OTS HOLDINGS LIMITED
(Company Registration Number: 201505559W)
(Incorporated in the Republic of Singapore)

RESPONSE TO QUERIES FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE) ON THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

The Board of Directors (the "**Board**" or "**Directors**") of OTS Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the queries raised by Securities Investors Association (Singapore) ("**SIAS**") in relation to the Group's Annual Report for the financial year ended 30 June 2025 ("**FY2025**"). The Company did not receive any questions from shareholders. The Company's responses to the questions from SIAS are as follows:

Q1. Full-year revenue remained broadly flat at $29.75 million. The modern trade (MT) segment continued to face challenges, with revenue declining by 3.6%.

In the message from the managing director, the decline was attributed to subdued consumer sentiment and intensified competition from house brands amid a wider variety of product offerings in the market.

(Financial year ended: 30 June) Profit & Loss	FY2021 S$'000	FY2022 S$'000	FY2023 S$'000	FY2024 S$'000	FY2025 S$'000
Revenue	38,506	34,136	30,664	29,753	29,750
Gross profit	11,787	9,558	7,742	7,255	7,373
Net profit/(loss)	2,989	1,120	(1,902)	(227)	(305)
Adjusted net profit/(loss)	4,045*	1,120	(1,902)	(227)	(305)

** Excluding IPO expenses of approximately S$1.06 million, of which S$0.9 million was recognised during 2H2021*

Revenue by Business segment	FY2025 S$'000	FY2024 S$'000	FY2025 vs FY2025 Increase/(decrease) S$'000	%
Modern Trade	7,068	7,334	(266)	(3.6)
General Trade	9,786	9,678	108	1.1
Food Services	7,704	7,772	(68)	(0.9)
Others	5,192	4,969	223	4.5
Total	**29,750**	**29,753**	**(3)**	**(0.0)**

Revenue by Geographical segment	FY2025 S$'000	FY2024 S$'000	FY2025 vs FY2025 Increase/(decrease) S$'000	%
Singapore	21,366	22,395	(1,029)	(4.6)
Malaysia	4,204	3,750	454	12.1
Others	4,180	3,608	572	15.9
Total	**29,750**	**29,753**	**(3)**	**(0.0)**

(Compiled from company annual report; emphasis added)

These headwinds have persisted for several years and do not appear to be easing. As can be seen from the tables above, revenue has declined by nearly a quarter from FY2021 to FY2025 despite an inflationary environment that should have supported nominal growth.

The group also disposed of its joint venture with Hogsworld Pte. Ltd. (Delta Bridge Pte. Ltd.) during the year.

(i) Could management share tangible milestones, operational improvements, or emerging business areas that may support future growth? For example, has ANEW, the group's plant-based ready-to-eat brand launched in 2022, met management's expectations in terms of sales and market traction? What revenue contribution has it made? Similarly, are there positive and sustainable developments in the Halal segment that could drive growth?

Company's Response

ANEW's performance did not meet the management's expectations. The cost of producing plant-based products is generally higher than that of the Group's meat-based products, while consumers remain reluctant to pay a premium for these items. The contribution of ANEW was not material to the Group's overall revenue in FY2025.

The local Singapore market also faces intense competition, particularly from supermarkets launching their own house brands, which are typically priced lower. As a result, management has been working to offset the decline in local sales through export and e-commerce channels, where some encouraging progress has been achieved.

At the same time, the Group is embarking on a transformation process, which includes reviewing underperforming entities and business segments. For example, in Malaysia, management has spent the past one to two years to review and discontinue, where necessary, poor-performing distributors and strengthening accounts receivable collections.

Similarly, for the joint venture investment in the Bulan Islands, Indonesia, the unforeseen outbreak of African Swine Fever (ASF) in May 2023 halted production due to a shortage of pork supplies. This led to the recognition of share of losses and impairment charges in FY2023. As there was no clear timeline for the plant to resume full operations in the subsequent period after the outbreak, management made the difficult decision to divest the Group's shareholdings in the joint venture to avoid incurring further losses.

Recognizing the high labour costs in Singapore and the stronger international recognition of Malaysia's Halal certification, the Group began setting up a Halal manufacturing facility in Malaysia in November 2023. The facility has received the Malaysia halal certification in August 2025 and is currently in its final stages of obtaining the remaining necessary certificates and approvals before reaching the desired operational level.

Overall, the Group continues to review opportunities for significant transformation efforts to enhance competitiveness and ensure long-term sustainability.

In addition, the group has also recorded losses for three consecutive years.

(ii) What has been the total shareholder return since the company's listing in June 2021?

Company's Response

The Group have incurred losses over the past three years and, as such, has not declared any dividends to conserve cash balances and ensure that the Group has adequate working capital and resources to sustain and grow. As mentioned earlier, the Group is currently undergoing a transformation, which will take more time to complete. With proper execution of these initiatives, the Group aims to build a stronger foundation that will better position it to compete effectively in the challenging market ahead.

(iii) Given the sustained weakness over the years, does the board consider it timely to undertake a strategic review of the group's brand positioning and retail strategy? How is management tracking shifts in consumer behaviour, and is the group sufficiently agile enough to realign its product portfolio or marketing focus to regain market share?

Company's Response

The Board and management have been continuously discussing and reviewing such matters. Singapore is a relatively small market, with only a few major supermarket chains where the Group can list its products. However, doing so comes with high listing fees, rebates, and advertising and promotion expenses, all of which have eroded net margins over the years.
As for the export market, penetration has been gradual, as the Group must first meet various regulatory and food safety requirements imposed by the respective authorities before its meat products can be sold in their countries.

The Group reviews its brand positioning regularly through frequent communications with its business partners and market research.

That said, the Group believes that its organisation remains agile, supported by a flat structure that enables quick decision-making. However, its initiatives will need time to take effect and gain meaningful traction.

In February 2025, the group acquired Fung Mei, a long-established local brand known for Hong Kong–style waxed and preserved meats.

(iv) Was the Fung Mei acquisition announced on SGXNet, and if not, could management clarify the rationale?

Company's Response

No, as the Company had assessed the acquisition to be non-material, and the brand was not expected to contribute significantly to the Group. The value of the acquisition also fell below the announcement disclosure requirement. For avoidance of doubt, the Group had not acquired the company itself — only the brand, recipes, and customer base. The total acquisition cost was only $38,000.

(v) Does the board consider whether this acquisition heightens the group's exposure to similar consumer preferences and competitive dynamics faced by its existing traditional brands?

Company's Response

The Group also sells traditional Chinese sausages; however, this brand specialises in Hong Kong–style Chinese sausages. Fung Mei is currently sold in the General Trade and Food Service segments, while the Group's Chinese sausages are sold in all segments, and are targeted at different customer bases. The Group views it as a complementary addition to its existing product range, while also providing an opportunity to introduce its products to Fung Mei's customer base.

Given that the investment cost is relatively low, the Board considers this a modest and strategic investment.

(vi) Has the group explored available government schemes and grants, such as those offered by Enterprise Singapore, to strengthen capabilities, enhance brand competitiveness, or support regional expansion?

Company's Response

Yes, the Group works closely with government agencies and have received support from various schemes, amounting to $203,000 in FY2025 and $220,000 in FY2024.The Group will continue to explore such schemes and grants on an ongoing basis.

Q2. Property, plant and equipment ("PPE") increased by approximately $4.6 million, from $14.6 million as at 30 June 2024 to $19.2 million as at 30 June 2025. This was mainly due to additions of $5.7 million for machinery and equipment acquired for the new factory in Malaysia, partially offset by depreciation charges of $1.2 million.

(i) Is the current phase of high capital investment largely complete, or should shareholders expect further major capital expenditure in the near term?

Company's Response

Yes, the Group is nearing the conclusion of its machinery and equipment purchases for the new factory in Malaysia. Please note that, in addition to the $5.7 million reflected in the FY2025 Annual Report, readers should also take into account the $2.8 million deposit for the purchase of plant and equipment, and the capital commitment of $0.6 million, as disclosed under Note 20 and Note 29 of the audited financial statements for FY2025, respectively.

(ii) What incremental capabilities or efficiencies does the new Malaysian plant bring to the group, and how does management expect this to translate into tangible sales opportunities or cost savings?

Company's Response

The Malaysian plant is four times the size of the Group's Singapore Halal factory, positioning the Group for capacity for future growth. In addition, the lower labour costs will help reduce the Group's overall product costs. Furthermore, Malaysia's Halal certification is more widely recognized internationally, providing the Group with better opportunities to penetrate the global Muslim market.

(iii) Does management plan to progressively shift production from Singapore to Malaysia, given the latter's potential cost advantages?

Company's Response

The management has not ruled out this possibility; however, in the short term, the management's priority is to obtain approvals and certificate for commencement of operations of the Malaysia Halal production factory. The management believes this represents a more prudent approach for the Group.

Separately, marketing and distribution costs rose 16.1% and administrative expenses increased 2.9% while full-year revenue remained essentially flat at $29.75 million in 2025.

In particular, advertising and promotion expenses rose nearly 30%, from $0.89 million to $1.14 million.

(iv) Given the sharp rise in marketing expenditure despite stagnant revenue, how does management evaluate the return on investment of its advertising and promotional activities?

Company's Response

Advertising and promotional expenses are necessary to build brand awareness, with the benefits typically materializing over time. The management reviews the success and outcomes of such activities on an ongoing basis. Management is highly conscious of these costs and, as a result, has avoided undertaking excessively costly initiatives, such as TV advertising.

Q3. The company has outsourced its internal audit function to Yang Lee & Associates ("IA"). Since its listing in 2021, the internal auditor has conducted a review each year.

(i) What were the scope, key findings and recommendations by the IA arising from the FY2025 review?

Company's Response

The FY2025 review focused on its Malaysia entities, covering the areas of sales, credit management, inventory management and cash management.

No material risks or significant control deficiencies were identified. While several medium and low-risk issues were noted, these have been resolved and preventive measures will be/have been implemented, or sufficiently mitigated through alternative measures.

(ii) Can the audit and risk management committee (ARMC) confirm that all the foreign operating subsidiaries in Malaysia and the Philippines were included in the internal audit plan and fieldwork?

Company's Response

Yes, the ARMC confirms that the Internal Audit (IA) has access to all entities. However, the Philippines entity has not yet been audited, as it remains relatively small and immaterial within the Group. Its sales contribution to the Group for both FY2024 and FY2025 is less than 1%, and it has therefore not yet been included in the IA's current cycle audit plan. All operating subsidiaries in Malaysia have been included in the audit plan and have been audited.

(iii) Given the group's expanded PPE base in Malaysia, what new risks have been identified by the ARMC, and how have these been reflected in the risk register and internal audit coverage?

Company's Response

The ARMC has discussed extensively and does not anticipate any additional material risks. The Group conducts an annual fixed asset sighting exercise across all entities. In addition, both Singapore and Malaysia factory premises are secured with fencing and manned security guards at the gates. The management continues to assess and update the risk register for risks involving the Malaysia factory and its assets and the internal audit plan is expected to take into account the additional assets in future audit cycles.

(iv) How does the ARMC monitor management's implementation of the internal auditor's recommendations, and what mechanisms are in place to ensure timely and effective remediation of audit findings?

Company's Response

The Internal Auditors conducts follow-up reviews on past recommendations and highlights to the ARMC any recommendations that have not been implemented, or partially implemented in the periods subsequent to each audit. Management will then provide updates and explanations for the status of each implementation, including explanations on any non-implementations and alternative measures to mitigate the relevant risks. The Directors and Management will discuss these concerns and address them if there has been a change in circumstances that affects the implementation of the initial recommendations.

BY ORDER OF THE BOARD

Ong Bee Chip
Managing Director

17 October 2025

*This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and 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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