



**Securities Investors Association (Singapore)**  
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111  
Tel: (65) 6227 2683 Fax: (65) 6220 6614  
Email: [admin@sias.org.sg](mailto:admin@sias.org.sg) [www.sias.org.sg](http://www.sias.org.sg)  
UEN No: S99SS0111B  
GST Reg No: M90367530Y

**Issuer:** HS Optimus Holdings Limited

**Stock code:** 504

**Meeting details:**

Date: 28 July 2021

Time: 10.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

**Q1.** Despite the challenges of the pandemic, the group reported higher revenue of \$18.3 million and a profit after tax of \$1.8 million in FY2021. The profit comes after three consecutive years of losses which totaled \$(19.0) million.

In the financial year, the company changed its name to “HS Optimus Holdings Limited”. The group’s main business segments are “Door manufacturing & distribution” and “Property investments and property developments”. As noted in the chairman’s statement, the demand for the group’s doors remained resilient during the year, especially from the main market of the United Kingdom.

- (i) **Can management elaborate further on the group’s value-add in the door manufacturing operations, i.e. what is the form of the raw material and how does the group turn it to finished goods (such as timber doors, fire doors, engineered doors, customised doors etc) at the manufacturing facilities in Johor?**
- (ii) **With the cessation of the group’s operations in Vietnam and China, what is the current manufacturing capacity in Malaysia? What were the utilisation rates in FY2021?**
- (iii) **Can management elaborate further on the impact on the group’s operations from the Movement Control Orders in Malaysia?**
- (iv) **As disclosed on pages 105 and 116, the group derived 86% (2020: 87%) of its revenue from 3 external customers in the door business segment. These major customers are suppliers of building materials in the UK. Can management elaborate further on the profiles of these major customers? What are the avenues applied by the group in retaining these major customers? Is the group also actively sourcing for new customers to diversify its customer base?**
- (v) **What were the group’s efforts to secure supply and installation projects in Singapore? Is it still the group’s priority to secure such projects?**
- (vi) **What are the key opportunities in the door business going forward?**

**Q2.** For the property business, the group has made investments in Melbourne, Australia and Jakarta, Indonesia (see page 3). On 13 July 2021, the company announced an investment (loan) and marketing agreement to finance the redevelopment of a warehouse into residential apartments in Melbourne.

With the upgrading of the Lincoln Square Carlton building completed, the group appointed marketing agents to market it for lease. The property has been reclassified from development property to investment property at a carrying cost of \$15.15 million as at 31 March 2021.

- (i) **What are the reasons for the change in strategy to hold the five-storey freehold heritage office building as an investment property?**
- (ii) **Did the group try to market the building?** The fair value of the investment property is \$19.36 million based on a valuation performed as of 31 March 2021 based on the property's highest and best use (page 82).
- (iii) **How was the new investment and marketing agreement sourced? Can management help shareholders understand the group's marketing capabilities for residential apartments in Melbourne?**
- (iv) **In addition, what due diligence did the group conduct prior to entering into the agreement?**

In Jakarta, the group's application for various permits and licences to develop 15 adjacent land parcels into condominium and small office home office (SOHO)/office units for sale at South Jakarta has been delayed due to the COVID-19 pandemic. In FY2021, the company further extended a loan of \$1.4 million to its subsidiary, PT Ambertree Development Jakarta (PTADJ). The loan due from its subsidiary amounts to \$23.4 million and is unsecured, non-interest bearing and repayable at the discretion of the subsidiary.

- (v) **Does management have any visibility on when it can obtain the permits and licences?**
- (vi) **What is the financial status of the joint venture partner in Indonesia, PT Codefin?**
- (vii) **What is the level of involvement by management and by PT Codefin in PT Ambertree Development Jakarta?**
- (viii) **What is the capital investment needed to develop the condominium and office units? How is the group going to fund this?**

**Q3.** At the last annual general meeting held on 29 September 2020, Mr Lim Han Siang Peter, then an independent director, was voted out with 100% of the votes (1,973,925,000 shares) at the AGM against his re-election. The company announced the resignation of Mr Chan Ka Kin Kevin, an independent director since 2016, on 17 February 2021, with the eventual effective date of 30 April 2021.

The new directors appointed to the board are:

- Mr Ang Wee Ming (1 December 2020); based in Singapore
- Ms Lim Li Hui (1 July 2021); based on Brunei Darussalam
- Ms Vivien Goo Bee Yen (30 March 2020); based in Brunei Darussalam

The profiles of the directors can be found on pages 10 and 11 of the annual report.

- (i) **What is the search and nomination process for directors, especially independent directors?**
- (ii) **Can the board help shareholders understand if it had deliberately sourced director candidates from Brunei Darussalam?** Two of the new directors are based in Brunei Darussalam while the group does not appear to have business or operations in Brunei Darussalam although the non-executive chairman has his principal residence in Brunei.
- (iii) **Can the nominating committee help shareholders understand how the experience of the board, especially the newly appointed directors, is aligned with the group's long term objectives?**
- (iv) **Did the board consider the effectiveness of the board, given that the three newly appointed directors are all first-time directors?**
- (v) **Have the newly appointed first-time directors attended the training on roles and responsibilities of a director of a listed company in Singapore as prescribed by SGX?**

<sup>^</sup>On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June

<sup>^</sup> Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (<https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation>)

2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

**Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.**

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on [SIAS website](#)

Join our mailing list [here](#) to receive latest news and upcoming events.

CONNECT WITH US

