



Securities Investors Association (Singapore)
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UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: HS Optimus Holdings Limited

Stock code: 504

Meeting details:

Date: 27 July 2023

Time: 10.00 a.m.

Venue: HomeTeamNS-JOM Balestier, Seminar Room, Level 3, 31 Ah Hood Road, Singapore 329979

Q1. Would the board/management provide shareholders with greater clarity regarding the following operational and financial matters:

- (i) **Door manufacturing and distribution:** Considering the significant weakness observed in the main export market, the United Kingdom, can management elaborate on their efforts and progress in developing new markets and acquiring new customers? What is the utilisation rate of the group's door manufacturing facility, and is it significantly below the breakeven point? Can management shed light on the specific measures being implemented to address the challenges faced during this period of market decline and ensure a more resilient performance for the door segment?
- (ii) **Property development (Indonesia):** Although the group has obtained initial permits for the project in South Jakarta, management is currently exploring available options to effectively monetise the value of this significant land asset. **Can the board provide an update on the status of deliberations regarding the potential divestment of the land? What are the key factors being considered in the decision-making process?**
- (iii) **Property investment (Lincoln Square):** Can management confirm that the fully refurbished heritage building remained unoccupied throughout the entire year due to challenges in securing a single tenant? When can shareholders expect the board/management to make a decision regarding the leasing strategy, specifically considering a potential shift to a multi-tenant approach?

Q2. In the chairman's statement, it was highlighted that the group has recently entered into its first secured property financing arrangement, providing a loan of A\$400,000 to a borrower for a one-year term at an interest rate of 12% per annum. The loan is intended for working capital purposes and is secured by a first charge mortgage on an unencumbered freehold commercial property situated in Geelong, Victoria.

- (i) Can management provide further details on the customer acquisition strategy for this new business line?**
- (ii) Could management provide an overview of the customer profile that the Property Financing Business is targeting?**
- (iii) What criteria were used to evaluate the borrower, and what is the loan-to-value ratio employed in this loan? How does the management assess the borrower's ability to generate sufficient cash flow for repayment?**
- (iv) How familiar is the group with the laws and regulations pertaining to property financing and the rights of a lender in Australia?**
- (v) With an interest rate of 12% per annum charged on the loan, does the board perceive this loan as carrying a high level of risk?**

The chairman has stressed that the group is familiar with, and has a track record in, the Australian property market. While the group has received full repayment of the principal sum of A\$2 million related to the Investment (Debt) and Marketing Agreement, the group is still looking to lease out Lincoln Square (which has a carrying value of \$12.7 million (carried at cost less accumulated depreciation and impairment)).

- (vi) Could the company quantify the group's track record in Melbourne/Australia regarding its ability to create and monetise value for shareholders?**

Q3. The attendance of directors at board and board committee meetings is shown on page 15 of the annual report and reproduced below.

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

Notes:

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

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

(Source: company annual report)

- (i) **What were the extenuating circumstances that led the chairman, Pengiran Muda Abdul Qawi, and Ang Wee Ming to be absent from a third of the board meetings?**
- (ii) **Can the company confirm that the two directors did not participate remotely through voice calls or video conferencing?**
- (iii) **How effective are the two directors in the decision-making process and overall governance of the company?**
- (iv) **Similarly, has the board's effectiveness been impaired as a result and have the directors been able to discharge their duties and responsibilities?**
- (v) **Would Pengiran Muda Abdul Qawi and Ang Wee Ming be committing themselves to attend the board (and board committee) meetings?**
- (vi) **How can the company secretary and the company work together with the board to improve the attendance of directors at board meetings?**

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](#)

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