

HS OPTIMUS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199504141D)

BUSINESS UPDATE ON THE PROPERTY BUSINESS AND DOOR BUSINESS

The Board of Directors (the “**Board**”) of HS Optimus Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to provide shareholders of the Company (“**Shareholders**”) with a business update for the first quarter of the financial year ended 31 March 2023 (“**Q1FY2023**”) in relation to the main business segments of the Group and the key geographical areas the Group has operations in:

(i) **Property Business**

The Group continues to work on leasing out its fully refurbished five-storey freehold heritage building at Lincoln Square to derive rental income. This was initially met with low enquiries which was previously affected by the COVID-19 pandemic which resulted in several lockdowns imposed by the Victoria state government. With the continued opening up of the travel borders and easing of restrictions and lockdowns, the Group has engaged Melbourne’s leading realtors and agents to continue to pursue suitable tenants and try to capitalize on a slowly improving commercial leasing market, with more enquiries received.

On 12 July 2022, the Group entered into a Deed of Extension of the Investment (Debt) and Marketing Agreement with 82 Westgarth Pty Ltd (as trustee for the 82 Westgarth St Unit Trust) to extend the repayment date for 6 months and continue to accrue interest income and all securities continue to remain effective, valid and enforceable. The development known as 82 Westgarth in Fitzroy, Melbourne has been launched and has since received strong interest from both potential Melbourne home-owners and property investors alike.

Over in Jakarta, Indonesia, although certain restriction has been lifted and travelling requirements eased, the property market remains to be soft. The Group will continue to remain cautious and calibrated in relation to the necessary applications for the respective permits. While this asset has been fully paid for and not encumbered, the Group and the joint venture partners continue to keep administrative costs to a minimum.

(ii) **Door Business**

The Group’s door business operation in Johor, Malaysia continued to receive orders from its main customers based in the United Kingdom (“**UK**”). The UK has predominantly been the Group’s door business largest customer base and there are now signs of slowdown by the existing UK customers due to decline in the disposable income because of the high inflation rate which has adversely affected the buying behaviour. In addition, the ongoing Russian – Ukraine conflict has resulted in an increase in oil and gas prices which in turn also affected the logistics and transport cost. The Company would like to highlight that continued challenges remain including inflation, the global supply bottleneck in container shipping services, the rising raw material prices and raw material shortages, and that the Group will continue to on-board new customers and monitor costs to remain price competitive given the weakening demand and aggressive pricing by competitors.

(iii) **Secured Property Financing Business**

The Group obtained the mandate in Secured Property Financing Business in last December. While the Group is expected to continue to rely substantially on its existing businesses, the Secured Property Financing Business is also expected to add new revenue streams to the Group. The costs incurred for this new segment to date remain minimal as the Company continues to explore ways to develop and advance this new business.

This announcement is based on a preliminary assessment of the latest unaudited consolidated management accounts of the Group and is not based on any financial figures or information which

have been audited or reviewed by the Group's auditors. Accordingly, Shareholders are cautioned not to place undue reliance on forward-looking statements within this announcement, which are based on the current view of management regarding future events. The Company will provide further details of the Group's performance as and when appropriate (including providing relevant business updates between the announcements of its financial results).

By order of the Board

HS Optimus Holdings Limited

Gloria Wong
Executive Director
30 August 2022

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, R & T Corporate Services Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement including the accuracy or completeness of any of the figures used, statements, opinions or other information made or disclosed.

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

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