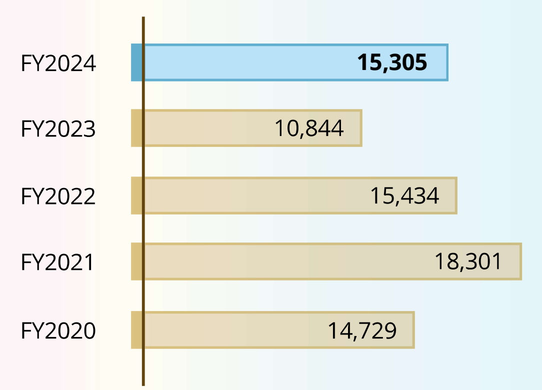
As a result of the above, the Group's cash and cash equivalents stood at $5.19 million as at 31 March 2024.

FINANCIAL HIGHLIGHTS

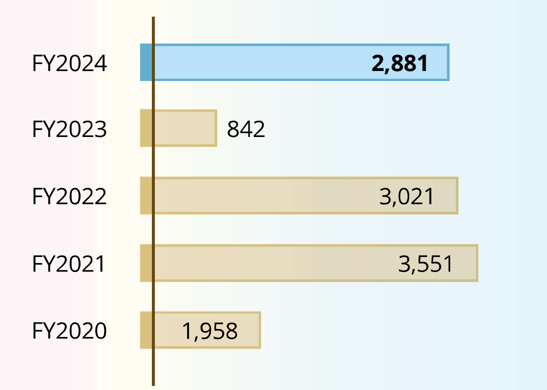
FINANCIAL HIGHLIGHTS	FY2024	FY2023	FY2022	FY2021	FY2020
Revenue ($'000)	**15,305**	10,844	15,434	18,301	14,729
Profit (Loss) after tax ($'000)	**(1,948)**	(7,499)	(1,996)	1,816	(9,477)
Shareholders' equity ($'000)	**50,575**	54,192	62,442	64,631	62,643
Earnings (Losses) per share "EPS" (cents)	**(0.038)**	(0.138)	(0.033)	0.039	(0.175)
Net asset value per share (cents)	**0.94**	1.01	1.16	1.20	1.16

FIVE YEARS COMPARISON

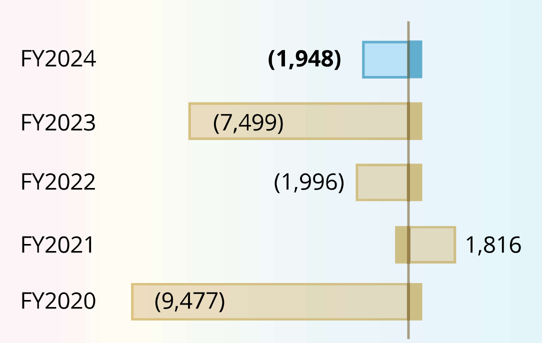
REVENUE ($'000)



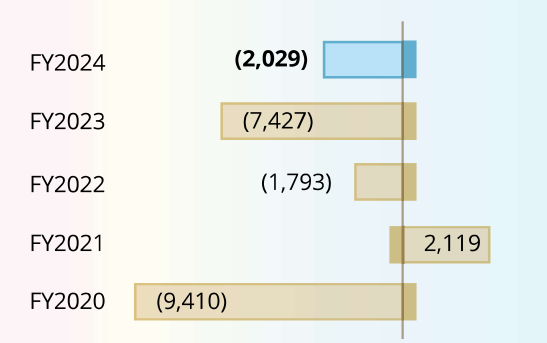
GROSS PROFIT ($'000)



PROFIT (LOSS) AFTER TAX ($'000)



PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS ($'000)



BOARD OF DIRECTORS

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.

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 30 years of experience in construction, property development, trading of building materials and building product manufacturing. Mr Chia graduated from University of North Dakota with a Bachelor of Science in Civil Engineering.

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 Non-Executive Director of four SGX-listed companies (including HS Optimus Holdings Limited) and a NASDAQ-listed company and as Executive Chairman and Director of an ASX-listed company. Mr Leong is a Chartered Accountant of the Institute of Singapore Chartered Accountants (ISCA), a Fellow of the Association of Chartered Certified Accountants (ACCA) 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 27 July 2023. 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, Market Head of Thailand and Indochina with Bank of Singapore. Prior to this, he had worked in JP Morgan Chase and Standard Chartered Bank (Brunei). In total, he has 25 years of experience in the banking industry. Mr Ang holds a Master of Engineering degree in Chemical Engineering from Imperial College, University of London.

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 26 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 23 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.

FINANCIAL CONTENTS

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 2023 to 31 March 2024 ("**FYE24**") 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 the 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, provides oversight for the management of the Company (the "**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 safeguarding the interests of shareholders as well as stakeholders including customers, suppliers, vendors and employees. Additionally, the Board sets the 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 ensure 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 recognise 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
- consider 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 Director(s), 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 evaluating 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**");
- reviewing the performance of the Management, approving the nomination to the Board of Directors and appointment of key management personnel, as may be recommended by the Nominating Committee ("**NC**");
- reviewing 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 despite 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 FYE24, regardless of their other board memberships and principal commitments. The following table discloses the number of meetings held by the Board and Board Committees in FYE24 and the attendance of all Directors at such meetings including general meetings of the Company in FYE24:

Board members	AGM		Board		AC		RC		NC	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Pengiran Muda Abdul Qawi [1]	1	0	5	3	4	2	2	1	2	1
Wong Gloria [2]	1	1	5	2	4	1	2	2	2	2
Chia Fook Sam [3]	1	1	5	5	4	4	2	2	2	2
Mark Leong Kei Wei	1	1	5	5	4	4	2	2	2	2
Vivien Goo Bee Yen	1	1	5	5	4	4	2	2	2	2
Ang Wee Ming	1	0	5	5	4	4	2	2	2	2
Lim Li Hui [4]	1	1	5	4	4	3	2	2	2	2

Notes:

(1) Pengiran Muda Abdul Qawi is not a member of the AC, NC and RC. Upon invitation, Pengiran Muda Abdul Qawi attended the AC, NC and RC meetings.
(2) Ms Wong Gloria resigned as an Executive Director with effect from 1 August 2023. 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.
(3) Mr Chia is not a member of the AC, NC and RC. Upon invitation, Mr Chia attended the AC, NC and RC meetings.
(4) Ms Lim Li Hui resigned as an Independent Director with effect from 5 January 2024.

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 21 to 38 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 FYE24. 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 ongoing 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 changes that may impact the Group and its disclosure obligations are promptly brought to the attention of the Board, either during Board meetings or via the circulation of Board papers. The Management works closely with the Company Secretary and Sponsor to advise the Board on regulatory matters under Singapore law and continuing listing obligations pursuant to the Catalist Rules. The external auditors of the Company provide updates to the Directors on changes to accounting standards and issues which may have an impact on financial statements. The Executive Director also updates the Board at each Board meeting on business and strategic developments of the Group.

To provide Directors with opportunities to develop and maintain their skills and knowledge, the Company periodically identifies relevant updates, briefings and training programs for the Directors to attend, which is funded by the Company. As part of the Company's effort to facilitate the continuing development of Directors, the Company Secretary circulates SGX regulatory updates, articles, reports, news releases issued by the SGX-ST, and press releases relevant to the Group's business to Directors, keeping them updated on current industry trends and issues. In FY2024, Ernst & Young LLP also provided updates to the Directors in relation to changes in accounting standards.

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, one (1) Executive Director and three (3) Non-Executive, Independent Directors. Further, the Board comprises a majority of Non-Executive Directors, which safeguards the Board 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 and the composition of the Board and the Board Committees is as follows:

		Board Committee Membership		
Name of Director	**Designation**	**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
Chia Fook Sam	Executive Director	–	–	–

REPORT ON CORPORATE GOVERNANCE

There are no alternate Directors appointed on the Board. Under the Constitution of the Company, a maximum of 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 the selection of Directors will be based on merit against objective criteria that complement and expand the skills and experience of the Board as a whole, and be made 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.

In determining the optimum composition and size of the Board and each Board Committee, the NC has considered each Director's experience covering areas such as business development, banking and financial management, finance, manufacturing and strategic planning experience to be core competencies and key skills relevant for the Director to carry out their duties and serve effectively on the Board and Board Committees, having regard to the nature and scope of the Group's operations as well as the current regulatory environment.

The current Board is made up of members with diverse educational and occupational backgrounds, skillsets and experience (including corporate experience involving listed companies), ranging from accounting, finance, regulatory compliance, banking and financial industry and regional knowledge which the Board considers relevant for the existing scope of needs and the nature of operations of the Company. A breakdown of the knowledge and experience of the existing Directors is set out below based on the aforementioned key skills identified by the Board and NC as preferred for the Group's business needs:

Directors' Skills Matrix	
Finance and accounting	Mr Mark Leong Kei Wei
Manufacturing	Mr Chia Fook Sam
Business development	Mr Chia Fook Sam, Ms Vivien Goo Bee Yen, Pengiran Muda Abdul Qawi
Banking and financial management	Mr Ang Wee Ming
Strategic planning	Mr Chia Fook Sam
Property development	Mr Chia Fook Sam, Ms Vivien Goo Bee Yen
Directors' Expertise and Experience by Geography	
Singapore	Mr Chia Fook Sam, Mr Mark Leong Kei Wei, Mr Ang Wee Ming
Malaysia	Mr Chia Fook Sam
Australia	Mr Chia Fook Sam, Ms Vivien Goo Bee Yen, Mr Mark Leong Kei Wei
Brunei	Mr Chia Fook Sam, Ms Vivien Goo Bee Yen
Directors' Length of Service	
9 years 6 months	Pengiran Muda Abdul Qawi
6 years 6 months	Mr Mark Leong Kei Wei
4 years	Ms Vivien Goo Bee Yen
3 years 3 months	Mr Ang Wee Ming
2 years 3 months	Mr Chia Fook Sam

More information on the Directors is set out in the sections entitled "Board of Directors" and "Directors' Statement" of the FYE24 Annual Report.

The Company recognises the significance of diversity in various areas including, professional qualifications, skills, business experience, industry knowledge, gender, nationalities, tenure of service, seniority and other qualities. While the Board acknowledges that gender and age are aspects of board diversity, the Board's priority is to ensure that the composition of the Board is holistic in its core competencies and able to deliver effective leadership for the Group. In terms of gender diversity, the Board currently has one female director representing 20% of the Board. While the Company does not currently have specific targets for female director representation on the Board, it will work towards continued inclusions and/or shortlists of female directors for future board renewals. The Company's diversity plan over the next two (2) to five (5) years includes seeking suitably qualified candidates to strengthen the band-with of the Board with candidates having real estate industry experience in key geographic locations the Group intends to strengthen its presence in. Suitable candidates will be identified, including through external search firms if required. The NC will shortlist suitable candidates and make its recommendations to the Board.

Accordingly, the Board and the NC are 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, and that there is sufficient diversity in its composition. Notwithstanding this, the NC will continue to review the targets set out above along with its plans to achieve such targets on an ongoing basis.

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).

<u>Board Independence</u>

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 organisation 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 and the Code of Corporate Governance 2018 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; (iii) have not served as a Director for an aggregate period of more than 9 years since the date of their first appointment; (iv) do not have 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; (v) have not been directly associated with a substantial shareholder of the Company, or is a substantial shareholder of the Company; (vi) are not (or were not), nor are or were their immediate family members, in the current or immediate past financial year provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S$50,000 for services other than compensation for board service; or (vii) are not (or were not), nor are or were their immediate family members, in the current or immediate past financial year a substantial shareholder, partner, executive officer or a director of any organisation which provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S$200,000 for services rendered. 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**").

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 Director(s)) 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.

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 Director, 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 and actively participate in discussions and decision-making at Board and committee 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 Director, (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 ("**CEO**"). The Executive Director of the Company is responsible for managing the Company's business. Further information on the Non-Executive Chairman and Executive Director can be found in the sections entitled "Board of Directors" and "Directors' Statement" in the FYE24 Annual Report. The roles of the Non-Executive Chairman and the Executive Director are distinct and separate, with a clear division of responsibilities between the Non-Executive Chairman and the Executive Director to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman and the Executive Director are not related to each other.

The Board has not appointed a Lead Independent Director, as the Chairman and the Executive Director 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 decision-making power. 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 the Executive Director(s).

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 three (3) 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)

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 Director(s), 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 contributions 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 the 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 the 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, retire from office at each AGM. The Directors submit themselves for re-election at regular intervals of three (3) years.

The dates of the 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
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 2023
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 29 of the Annual Report.

After assessing the contributions and performances of the retiring Directors, the NC has recommended the re-election of Mr Chia Fook Sam and Mr Mark Leong Kei Wei, who will be retiring by rotation at the forthcoming AGM under regulation 109 of the Constitution. Subject to re-election at the forthcoming AGM, Mr Chia Fook Sam will remain as an Executive Director and Mr Mark Leong Kei Wei will remain as a Non-Executive and Independent Director as well as the Chairman of AC and a member of NC and RC. 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 Mr Chia Fook Sam and Mr Mark Leong Kei Wei, as set out in the format of Appendix 7F of the Catalist Rules is set out below.

	Chia Fook Sam	**Mark Leong Kei Wei**
Date of Appointment	1 January 2022	19 September 2017
Date of last Re-Appointment (if applicable)	28 July 2022	28 July 2021
Age	63	47
Country of Principal Residence	Brunei Darussalam	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Chia as an Executive 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 Chia has abstained from the deliberation of the Board pertaining to his re-election.	The re-election of Mr Mark Leong 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 Mark Leong 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. Mr Chia is responsible for the management, operation, 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 AC and Member of the NC and the RC.
Professional Qualifications	Please refer to the section entitled "Board of Directors" of this FYE24 Annual Report.	Please refer to the section entitled "Board of Directors" of this FYE24 Annual Report.
Working experience and occupation(s) during the past 10 years	Please refer to the section entitled "Board of Directors" of this FYE24 Annual Report.	Please refer to the section entitled "Board of Directors" of this FYE24 Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	None.	None.
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 his role as Executive Director and Chief Operating Officer of the Company, none.	Save for his role as Independent Director of the Company, none.

	Chia Fook Sam	Mark Leong Kei Wei
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)	• Kinabalu Stones Sdn Bhd • Orientex Concrete (Brunei) Sdn Bhd • Goodlink Enterprise (Brunei) • PYP Holdings (Brunei) Sdn Bhd • HS Optimus Holdings Limited	Directorships: • LCT Holdings Limited • Catalano Seafood Ltd • LifeBrandz Ltd Principal commitments: • Top Mining Ltd • Auspac Financial Advisory Pty Ltd • Cytomed Therapeutics (Malaysia) Sdn. Bhd.
Other Principal Commitments[1] including Directorships – Present	• HS Optimus Wood Products Sdn Bhd • HS Optimus Joinery Pte Ltd • Ambertree Vic Mel (Lincoln) Pty Ltd	Directorships: • 9R Limited • Cytomed Therapeutics Ltd • LMIRT Management Ltd • MDR Limited • Osteopore Ltd Principal commitments: • Apeiron Agrocommodities Pte Ltd • Avalon Partners Pte Ltd
(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.

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

	Chia Fook Sam	Mark Leong Kei Wei
(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?	No.	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.
(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.

	Chia Fook Sam	Mark Leong Kei Wei
(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.
(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.

	Chia Fook Sam	Mark Leong Kei Wei
(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.

	Chia Fook Sam	Mark Leong Kei Wei
(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?	Yes. In 2019, Mr Chia was charged with an offence in Brunei Darussalam under Section 37(2) of the Criminal Asset Recovery Order 2012. He was fined BN$5,000 for the offence which he had paid in full. No further action was taken against him in respect of this offence.	No.
Disclosure applicable to the appointment of Director only		
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 commitments such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations) 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 are set out below:

Name of Director	Present Directorships or Chairmanships in Other Listed Companies (as at 31 March 2024)	Past Directorships or Chairmanships in Other Listed Companies in the Preceding Three (3) Years	Other Principal Commitments (as at 31 March 2024)
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 • Osteopore Ltd • Cytomed Therapeutics Ltd	• LCT Holdings Limited • Catalano Seafood Ltd • LifeBrandz Ltd	**Director** • Avalon Partners Pte Ltd • Aperion Agrocommodities Pte Ltd
Ms Vivien Goo Bee Yen	Nil	Nil	**Business Director** • Shosha Beauty Company
Mr Ang Wee Ming	Nil	Nil	**Managing Director, Market Head of Thailand and Indochina** • Bank of Singapore
Mr Chia Fook Sam	Nil	Nil	**Director** • HS Optimus Wood Products Sdn Bhd • HS Optimus Joinery Pte Ltd • Ambertree Vic Mel (Lincoln) Pty Ltd

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 the 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. The 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 prescribing 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 held by the Directors in other listed companies, excluding the Company, held by the Directors ranges from nil to five (5).

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 an 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 contributions 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 FYE24. 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 FYE24, 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. The responses 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 contributions of the 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 three (3) 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)

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 Director(s) 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 Director(s) including compensation commitments, fixing the appointment period for the Executive Director(s) 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 the remuneration of the Executive Director(s) 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 Director(s) and the key management personnel. During FYE24, the RC did not engage any external remuneration consultant.

<u>Procedures for Setting Remuneration</u>

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 adequately but not excessively remunerated as compared to industry benchmarks and other comparable companies. When required, the RC directs an industry and positional benchmark study to be conducted internally in respect of the remunerations of the Chief Operating Officer ("**COO**"), the Chief Marketing Officer ("**CMO**") and other key management personnel ("**Benchmark Study**"). No key management personnel is involved in conducting the Benchmark Study in respect of his or her own remuneration. The Benchmark Study mitigates difficulties in identifying like-for-like comparables by adopting data collection and statistical methods from similar (i) SGX-listed issuers of similar market capitalisation, (ii) SGX-listed competitors, and (iii) SGX-listed issuers in similar or related industries. The RC also takes into consideration the Group's relative performance and performance of the Directors and key management personnel, with reference to the results of the Benchmark Study, and also endeavours to consider relevant extraneous factors and/or circumstances particular to each comparable and performance measure. 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.

A Benchmark Study was conducted internally ("**FY2024 Benchmark Study**") in respect of the FY2024 remunerations of the Executive Director / COO and CMO. The FY2024 Benchmark Study was issued in May 2024 and recommends that no change to the current remuneration structure for both the Executive Director / COO and the CMO is required. The RC, having considered and adopted the recommendations set out in the FY2024 Benchmark Study, determined that the remunerations are appropriate and proportionate to the sustained performance and value creation of 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 are not over-compensated to the extent that their independence may be compromised.

The current Executive Director was paid based on his individual service agreement with the Company which is subject to review by the RC. The RC is of the opinion that there are no excessive or onerous termination clauses in this service agreement. Under the terms of the service agreement, the remuneration for the Executive Director comprises a basic salary component and a variable component, namely the annual bonus. In addition, pursuant to the terms of the service agreement, the Executive Director's 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 Executive Director does not receive Director's fees. The RC also takes into account the dual roles performed by the Executive Director / COO in the absence of a CEO and the associated cost savings, as well as the specific skillsets, network, cross-border work and the lean Board size in determining the renumeration of the Executive Director / COO. In respect of remuneration of the CMO, the RC considered the CMO's efforts in securing new export customers, which contributed to the increased revenue from the door business segment, as well as steps taken for re-entry into the Singapore door market, which includes obtaining various fire door certification.

The Group does not have any short-term or long-term incentive schemes for the Executive Director and key management personnel. The employment contracts of the Executive Director 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 Director and key management personnel for FYE24 is appropriate to the level of contribution and that such remuneration is commensurate with his 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 33 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 FYE24

The breakdown (in Singapore dollars terms) of the remuneration of the Directors for FYE24 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
Chia Fook Sam	416,400	–	–	–	8,000	–	424,400
Mark Leong Kei Wei	–	–	–	–	–	48,000	48,000
Vivien Goo Bee Yen	–	–	–	–	–	40,000	40,000
Ang Wee Ming	–	–	–	–	–	40,000	40,000
Wong Gloria (1)	72,000	–	–	–	–	–	72,000
Lim Li Hui (2)	–	–	–	–	–	30,547	30,547

Notes:

(1) Ms Wong Gloria resigned as an Executive Director with effect from 1 August 2023
(2) Ms Lim Li Hui resigned as an Independent Director with effect from 5 January 2024.

The Company does not have a CEO.

Remuneration of Key Management Personnel who are not Directors or the CEO for FYE24

The breakdown (in percentage terms) of the remuneration of the top two (2) key management personnel of the Group (who are not Directors or the CEO) for FYE24 is set out below:

Remuneration band and name of key management personnel	Fixed Salary (%)	Allowance (%)	Commission / Incentives (%)	Bonus (%)	Benefits in kind (%)	Total (%)
S$250,000 and up to S$500,000						
Albert Tan Sai Beng	98	–	–	2	–	100
Below S$250,000						
Ng Yui Wei	94	–	–	6	–	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 FYE24 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 the CEO) was S$597,723 in FYE24.

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 FYE24.

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 Director and key management personnel. There are no termination, retirement, or 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 salaries, allowances, commissions and bonuses depending on their role and responsibilities in the Group. Yearly bonuses declared are based on the 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 Director 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 are proportionate to the sustained performance and value creation of the Group, the Company has put in place a framework of remuneration for the Executive Director 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 (including the Benchmark Study as detailed above)
Accountability	● Focus on prudent risk-taking, responsible capital management and sustainability

In FY2024, the level of variable performance-linked remuneration of the Executive Director / COO and the CMO were determined with consideration of the following profit and loss driven quantitative and qualitative factors:

1. The financial performance of the Group and business segments.

2. The inroads made to new markets and/or obtaining new customers and sales.

3. The road map to return to sustainable profitability.

4. Strategic leadership.

5. New business initiatives.

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 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 systems (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 the Executive Director 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 initially appointed to conduct an internal audit of the Company's Malaysian subsidiary and to follow up on past internal audit issues for FYE24. The IA conducted the internal audit 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 FYE24, the annual internal audit plan was expanded to incorporate the internal review of the Company's sustainability reporting processes, the findings for which were subsequently presented to and 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 Director 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 Director and the Group Financial Controller during the relevant period that the financial records of the Group for the financial year ended 31 March 2024 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 Director and the Group Financial Controller that the Group's risk management and internal controls systems (including financial, operational, compliance and information technology controls) were adequate and effective for the period commencing from 1 April 2023 to 31 March 2024.

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 2024.

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 three (3) 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)

At least two (2) 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 25 years of experience in various financial institutions and international banks, especially in the areas of wealth management and banking and financial management solutions across major Asian markets. 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.

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 FYE24.

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 Director 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;
- assess 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 continuously monitor 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 the Executive Director 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 the 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 FYE24.

The AC is kept abreast by the Management and the external auditor of changes to accounting standards. Prior to the 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.

External Auditors

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 FYE24, and accordingly, no non-audit fees were paid to Ernst & Young LLP for the same reporting period. In accordance with 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 foregoing, 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 Company is in compliance with Rules 712 and 715 of the Catalist Rules which requires that (i) a suitable auditing firm be appointed by the Company taking into account the various factors stipulated therein, (ii) that the same firm auditing the Company is to audit the Group's Singapore-incorporated subsidiaries and significant associated companies, and (iii) a suitable auditing firm be engaged for the Group's significant foreign incorporated subsidiaries and associated companies. Ernst & Young LLP is registered with the Accounting and Corporate Regulatory Authority of Singapore. 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.

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 FYE24.

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 in person 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 and prior to the commencement of proceedings.

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 endeavour to attend the meetings for FYE24 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. In the meantime, the Company allows for proxy forms to be submitted by mail and email.

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 (2) 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 released via SGXNET and published on the Company's corporate website as soon as practicable after such meetings and in any case, within one (1) month from the date of the general meeting. 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 and as disclosed on 30 May 2024 in the unaudited financial results for FYE24, in view of the Group's cumulative financial performance over the years, the Board has not recommended a dividend to be declared as the Group is not in a financial position to declare dividends. Please also refer to the section entitled "Dividend Policy" of this Report on Corporate Governance set out on page 40 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 releases (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 during 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 may also gather views and inputs and address the concerns of shareholders at 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 provide platform to gather shareholders' queries. The Company may conduct media interviews or briefing 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.

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 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. Further, the Company has a dedicated in-house team that handles 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 also 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.

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 to engage and manage 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 FYE24:

STAKEHOLDERS	KEY AREAS OF FOCUS	METHODS OF ENGAGEMENT
Customers	Quality products, 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 meetings with employees, employee feedback and appraisals & discussions.
Shareholders	Financial results, business growth, conservation of assets and investment returns.	Financial results announcements, annual reports, and AGMs. Timely disclosures on SGX-ST of various announcements. Please also refer to past years Sustainability Report ("SR") and the Company's FYE24 SR which is set out on pages 42 to 61 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 fixed 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.

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 to the Directors and employees of the Group 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 FYE24, 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 2024 and the Group does not have in place a general mandate from the shareholders 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 FYE24 or if not subsisting, entered into since the end of the previous financial year ended 31 March 2023.

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 with 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 FYE24. The amount of fees paid to Rajah & Tann Singapore LLP, an affiliate of the Sponsor, for work done in FYE24 was S$33,048.

TREASURY SHARES

There are no treasury shares held by the Company at the end of the financial year from 1 April 2023 to 31 March 2024.

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 (ESG) 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 2024 ("**FYE24**").

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 ("**ESG**") factors relevant to its business and overseen the management and monitoring of these material ESG 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. We also aim to conduct our business in an environmentally conscious manner and are aware of our responsibility towards global environmental and climate challenges.

ABOUT THIS REPORT

In this report, we have applied the Global Reporting Initiative Standards ("**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 ESG 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 12 July 2023) and has been prepared with reference to the GRI Standards: Core option, and 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 ESG 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. Notwithstanding this, the Company has commenced climate reporting for the first time and is in the process of adopting the recommendations of the Taskforce for Climate-related Financial Disclosures ("**TCFD**"), by identifying and analysing the financial risks and opportunities associated with climate change. The TCFD recommendations have assisted the Group to systematically assess the potential impact of climate change on its business and operations and aided its various business units to effectively formulate and monitor response strategies and action plans. 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 ESG related initiatives carried out throughout the 12-month period, from 1 April 2023 to 31 March 2024 by the Group's door business. Further information on the Group's activities, products, brands and services can be found in the "Our Businesses" section of our 2024 Annual Report released via SGXNET and our corporate website on 16 July 2024.

Unless stated otherwise, the report covers the ESG performance and activities of HSO's door business activity in Singapore and Malaysia. The other businesses of property development and property investment 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 FYE24 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 a focal point in creating long term and sustainable value as a business organisation. We define 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 • 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 • 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 FYE24 • Feedback on content, Style, format of Sustainability Report	• Continued review of employee compensation and benefits, personal development and performance appraisal.
INVESTORS / SHAREHOLDERS	• Annual General Meetings / Extraordinary General Meetings • Annual Reports / Sustainability 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 • Executive remuneration and the link between pay and performance.	• 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 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 • Industry benchmark exercise carried out to ensure Executive remuneration are adequate and not excessively remunerated.

STAKEHOLDERS	MODE OF ENGAGEMENT	FREQUENCY	ISSUES & CONCERNS	HSO EFFORTS
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

We have identified relevant ESG factors, taking into consideration their relevance to the business, strategy, business model and key stakeholders. The relevant ESG factors are then prioritised to identify material ESG 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 ESG factors to be disclosed in this report. The process described is shown below:

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

To determine if an ESG factor is material, we conducted a materiality assessment during FYE24 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 ESG factors which are material to the Group in FYE24.

Overall, ESG factors which are material to the Group in FYE24 are:

Categories	Area of impact	Material Aspect
Economic	Shareholders value	Economic performance
	In our dealings with a range of stakeholders	Anti-corruption
Environmental	In the manufacturing facility	Energy and Water consumption
		Environmental compliance
	Generated in the manufacturing process	Disposal and management of waste
	Prior to the manufacturing process	Supplier environmental assessment
Social	In the manufacturing facility	Occupational health and safety
	In our workplace and all employees	Training and education
		Diversity and equal opportunity
		Local communities
	Across our business operation	Socioeconomic compliance
Governance	Across our business operation	Corporate and sustainability governance
		Risk management
		Business ethics and compliance

1) ECONOMIC

ECONOMIC PERFORMANCE

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

For FYE24, the Group continued to be impacted by continued uncertainty in the world economy, ongoing conflicts and high inflationary pressures. Despite this, the Group reported an increase in revenue of 41% and a decrease in loss after tax from $7.5 million in FYE23 to $2.0 million in FYE24.

Below are the financial highlights from our 2024 Annual Report, based on the audited financial statements, the full details of which are set out on pages 69 to 130 of the Annual Report.

Year (S$'000)	FY2024	FY2023	FY2022
Revenue	15,305	10,844	15,434
Loss after tax	(1,948)	(7,499)	(1,996)
Shareholders' equity	50,575	54,192	62,442
Net Asset Value per Share ("**NAV**") cents	$0.94	$1.01	1.16
Share Price	$0.002	$0.002	$0.002
Market Capitalisation	$10,761	$10,761	$10,761

The Group will continue its effort to accelerate growth and return to profitability. Please refer to the "Chairman's Statement" section of this Annual Report for more details on the FYE24 economic conditions and updates on certain operations and business segments.

Target for FYE25:

To narrow losses with a view towards returning 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, suppliers and business partners. The Company, together with the Board of Directors, are committed to conducting business consistent with standards of good corporate governance. As one of the elements of good corporate governance, HSO has an existing whistleblowing policy in place to protect a genuine whistleblower 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 other 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 FYE24, which was to maintain zero incidents of corruption. For FYE25, 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 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) assessment and announcement, where necessary, of 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 FYE24, 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 FYE25:

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:

ENERGY AND WATER CONSUMPTION

<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>(a) Total energy consumption
(b) 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 and also computed based on information available, our Energy Intensity Ratio in (MWhs) per unit of door. We have achieved our target set in prior year. Our energy consumption for the last 3 financial years is as follows:
<table>
<tr><th>Energy Consumption in MWhs</th><th>FY2024</th><th>FY2023</th><th>FY2022</th></tr>
<tr><td>Consumption</td><td>2,151.31</td><td>1,633.96</td><td>1,593.25</td></tr>
<tr><td>Consumption per door</td><td>0.01</td><td>0.02</td><td>0.01</td></tr>
</table>
Target for FYE25: To achieve consumption per door: 0.02</td></tr>
<tr><td>Water Consumption</td><td>(a) Total Water consumption
(b) Water Consumption Intensity</td><td>ML or m^3

ML or m^3 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 by reducing the usage at the spray booth section and instead used the autospray machine whereby it does not need to use a large amount of water during cleaning process. We have achieved our target set in prior year. Our water consumption for the last 3 financial years is as follows:
<table>
<tr><th>Water usage in m^3</th><th>FY2024</th><th>FY2023</th><th>FY2022</th></tr>
<tr><td>Consumption</td><td>8,467</td><td>6,631</td><td>5,627</td></tr>
<tr><td>Consumption per door</td><td>0.05</td><td>0.06</td><td>0.03</td></tr>
</table>
Target for FYE25: To achieve consumption per door: 0.10</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 by HSO to ensure compliance with environmental and safety regulations (Environmental Quality Act 1974 & ISO 14001:2015 (Environmental Management Systems). Throughout FYE24, the following activities took place at our Johor production facility and were monitored by our external service providers:

Date	Details / Regulation
24 August 2023	Isokinetic Stack and Air Emission
12 April 2023	Chemical Exposure Monitoring
12 August 2023	Environmental Noise Monitoring
15 August 2023	Environmental Air Monitoring
26 November 2023	Annual Examination & Testing of Local Exhaust Ventilation
10 August 2023	Sewage Monitoring
10 August 2023	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 are based on the quality standards set under ISO 9001:2015 (Quality Management Systems), the air, noise, sewage and effluent standards set under ISO 14001: 2015 (Environmental Management Systems), and the chemical exposure and annual local exhaust ventilation requirements under the Occupational Safety and Health Administration, respectively. The Quality and Environmental Policy has been communicated to all workers, and is also available as an attachment to the employee card in their respective languages.

In FYE24, we have achieved the target we set last year which was to record no (FYE23: 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 FYE25:

To continue to achieve zero incidents of non-compliance with 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 environmentally-friendly recycling efforts. Our waste is carefully handled by an accredited third-party service provider for the purposes of treatment and processing before being responsibly recycled. We have procedures recognised by the International Organisation for Standardisation ("**ISO**") in place to improve waste reduction such as to:

- 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><th>Net waste generated in KG</th><th>FY2024</th><th>FY2023</th><th>FY2022</th></tr><tr><td>Net Waste*</td><td>3,094</td><td>12,741</td><td>10,794</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 FYE25: To achieve more not more than 20 metric ton/20,000 KG or 6 months of scheduled waste collection.</td>
</tr>
</table>

In FYE24, the amount of net waste generated was lower as disposal of the waste was well managed to ensure that the waste collected was not more than 20,000 KG over 6 months.

We have also achieved our goal of not accumulating more than 20,000 KG of waste over 6 months for scheduled waste collection. We aim to continue to put in place proper processes in handling waste disposal in FYE25 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 20,000 KG of waste over 6 months for scheduled waste collection.

Target for FYE25:

To achieve not more than 20,000 KG of waste 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, 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 verifying purchase documents. HSO has 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
Supplier Environmental Assessment	Certification and audits such as: a) "**FSC**" Forest Stewardship Council b) "**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 FYE25: • To continue zero incidents of supplier assessment non-compliance. • To continue to source more than 80% of the accessories locally.

In FYE24, there were 2 new suppliers (FYE23: 4) who were screened under the Company's 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 ISO 9001 (Quality Management Systems) and ISO 14001 (Environmental Management Systems) certified. Our products do not possess any materials which may qualify it as hazardous waste and zero (FYE23: 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 FYE24. In FYE25, 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 FYE25:

To record zero incidents of supplier environmental assessment non-compliance.

Local Purchases

Most of our accessories are sourced locally (FYE24: 87% and FYE23: 90%), 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 FYE25:

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 of our workers to be able to work in a safe environment. By ensuring a safe environment, not only is the health of our employees safeguarded, but 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 FYE24, we have conducted the following safety policy briefings and awareness training for our employees:

- HR, Safety & Health and Quality induction plan for new employees
- Machine safe work procedures
- Webinar on Empowerment of Enforcement and Compliance with the Environmental Quality Act 1974
- Certificate in first aid and CPR
- Fire Drill and Safety Awareness training
- Production training on the work instruction in workplace
- Chemical and Technological Disaster Preparedness Seminar
- Safety of working at height seminar
- Chemical Handling and Storage and Spillage Control
- Classification, Labelling and Safety data sheet of Hazardous Chemical
- Refresher training for ISO Internal Audit / Auditors Skills for ISO 9001:2015 (QMS) and ISO 14001:2015 (EMS) Standards
- Refresher training on FSC and PEFC Integrated chain of custody system
- Pedestrian walkway refresher training

On a monthly basis, key performance indicators on safety and health are reported and tabulated by the Company's 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:

Topic	Metric	Unit	Framework Alignment	Description
Occupational Health & Safety	a) Fatalities	Number of cases	GRI 403-9	Fatalities | FY2024 | FY2023 | FY2022 Number of cases | Nil | Nil | Nil
	b) High-consequence injuries	Number of cases	GRI 403-9	High-consequence injuries | FY2024 | FY2023 | FY2022 Number of cases | Nil | Nil | Nil
	c) Recordable injuries	Number of cases	GRI 403-9	Recordable injuries | FY2024 | FY2023 | FY2022 Number of cases | 3 | 1 | 4
	d) Recordable work-related ill health cases	Number of cases	GRI 403-10	Recordable work-related ill health cases | FY2024 | FY2023 | FY2022 Number of cases | Nil | Nil | Nil Target for FYE25: To minimize accident rates and no more than 5 accidents cases and to achieve 100% compliance of Occupational, Safety & Health Workplace Audit.

In FYE24, we had 3 work-related incidents on our premises (FYE23:1). We investigated the 3 work-related incidents 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 these cases were non-fatal, they were considered major as the worker was hospitalised, received more than 4 days of medical leave, and the incidents were 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 FYE23. No further action was taken by JKKP.

The main causes of the aforementioned work-related incidents are human error, especially that relating to handling of machineries, and lapses in walkway safety. Whenever each incident 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, installing new safety features and refresher training on safe work procedures. Following each work-related incident, the management adopted the following actions:

IDENTIFY AND DETERMINE HAZARD → **IMPLEMENT CORRECTIVE ACTION** → **REVIEW THE EFFECTIVENESS OF THE CORRECTIVE ACTION**

We will continue to emphasise 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 FYE24. 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 FYE25:

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 provides 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 FYE24, 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 & training</td><td>a) Training sessions per month</td><td>No. of training session</td><td>GRI 404-1</td><td>
<table>
<tr><th>Average training sessions</th><th>FY2024</th><th>FY2023</th><th>FY2022</th></tr>
<tr><td>Number of training sessions per year</td><td>191</td><td>254</td><td>135</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>16</td><td>21</td><td>15</td></tr>
</table>
</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 FYE24.

Target for FYE25:

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>a) Current employees by gender</td><td>%</td><td>GRI 405-1</td><td>
<table>
<tr><th>Current Employees by gender</th><th>FY2024</th><th>FY2023</th><th>FY2022</th></tr>
<tr><td>Male</td><td>212</td><td>187</td><td>221</td></tr>
<tr><td>Female</td><td>53</td><td>53</td><td>62</td></tr>
<tr><td>TOTAL</td><td>265</td><td>240</td><td>283</td></tr>
</table>
Target for FYE25: To achieve zero incidents of complaints on discrimination.</td></tr>
<tr><td>Aged-Based Diversity</td><td>a) Current employees by age groups</td><td>%</td><td>GRI 405-1</td><td>
<table>
<tr><th>Current employees by age groups</th><th>FY2024</th><th>FY2023</th><th>FY2022</th></tr>
<tr><td><30 years</td><td>40%</td><td>34%</td><td>44%</td></tr>
<tr><td>31 to 50 years</td><td>49%</td><td>54%</td><td>46%</td></tr>
<tr><td>>50 years</td><td>11%</td><td>12%</td><td>10%</td></tr>
<tr><td>TOTAL</td><td>100%</td><td>100%</td><td>100%</td></tr>
</table>
Target for FYE25: To achieve zero incidents of complaints on discrimination.</td></tr>
<tr><td rowspan="2">Employment</td><td>a) Average Length of Service</td><td>No.</td><td>GRI 405-1</td><td>
<table>
<tr><th>Length of Service</th><th>FY2024</th><th>FY2023</th><th>FY2022</th></tr>
<tr><td><5 years</td><td>145</td><td>159</td><td>202</td></tr>
<tr><td>6-10 years</td><td>75</td><td>31</td><td>28</td></tr>
<tr><td>>10 years</td><td>45</td><td>50</td><td>53</td></tr>
<tr><td>Number of employees</td><td>265</td><td>240</td><td>283</td></tr>
</table></td></tr>
<tr><td>b) Nationality</td><td>No.</td><td>GRI 401-1</td><td>
<table>
<tr><th>Nationality</th><th>FY2024</th><th>FY2023</th><th>FY2022</th></tr>
<tr><td>Bangladesh</td><td>91</td><td>95</td><td>113</td></tr>
<tr><td>Malaysia</td><td>101</td><td>91</td><td>102</td></tr>
<tr><td>Myanmar</td><td>48</td><td>25</td><td>36</td></tr>
<tr><td>Nepal</td><td>17</td><td>20</td><td>24</td></tr>
<tr><td>Singaporean</td><td>5</td><td>5</td><td>4</td></tr>
<tr><td>Bruneian</td><td>1</td><td>1</td><td>1</td></tr>
<tr><td>Chinese</td><td>0</td><td>1</td><td>1</td></tr>
<tr><td>Indonesian</td><td>2</td><td>2</td><td>2</td></tr>
<tr><td>Number of employees</td><td>265</td><td>240</td><td>283</td></tr>
</table>
Target for FYE25: To achieve zero incidents of complaints on discrimination.</td></tr>
</table>

Our Board is characterised by a well-balanced composition of directors possessing diverse skills, experiences, and knowledge, enabling the Group to effectively pursue its long-term objectives. The following overview provides a summary of the composition of our Board and more details can be found in the earlier sections of the 2024 Annual Report.

Description	Percentage (%)
Board Independence The number of independent directors as a percentage of all directors on the Board	60.0
Women on the Board The number of female board directors as a percentage of all directors on the Board	20.0

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 256 (FYE23:240) employees. During the year, there have been no reported cases (FYE23: nil) of discrimination or unfair employment practices. We will continue to uphold the principle of equal opportunities for 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. 25% 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 FYE24, 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 FYE25.

Target for FYE25:

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 FYE24, our operations created employment opportunities for local staffs 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.

Target for FYE25:

To have employment opportunites for local staffs and continue to source more than 80% of the accessories locally.

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 FYE24.

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 FYE25:

To achieve zero incidents 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 FYE24, 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 2024 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 Company's effort 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.

Target for FYE25:

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 FYE25.

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 2024 Annual Report.

In FYE24, we reviewed RM policies, essentially covering operational risks to ensure that relevant policies and material risks are identified, communicated and addressed in a timely manner.

Target for FYE25:

The Group is of the view that climate reporting expectations will grow in the future and we will conduct a review of the Enterprise Risk Management framework and evaluate sustainability-related risks that are relevant to the Group.

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, an equally important reason 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 FYE25:

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 the 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 FYE24, we have achieved the target we set last year. There were no (FYE23: nil) significant fines or non-monetary sanctions for non-compliance with laws and regulations.

Target for FYE25:

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

CYBERSECURITY AND PRIVACY OF DATA
Cybersecurity and data privacy are important in safeguarding both our data and that of our customers. HSO takes measures to guard against cyber risks and protecting the confidential information of 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 FYE24, we met the targets set in that there were zero incidents of data leaks and cybersecurity breach.

Target for FYE25:

To maintain zero incidents of cybersecurity breach.

CLIMATE CHANGE STRATEGY AND MANAGEMENT

Our inaugural journey to address climate change
HSO is aware that climate change is one of the biggest challenges facing society and the economy today. The Group is committed to doing our part to act responsibly and spur efforts to tackle climate change. We plan to improve our climate reporting as we increase our understanding of climate related risks and opportunities facing our business and the impact of climate change on our sustainability.

With a view to align with TFCFD recommendations, a summary of our progress is as follows:

Governance	
Describe the board's oversight of climate-related risks and opportunities.	The Board oversees the Group's overall sustainability practices and climate-related risk and opportunities as part of risk management.
Describe management's role in assessing and managing climate-related risks and opportunities.	Responsible Business Committee comprises of internal employees across various functions to oversees HSO's responsible business strategy and monitors performance in relation to ESG issues.
Risk Management	
Describe the organisation's processes for identifying and assessing climate-related risks.	HSO is adopting a progressive strategy towards managing climate-related risks. Identifying and assessing climate – related risks will be carried out post-FYE24.
Describe the organisation's processes for managing climate-related risks.	HSO is adopting a progressive strategy towards managing climate-related risks. The Group's processes for managing climate-related risks will be determined and carried out post-FYE24.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	HSO is adopting a progressive strategy towards managing climate-related risks. Analysis on integration with ERM of the Group will be carried out post-FYE24.
Strategy	
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	HSO is adopting a progressive strategy towards managing climate-related risks. Identifying climate-related risks and opportunities of the Group will be carried out post-FYE24.
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	HSO is adopting a progressive strategy towards managing climate-related risks. Identifying the impact on climate-related risks and opportunities in the Group's business, strategy and financial planning will be carried out post-FYE24.

Metrics & Targets	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	In addition to our existing targets set for the ESG factors, we planned to reduce carbon footprint and tackle sustainability-related risks that include climate change. This includes improving our ability to identify and measure emissions. As part of HSO's efforts, we track the Greenhouse gas emissions ("GHG") emissions within our operations which arise from the use of electricity and fuel.
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	Our scope 1 direct emissions are primarily from Company lorry and forklifts. Our environmental performance in FYE24 is as below: (see table below)
Describe the targets used by the organisation to manage climate-related risks and opportunities and performances against targets.	HSO is adopting a progressive strategy towards managing climate-related risks and opportunities. Appropriate targets shall be analysed and set post-FYE24.

Pollutant	*CO_2*
Emission Factor [1] (kg/litre)	2.67
Fuel Used	Diesel
Fuel Consumed (litre)	17,826
CO_2 Emissions (tco_2e)	47.6
Number of employees	255
Intensity per employee	0.2

Our scope 2 GHG emissions are indirect emissions generated from the consumption of purchased energy in the form of electricity.

Our environmental performance in FYE24 is as below:

Pollutant	*CO_2*
Operating Margin (OM) Grid Emission Factor (GEF) [2]	0.55
Electricity Consumed (kWh)	2,151,310
CO_2 Emissions (tco_2e)	1183.22
Number of employees	255
Intensity per employee	4.6

We are committed to increase our understanding of GHG emissions and will review and report our Scope 3 GHG emissions, as and when appropriate.

1 Retrieved from: Guidance from GHG Report
2 Retrieved from : TNB's (Tenaga Nasional Berhad) Sustainability Report 2021

GRI CONTENT INDEX

GRI Standard		Disclosure	Page reference / Description
GRI 2021 INDEX			
GRI 2: General Disclosures 2021	2-1	Organisational details	Annual Report : Corporate Profile
	2-2	Entities included in the organisation's sustainability reporting	Page 43
	2-3	Reporting period, frequency and contact point	Pages 42 to 43
	2-4	Restatements of information	None
	2-5	External assurance	None
	2-6	Activities, value chain and other business relationships	Page 2
	2-7	Employees	Page 54
	2-8	Workers who are not employees	Not applicable
	2-9	Governance structure and composition	Page 56
	2-10	Nomination and selection of the highest governance body	Pages 14 to 16
	2-11	Chair of the highest governance body	Pages 14 to 16
	2-12	Role of the highest governance body in overseeing the management of impacts	Page 42
	2-13	Delegation of responsibility for managing impacts	Page 58
	2-14	Role of the highest governance body in sustainability reporting	Page 42
	2-15	Conflicts of interest	Page 41
	2-16	Communication of critical concerns	Pages 43 to 45
	2-17	Collective knowledge of the highest governance body	Pages 14 to 15
	102-22	Statement on sustainable development strategy	Page 42
	2-23	Policy commitments	Page 46
	2-24	Embedding policy commitments	Page 46
	2-25	Processes to remediate negative impacts	Page 46
	2-26	Mechanisms for seeking advice and raising concerns	Page 43
	2-27	Compliance with laws and regulations	Page 57
	2-28	Membership associations	Page 56
	2-29	Approach to stakeholder engagement	Page 43
	2-30	Collective bargaining agreements	Page 55
GRI 3: MATERIAL TOPICS 2021	3-1	Process to determine material topics	Page 45
	3-2	List of material topics	Page 45
	3-3	Management of material topics	Page 45

GRI Standard		Disclosure	Page reference / Description
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	Economic, page 46
GRI 205 Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Anti-corruption, pages 46 to 47
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Environmental, page 47
GRI 302: Energy 2016	302-3	Energy intensity	Environmental, page 47
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	Disposal and Management of Waste, pages 48 to 49
GRI 306: Waste 2020	306-3	Waste generated	Environmental, page 49
GRI 307: Environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	Environmental Compliance, page 48
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	Supplier Environmental Assessment, pages 49 to 50
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, page 52
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 53
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	Diversity and Equal Opportunity, pages 54 to 55 Corporate Governance, page 18
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Local Communities, page 55
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Socioeconomic Compliance, page 56

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 2024.

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 2024 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)
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)

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 2024 were the same as those as at 31 March 2024.

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.

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

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

DIRECTORS' STATEMENT

Auditor

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

On behalf of the board of directors,

Chia Fook Sam
Director

Mark Leong Kei Wei
Director

Singapore
8 July 2024

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 2024, 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 material accounting policy information.

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 2024 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 Entities* (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.

Key audit matters (cont'd)

Valuation of development properties and property held-for-sale and impairment assessment of investment in subsidiaries

As at 31 March 2024, the net carrying amounts of development properties and property held-for-sale amounted to S$28.2 million and S$12.3 million, representing 43.3% and 19.0% of the Group's total assets respectively. Development properties are carried at lower of cost or net realisable value. Property held-for-sale are measured at the lower of its carrying amount and fair value less costs to sell.

The development properties are held by a subsidiary and relate to projects that have not been launched or completed as at 31 March 2024. In determining the fair value less costs to sell of the property held-for-sale and net realisable value ("NRV") of the development properties, management engaged independent professional valuers to support their determination of their values as at 31 March 2024. During the financial year, management recognised a reversal of impairment loss of S$0.3 million (2023: impairment loss of S$0.1 million) on the development properties.

As at 31 March 2024, the Company's investment in subsidiaries amounted to S$36.9 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$39.1 million as at 31 March 2024. Management performed the impairment assessment for subsidiaries with indicators 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 subsidiaries. A total impairment loss of S$2.4 million was recorded for the year ended 31 March 2024.

We considered the audit of management's valuation assessment of development properties and property held-for-sale and impairment assessment of cost of investment in subsidiaries to be a key audit matter due to the magnitude of their carrying amounts as at 31 March 2024. In addition, these areas were significant to our audit because the valuation and 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 development properties, property held-for-sale and investment in subsidiaries;

- assessed the competency, qualifications and objectivity of the independent valuers and the valuation methodology applied in the valuation of the development properties and property held-for-sale;

- 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 development properties and property held-for-sale, 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 development properties, property held-for-sale and investment in subsidiaries are disclosed under Notes 16, 17 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.

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

- 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.

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
8 July 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	2024 $	2023 $
Revenue	4	**15,305,158**	10,843,854
Cost of sales		**(12,424,451)**	(10,001,546)
Gross profit		**2,880,707**	842,308
Other income	5	**603,184**	526,799
Selling and distribution expenses		**(424,577)**	(339,648)
Administrative expenses		**(4,549,496)**	(8,629,910)
Finance costs	6	**(147,761)**	(196,479)
Loss before tax from continuing operations	7	**(1,637,943)**	(7,796,930)
Income tax (expense)/credit	10	**(294,462)**	298,164
Loss for the financial year from continuing operations		**(1,932,405)**	(7,498,766)
Discontinued operations			
Loss from discontinued operations, net of tax	9	**(15,603)**	–
Loss for the financial year		**(1,948,008)**	(7,498,766)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Currency translation loss		**(2,048,961)**	(1,465,814)
Other comprehensive loss for the financial year, net of tax		**(2,048,961)**	(1,465,814)
Total comprehensive loss for the financial year		**(3,996,969)**	(8,964,580)
Loss for the financial year attributable to:			
Owners of the Company			
Loss from continuing operations		**(2,013,315)**	(7,427,154)
Loss from discontinued operations		**(15,603)**	–
Non-controlling interests		**80,910**	(71,612)
		(1,948,008)	(7,498,766)
Total comprehensive loss attributable to:			
Owners of the Company			
Total comprehensive loss from continuing operations		**(3,601,556)**	(8,249,311)
Total comprehensive loss from discontinued operations		**(15,603)**	–
Non-controlling interests		**(379,810)**	(715,269)
		(3,996,969)	(8,964,580)
Loss per share from continuing operations attributable to owners of the Company (cents per share)			
- Basic	11	**(0.037)**	(0.138)
- Diluted		**(0.037)**	(0.138)
Loss per share attributable to owners of the Company (cents per share)			
- Basic	11	**(0.038)**	(0.138)
- Diluted		**(0.038)**	(0.138)

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Note	Group 2024 $	Group 2023 $	Company 2024 $	Company 2023 $
ASSETS					
Non-current assets					
Property, plant and equipment	12	**5,551,235**	6,250,003	**108,103**	4,385
Investment in subsidiaries	13	**–**	–	**36,855,885**	39,124,245
Investment properties	14	**–**	12,652,689	**–**	–
Financial asset at fair value through profit or loss	15	**55**	111	**–**	–
Right-of-use assets	25	**3,584,221**	3,707,801	**2,029,293**	2,069,214
		9,135,511	22,610,604	**38,993,281**	41,197,844
Current assets					
Development properties	16	**28,218,192**	29,212,484	**–**	–
Property held-for-sale	17	**12,338,745**	2,839,963	**–**	–
Trade and other receivables	18	**5,324,959**	3,704,195	**22,821,604**	23,183,047
Tax recoverable		**–**	33,481	**–**	–
Inventories	19	**4,892,608**	4,436,158	**–**	–
Cash and cash equivalents	20	**5,184,494**	8,314,212	**585,635**	1,376,367
		55,958,998	48,540,493	**23,407,239**	24,559,414
Total assets		**65,094,509**	71,151,097	**62,400,520**	65,757,258
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	21	**4,430,269**	4,078,386	**1,274,215**	234,736
Loans and borrowings	23	**924,909**	1,004,236	**–**	–
Income tax payable		**88,552**	701	**–**	–
		5,443,730	5,083,323	**1,274,215**	234,736
Net current assets		**50,515,268**	43,457,170	**22,133,024**	24,324,678
Non-current liabilities					
Loans and borrowings	23	**4,817**	2,512,236	**–**	–
Deferred tax liabilities	24	**1,160,211**	1,072,818	**–**	–
		1,165,028	3,585,054	**–**	–
Total liabilities		**6,608,758**	8,668,377	**1,274,215**	234,736
Net assets		**58,485,751**	62,482,720	**61,126,305**	65,522,522
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	**(9,825,439)**	(8,237,198)	**–**	–
Accumulated losses		**(42,769,940)**	(40,741,022)	**(42,044,328)**	(37,648,111)
		50,575,254	54,192,413	**61,126,305**	65,522,522
Non-controlling interests		**7,910,497**	8,290,307	**–**	–
Total equity		**58,485,751**	62,482,720	**61,126,305**	65,522,522
Total equity and liabilities		**65,094,509**	71,151,097	**62,400,520**	65,757,258

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Share capital (Note 22) $	Foreign currency translation reserve (Note 26) $	Accumulated losses $	Equity attributable to owners of the Company $	Non-controlling interests $	Total $
Group						
2024						
Opening balance at 1 April 2023	**103,170,633**	**(8,237,198)**	**(40,741,022)**	**54,192,413**	**8,290,307**	**62,482,720**
(Loss)/profit for the financial year	**–**	**–**	**(2,028,918)**	**(2,028,918)**	**80,910**	**(1,948,008)**
Other comprehensive income:						
Exchange differences on translation of foreign operations	**–**	**(1,588,241)**	**–**	**(1,588,241)**	**(460,720)**	**(2,048,961)**
Other comprehensive loss for the financial year, net of tax	**–**	**(1,588,241)**	**–**	**(1,588,241)**	**(460,720)**	**(2,048,961)**
Total comprehensive loss for the financial year	**–**	**(1,588,241)**	**(2,028,918)**	**(3,617,159)**	**(379,810)**	**(3,996,969)**
Closing balance at 31 March 2024	**103,170,633**	**(9,825,439)**	**(42,769,940)**	**50,575,254**	**7,910,497**	**58,485,751**
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

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Share capital (Note 22) $	Accumulated losses $	Total $
Company			
2024			
Opening balance at 1 April 2023	**103,170,633**	**(37,648,111)**	**65,522,522**
Loss for the financial year, representing total comprehensive loss for the financial year	**–**	**(4,396,217)**	**(4,396,217)**
Closing balance at 31 March 2024	**103,170,633**	**(42,044,328)**	**61,126,305**
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

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 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Loss before tax from continuing operations		**(1,637,943)**	(7,796,930)
Loss before tax from discontinued operation		**(15,603)**	–
Adjustments for:			
Allowance for expected credit loss on other receivables	29(c)	**240,037**	–
Depreciation of property, plant and equipment	12	**576,288**	616,991
Depreciation of right-of-use-assets	25	**93,953**	97,225
Depreciation of investment properties	14	**172,540**	466,775
Gain on disposal of property, plant and equipment		**–**	(256)
Interest expense from continuing operations	6	**147,761**	196,479
Interest income	5	**(225,669)**	(331,208)
(Reversal)/provision of impairment loss on development properties	16	**(292,207)**	134,891
Impairment loss on property held-for-sale	17	**–**	266,614
Fair value loss on financial asset at fair value through profit or loss	15	**56**	33
Reversal of impairment loss on right-of-use assets	25	**–**	(47,228)
Write back of allowance for inventory obsolescence	19	**(17,201)**	(92,390)
Unrealised foreign exchange differences		**(412,578)**	884,567
Operating cash flows before changes in working capital		**(1,370,566)**	(5,604,437)
Changes in working capital:			
(Increase)/decrease in development properties		**(5,683)**	1,793,200
(Increase)/decrease in inventories		**(439,249)**	1,599,116
(Increase)/decrease in trade and other receivables		**(1,860,801)**	2,163,096
Increase/(decrease) in trade and other payables		**440,522**	(799,862)
Cash used in operations		**(3,235,777)**	(848,887)
Interest income received		**225,669**	331,208
Income tax refund/(paid), net		**875**	(39,051)
Net cash used in operating activities		**(3,009,233)**	(556,730)

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 2024

	Note	2024 $	2023 $
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**–**	447
Proceeds from disposal on property held-for-sale	17	**2,839,963**	–
Purchase of property, plant and equipment	12	**(199,214)**	(118,396)
Net cash generated from/(used in) investing activities		**2,640,749**	(117,949)
Cash flows from financing activities			
Proceeds from loans and borrowings	23	**4,126,337**	3,524,178
Repayment of loans and borrowings	23	**(6,777,259)**	(5,192,009)
Interest paid		**(147,761)**	(196,479)
Payment of principal portion of lease liabilities	23	**(28,453)**	(31,291)
Net cash flows used in financing activities		**(2,827,136)**	(1,895,601)
Net decrease in cash and cash equivalents		**(3,195,620)**	(2,570,280)
Cash and cash equivalents at 1 April		**8,317,152**	11,129,915
Effect of exchange rate fluctuations on cash and cash equivalents		**65,764**	(242,483)
Cash and cash equivalents at 31 March	A	**5,187,296**	8,317,152

Note A

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

	Note	2024	2023
Cash and bank balances		**3,803,963**	3,872,070
Fixed deposits		**1,380,531**	4,442,142
Cash and cash equivalents as per consolidated statement of financial position	20	**5,184,494**	8,314,212
Cash and cash equivalents			
- Continuing operations		**5,184,494**	8,314,212
- Disposal group assets classified as held-for-sale		**2,802**	2,940
Cash and cash equivalents as per consolidated statement of cash flows		**5,187,296**	8,317,152

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. Material accounting policy information

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 2023. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

2.3 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: *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*	1 January 2024
Amendments to SFRS(I) 1-21: *Lack of Exchangeability*	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	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. Material accounting policy information (cont'd)

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.

(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. Material accounting policy information (cont'd)

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.

(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	-	36 - 39 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. Material accounting policy information (cont'd)

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.

2.9 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.

2. Material accounting policy information (cont'd)

2.10 Impairment of non-financial assets (cont'd)

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.

2.12 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

Investments in debt instruments

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.

2. Material accounting policy information (cont'd)

2.12 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Amortised cost (cont'd)

Investments in equity instruments

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.

(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").

2. Material accounting policy information (cont'd)

2.13 Impairment of financial assets (cont'd)

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.

2.15 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. Material accounting policy information (cont'd)

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.

2.19 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.

2. Material accounting policy information (cont'd)

2.19 Leases (cont'd)

Group as the lessee (cont'd)

(a) Right-of-use assets (cont'd)

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.

(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. Investment properties once classified as held for sale are not depreciated.

2. Material accounting policy information (cont'd)

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).

2.22 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.

2. Material accounting policy information (cont'd)

2.23 Taxes (cont'd)

(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.

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 authorities is included as part of receivables or payables in the statement of financial position.

2. Material accounting policy information (cont'd)

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.

(a) Valuation of development properties and property held-for-sale

The Group's development properties relate to projects that have not been launched or completed as at 31 March 2024. Development properties are measured at the lower of cost and net realisable value ("NRV"). The Group's property held-for-sale is stated at the lower of its carrying amount and fair value less costs to sell.

The determination of the recoverable amount of the NRV of the development properties and property held for sale involves estimation and use of assumptions by management. The Group has engaged independent professional valuers to determine the fair values of the development properties and property held-for-sale 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 development properties and property held-for-sale as at 31 March 2024 and 31 March 2023 are disclosed in Notes 16 and 17 of the financial statements respectively.

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

3.2 Key sources of estimation uncertainty (cont'd)

(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 2024 and 31 March 2023 are disclosed in Note 13 of the financial statements.

4. Revenue

	Group	
	2024	**2023**
	$	**$**
Recognised at a point in time		
Sale of goods	**15,293,435**	10,833,194
Recognised over time		
Interest income from secured property financing	**11,723**	10,660
	15,305,158	10,843,854

Receivables and contract liabilities from contracts with customers

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

	Group	
	2024	**2023**
	$	**$**
Receivables from contracts with customers (Note 18)	**2,404,016**	1,653,437
Contract liabilities (Note 21)	**8,732**	23,390

4. Revenue (cont'd)

Set out below is the amount of revenue recognised from

	Group	
	2024	**2023**
	$	**$**
Amounts included in contract liabilities at the beginning of the year	**23,390**	–

5. Other income

	Group	
	2024	**2023**
	$	**$**
Interest income	**225,669**	331,208
Reversal of impairment loss on development properties (Note 16)	**292,207**	–
Reversal of impairment loss on right-of-use-assets (Note 25)	**–**	47,228
Rental income	**33,364**	96,037
Government grants	**4,097**	7,049
Sale of scraps	**19,791**	21,459
Others	**28,056**	23,818
	603,184	526,799

6. Finance costs

	Group	
	2024	**2023**
	$	**$**
Foreign currency loan against import	**87,518**	54,808
Interest expense on lease liabilities	**1,796**	1,285
Interest expense on term loans	**58,447**	140,386
	147,761	196,479

7. Loss before tax from continuing operations

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

	Note	Group 2024 $	Group 2023 $
Allowance for expected credit loss on other receivables	29(c)	**240,037**	–
Audit fees			
- auditor of the Company		**125,307**	122,000
- other auditors*		**41,876**	48,693
Cost of inventories sold	19	**8,690,353**	7,133,699
Depreciation of property, plant and equipment	12	**576,288**	616,991
Depreciation of right-of-use assets	25	**93,953**	97,225
Depreciation of investment properties	14	**172,540**	466,775
Expenses relating to short term leases or low-value assets	25	**24,039**	25,854
Fair value loss with respect to financial assets at fair value through profit or loss	15	**56**	33
Foreign currency exchange (gain)/loss, net		**(204,692)**	3,160,329
Impairment loss on property held-for-sale	17	**–**	266,614
(Reversal)/provision of impairment loss on development properties	16	**(292,207)**	134,891
Staff costs	8	**4,860,531**	4,464,651
Utility expenses		**382,751**	296,444
Write back of allowances for inventory obsolescence	19	**(17,201)**	(92,390)

* Includes independent member firms of the EY global firms

8. Staff costs

	Group 2024 $	Group 2023 $
Staff costs (including directors):		
Salaries, bonuses and others	**4,666,070**	4,267,363
Contributions to defined contribution plans	**194,461**	197,288
	4,860,531	4,464,651
Representing staff costs charged to:		
Cost of sales	**2,388,751**	1,792,746
Administrative expenses	**2,471,780**	2,671,905
	4,860,531	4,464,651

9. Loss from discontinued operations

Discontinued operations relate to KLW (HK) Limited as this entity is considered part of a cash-generating unit.

As at year end 31 March 2024, the results of the subsidiary is 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 KLW (HK) Limited for the financial year ended 31 March 2024 are presented below:

	Group 2024 $
Revenue	–
Cost of sales	–
Gross loss	–
Other income	–
Expenses	(15,603)
Loss before tax from discontinued operations	(15,603)
Tax expense	–
Loss from discontinued operations, net of tax	(15,603)

The cash flows attributable to discontinued operations are as follows:

	Group 2024 $
Operating	(26,160)
Financing	(98,408)
Net cash outflows	(124,568)

Loss per share disclosure

	Group 2024 $
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 (expense)/credit

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

The major components of income tax (expense)/credit for the financial years ended 31 March 2024 and 2023 are:

	Group	
	2024	**2023**
	$	**$**
Current tax expense – continuing operations		
- Current year	**(120,833)**	(721)
- Over provision in previous years	**–**	13,225
Deferred tax expense – continuing operations		
- Origination and reversal of temporary difference	**(122,786)**	284,423
- (Under)/over provision in prior years	**(50,843)**	1,237
Income tax (expense)/credit attributable to continuing operations and recognised in profit or loss	**(294,462)**	298,164

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

A reconciliation between tax (expense)/credit and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 March 2024 and 2023 is as follows:

	Group	
	2024	**2023**
	$	**$**
Loss before tax from continuing operations	**1,637,943**	7,796,930
Loss before tax from discontinued operations	**15,603**	–
Accounting loss before tax	**1,653,546**	7,796,930
Applicable corporate tax rate of 17% (2023: 17%)	**281,103**	1,325,478
Adjustments:		
Effect of different tax rates in foreign jurisdictions	**35,714**	467,742
Income not subject to tax	**139,091**	119,355
Expenses not deductible for income tax purposes	**(459,421)**	(1,383,306)
Deferred tax assets not recognised	**(270,782)**	(275,548)
Crystallisation of deferred tax liabilities	**30,676**	29,981
Over provision of income tax in prior years	**–**	13,225
(Under)/over provision of deferred tax in prior years	**(50,843)**	1,237
Income tax (expense)/credit recognised in profit or loss	**(294,462)**	298,164

As at 31 March 2024, the Group has unutilised tax losses of approximately $40,931,000 (2023: $39,470,000) 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.

10. Income tax (expense)/credit (cont'd)

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

Deferred tax assets of approximately $6,958,000 (2023: $6,710,000) 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.

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 $386,000 (2023: $394,000).

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 2024 and 31 March 2023, 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	
	2024	**2023**
	$	**$**
Loss for the year attributable to owners of the Company	**(2,013,315)**	(7,427,154)
Adjusted for: loss from discontinued operations, net of tax, attributable to owners of the Company	**(15,603)**	–
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	**(2,028,918)**	(7,427,154)
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	**(0.037)**	(0.138)
- Diluted	**(0.037)**	(0.138)
Loss per share attributable to owners of the Company (cents per share)		
- Basic	**(0.038)**	(0.138)
- Diluted	**(0.038)**	(0.138)

12. Property, plant and equipment

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
Cost:							
At 1 April 2023	4,545,878	5,727,833	271,859	159,414	439,271	92,768	11,237,023
Additions	–	14,540	115,270	2,524	5,314	61,566	199,214
Disposals	–	–	–	(710)	–	–	(710)
Reclassification	–	151,192	–	–	–	(151,192)	–
Exchange differences	(280,351)	(287,422)	(5,052)	4,692	(11,044)	(3,142)	(582,319)
At 31 March 2024	**4,265,527**	**5,606,143**	**382,077**	**165,920**	**433,541**	**–**	**10,853,208**
Accumulated depreciation and impairment loss:							
At 1 April 2023	659,409	3,538,146	261,572	116,686	411,207	–	4,987,020
Depreciation for the financial year	106,876	426,997	16,590	13,321	12,504	–	576,288
Disposals	–	–	–	(710)	–	–	(710)
Exchange differences	(70,131)	(182,613)	(4,507)	6,389	(9,763)	–	(260,625)
At 31 March 2024	**696,154**	**3,782,530**	**273,655**	**135,686**	**413,948**	**–**	**5,301,973**
Net carrying amount:							
At 31 March 2024	**3,569,373**	**1,823,613**	**108,422**	**30,234**	**19,593**	**–**	**5,551,235**

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

Company	Office equipment $	Motor vehicles $	Renovation $	Total $
Cost:				
At 1 April 2022	16,557	128,000	219,430	363,987
Additions	1,468	–	–	1,468
At 31 March 2023 and 1 April 2023	18,025	128,000	219,430	365,455
Additions	–	115,270	–	115,270
At 31 March 2024	**18,025**	**243,270**	**219,430**	**480,725**
Accumulated depreciation:				
At 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 and 1 April 2023	13,640	128,000	219,430	361,070
Depreciation for the financial year	1,946	9,606	–	11,552
At 31 March 2024	**15,586**	**137,606**	**219,430**	**372,622**
Net carrying amount:				
At 31 March 2024	**2,439**	**105,664**	**–**	**108,103**
At 31 March 2023	4,385	–	–	4,385

13. Investments in subsidiaries

	Note	Company 2024 $	 2023 $
Unquoted equity shares, at cost			
Investment in subsidiaries		**42,469,672**	42,469,672
Loan to subsidiary	A	**23,811,286**	23,697,381
		66,280,958	66,167,053
Less: Impairment losses	B	**(29,425,073)**	(27,042,808)
		36,855,885	39,124,245

Note A

During the year, the Company extended a loan of $113,905 (2023: $121,514) to its subsidiary which is accounted for as an investment in subsidiary. The loan due from its subsidiary of $23,811,286 (2023: $23,697,381) 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.

13. Investments in subsidiaries (cont'd)

Note B

An impairment loss of $2,382,265 (2023: $2,920,268) was recognised for the financial year ended 31 March 2024 based on the recoverable amounts derived from value-in-use calculations and consideration of the net realisable value of development properties held by one of the subsidiaries. For value-in-use calculations, 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% (2023: 1%). Key assumptions used in the discounted cash flow models are growth rate, operating margins and discount rate. The discount rate of 12.3% (2023: 11.5%) 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.

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	
			2024	**2023**
			%	**%**
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

13. Investments in subsidiaries (cont'd)

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	
			2024	**2023**
			%	**%**
PT Ambertree Development Jakarta ("PTADJ")	Indonesia	Property development	**35**	35

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	
	2024	**2023**
	$	**$**
Non-current assets	**78**	245
Current assets	**28,734,188**	29,818,602
Current liabilities	**(10,537)**	(9,950)
Net assets	**28,723,729**	29,808,897
Net assets attributable to NCI	**10,053,304**	10,433,114
Less: Capital contribution by NCI	**(2,142,807)**	(2,142,807)
Adjusted net assets attributable to NCI	**7,910,497**	8,290,307

Summarised statement of comprehensive income

	PTADJ	
	2024	**2023**
	$	**$**
Profit/(loss) before tax	**231,172**	(204,605)
Income tax expense	**–**	–
Profit/(loss) after tax	**231,172**	(204,605)
Other comprehensive loss	**(1,316,343)**	(1,839,019)
Total comprehensive loss for the year	**(1,085,171)**	(2,043,624)
Loss allocated to NCI	**(379,810)**	(715,269)

13. Investments in subsidiaries (cont'd)

Summarised statement of cash flows

	PTADJ	
	2024	**2023**
	$	**$**
Cash flows used in operating activities	**(63,536)**	(75,438)
Net decrease in cash and cash equivalents	**(63,536)**	(75,438)

14. Investment properties

	Group	
	2024	**2023**
	$	**$**
Cost		
At beginning of financial year	**13,422,041**	19,906,966
Transfer to property held-for-sale	**(13,330,047)**	(4,645,050)
Currency translation differences	**(91,994)**	(1,839,875)
At end of financial year	**–**	13,422,041
Accumulated depreciation		
At beginning of financial year	**769,352**	1,920,454
Depreciation charge for the year	**172,540**	466,775
Transfer to property held-for-sale	**(936,619)**	(1,538,612)
Currency translation differences	**(5,273)**	(79,265)
At end of financial year	**–**	769,352
Net carrying amount	**–**	12,652,689

During the financial year, there is rental income of $33,364 (2023: $96,037) and direct operating expenses of $3,030 (2023: $111,302) arising from the investment property held in Singapore.

During the financial year, the Group transferred cost and accumulated depreciation of $13,330,047 and $936,619 respectively from investment property to property held-for-sale due to the change in the Group's intention to dispose its property located at 23-31 Lincoln Square South, Carlton, Melbourne, Australia and in compliance with SFRS(I) 5.

In prior 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.

14. Investment properties (cont'd)

Fair valuation of investment properties

In prior year, the fair value of the investment property held by the Group in Australia is valued at $16,198,000. 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 property was categorised under Level 3 of the fair value hierarchy (Note 30).

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

	Group	
	2024	**2023**
	$	**$**
Financial asset measured at FVTPL		
At beginning of the financial year	**111**	144
Fair value loss	**(56)**	(33)
At end of the financial year, representing financial asset at fair value through profit or loss	**55**	111

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	
	2024	**2023**
	$	**$**
Land use rights designated as part of development properties		
At beginning of the financial year	**11,495,860**	10,489,019
Additions	**5,683**	6,573
Depreciation of right-of-use asset capitalised	**1,715,080**	1,785,398
Reversal/(provision) of impairment loss on development properties (Note 7)	**292,207**	(134,891)
Currency translation differences	**(566,316)**	(650,239)
At end of the financial year	**12,942,514**	11,495,860
Net carrying amount of land use rights (Note A)	**15,275,678**	17,716,624
Total	**28,218,192**	29,212,484

During the financial year, the Group recognised a reversal of impairment loss of $292,207 on land held for redevelopment.

In prior year, the Group recognised an impairment loss of $134,891 on land held for redevelopment in prior year.

16. Development properties (cont'd)

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.

	Group $
Land use rights designated as part of development properties	
Cost	
At 1 April 2022	28,383,960
Exchange difference	(1,643,482)
At 31 March 2023 and 1 April 2023	26,740,478
Exchange difference	(1,174,521)
At 31 March 2024	**25,565,957**
Accumulated depreciation	
At 1 April 2022	7,732,404
Depreciation charge	1,785,398
Exchange difference	(493,948)
At 31 March 2023 and 1 April 2023	9,023,854
Depreciation charge	1,715,080
Exchange difference	(448,655)
At 31 March 2024	**10,290,279**
Net carrying amount	
At 31 March 2024	**15,275,678**
At 31 March 2023	17,716,624

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 $25,976,534 (2023: $26,873,516), 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	
	2024	**2023**
	$	**$**
Net carrying amount		
At beginning of financial year	**2,839,963**	–
Disposal	**(2,839,963)**	–
Transfer from investment property	**12,393,428**	3,106,438
Impairment loss on properties held-for-sale (Note 7)	**–**	(266,614)
Currency translation differences	**(54,683)**	139
At end of financial year	**12,338,745**	2,839,963

During the financial year, the Group transferred cost and accumulated depreciation of $13,330,047 and $936,619 respectively from investment property to property held-for-sale due to the change in the Group's intention to dispose its property located at 23-31 Lincoln Square South, Carlton, Melbourne, Australia and in compliance with SFRS(I) 5.

In prior 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 sale of leasehold property located in Singapore was completed on 22 June 2023, with sales proceeds amounting to $2,839,963.

The property held-for-sales held by the Group as at 31 March 2024 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 property held-for-sales 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 Group has no restriction on the realisability of its property held-for-sale and no contractual obligation to purchase, construct or develop investment properties or for repairs, maintenance or enhancements.

Fair valuation of property held-for-sale

The fair value of the property held-for-sale held by the Group in Australia is valued at $15,620,000. The valuation was performed as of 31 March 2024 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 property held-for-sale was categorised under Level 3 of the fair value hierarchy (Note 30).

18. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	$	$	$	$
Trade receivables:				
- third parties	**2,405,885**	1,655,404	**–**	–
- subsidiaries	**–**	–	**299,529**	299,529
	2,405,885	1,655,404	**299,529**	299,529
Less: Allowance for expected credit losses	**(1,869)**	(1,967)	**(299,529)**	(299,529)
	2,404,016	1,653,437	**–**	–
Other receivables:				
- commitment fees	**3,450,000**	3,450,000	**–**	–
- sundry receivables	**36,687**	456,217	**–**	17,751
- deferred purchase consideration ^	**473,499**	466,830	**–**	–
- due from subsidiaries (non-trade)	**–**	–	**30,055,585**	29,636,829
- refundable deposits	**43,714**	45,601	**7,728**	7,728
Less: Allowance for expected credit losses	**(3,706,395)**	(3,471,386)	**(7,267,816)**	(6,526,389)
	297,505	947,262	**22,795,497**	23,135,919
Progress claims paid	**1,440,000**	–	**–**	–
Prepayments	**669,582**	235,355	**26,107**	47,128
VAT/GST receivables	**513,856**	868,141	**–**	–
	2,920,943	2,050,758	**22,821,604**	23,183,047
Total trade and other receivables	**5,324,959**	3,704,195	**22,821,604**	23,183,047
Less:				
Progress claims paid	**(1,440,000)**	–	**–**	–
Prepayments	**(669,582)**	(235,355)	**(26,107)**	(47,128)
VAT/GST receivables	**(513,856)**	(868,141)	**–**	–
Add:				
Cash and cash equivalents (Note 20)	**5,184,494**	8,314,212	**585,635**	1,376,367
Financial assets at amortised cost	**7,886,015**	10,914,911	**23,381,132**	24,512,286

^ Deferred purchase consideration of $473,499 (2023: $466,830) 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 (2023: 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.

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18. Trade and other receivables (cont'd)

Progress claims paid

Progress claims paid amounting to $1,440,000 relate to progress claim paid to supplier for acquisition of 6 units of shophouse located in Brunei by a subsidiary of the Company, Ambertree Pte Ltd.

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	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Trade receivables				
At 1 April	**1,967**	2,105	**299,529**	299,529
Exchange differences	**(98)**	(138)	**–**	–
	1,869	1,967	**299,529**	299,529
Other receivables				
At 1 April	**3,471,386**	3,472,878	**6,526,389**	6,046,589
Charge for the year	**240,037**	–	**741,427**	479,800
Exchange differences	**(5,028)**	(1,492)	**–**	–
	3,706,395	3,471,386	**7,267,816**	6,526,389
At 31 March	**3,708,264**	3,473,353	**7,567,345**	6,825,918

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.

18. Trade and other receivables (cont'd)

Commitment fees (cont'd)

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.

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, the defendant, 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 and Note 33.

Due from subsidiaries (non-trade)

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

19. Inventories

	Group	
	2024	**2023**
	$	**$**
Finished goods	**1,732,632**	826,039
Work-in-progress	**1,280,963**	1,504,395
Raw materials	**1,879,013**	2,105,724
	4,892,608	4,436,158

The cost of inventories recognised as expense and included in "cost of sales" amounted to $8,690,353 (2023: $7,133,699).

During the financial year, the Group recognised write back of allowance for inventory obsolescence of $17,201 (2023: $92,390).

20. Cash and cash equivalents

	Group		Company	
	2024	2023	2024	2023
	$	$	$	$
Cash and bank balances	**3,803,963**	3,872,070	**540,003**	450,344
Fixed deposits	**1,380,531**	4,442,142	**45,632**	926,023
Cash and cash equivalents	**5,184,494**	8,314,212	**585,635**	1,376,367

Fixed deposits of the Group and the Company bear interest rates ranging from 2.30% to 5.55% (2023: from 0.56% to 5.10%) per annum and have a maturity period of 1 to 12 months (2023:1 to 12 months) from year end.

21. Trade and other payables

	Group		Company	
	2024	2023	2024	2023
	$	$	$	$
Trade payables:				
- third parties	**627,441**	526,994	**–**	–
Other payables:				
- third parties	**1,081,785**	577,178	**75,780**	36,841
Contract liabilities	**8,732**	23,390	**–**	–
Due to a subsidiary (non-trade)	**–**	–	**1,025,667**	–
VAT/GST payables	**35,709**	33,898	**27,808**	25,108
Deposits received	**–**	45,000	**–**	–
Accrued operating expenses:				
- salaries and bonuses	**191,130**	189,757	**45,266**	44,940
- professional fees	**147,015**	198,870	**82,219**	110,698
- commission fees	**92,440**	141,239	**–**	–
- others	**316,598**	324,002	**17,475**	17,149
Loan from non-controlling shareholder	**1,929,419**	2,018,058	**–**	–
	3,802,828	3,551,392	**1,274,215**	234,736
Total	**4,430,269**	4,078,386	**1,274,215**	234,736
Add: Loans and borrowings (Note 23)	**929,726**	3,516,472	**–**	–
Less: Provision for unutilised leave	**(16,085)**	(17,149)	**(16,085)**	(17,149)
Less: Contract liabilities	**(8,732)**	(23,390)	**–**	–
Less: VAT/GST payables	**(35,709)**	(33,898)	**(27,808)**	(25,108)
Financial liabilities at amortised cost	**5,299,469**	7,520,421	**1,230,322**	192,479

Trade payables are unsecured, non-interest bearing and are normally settled between 30 to 90 days (2023: 30 to 90 days) terms.

Due to a subsidiary (non-trade) is unsecured, interest-free and repayable on demand.

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

22. Share capital

	Group and Company			
	2024	2023	2024	2023
	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	
	2024	2023
	$	$
Current		
Lease liabilities	**24,811**	17,439
Loans and borrowings:		
- Foreign currency loan against import	**900,098**	825,272
- Term loan	**–**	161,525
	924,909	1,004,236
Non-current		
Lease liabilities	**4,817**	8,600
Loans and borrowings:		
- Term loan	**–**	2,503,636
	4,817	2,512,236
Total loans and borrowings	**929,726**	3,516,472

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 (2023: 120 days) and is renewable upon maturity. Interest rates range from 4.24% to 6.94% (2023: 2.12% to 7.30%) per annum.

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 property held-for-sale (Note 17) 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 7.96% to 8.15% (2023: 3.29% to 7.02%) per annum.

The term loan was fully repaid during the financial year ended 31 March 2024.

Lease liabilities

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

	Group	
	2024	**2023**
	$	**$**
At 1 April	**26,039**	46,920
Additions	**33,421**	12,943
Accretion of interest	**1,796**	1,285
Payments	**(30,249)**	(32,576)
Foreign exchange	**(1,379)**	(2,533)
At 31 March	**29,628**	26,039
Current	**24,811**	17,439
Non-current	**4,817**	8,600
	29,628	26,039

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 (2023: 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:

	1.4.2023	Cash flows	Non-cash changes			31.03.2024
			Addition	Foreign exchange	Other	
	$	$	$	$	$	$
Group						
Loans and borrowings:						
- current	986,797	(6,777,259)	–	60,587	6,629,973	**900,098**
- non-current	2,503,636	4,126,337	–	–	(6,629,973)	**–**
Lease liabilities:						
- current	17,439	(28,453)	33,421	(1,379)	3,783	**24,811**
- non-current	8,600	–	–	–	(3,783)	**4,817**
Loan from non-controlling interest	2,018,058	–	–	(88,639)	–	**1,929,419**
Total	5,534,530	(2,679,375)	33,421	(29,431)	–	**2,859,145**

	1.4.2022	Cash flows	Non-cash changes			31.03.2023
			Addition	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

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	
	2024	**2023**
	$	**$**
At beginning of the financial year	**1,072,818**	1,479,424
Recognised in profit or loss (Note 10)	**173,629**	(285,660)
Currency translation differences	**(86,236)**	(120,946)
	1,160,211	1,072,818

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	Unutilised tax losses and capital allowances	Right-of-use assets	Total
	$	**$**	**$**	**$**	**$**
Group					
Deferred tax liabilities/(assets)					
At 1 April 2022	1,586,202	(106,717)	–	(61)	1,479,424
Recognised in the profit or loss	(43,505)	47,228	(289,401)	18	(285,660)
Currency translation differences	(134,865)	5,603	8,312	4	(120,946)
At 31 March 2023 and 1 April 2023	1,407,832	(53,886)	(281,089)	(39)	1,072,818
Recognised in the profit or loss	(94,331)	(3,547)	271,564	(57)	173,629
Currency translation differences	(98,507)	2,744	9,525	2	(86,236)
At 31 March 2024	**1,214,994**	**(54,689)**	**–**	**(94)**	**1,160,211**

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 (2023: $13,000,000). 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 and motor vehicles 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.

	Leasehold land and buildings	Hostel	Total
	$	$	$
Group			
Cost			
At 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 and 1 April 2023	4,115,579	44,432	4,160,011
Additions	–	33,421	33,421
Disposal	–	(18,468)	(18,468)
Exchange difference	(99,600)	(2,461)	(102,061)
At 31 March 2024	**4,015,979**	**56,924**	**4,072,903**
Accumulated depreciation and impairment			
At 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 (Note 5)	(47,228)	–	(47,228)
Exchange difference	(34,776)	(1,968)	(36,744)
At 31 March 2023 and 1 April 2023	421,196	31,014	452,210
Depreciation charge	71,544	22,409	93,953
Disposal	–	(18,468)	(18,468)
Exchange difference	(37,402)	(1,611)	(39,013)
At 31 March 2024	**455,338**	**33,344**	**488,682**
Net carrying amount			
At 31 March 2024	**3,560,641**	**23,580**	**3,584,221**
At 31 March 2023	3,694,383	13,418	3,707,801

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

Group as a lessee (cont'd)

	Leasehold buildings $
Company	
Cost	
At 1 April 2022, 31 March 2023, 1 April 2024 and 31 March 2024	**2,339,679**
Accumulated depreciation	
At 1 April 2022	278,686
Depreciation charge	39,007
Reversal of impairment loss	(47,228)
At 31 March 2023 and 1 April 2023	270,465
Depreciation charge	39,921
At 31 March 2024	**310,386**
Net carrying amount	
At 31 March 2024	**2,029,293**
At 31 March 2023	2,069,214

The following are the amounts recognised in profit or loss:

	Group	
	2024 $	**2023** $
Depreciation of right-of-use assets	**93,953**	97,225
Interest expenses on lease liabilities (Note 6)	**1,796**	1,285
Expenses relating to short term leases or low-value assets	**24,039**	25,854
Reversal of impairment loss on right-of-use assets	**–**	(47,228)
	119,788	77,136

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 2024, the fair value of a leasehold building of the Company located at CT Hub, Singapore was valued at $2,560,000 (2023: $2,450,000). In prior year, a full reversal of previously recognised impairment loss of $47,228 was recognised in "administrative expenses" as the recoverable amount is higher than the carrying amount of the leasehold building of $2,069,214.

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

Group as a lessee (cont'd)

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

Significant inputs used in the valuation are the price per square foot of comparable properties in the vicinity, ranging from $945 to $1,049 (2023: $807 to $1,026) 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 (2023: Level 3) of the fair value hierarchy.

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 $33,421 (2023: $12,943). The Group had total cash outflows for leases of $30,249 (2023: $32,576) in 2024.

26. Foreign currency translation reserves

	Foreign currency translation reserve
	$
Group	
2024	
At beginning of the financial year	**(8,237,198)**
Net exchange differences on translation of financial statements of foreign subsidiaries	**(1,588,241)**
At end of the financial year	**(9,825,439)**
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)

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	
	2024	**2023**
	$	**$**
Directors of the Company		
- Salaries and related costs	**504,408**	652,408
- Employer's contribution to defined contribution plans	**2,160**	3,840
- Directors' fees	**233,547**	243,000
Directors of subsidiaries		
- Directors' fees	**136,094**	145,033
Other key management personnel		
- Salaries and related costs	**605,799**	599,452
- Employer's contribution to defined contribution plans	**14,559**	13,378
	1,496,567	1,657,111

A summary of key management personnel compensation is as follows:

	Group	
	2024	**2023**
	$	**$**
Salaries and related costs	**1,110,207**	1,251,860
Directors' fees	**369,641**	388,033
Employer's contribution to defined contribution plans	**16,719**	17,218
	1,496,567	1,657,111

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	
	2024	2023
	$	$
Corporate guarantee		
Guarantee issued for bank facilities granted to subsidiaries (Note 23)	**2,602,600**	6,351,100
Amounts utilised by subsidiaries	**900,098**	3,490,433

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 2024 and 31 March 2023. 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, credit risk and liquidity 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 2024 and 31 March 2023.

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 is 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.

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

(a) Foreign currency risk (cont'd)

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		
2024		
Financial assets		
Trade and other receivables	**2,494,573**	**–**
Cash and cash equivalents	**2,712,518**	**7,611**
	5,207,091	**7,611**
Financial liabilities		
Trade and other payables	**634,506**	**–**
Loans and borrowings	**900,098**	**–**
	1,534,604	**–**
Net financial assets denominated in foreign currency exposure	**3,672,487**	**7,611**
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 $
Company		
2024		
Financial assets		
Cash and bank balances	**328,780**	**7,611**
	328,780	**7,611**
Financial liabilities		
Trade and other payables	**1,025,667**	**–**
	1,025,667	**–**
Net financial (liabilities)/assets denominated in foreign currency exposure	**(696,887)**	**7,611**
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

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	
	2024 $	2023 $
USD/SGD		
- weakened 10% (2023: 10%)	**304,816**	526,768
- strengthened 10% (2023: 10%)	**(304,816)**	(526,768)
AUD/SGD		
- weakened 10% (2023: 10%)	**(632)**	(639)
- strengthened 10% (2023: 10%)	**632**	639

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 (2023: 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.

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

(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 (2023: 100) basis points higher/lower with all other variables were held constant, the Group's loss before tax for financial year ended 31 March 2024 would increase/decrease by $6,964 (2023: $16,028). 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 risks (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 risks (cont'd)

Exposure to credit risk

At year end, $2,330,953 (2023: $1,594,296) of the Group's trade receivables were due from 2 (2023: 3) major customers in the door business segment, who supply building materials in the United Kingdom. 86% (2023: 86%) of the Company's other receivables were balances with 2 (2023: 2) subsidiaries.

Movements in allowance for expected credit losses are as follows:

	Trade receivables	Other receivables	Total
	$	$	$
Group			
Balance at 1 April 2022	2,105	3,472,878	3,474,983
Currency translation differences	(138)	(1,492)	(1,630)
Balance at 31 March 2023 and 1 April 2023	1,967	3,471,386	3,473,353
Loss allowance provided:			
Provision for lifetime ECL - credit-impaired	–	240,037	240,037
Currency translation differences	(98)	(5,028)	(5,126)
Balance at 31 March 2024	**1,869**	**3,706,395**	**3,708,264**

	Amounts due from subsidiaries
	$
Company	
Balance at 1 April 2022	6,346,118
Loss allowance provided:	
- Provision for lifetime ECL - credit-impaired	479,800
Balance at 31 March 2023 and 1 April 2023	6,825,918
Loss allowance provided:	
- Provision for lifetime ECL - credit-impaired	741,427
Balance at 31 March 2024	**7,567,345**

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

(c) Credit risk (cont'd)

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.

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 2024				
Trade receivables	Lifetime ECL - credit-impaired	**2,405,885**	**(1,869)**	**2,404,016**
Other receivables				
- commitment fees	Lifetime ECL - credit-impaired	**3,450,000**	**(3,450,000)**	**–**
- sundry receivables	12-month ECL	**16,367**	**–**	**16,367**
	Lifetime ECL - credit-impaired	**20,320**	**(20,320)**	**–**
- deferred purchase consideration	Lifetime ECL - credit-impaired	**473,499**	**(236,075)**	**237,424**
- refundable deposits	12-month ECL	**43,714**	**–**	**43,714**
Cash and cash equivalents	12-month ECL	**5,184,494**	**–**	**5,184,494**
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

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 2024				
Trade receivables	Lifetime ECL - credit-impaired	**299,529**	**(299,529)**	**–**
Due from subsidiaries	12-month ECL	**22,787,769**	**–**	**22,787,769**
	Lifetime ECL - credit-impaired	**7,267,816**	**(7,267,816)**	**–**
Cash and cash equivalents	12-month ECL	**585,635**	**–**	**585,635**
Other receivables	12-month ECL	**7,728**	**–**	**7,728**
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

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 $30,355,114 (2023: $29,936,358), the Company assessed the latest performance and financial position of the respective subsidiaries, taking into consideration the fair value of the subsidiaries' development properties and future outlook of the industry in which the subsidiaries operate, and assessed for changes in credit risk since the initial recognition of the financial assets. Accordingly, the Company recognised the impairment loss allowance using lifetime ECL of $7,567,345 (2023: $6,825,918).

Financial guarantees

The Company has issued financial guarantees to banks for borrowings of its subsidiary. 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	Total
	$	$	$
Group			
2024			
Financial assets:			
Trade and other receivables	**2,701,521**	**–**	**2,701,521**
Cash and cash equivalents	**5,184,494**	**–**	**5,184,494**
Financial asset at FVTPL	**55**	**–**	**55**
Total undiscounted financial assets	**7,886,070**	**–**	**7,886,070**
Financial liabilities:			
Trade and other payables	**4,369,743**	**–**	**4,369,743**
Interest bearing borrowings			
- Foreign currency loan against import (floating rates)	**919,946**	**–**	**919,946**
Lease liabilities	**26,052**	**4,862**	**30,914**
Total undiscounted financial liabilities	**5,315,741**	**4,862**	**5,320,603**
Total net undiscounted financial assets/(liabilities)	**2,570,329**	**(4,862)**	**2,565,467**

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				
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

	One year or less	
	2024	2023
	$	$
Company		
Financial assets:		
Trade and other receivables	**22,795,497**	23,135,919
Cash and cash equivalents	**585,635**	1,376,367
Total undiscounted financial assets	**23,381,132**	24,512,286
Financial liabilities:		
Trade and other payables	**1,230,322**	192,479
Total undiscounted financial liabilities	**1,230,322**	192,479
Total net undiscounted financial assets	**22,150,810**	24,319,807

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	
	2024	**2023**
	$	**$**
Company		
Financial guarantees	**2,602,600**	6,351,100

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 2024 and 31 March 2023.

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		
2024		
Recurring fair value measurement		
Financial assets at fair value through profit or loss	**55**	**55**
2023		
Recurring fair value measurement		
Financial assets at fair value through profit or loss	111	111

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 2024 and 31 March 2023.

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**
		$	**$**
Group			
Recurring fair value measurements			
2024			
Assets			
Development properties	16	**25,976,534**	**25,976,534**
Property held-for-sale	17	**15,620,000**	**15,620,000**
2023			
Assets			
Investment properties	14	16,198,000	16,198,000
Development properties	16	26,873,516	26,873,516

Fair values of the property held-for-sale, investment properties and development properties are based on independent valuations performed and further details are disclosed until Notes 17, 14 and 16 of the financial statements respectively.

30. Fair value of financial 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				
2024				
Development properties	**25,976,534**	Direct Comparison Approach	Yield adjustments based on management's assumptions*	**2% - 7%**
Property held-for-sale	**15,620,000**	Direct Comparison Approach	Yield adjustments based on management's assumptions*	**25% - 112%**
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%

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

For investment properties, development properties and property held-for-sale, 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.

(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, 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).

31. Segment information (cont'd)

The segment information provided to management for the reportable business segments are as follows:

	Continuing operation				Discontinued operation	
	Investment	Door business	Property business	Secured property financing	Door business	Total
	$	$	$	$		$
31 March 2024						
Segment revenue						
Sales - external	–	15,293,435	–	11,723	–	15,305,158
Segment (loss)/profit	(2,269,497)	1,309,921	(1,145,513)	11,723	(15,603)	(2,108,969)
Other income						603,184
Finance costs						(147,761)
Loss before tax						(1,653,546)
Income tax credit						(294,462)
Loss for the financial year						(1,948,008)
Assets						
Segment and consolidated total assets	2,756,866	17,534,218	44,803,425	–	–	65,094,509
Liabilities						
Segment liabilities	248,548	1,339,882	2,829,485	–	12,354	4,430,269
Borrowings	–	929,726	–	–	–	929,726
Deferred tax liabilities	–	1,160,211	–	–	–	1,160,211
Income tax payable	–	88,552	–	–	–	88,552
Consolidated total liabilities	248,548	3,518,371	2,829,485	–	12,354	6,608,758
Other segment items						
Allowance for expected credit loss on other receivables	–	240,037	–	–	–	240,037
Depreciation of property, plant and equipment	11,552	564,575	161	–	–	576,288
Depreciation of right-of-use assets	39,921	54,032	–	–	–	93,953
Depreciation of investment properties	–	–	172,540	–	–	172,540
Write back of allowance for inventory obsolescence	–	(17,201)	–	–	–	(17,201)
Reversal of impairment loss on development properties	–	–	(292,207)	–	–	(292,207)

31. Segment information (cont'd)

	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)

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.

Malaysia

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**	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Singapore	**81,098**	–	**2,135,475**	2,072,029
Malaysia	**–**	–	**6,999,903**	7,885,530
Australia	**11,723**	10,660	**–**	12,652,689
United Kingdom	**14,491,177**	9,782,475	**–**	–
Ireland	**721,160**	1,050,719	**–**	–
Indonesia	**–**	–	**78**	245
	15,305,158	10,843,854	**9,135,456**	22,610,493

Non-current assets presented above excludes financial assets at fair value through profit or loss.

Information about major customers

Revenue of approximately $14,964,963 (2023: $9,556,103) are derived from 2 (2023: 4) external customers who individually contributed 10% or more of the Group's revenue and are attributable to the segments as detailed below:

		Group	
		2024	**2023**
		$	**$**
Customer	Attributable segments		
Customer 1	Door business	**6,663,239**	3,017,065
Customer 2	Door business	**406,812**	2,002,580
Customer 3	Door business	**588,505**	3,485,739
Customer 4	Door business	**587,004**	1,050,719
Customer 5	Door business	**6,719,403**	–
		14,964,963	9,556,103

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 2024 and 31 March 2023.

	Group		**Company**	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Total borrowings	**929,726**	3,516,472	**–**	–
Less: Cash and cash equivalents	**(5,184,494)**	(8,314,212)	**(585,635)**	(1,376,367)
Net surplus	**(4,254,768)**	(4,797,740)	**(585,635)**	(1,376,367)
Total equity	**50,575,254**	54,192,413	**61,126,305**	65,522,522
Total capital	**46,320,486**	49,394,673	**60,540,670**	64,146,155

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. Subsequent events

On 5 June 2024, a subsidiary of the Company, Ambertree Vic Mel (Lincoln) Pty Ltd ("ABTL") entered into a share subscription deed and a shareholders' agreement with a third party, One Equity (Fitzroy) Pty Ltd ("One Equity"). Pursuant to the share subscription deed, ABTL subscribed for 33 Class A preference shares in 1E, representing 24.8% of the total issued share capital in One Equity, for an aggregate subscription amount of AUD$1,000,000.

On 7 July 2024, a subsidiary of the Company, Ambertree Vic Mel (Lincoln) Pty Ltd entered into a non-binding memorandum of understanding with Fathom Lincoln Pty Ltd with the aim of obtaining the relevant planning permits for the proposed development of the building at 23-31 Lincoln Square South, Carlton into a Purpose-Built Student Accommodation.

35. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2024 were authorised for issue in accordance with a directors' resolution dated 8 July 2024.

STATISTICS OF SHAREHOLDINGS

AS AT 27 JUNE 2024

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 2024, 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.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	48	1.69	644	0.00
100 - 1,000	126	4.43	105,727	0.00
1,001 - 10,000	454	15.97	2,778,807	0.05
10,001 - 1,000,000	1,833	64.50	459,376,040	8.54
1,000,001 AND ABOVE	381	13.41	4,918,295,098	91.41
TOTAL	**2,842**	**100.00**	**5,380,556,316**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	LEE HAN PENG	737,785,100	13.71
2	UOB KAY HIAN PRIVATE LIMITED	686,477,000	12.76
3	LIM MONG LUI	263,720,200	4.90
4	PHILLIP SECURITIES PTE LTD	238,609,729	4.43
5	MAYBANK SECURITIES PTE. LTD.	152,413,500	2.83
6	CITIBANK NOMINEES SINGAPORE PTE LTD	141,180,477	2.62
7	DBS NOMINEES (PRIVATE) LIMITED	113,297,200	2.11
8	LIEW WING ONN	100,207,300	1.86
9	NG HIAN WOON	92,902,800	1.73
10	MICHAEL KOH KOW TEE	77,289,000	1.44
11	HSBC (SINGAPORE) NOMINEES PTE LTD	63,898,000	1.19
12	TAN MENG CHIANG	62,205,000	1.16
13	OCBC SECURITIES PRIVATE LIMITED	55,590,700	1.03
14	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	48,939,100	0.91
15	ABN AMRO CLEARING BANK N.V.	48,825,700	0.91
16	BUN HUI PING	48,733,100	0.91
17	TAN GUAN YU, DARREL	48,476,300	0.90
18	HENG YONG SENG	43,000,000	0.80
19	WONG LEH ING	39,997,000	0.74
20	KOH SWAM SING	36,500,000	0.68
	TOTAL	**3,100,047,206**	**57.62**

STATISTICS OF SHAREHOLDINGS

AS AT 27 JUNE 2024

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	737,785,100	–

Interest registered under UOB Kay Hian Private Limited

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 Wednesday, 31 July 2024 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**") 2024 and the Auditors' Report thereon.
(Resolution 1)

2. To approve the payment of Directors' fees of S$203,000 for the financial year ending 31 March 2025. (FY2024: S$243,000) **(Resolution 2)**

3. To re-elect the following Directors retiring under Article 109 of the Company's Constitution:

   a. Mr. Mark Leong Kei Wei **(Resolution 3)**
   [See Explanatory Note (a)]

   b. Mr. Chia Fook Sam **(Resolution 4)**
   [See Explanatory Note (b)]

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 ("**Shareholders**") (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, 16 July 2024

EXPLANATORY NOTES:

(a) **Resolution 3** is to re-elect Mr. Mark Leong Kei Wei ("**Mr. Leong**") as a Director of the Company. Mr. Leong will, upon re-election, remain as an Independent Director and the Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee of the Company. Certain key information on Mr. Leong can be found in the sections entitled "Board of Directors" and "Report on Corporate Governance" of the annual report of the Company for FY2024 ("**Annual Report 2024**"). The Board considers Mr. Leong to be independent for the purposes of Rule 704(7) of the Catalist Rules.

(b) **Resolution 4** is to re-elect Mr. Chia Fook Sam ("**Mr. Chia**") as a Director of the Company. Mr. Chia will, upon re-election, remain as Executive Director and Chief Operating Officer of the Company. Certain key information on Mr. Chia can be found in the sections entitled "Board of Directors" and "Report on Corporate Governance" of the Annual Report 2024.

(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 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 Wednesday, 31 July 2024 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 members to participate virtually**. Attendees must bring their original NRIC/Passport for verification and registration on the day of the AGM.

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 maybe) 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 website at www.hso.com.sg/investor-relations/agm-2024/. A member 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 srs.proxy@boardroomlimited.com,

   in either case, by **10:00 a.m. on 29 July 2024** (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.

   Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**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 19 July 2024**) 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.

   Completion and submission of the instrument appointing a proxy(ies) shall not preclude a Shareholder from attending, speaking and voting at the AGM. Any appointment of a proxy or proxies (including the Chairman of the AGM) shall be deemed to be revoked if a Shareholder attends the AGM, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument appointing a proxy(ies) to the AGM.

7. In the case of members of the Company whose Shares are entered against their names in the Depository Register ("**Depositor**"), the Company may reject any Proxy Form lodged if the Depositor, 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 23 July 2024 ("Deadline")**:

   a. by email to Company's Share Registrar at srs.proxy@boardroomlimited.com;

   b. by email to agm2024@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 members, by **10.00 a.m. on 27 July 2024**. Any subsequent clarification sought, or substantial or relevant questions received after the Deadline will be addressed at the AGM itself. The Company will also publish its responses to the substantial and relevant questions addressed during the AGM on its corporate website and on SGXNet. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

   The Company will publish the minutes of the AGM within one (1) month after the AGM on the Company's website at www.hso.com.sg/investor-relations/sgx-announcements/ and on SGXNET at https://www.sgx.com/securities/company-announcements and the minutes will include the responses to the substantial and relevant questions received from Shareholders which are addressed during the AGM.

9. All documents (including the Annual Report 2024, 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-2024/. 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.

    *"**Relevant Intermediary**" means:

    (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 attending the AGM, submitting questions in advance of the Meeting and/or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a Depositor or a member of the Company:

1. consents to the collection, use and disclosure of the Depositor's or the member's personal data, as contained in any communication from or on behalf of the depositor or member in relation to the Meeting (including but not limited to questions sent in advance of the Meeting and proxy forms), by the Company (or its agents or service providers) for the following purposes (collectively, the "**Purposes**"):

    (i) processing, administration and analysis by the Company (or its agents or service providers) of proxy forms appointing a proxy(ies) and/or representative(s) 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 (including their proxies and/or representatives) received before the Meeting and if necessary, following up with the relevant members of the Company (including their proxies and/or representatives) in relation to such questions; and

    (iii) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules including the code of corporate governance, regulations and/or guidelines by the relevant authorities;

2. warrants that all information submitted is true and accurate, and where the Depositor or the member discloses the personal data of the Depositor's or the member's proxy(ies) and/or representative(s) and/or any other party to the Company (or its agents or service providers), the Depositor or 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 Depositor or member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Depositor's or 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.

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*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 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)

PROXY FORM

(Please see notes overleaf before completing this Form)

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 Wednesday, 31 July 2024 at 10.00 a.m. (and any adjournment thereof). There will be no option for members to participate virtually. Printed copies of the Notice of AGM, the Letter to Shareholders 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 www.hso.com.sg/investor-relations/agm-2024/ and the SGXNet.
2. Please read the notes overleaf which contain instructions on, inter alia, the appointment of a proxy(ies).
3. Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Bank or SRS Operators to submit their votes by **10:00 a.m. on 19 July 2024**.

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 16 July 2024.

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.

I/We, ______________________ (Name) ____________________ (NRIC/Passport No. Co./ Company Registration. No.)

of ____ (Address)

being a member/members of HS OPTIMUS HOLDINGS LIMITED (the "**Company**"), hereby appoints:

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.*

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 2024 and the Auditors' Report thereon **(Resolution 1)**			
2.	Approval of Directors' fees of S$203,000 for the financial year ending 31 March 2025 **(Resolution 2)**			
3.	Re-election of Mr. Mark Leong Kei Wei as a Director retiring under Article 109 of the Company's Constitution **(Resolution 3)**			
4.	Re-election of Mr. Chia Fook Sam as a Director retiring under Article 109 of the Company's Constitution **(Resolution 4)**			
5.	Re-appointment of Messrs Ernst & Young LLP as the Company's Independent Auditors and to authorise the Directors to fix their remuneration **(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 _____________ 2024

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 (2) proxies to attend, speak and vote at the AGM. Where such members 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 (2) 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 (2) 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 srs.proxy@boardroomlimited.com,

   in either case, by **10:00 a.m. on 29 July 2024** (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 authorise, 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 authorised 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 through CPF and SRS ("**CPF/SRS Investor**") and shall be ineffective for all intents and purposes if used or purported to be used by him/her. A CPF/SRS Investor who wishes to appoint the Chairman of the AGM as proxy should approach his/her respective CPF Agent Banks or SRS Operators to submit his/her votes at least seven (7) working days before the AGM (i.e. by **10:00 a.m. on 19 July 2024**).

* "Relevant Intermediary" means:

(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 license 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 16 July 2024.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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
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