

*All for the commitment to life*



**OEL (HOLDINGS) LIMITED**  
**SGX:584**



**2022**  
**ANNUAL REPORT**

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FAIRNESS | TRANSPARENCY | PROFESSIONAL | INTEGRITY

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# CORPORATE PROFILE

OEL (Holdings) Limited (“**OEL**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) is a forward-looking Singapore Exchange-listed company. OEL is committed to our goal of building a Pan-Asian High Tech Healthcare company as its core. OEL pursues long-term investments in stable and high-growth areas with value creation for shareholders in mind.

Since the restructuring was announced in early 2020, the Company has been engaging in the provision of healthcare and education services. The Company works with healthcare experts, early childhood development specialists and other industry-related entities. Its operating segments include childcare wellness education, and healthcare products and services. The Company through its subsidiary, AJJ Healthcare Management Pte. Ltd. (“**AJJ**”), operates in four business segments, namely medical, laboratory, veterinary and dental products. Its subsidiary, ESO Health Care Pte. Ltd. (“**ESO**”) provides education services focused on the social and emotional development of children with the psychological, physical and behavioral health of each child.

Furthermore, OEL’s board members work closely with leading investors, global financial institutions, and other relevant industry players who can assist us in driving our businesses forward.

OEL was established in Singapore in 1984 and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited on 21 December 1994.



This annual report has been reviewed by the Company’s sponsor, Evolve Capital Advisory Private Limited, 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 is Mr Jerry Chua (Registered Professional, Evolve Capital Advisory Private Limited) at 138 Robinson Road, #13-02 Oxley Tower, Singapore 068906. Tel: 6241 6626.

# OEL (HOLDINGS)

MEDICAL | LABORATORY | VETERINARY | DENTAL



Working with healthcare experts, early childhood development specialists and other industry-related entities have enabled us to take a huge step forward in identifying healthcare and wellness education as our new core businesses.



MEDICAL



LABORATORY



VETERINARY



DENTAL



# ABOUT US



AJJ Healthcare Management Pte. Ltd. ("AJJ") is a wholly-owned subsidiary of OEL (Holdings) Limited (SGX:584). AJJ's core business focuses on high-tech, medical devices, and products of superior quality. AJJ is also customer-focused and seeks to bring the business to greater heights with its excellent services. With the attention on such key focus areas, AJJ aims to achieve the strategic goal of building a Pan-Asian, high-tech, Healthcare company, which includes establishing a medical manufacturing plant and inventory base for medical products in Singapore.

The OEL (Holdings) Limited (SGX:584) had on 4 March 2020 established a wholly-owned subsidiary ESO Health Child Care Pte Ltd ("ESO"). ESO was conceived with a clear objective in mind, to provide a different type of preschool education in Singapore. One which introduces advanced international preschool education concepts, with special emphasis on the cultivation of children's social and emotional ability, improving self-confidence, prevent depression and anxiety from an early age.

## Our Products



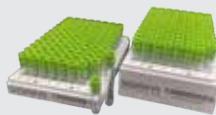
### More Advanced

Minimised patient discomfort, risk of complications, and adjacent tissue and organ damages. Radiation-free, allows extensive validation work, palliative treatment for advanced tumours, and real-time monitoring.



### Higher Quality

Digital X-rays offer several advantages over traditional X-rays, including faster and advanced image acquisition, lower radiation exposure, and the ability to easily share images with other healthcare professionals for consultation and diagnosis.



### More Efficient

Laser etched with international standard DataMatrix 2D code, Sorfa cryogenic tubes, enables high efficiency for high throughput work. This solution reduces manhours and risk of human errors in the field of bio-banking.



### The First in Singapore

Our lessons are constantly being refined under the guidance of American educational experts to promote the physical, psychological and behavioural health.



We will continue to care for and serve the needs of the community in the medical industry.

## OEL – A team of dedicated professionals



### OUR VISION.

Health & Safety Commitment



### OUR MISSION.

Create value for consumers and shareholders



### COMPANY CULTURE.

Fairness, Transparency, Professional and Integrity



OEL (Holdings) Limited was established in 1984 and listed on Singapore Exchange in 1994. On 17 December 2019, there was a change in substantial shareholders and the management team. Ms Zhao Xin, a shareholder, became the Chief Executive Officer and an Executive Director of the Company. At the Extraordinary General Meeting on 1 April 2020, the Company proposed to enter into the healthcare industry, involving medical services and children's wellness education. On 5 May 2020, Dr Zhang Jian was appointed as the Chairman and Executive Director of the Company.

# CHAIRMAN'S STATEMENT

## DEAR SHAREHOLDERS,

On behalf of our Board of Directors ("Board"), I am pleased to present the annual report of OEL (Holdings) Limited (the "Company", and together with its subsidiaries, the "Group") for the financial year ended 31 December 2022 ("FY2022").

Throughout FY2022, Under our company culture of Fairness, Transparency, Professionalism and Integrity, our company has experienced continued growth in the healthcare industry. We have strengthened our brand and consumer awareness while expanding our sales channels, focusing on high-quality, high-tech medical, laboratory, veterinary and dental products. We also have been providing quality after-sales services which allow us to rapidly progress towards our strategic goal of building a Pan-Asian High-Tech Healthcare company and establishing a medical industry manufacturing plant and medical products inventory base in Singapore.

Our wholly-owned subsidiary, AJJ Healthcare Management Pte. Ltd. ("AJJ"), has achieved numerous accomplishments, including Good Distribution Practice for Medical Devices ("GDPMDs") certification in October 2020, an import and wholesale Health Science Authority ("HSA") license also in October 2020, ISO 13485:2016 and EN ISO 13485:2016 accreditation in August 2021, and bizSAFE Level 3 accreditation in November 2021. AJJ has also obtained an HSA manufacturer license on 18 March 2022, introduced dental and veterinary segment products, expanded its product portfolio to over 6,000 products, and successfully entered the government tender market in Singapore.

In the field of early childhood education, our wholly-owned subsidiary, Discovery Kidz Preschool Pte. Ltd. ("DKP"), successfully renewed its ECDA license in 2022, which is valid for a duration of 36 months. Last year, in collaboration with our wholly-owned subsidiary, ESO Health Child Care Pte. Ltd. ("ESO"), we formed a textbook committee comprising world-class and professional early childhood education members from Nanyang Technological University ("NTU") and Yale New Haven Hospital Day Care Centre ("YNH"). Currently, our childcare center, DKP, and YNH in the United States of America use the textbook. It is recommended by various early childhood education experts and psychologists. The textbook transcends the traditional education model by prioritizing social-emotional development to cultivate a child's self-confidence and resilience. This approach helps children adapt to societal pressure and enhances their intelligence, emotional, and adversity quotients. In 2022, we also began implementing the textbook's practical use in our preschools. In addition to renewing its Early Childhood Development Agency license, DKP was honored with the "Platinum Healthy Preschool" award by the National Health Promotion Board of Singapore. This recognition reflects our commitment to providing a high-quality and healthy learning environment for the children under our care.

As we continue to make strides in both the healthcare and early childhood education sectors, we remain dedicated to innovation, excellence, and the well-being of our clients. We are grateful for the ongoing support of our shareholders and look forward to building on our successes in the coming years.

## MAINTAINED A STRONG BOARD

Since 2020, I together with Ms Zhao Xin ("Ms Zhao"), Mr Chong Eng Wee, Mr Yap Koon Loong and Dr Toh Lim Kai have continued to provide a diversified professional experience with investment banking qualifications, medical, legal, and audit and accounting expertise. The Company looks forward to further growth with the current board, and with the support of the board, Ms Zhao will lead OEL's management and operations.

## ESTABLISHED A STRONG TEAM

Under the leadership of CEO, Ms Zhao, the Company has assembled a diverse and robust team that transcends race, nationality, and gender. Most of the team members hold at least a bachelor's degree and possess expertise in various fields, including medical devices management, quality assurance, supply chain and operations, business development, regional and channel sales, and marketing experiences. Our team is young, qualified, professional, and constantly driven to innovate, spearhead, and grow the healthcare division of the Company. They are dedicated to sourcing the latest innovations and cutting-edge medical technology, providing clients with comprehensive end-to-end solutions in medical, dental, laboratory, and veterinary sectors.

## FINANCIAL PERFORMANCE

The financial performance of FY2022 marked a breakthrough for the Group, despite its extensive expansion into new business divisions and segments. The Group secured purchase orders of S\$0.63 million from regional sales and S\$0.77 million from Singapore medical institutions in FY2022. AJJ successfully entered the government tender market in Singapore, won two master agreements, and will be providing services to 32 government medical organizations, resulting in substantial growth. The Board of Directors has confirmed that the company also has sufficient cash and banking resources to meet its working capital needs and the growth demands of its existing business for the next 12 months.

Additionally, the Company is actively seeking regional business opportunities in medical, dental, laboratory, and veterinary segments, with Singapore serving as the hub of operations. The Company is also actively participating in Singapore government tenders and focusing on increasing market share. This ongoing expansion and strong financial performance demonstrate the Group's dedication to growth and excellence in the healthcare sector.

## OUTLOOK IN 2023

As we enter 2023, the global market landscape remains challenging due to various factors such as economic uncertainty and geopolitical tensions. However, we are pleased to inform you that the healthcare market in Singapore remains robust, and we are well-prepared to capitalize on this growth. With the Singapore government's continued investment in healthcare, we expect an increased demand for our medical equipment and services. We are committed to providing our clients with high-quality and innovative products and services to meet their evolving needs.

# CHAIRMAN'S STATEMENT

AJJ continues to secure partnerships with renowned and high-tech companies, particularly in the emerging medical, dental, laboratory, and veterinary markets.

Looking ahead, we recognize that the global economy will remain unpredictable. The healthcare industry needs to maintain an upward trend of development, as the pandemic has highlighted its importance in promoting economic recovery and rebuilding competitive advantages. In the domestic market, we plan to increase our market share, achieve more tender master agreements, grow our repeat customers, improve our profit margins, and constantly enhance our ability to serve our valued clients. We also aim to expand into overseas markets, offering a broader range of breakthrough products focused on high-tech, high demand, integrated solution pricing, and sustainable goods. We will remain strategically focused, make unremitting efforts to achieve our goals, continuously improvement, and be responsible for all shareholders, corporate governance, and society.

Furthermore, we plan to pursue a merger and acquisition ("M&A") strategy to acquire companies with a proven track record of profitability, a strong management team, and a well-established product market. By doing so, we can expand our business and leverage the synergies between our companies, enhancing our competitiveness.

In its other healthcare segments, AJJ will continue working towards a breakthrough with government authorities and regulation and is in the process of extending its ISO13458:2016 scope for its Singapore manufacturing plant. Concurrently, AJJ will focus on high-tech, high-margin, and eco-sustainable products, constantly improving its products and internal processes. We are continuing the manufacturing of High-Intensity Focused Ultrasound ("HIFU") machines in Singapore and are in the process of registering for Singapore and relevant international medical licenses.

The Group will persist on a roadmap to promote and strengthen its core competencies, such as HIFU technology and medical solutions, Digital X-ray and medical imaging technology, and its one-of-a-kind social-emotional development textbook. With a sustainable Original Equipment Manufacturer ("OEM") business model, the Group can bring in a substantial amount of healthcare solutions, such as customizable surgical packs, and strengthen the Group's supply chain with government and private hospitals and related medical organizations. The Group will also aim to expand its influence to more organizations in Singapore, Southeast Asia, the Middle East, and other countries.

The Group will continue to fulfill its corporate social responsibility by publishing levels 2, 3, and 4 of the Social-Emotional Development Textbook series. Meanwhile, the Company will also actively searching for and introducing new eco-friendly and sustainable medical products.

In summary, our outlook for 2023 remains optimistic despite the challenges presented by the global market landscape. We will continue to leverage our strong partnerships, expand our market presence, and invest in innovative technologies and products. By pursuing strategic growth opportunities, such as mergers and acquisitions, we aim to enhance our competitiveness and create long-term value for our shareholders. We are committed to fulfilling our corporate social responsibilities, and our focus on eco-friendly and sustainable medical products reflects this commitment. With a clear roadmap and unwavering dedication to our core competencies, we believe that the Group is well-positioned for success in the coming year and beyond.

## COVID-19

While we transition towards relaxed COVID-19 safety measures, the Group has not forgotten to prioritize the health and well-being of all stakeholders, by implementing safe management measures. All of the Group's employees are also encouraged to register for their vaccinations, and to date, 100% of our employees are now vaccinated. The Group will continue to tread cautiously amidst the recurrent COVID-19 waves and new strains and continue to serve all healthcare front-liners with infection control products.

## APPRECIATION

On behalf of the Group, I would like to express my sincere appreciation to all our business associates and partners for their robust support. We are also grateful to the Board for their commitment to best practices in corporate governance and for contributing their invaluable experience to guide the Group. I would like to commend our CEO, Ms Zhao, and the management team for leading the company's strategic operations and making impactful business decisions. Most of all, we would like to thank all our employees for continuously upholding the values of Fairness, Transparency, Professionalism, and Integrity during this unprecedented period.

In the face of these formidable challenges, it is all the more important for each and everyone in the Group to have a sense of purpose, a sense of crisis, an ambitious spirit, and a strong sense of responsibility. I have every reason to believe that our businesses will soar to greater heights, and our team will continue to stay united, innovative, and resilient. Lastly, I want to thank our shareholders for your unwavering support and trust in the Group. We look forward to embarking on this next chapter together.

Yours Sincerely,

## DR ZHANG JIAN

Chairman and Executive Director

## BOARD OF DIRECTORS



**DR ZHANG JIAN**

*Chairman and Executive Director*

Dr Zhang Jian (“**Dr Zhang**”) was appointed as Chairman and Executive Director of the Company on 4 May 2020. He has over 30 years of extensive corporate management experience and leadership positions covering the entire industry value chain of investment banking, real estate (city planning, commercial and medical), internet plus, life sciences and etc. He also has vast experience in strategy planning and management, change management, corporate/project funding, assets management and allocation and project development etc.

Dr Zhang is currently also the CEO of Eminence Investment Pte. Ltd.. Most recently, he has successfully helped companies’ turnover through multiple transformation initiatives, designed and implemented 2 real estate projects, and built overseas operation capabilities.

Dr Zhang holds tertiary education in China and Japan, obtained MBA and DBA in United States. He has 20 years' experience overseas, and 8 years in China, and has a deep appreciation of corporate culture in Asia, Middle East and Western developed countries.



**ZHAO XIN**

*Chief Executive Officer and Executive Director*

Ms Zhao Xin was appointed as Chief Executive Officer and Executive Director of the Company on 20 January 2020 and will be seeking re-appointment at the forthcoming AGM. Based on her prior experience in the financial investment space, Ms Zhao possesses valuable insight on financial, healthcare, medical, childcare, commodities and tourism industries.

Prior to her appointment with the Company, Ms Zhao was appointed as the Executive Director for Strategy and Risk Management in Eminence Investment Pte. Ltd.. She brings with her skills and knowledge on merger and acquisition and asset management.

Ms Zhao holds a Master of Social Sciences (China and Global Governance) from Nanyang Technological University, a Master of Science in Professional Accountancy from University of London and a Bachelor of Science in Finance and Accounting Management from Northeastern University in the United States. Additionally, she has completed the Program for Leadership Development at Harvard Business School.



**DR TOH LIM KAI**

*Independent Non-Executive Director*

Dr Toh Lim Kai (“**Dr Toh**”) was appointed as Independent Director of the Board on 17 October 2020. He was also appointed as a member of Audit Committee, Remuneration Committee and Nominating Committee.

Dr Toh has been family physician at Doctors for life medical since 2018. Dr Toh has more than 10 years of experience in the pharmaceutical/medical device industry as the regional medical director for GE Healthcare, ViVi and Abbvie where he implemented the medical affairs strategy for the Asia Pacific region.

Dr Toh is currently a member of the HomeTeam NS Audit Committee.

## BOARD OF DIRECTORS



**MR CHONG ENG WEE**

*Independent Non-Executive Director*

Mr Chong Eng Wee (“**Mr Chong**”) was appointed as Independent & Non-Executive Director of the Board on 30 June 2020. He was also appointed as the Chairman of the Nominating Committee and Remuneration Committee, and a member of the Audit Committee.

Mr Chong is the Managing Director and heads the Corporate & Capital Markets Practice at Chevalier Law LLC. He is admitted as an Advocate and Solicitor in Singapore, Solicitor of the High Court of Hong Kong, Lawyer of the Supreme Court of New South Wales, Australia, and a Barrister and Solicitor of the High Court of New Zealand.

Prior to founding his own firm, he was a Partner and Head of Corporate at Kennedys Legal Solutions Pte. Ltd., a joint law venture between Kennedys Singapore LLP and Legal Solutions LLC, the Deputy Head of both the Capital Markets and the International China (South East Asia) practices at RHTLaw Taylor Wessing LLP and the representative for the Shanghai representative office of another joint law venture firm, Duane Morris & Selvam LLP in Singapore.

His areas of practice include capital markets, mergers and acquisitions, private equity, funds, China (“**PRC**”), private wealth, corporate and commercial contracts, regulatory compliance, and corporate governance. He has advised issuers, issue managers, underwriters and placement agents, private equity funds, multinational corporations, high net-worth individuals and small and medium enterprises on transactions including initial public offerings (“**IPO**”), pre-IPO investment, dual listings, reverse takeovers, public takeovers, rights and warrants issues, placement, local and cross border acquisitions and disposals of shares and assets, downstream investment by private equity funds, joint ventures, and corporate restructuring. He has advised clients on variable capital companies, establishment of family offices and their tax incentives and applications to the Monetary Authority of Singapore pertaining

to capital market service licenses and registered fund management companies. He has also acted in various cross border transactions with PRC elements, and frequently advises issuers on their regulatory compliance and corporate governance issues. He was ranked as Singapore’s Top 40 Most Influential Lawyers aged 40 and under by Singapore Business Review (2015).

Currently, he is a Non-Executive and Lead Independent Director of Heatec Jietong Holdings Ltd. (Stock Code: 50R) since April 2018 and GS Holdings Limited (Stock Code: 43A) since January 2019, all of which are SGX-ST Catalyst listed companies.

He is also the Company Secretary of Sincap Group Limited (Stock Code: 5UN) since November 2021, LHN Logistics Limited (Stock Code: GIH) since August 2021, both SGX-ST Catalyst listed companies, Shanghai Turbo Enterprises Ltd. (Stock Code: AWM), a SGX-ST Mainboard listed company since October 2022, China Vanadium Titano-Magnetite Mining Company Limited (Stock Code: 893), a company listed on Mainboard of the Hong Kong Stock Exchange since December 2019, and LHN Limited, listed on both SGX-ST Catalyst Board (Stock Code: 41O) and the Mainboard of Hong Kong Stock Exchange (Stock Code: 1730) since April 2020.

He was previously the joint company secretaries and company secretary, as the case may be, of 3 SGX-ST Mainboard listed companies: Hanwell Holdings Limited (Stock Code: DM0), Intraco Limited (Stock Code: I06), and Tat Seng Packaging Group Ltd (Stock Code: T12) between March 2012 and October 2012. He was also the Non-Executive and Independent Director of Innopac Holdings Limited, a SGX-ST Mainboard listed company (Stock Code: I26) between April 2018 and December 2018, and of CW Group Holdings Limited, a company listed on the Mainboard of the Hong Kong Stock Exchange (Stock Code: 1322) between November 2018 and June 2019 and of KTL Global Limited, a SGX-ST Mainboard listed company (Stock Code: EB7) between 1 August 2019 and 21 March 2022.

## BOARD OF DIRECTORS



### MR YAP KOON LOONG

*Independent Non-Executive Director*

Mr Yap Koon Loong (“**Mr Yap**”) was appointed as Independent Director of the Board on 27 February 2020. He was last re-elected on 29 April 2022. Mr Yap is the Chairman of Audit Committee and a member of Remuneration Committee and Nominating Committee.

Mr Yap is currently director of companies specialising in corporate restructuring, mergers and acquisitions, and business management.

Mr Yap has more than 20 years of experience in various industries like healthcare, semiconductor and other electronic component manufacturing, renewable energy, telecommunication, property development, precision engineering. He was chief financial officer of several listed companies on both the Mainboard and Catalist Board of SGX-ST in the past.

Mr Yap holds a Master of Business in Professional Accounting from Victoria University of Technology, Australia.

As of the date of this Annual Report, Mr Yap does not hold any direct or indirect interest in the Company.



# OPERATIONS AND FINANCIAL REVIEW

## REVIEW OF TURNOVER, COSTS AND EARNINGS

### Revenue

The Group's revenue has increased by S\$0.46 million (143.8%) from S\$0.32 million for the financial year ended 31 December 2021 ("FY2021") to S\$0.78 million for financial year ended 31 December 2022 ("FY2022"). The increase was primarily due to more revenue being generated from AJJ Healthcare Management Pte. Ltd. of S\$0.59 million in FY2022 as compared to FY2021 of S\$0.04 million. This is offset by the drop in revenue of the childcare wellness education segment under Discovery Kidz Preschool Pte. Ltd. from S\$0.25 million in FY2021 to S\$0.18 million in FY2022.

### Other operating income

Other operating income has decreased by S\$2.32 million (-93.6%) from S\$2.48 million in FY2021 to S\$0.16 million in FY2022. The decrease was mainly due to the one-off gain on sale of a leasehold land and building amounting to S\$1.88 million generated in FY2021 with no similar significant one-off gain recorded in FY2022. The other operating income of S\$0.16 million in FY2022 comprise mainly of income from government grants.

### Selling and distribution expenses

Selling and distribution expenses decreased by S\$0.28 million (-22.1%) from S\$1.27 million in FY2021 to approximately S\$0.99 million in FY2022. The decrease in selling and distribution expenses was mainly due to our efforts to optimise employee salaries and improve productivity, resulting in a more efficient use of resources.

### Administrative expenses

Administrative expenses increased by S\$0.67 million (21.5%) from S\$3.11 million in FY2021 to S\$3.78 million in FY2022. The increase was mainly due to increase in the operating expenses of the Group's healthcare products and services segment as revenue in this segment has increased considerably, which resulted from more resources being.

### Other operating expenses

Other operating expenses of the Group increased by approximately S\$0.28 million (700.0%) from S\$0.04 million in FY2021 to S\$0.32 million in FY2022. The increase was mainly pertaining to one-off impairment loss of goodwill of S\$0.27 million and loss on write-off of property, plant and equipment of S\$0.05 million.

### Finance costs

Finance costs of the Group decreased by S\$0.01 million (-12.5%) from S\$0.08 million in FY2021 to S\$0.07 million in FY2022. The decrease mainly pertained to the decrease in the interest on lease liabilities.

### Loss for the financial period (attributable to equity holders of the Company)

As a result of the above, the Group reported a loss attributable to equity holders of the Company of S\$4.25 million in FY2022 as compared to a loss of S\$1.73 million in FY2021. The loss mainly pertained to operating losses of the Group's subsidiaries and one-off impairment loss of goodwill of S\$0.27 million and loss on write-off of property, plant and equipment of S\$0.05 million in FY2022. In addition to the above, in prior year, there was a one-off gain on sale of a leasehold land and building amounting to S\$1.88 million which did not recur in the current year.

# OPERATIONS AND FINANCIAL REVIEW

## REVIEW OF WORKING CAPITAL, ASSETS AND LIABILITIES

### Current assets

Current assets decreased by S\$3.57 million from S\$4.99 million as of 31 December 2021 ("FY2021") to approximately S\$1.42 million as of 31 December 2022 ("FY2022"). The decrease was mainly due to the decrease in cash and cash equivalents of S\$3.5 million due to net outflows for operational purposes.

### Non-current assets

Non-current assets decreased by S\$0.91 million from S\$2.55 million in FY2021 to S\$1.64 million in FY2022. The decrease was mainly due to the depreciation for both the property, plant and equipment and right-of-use assets which cumulatively amounted to S\$0.72 million for FY2022. The decrease is further due to one-off impairment loss of goodwill of S\$0.27 million and loss on write-off of property, plant and equipment of S\$0.05 million. The decrease is partially offset by the acquisition of new plant and equipment of S\$0.04 million.

### Non-current liabilities

Non-current liabilities decreased by approximately S\$0.33 million from S\$1.42 million in FY2021 to S\$1.09 million in FY2022. This decrease is primarily due to the repayment of lease liabilities of S\$0.28 million and the decrease in deferred tax liabilities of S\$0.28 million due to reversal of over-provision of deferred tax liabilities offset by an increase of S\$0.21 million in loan and borrowing obtained from a director of the Group's subsidiary during the year.

### Current liabilities

Current liabilities increased by S\$0.09 million from S\$0.75 million in FY2021 to approximately S\$0.84 million in FY2022. The increase is due to the increase of S\$0.14 million in trade and other payables, and S\$0.11 million in provision for other liabilities, offset by the decrease of S\$0.16 million in current portion of lease liabilities.

## REVIEW OF CASH FLOW STATEMENT

### Net cash used in operating activities

In FY2022, the Group recorded a net cash outflow for operating activities of S\$3.2 million. The net operating cash outflow was mainly due to operating losses before working capital changes of S\$3.41 million and adjusted for working capital inflow of S\$0.27 million. Working capital inflow is mainly due to (i) increase in trade and other payables of approximately S\$0.25 million; (ii) decrease of S\$0.24 million in trade and other receivables offset by increase in inventories of S\$0.22 million.

### Net cash used in investing activities

Net cash used in investing activities of S\$0.04 million during the year pertained to the acquisition of property, plant and equipment of S\$0.04 million.

### Net cash used in financing activities

Net cash used in financing activities of S\$0.25 million during the period in FY2022 mainly pertained to the payment for principal portion of lease liabilities of S\$0.46 million, offset by the increase in loan and borrowing of S\$0.21 million.

# CORPORATE INFORMATION

## OEL (HOLDINGS) LIMITED

### BOARD OF DIRECTORS

Zhang Jian  
(Chairman and Executive Director)

Zhao Xin  
(Chief Executive Officer and Executive Director)

Yap Koon Loong  
(Independent Director)

Chong Eng Wee  
(Independent Director)

Toh Lim Kai  
(Independent Director)

### COMPANY SECRETARY

Tan Wei Yang

### SHARE REGISTRAR

Tricor Barbinder Share Registration Services  
(A division of Tricor Singapore Pte. Ltd.)  
80 Robinson Road #02-00  
Singapore 068898

### REGISTERED OFFICE

8 Commonwealth Lane  
#02-04 Grande Building  
Singapore 149555  
Tel: +65 6235 5091

### PRINCIPAL BANKER

United Overseas Bank Limited

### AUDIT COMMITTEE

Yap Koon Loong (Chairman)  
Chong Eng Wee  
Toh Lim Kai

### NOMINATING COMMITTEE

Chong Eng Wee (Chairman)  
Yap Koon Loong  
Toh Lim Kai

### REMUNERATION COMMITTEE

Chong Eng Wee (Chairman)  
Yap Koon Loong  
Toh Lim Kai

### AUDITOR

PKF-CAP LLP  
6 Shenton Way  
OUE Downtown 1, #38-01  
Singapore 068809  
  
Partner In-Charge:  
Mr Sia Boon Tiong  
(With effect from financial year ended  
31 December 2021)

### SPONSOR

Evolve Capital Advisory Private Limited  
138 Robinson Road  
#13-02, Oxley Tower  
Singapore 068906

Registered Professional:  
Mr Jerry Chua

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# CORPORATE GOVERNANCE REPORT

The board of directors (the “**Board**” or “**Directors**”) of OEL (Holdings) Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

The Company has adopted corporate governance practices and guidelines with references to the Code of Corporate Governance issued in August 2018 (the “**Code**”) for the financial year ended 31 December 2022 (“**FY2022**”).

Pursuant to Rule 710 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) issued by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), this corporate governance report (this “**Report**”) outlines the Company’s corporate governance practices that were in place during FY2022. In areas where the Company’s practices vary from any Provisions of the Code, the Company has stated herein the Provision of the Code from which it has varied, and appropriate explanations are provided for the variation and how the practices the Company had adopted are consistent with the intent of the relevant Principle of the Code. The Company will continue to assess its needs and implement appropriate practices accordingly.

## I. BOARD MATTERS

### 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.**

Provision 1.1

### ***Principal Duties of the Board***

The Board provides strategic guidance, oversees the key activities for the Company and ensures that there are adequate financial and human resources to achieve its objectives and long-term success of the business.

The Board’s principal functions include providing entrepreneurial leadership and approving strategic business plans, annual budget plans, any major acquisition or disposal of assets and businesses, and the financial results of the Group. Additionally, another principal function of the Board is establishing a framework of prudent and effective controls appropriate to the nature and size of the Group’s operations which enable risks to be assessed and managed, including the safeguarding of shareholders’ interests and the Company’s assets, and sets corporate values and standards (including ethical standards) for the Company to ensure that its obligations to shareholders and other stakeholders are met. In addition, the Board reviews the Company’s corporate policies and financial performance.

The Board is also responsible for the long-term succession of the Company and will also consider sustainability issues, including environmental and social factors, as part of the strategic formulation of the Group.

### ***Conflict of Interests***

The Directors have the fiduciary duty to act objectively in the best interests of the Company and hold the management of the Company (the “**Management**”) accountable for their performance. Where a Director has a conflict or potential conflict of interest in relation to any matter, he or she will declare his or her interest at the meeting or send a written notice to the Company pursuant to Section 156 of the Companies Act 1967 of Singapore (the “**Companies Act**”), setting out the details of his or her interest and the conflict and recuse himself or herself from any discussions on the matter and abstain from participating in any decision to be made by the Board.

# CORPORATE GOVERNANCE REPORT

## Provision 1.2

### ***Director Competencies***

All Directors have a good understanding of the Company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors).

While the duties imposed by law are the same for all Directors, a listed Board will generally have different classes of directors with different roles:

- **Executive Directors (EDs)** are members of Management who are involved in the day-to-day running of the business. They work closely with the Non-Executive Directors on the long-term sustainability and success of the business of the Company. They provide insight and recommendations on the Group's operations at the Board and Board Committees meetings.
- **Non-Executive and Independent Directors (IDs)** are Non-Executive Directors who are unrelated to any of the Executive Directors and deemed to be impartial by the Board. Independent Directors have similar duties as the Non-Executive Directors, with the additional responsibility of providing independent and objective advice and insight to the Board and Management.

Directors are expected to develop their competencies to discharge their duties effectively and are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense.

### ***Appointment Letter***

All newly appointed directors are given a service agreement and/or a letter of appointment (as the case may be), setting out their duties, obligations and the terms of appointment, and are briefed on the Group's structure, business, operations and policies.

### ***Directors' Orientation and Training***

Orientation is organised for new Director(s) upon their appointment, which includes a briefing by Management on the Group's structure, business strategies and operations. The Company will also arrange for each first-time Director to receive relevant training in the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange to meet the mandatory training requirements under Catalyst Rule 406(3)(a) and Practice Note 4D of the Catalyst Rules. The training of Directors will be arranged and funded by the Company.

Under Rule 406(3)(a) and Practice Note 4D of the Catalyst Rules, Dr Toh Lim Kai ("Dr Toh"), being a first-time Director of a listed issuer on the SGX-ST and who was appointed as an Independent Director of the Company on 17 October 2020, was required to attend the following mandatory prescribed courses conducted by the Singapore Institute of Directors. As at the date of this report, Dr Toh has completed the four (4) compulsory core modules conducted by the Singapore Institute of Directors. The details of the courses attended by Dr Toh and the date of completion of the respective modules are set out in the table below:

<b>Modules</b>	<b>Date of completion</b>
LED 1 – Listed Entity Director Essentials	08/03/2022
LED 2 – Board Dynamics	30/05/2022
LED 3 – Board Performance	04/03/2021
LED 4 – Stakeholder Engagement	05/03/2021

# CORPORATE GOVERNANCE REPORT

The Company recognises the importance of appropriate training for the Directors, apart from the initial orientation. The Directors are updated on amendments to/requirements under the Catalist Rules and other statutory and regulatory requirements from time to time, to enable them to discharge their duties effectively. Continual training particularly in respect of relevant new laws and regulations will be provided to the Directors from time to time.

The briefings, updates and/or training received by/attended by the Directors collectively for FY2022 include the following:

- (a) the Company's external auditors updated the members of the Audit Committee of the Company on developments and/or changes on the relevant accounting standards;
- (b) the Directors were updated on the business activities and strategic directions of the Group;
- (c) the Directors attended training on sustainability matters as prescribed by the SGX-ST, in compliance with Catalist Rule 720(6);
- (d) the Directors were updated on changes to the Catalist Rules, corporate governance matters and other regulatory requirements on a regular basis; and
- (e) relevant training courses organised by the institutes and/or group associations of specific interest.

## Provision 1.3

### ***Matters Requiring Board's Approval***

The Board has adopted internal guidelines on matters that require the Board's approval, including the appointment of Directors, significant funding, investment proposals and material capital expenditures. The approval of the Board is required for any matter which is likely to have a material impact on the Group's operating divisions or the financial position as well as matters other than in the ordinary course of business.

Matters requiring extensive discussion would be circulated to the Board in advance for their information. Management would then table the agenda to the Board for discussion so that the presented matters can be reviewed in detail.

## Provision 1.4

### ***Delegation by the Board***

To assist the Board in the execution of its responsibilities and to provide independent oversight of Management, the Board has established a number of committees to assist the Board in discharging its responsibilities efficiently and effectively. These committees include the Audit Committee ("AC"), the Remuneration Committee ("RC") and the Nominating Committee ("NC") (collectively, the "**Board Committees**"). Each of the Board Committee's functions, roles and authorities are clearly set out in their respective terms of reference.

The Board Committees function within clearly defined terms of references and operating procedures endorsed by the Board, which are reviewed on a regular basis, along with the committee structures and membership, to ensure their continued relevance, taking into consideration the changes in the governance and legal environment. The Board Committees will also review their terms of reference on a regular basis to ensure their continued relevance, and the effectiveness of each Board Committee is also constantly reviewed by the Board. The composition and description of each Board Committee are set out in this Report.

# CORPORATE GOVERNANCE REPORT

Each Board Committee is actively engaged and plays an important role in ensuring good corporate governance in the Company and within the Group. The Board Committees report its activities regularly to the Board. Please refer to the respective principles as set out in this Report for further information on the activities of each Board Committee. Minutes of the Board Committees are regularly provided to the Board and are available to all Board members. The Board acknowledges that while these various Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board. The Board Committees have explicit authority to investigate any matter within their terms of reference, have full access to and co-operation by Management, have resources to enable them to discharge their functions properly and full discretion to invite any Director or senior Management to attend their meetings.

## Provision 1.5

### ***Board and Board Committees Meetings***

The Board conducts regularly scheduled meetings on a half-yearly basis to coincide with the announcement of the Group's half-year and full-year financial results and to keep the Board updated on business activities and the overall business environment in which the Group operates. Additional meetings are convened as and when circumstances dictate.

Regulation 114 of the Company's Constitution provides that a Director shall be deemed present at a meeting of Directors if he or she participates by telephone or other electronic means, and all Directors participating in the meeting are able to hear one another. Board and Board Committee meetings in FY2022 were held in-person and by way of virtual conference, in line with government advisories amidst the COVID-19 pandemic. Decisions of the Board and Board Committees may also be obtained through circular resolutions.

Each of the Board and Board Committee members have attended all meetings held by the Company during the tenure of their appointment on the Board and on the respective Board Committee(s). The number of Board and Board Committee meetings held in FY2022 and the attendance of each Director are set out as follows:

<b>No. of Meetings held</b>	<b>Board of Directors</b>		<b>Audit Committee</b>			<b>Nominating Committee</b>		<b>Remuneration Committee</b>	
	<b>1/1</b>	<b>2/2</b>	<b>Member</b>	<b>1/1</b>	<b>2/2</b>	<b>Member</b>	<b>1/1</b>	<b>Member</b>	<b>1/1</b>
Dr Zhang Jian	✓	✓	No	✓*	✓*	No	✓*	No	✓*
Ms Zhao Xin	✓	✓	No	✓*	✓*	No	✓*	No	✓*
Mr Yap Koon Loong	✓	✓	Chairman	✓	✓	Yes	✓	Yes	✓
Mr Chong Eng Wee	✓	✓	Yes	✓	✓	Chairman	✓	Chairman	✓
Dr Toh Lim Kai	✓	✓	Yes	✓	✓	Yes	✓	Yes	✓

✓ – Attendance at the meeting as a member of the Board / Board Committee

\* – Attendance by invitation of the relevant Board Committee

# CORPORATE GOVERNANCE REPORT

## ***Multiple Board Representations***

All Directors are required to declare their board representations on an annual basis and as soon as practicable after the relevant facts have come to his or her knowledge. The NC will review whether a Director is able to and has adequately carried out his or her duties as a director of the Company from time to time, in particular, where a Director has multiple board representations and/or other principal commitments.

Although some of the Board members have multiple board representations and hold other principal commitments, the NC, having reviewed each Director's other listed company directorships and/or principal commitments, where applicable, as well as each Director's attendance and contributions to the Board, is satisfied that sufficient time and attention was given by the Directors to the Company to discharge their responsibilities for the financial year in review. Holistically, the contributions by the Directors during the meetings and attendance at Board and Board Committee meetings are also taken into consideration.

Further, having assessed the capacity of the Directors based on factors such as the expected and/or competing time commitments of Directors, the size and composition of the Board and the nature and scope of the Group's operations and size, the Board is of the view that the other directorship commitments of the Directors would allow them to have increased exposure to different boards and broaden their experience and knowledge in relation to board matters, hence ultimately benefitting the Company.

## Provision 1.6

### ***Access to Information***

Prior to each Board meeting and when the need arises, the Board is provided with complete and adequate information in a timely manner, thus allowing the Directors to deliberate on issues which require consideration. Management would also provide the explanatory documents on matters to be discussed before the Board and Board Committee meetings. Copies of disclosure documents, budgets, forecasts, unaudited financial statements together with explanations in relation to any significant or material variance between the budget and actual results are tabled by Management for review and discussion during the meetings. Directors are entitled to request from Management and be provided with additional information as needed to make informed decisions and discharge their duties and responsibilities.

## Provision 1.7

### ***Access to Management and Company Secretary***

The Directors have separate and independent access to Management, the Company Secretary and the external auditors at all times. The Directors also have unrestricted access to the Company's records and information. The Company Secretary administers, attends and prepares minutes of all Board and Board Committee meetings for circulation and approval.

The appointment and the removal of the Company Secretary rests with the Board as a whole. As announced by the Company on 14 July 2022 and as decided collectively by the Board, Mr Tan Wei Yang was appointed as the Company Secretary in place of Ms Lee Yi Han with effect on and from 25 July 2022.

### ***Independent Professional Advice***

Where the Directors, either individually or as a group, in the furtherance of their duties, require independent professional advice, such service will be available at the Company's expense. The Directors may, on a case-to-case basis, propose for independent and professional advice to be sought, the cost of which will be borne by the Company.

# CORPORATE GOVERNANCE REPORT

## **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.**

Provision 2.1

### ***Director Independence***

There is a strong and independent element on the Board given that the Independent Directors form the majority of the Board. The criterion for independence is based on the definition set out in the Code and the Practice Guidance on the Code of Corporate Governance issued in August 2018 (the “**Practice Guidance**”) and taking into consideration whether the Director falls under any circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. The Board considers an “independent” Director as one who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director’s independent business judgment with a view to the best interests of the Company.

The Board has taken into account the assessment of the NC on whether a Director is independent in character and judgment and whether there are relationships or circumstances which are likely to affect or could appear to affect the Director’s judgment. In assessing the independence of each Director annually, the NC had examined different relationships identified by the Code that might impair the Directors’ independence and objectivity. The NC had reviewed the independence of and determined that each of the Independent Directors, namely Mr Yap Koon Loong (“**Mr Yap**”), Mr Chong Eng Wee (“**Mr Chong**”), and Dr Toh, are considered independent for the purposes of Rule 704(7) of the Catalist Rules.

### ***Duration of Independent Directors’ Tenure***

As at the date of this Report, none of the Independent Directors has served on the Board beyond nine (9) years since the date of his first appointment.

The Company is cognizant of the removal of the two-tier vote mechanism by the Singapore Exchange Regulation and will ensure that the tenure of each of its Independent Directors do not exceed the nine-year limit.

Provision 2.2

### ***Proportion of Independent Non-Executive Directors***

As at the date of this Report and in view that the Chairman is not an Independent Director, the Board comprises a majority of three (3) Directors (out of a five (5) member Board) who are Independent Directors.

Provision 2.3

### ***Proportion of Non-Executive Directors***

As at the date of this Report, the Board comprises a majority of three (3) Directors (out of a five (5) member Board) who are Non-Executive Directors.

# CORPORATE GOVERNANCE REPORT

## Provision 2.4

### ***Board Composition and Size***

As at the date of this Report, the Board comprises the following five (5) Directors, two (2) of whom are Executive Directors and three (3) of whom are Non-Executive Directors, of which all three (3) are Independent Directors:

Name of Director	Designation	Date of Appointment	Last Date of Re-election
Dr Zhang Jian	Chairman and Executive Director	4 May 2020	29 April 2022
Ms Zhao Xin	CEO and Executive Director	20 January 2020	29 April 2021
Mr Yap Koon Loong	Independent Director	27 February 2020	29 April 2022
Mr Chong Eng Wee	Independent Director	30 June 2020	29 April 2021
Dr Toh Lim Kai	Independent Director	17 October 2020	29 April 2021

The NC is responsible for examining the size and composition of the Board and Board Committees. Having considered the scope and nature of the Group's operations, the requirements of the business of the Group and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the NC, believes that its current board size and the existing composition of the Board Committees effectively serve the Group. Additionally, the current size and the existing composition of the Board Committees provide sufficient diversity of skills, experience, and knowledge without interfering with efficient decision-making. The Board collectively has professional expertise in business management, accounting, legal, corporate governance and medical aspects.

### ***Board Diversity***

The Company has a written Board Diversity Policy setting out its objectives, principles, implementation, timelines, and monitoring and reporting, in compliance with Rule 710A of the Catalist Rules. The Board Diversity Policy emphasizes on promoting board diversity through the identified principles of meritocracy, inclusiveness and broad perspective, which encompasses a wide range of factors such as age, gender, ethnicity, nationality, educational background, professional experience and expertise. Through the Board Diversity Policy, the Company endeavours to foster a culture of inclusion and respect for individual differences in supporting the achievement of strategic objectives and sustainable growth for the Company.

In recognizing the importance of a diverse and inclusive board in creating a competitive and sustainable organization, it has maintained a culture of diversity to benefit from a wide talent pool. The current composition of the Board has the appropriate balance of skills, experience, knowledge, gender and backgrounds. Their varied experiences are particularly important in ensuring that the strategies proposed by Management are fully discussed and examined, taking into account the long-term interests of the Company, Group and Shareholders.

It is the responsibility of the Nominating Committee to monitor the implementation of the Board Diversity Policy, report to the Board on its effectiveness and achievement of qualitative and quantitative objectives, and recommend any revisions to the Board for consideration and approval.

# CORPORATE GOVERNANCE REPORT

In FY2022, the Board sought to continuously enhance the diversity of the Board in terms of the balance of skills, experience, knowledge and other aspects such as age. The NC is of the view that the current Board comprises Directors who collectively provide capabilities required for the Board to be effective in respect of the industry in which the Group operates, such capabilities and experience including but not limited to professional expertise in business management, accounting, legal, corporate governance and medical aspects. To meet the evolving challenges in the industry in which the Group operates, the Board undertakes periodic reviews which include considering factors such as the expertise, skills and perspectives that the Board needs against the existing competencies, to ensure that the Board dynamics remain optimal.

## Provision 2.5

### ***Meeting of the Independent Directors without Management***

The Independent Directors constructively challenge and help develop proposals on strategy and review the performance of Management in meeting the goals and objectives of the Group. Additionally, the Independent Directors monitor the reporting of the Company's performance, meet privately without the presence of the Executive Directors and Management as and when necessary and provide feedback to the Board as appropriate. The Independent Directors have met once in the absence of Management in FY2022, via virtual conference, in line with government advisories amidst the COVID-19 pandemic. The Company also benefits from Management's ready access to its Directors for guidance and exchange of views at the Board and Board Committee meetings or informal meetings.

## Chairman and Chief Executive Officer

### **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.**

## Provision 3.1

### ***Separation of the Role of Chairman and Chief Executive Officer (“CEO”)***

Dr Zhang Jian (**“Dr Zhang”**) is the Chairman of the Board and Ms Zhao Xin (**“Ms Zhao”**) is the CEO and Executive Director of the Company. There is no familial relationship between the Chairman and the CEO. There is a clear division of roles and responsibilities between the Chairman and the CEO to ensure an appropriate balance of power and authority, increased accountability and greater capacity of the Board for independent decision making. No individual has unfettered powers of decision-making.

## Provision 3.2

### ***Role of Chairman and Chief Executive Officer***

#### *Roles and Responsibilities of the Chairman*

The role of the Chairman of the Board is to lead and ensure the effectiveness of the Board. This includes:

- (a) promoting a culture of openness and debate at the Board level;
- (b) facilitating the effective contribution of all Directors; and
- (c) promoting high standards of corporate governance.

# CORPORATE GOVERNANCE REPORT

The Chairman also ensures that Board meetings are held as and when necessary and ensures that information and materials to be discussed at Board meetings are circulated on a timely basis to Directors so as to enable them to be updated and prepared, enhancing the effectiveness of the Board as a whole. He engages and promotes constructive discussions among the Directors and engages with members of the Management regularly. The Chairman assumes the lead role in promoting high standards of corporate governance and ensures effective communication with shareholders.

At general meetings, the Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and the Management.

## *Roles and Responsibilities of the CEO*

Ms Zhao Xin, the CEO and Executive Director of the Company, plays an instrumental role in developing the business of the Group and is responsible for the overall strategic planning and direction of the Group. Ms Zhao also provides the Group with strong leadership and vision.

## Provision 3.3

### ***Lead Independent Director***

The Company has not appointed a Lead Independent Director. Despite its deviation from Provision 3.3 of the Code, the NC and the Board is of the view that the current Board composition and structure is appropriate in view of the following:

- (a) the role of the Chairman and the CEO are separate;
- (b) the majority of the Company's Directors are independent; and
- (c) the whistle-blowing channel is available for shareholder(s) to directly contact AC Chairman for where they have concerns and for which contact through normal channels of communication with the Chairman or Management are inappropriate or inadequate.

Accordingly, the Board is of the view that the absence of a Lead Independent Director will not be prejudicial to the interests of shareholders and is in line with the intent of Principle 3 of the Code. The NC will review the requirement to appoint a Lead Independent Director to the Board from time to time.

# CORPORATE GOVERNANCE REPORT

## **Board Membership**

**Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

Provision 4.1

### ***Roles and Duties of the Nominating Committee***

The Board has established a NC which is guided by its terms of reference, including but not limited to the key responsibilities as follows:

1. to review the appointment and re-appointment of Directors (including alternate directors, if any);
2. to regularly review the Board structure, size, composition, diversity and skills of the Board and make recommendations to the Board with regards to any adjustments that are deemed necessary;
3. to review the succession plans for Directors, in particular, the appointment and/or replacement of the Chairman, the CEO and key management personnel;
4. to review the process and criteria for evaluation of the performance of the Board, the Board Committees and Directors;
5. to review the training and professional development programs for the Board and its Directors and ensures that all new members of the Board undergo an appropriate orientation programme;
6. to determine, on an annual basis, and as and when circumstances require, if a Director is independent;
7. to recommend Directors who are retiring by rotation or are newly appointed to be put forward for re-election;
8. to ensure that new Directors are aware of their duties and obligations;
9. to review and determine whether a Director is able to and has been adequately carrying out his duties as a Director of the Company, taking into consideration, *inter alia*, the Director's number of listed company board representations and other principal commitments; and
10. such other duties or functions as may be delegated by the Board or required by regulatory authorities.

# CORPORATE GOVERNANCE REPORT

## Provision 4.2

### ***Nominating Committee Composition***

As at the date of this Report, the NC comprises three (3) members, all three (3) of which are Independent Directors (including the Chairman of the NC), as follows:

Mr Chong Eng Wee	-	Chairman
Mr Yap Koon Loong	-	Member
Dr Toh Lim Kai	-	Member

Accordingly, the composition of the NC is in compliance with the Code, which requires the majority of the NC members to be independent.

## Provision 4.3

### ***Selection and appointment of Directors***

The Board assesses and evaluates whether new Directors and/or retiring Directors will be appointed/re-appointed, taking into consideration their skills, experience and contribution. The NC, in consultation with the Board, identifies the current needs of the Board in terms of skills, experience and knowledge, to complement and strengthen the Board. Potential candidates are sourced from the network of contacts of the Board and Management, including engaging professional search firms and recruitment consultants if the appointment requires a specific skill set or industry specialisation. The NC, after having assessed each candidate based on the essential and desirable competencies for a particular appointment, will then nominate the most suitable candidate for appointment to the Board.

### ***Re-election of Directors***

Regulation 87 of the Company's Constitution provides that at each Annual General Meeting ("AGM"), one-third of the Directors for the time being, or, if their number is not three or multiples of three, then the number nearest to one-third, shall retire from office. Rule 720(4) of the Catalist Rules also provides that all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years.

Regulation 89 of the Company's Constitution provides that the Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

In this respect, the Board has accepted the NC's nomination of the following Directors for re-election at the forthcoming AGM:-

- (a) Ms Zhao Xin, who is retiring by rotation pursuant to Regulations 87 and 89 of the Company's Constitution; and
- (b) Mr Chong Eng Wee, who is retiring by rotation pursuant to Regulations 87 and 89 of the Company's Constitution.

# CORPORATE GOVERNANCE REPORT

Ms Zhao has given her consent for re-election and she will, upon re-election as a Director of the Company, remain as the CEO and an Executive Director of the Company. Mr Chong has given his consent for re-election and he will, upon re-election as a Director of the Company, remain as a Non-Executive and Independent Director, the Chairman of the NC and RC, and a member of the AC. Mr Chong is considered by the Board to be independent for the purpose of Rule 704(7) of the Catalist Rules. The NC has recommended to the Board that Ms Zhao and Mr Chong be nominated for re-election at the forthcoming AGM.

In making the above recommendations, the NC had considered the Directors' overall contribution and performance. Mr Chong has abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of his own re-election as a Director.

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the Directors seeking re-appointment (as set out in Appendix 7F to the Catalist Rules) can be found on pages 94 to 99 of this Annual Report.

## Provision 4.4

### ***Continuous Review of Directors' Independence***

Directors disclose their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. The NC reviews the independence of each Director annually in accordance with the definition of independence as set out in the Code and Practice Guidance, examines relationships identified by the Code that might impair the Directors' independence and objectivity, and takes into consideration whether an Independent Director falls under any circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. In respect of the Company's current Independent Directors, namely Mr Yap, Mr Chong, and Dr Toh, the Board is of the view that they are independent, taking into account the circumstances set forth in the Code, Rule 406(3)(d) of the Catalist Rules and any other salient factors. The Independent Directors have also confirmed their independence in accordance with the Code and Rule 406(3)(d) of the Catalist Rules.

## Provision 4.5

### ***Duties and obligations of New Directors***

The NC ensures that new Directors are aware of their duties and obligations. All newly appointed Directors are given a service agreement and/or a letter of appointment (as the case may be), setting out their duties, obligations and the terms of appointment, and are briefed on the Group's structure, business, operations and policies.

### ***Directors' Time Commitments***

The NC will review whether a Director is able to and has adequately carried out his or her duties as a Director of the Company from time to time, in particular, where a Director has multiple board representations and/or other principal commitments. Although some of the Board members have multiple board representations and hold other principal commitments, the NC, having reviewed each Director's other listed company directorships and/or principal commitments, where applicable, as well as each Director's attendance and contributions to the Board, is satisfied that sufficient time and attention was given by the Directors to the Company to discharge their responsibilities for the financial year in review. The NC also takes into consideration, on a holistic basis, the contributions by the Directors during the meetings and attendance at such meetings.

# CORPORATE GOVERNANCE REPORT

## ***Listed Company Directorship and Principal Commitments***

As at the date of this Report, the members of the Board and their details are set out below:-

Name of Director	Date of last re-election/appointment	Nature of appointment	Functions/ Board Committee served	Academic and professional qualifications	Directorships present in other listed companies and other principal commitments
Dr Zhang Jian	29 April 2022	Executive	Chairman and Executive Director	<ul style="list-style-type: none"> <li>• DBA &amp; EMBA – West Coast University Los Angeles, US</li> </ul>	OEL Group of subsidiaries  Eminence Investment Pte. Ltd.  Eminence Partnership  Eminence Commercial Consultancy Pte. Ltd.
Ms Zhao Xin	29 April 2021	Executive	Chief Executive Officer and Executive Director	<ul style="list-style-type: none"> <li>• Master of Social Sciences (China and Global Governance), Nanyang Technological University</li> <li>• Master of Science with Merit in Professional Accountancy, University of London</li> <li>• Bachelor of Science in Finance and Accounting Management, Northeastern University in the United States</li> <li>• Program for Leadership Development, Harvard Business School</li> </ul>	OEL Group of subsidiaries

# CORPORATE GOVERNANCE REPORT

Name of Director	Date of last re-election/appointment	Nature of appointment	Functions/ Board Committee served	Academic and professional qualifications	Directorships present in other listed companies and other principal commitments
Mr Yap Koon Loong	29 April 2022	Non-Executive and Independent	Chairman of the AC, and a member of the NC and RC	<ul style="list-style-type: none"> <li>• Master of Business in Professional Accounting, Victoria University of Technology</li> </ul>	Chongqing Yuhai Precision Manufacturing (Singapore) Co. Pte. Ltd.  FFC Alliance Pte. Ltd.  Ooway Technology Pte. Ltd.  Asian Unicorn Club Pte. Ltd.  Asian Accounts Receivable Pte. Ltd.  OOLIFE Holding Pte. Ltd.  Cigar Master International Pte. Ltd.
Mr Chong Eng Wee (Zhang Yingwei)	29 April 2021	Non-Executive and Independent	Chairman of the NC and RC, and a member of the AC	<ul style="list-style-type: none"> <li>• Advocate &amp; Solicitor, Supreme Court of Singapore</li> <li>• Legal Practitioner, Supreme Court of New South Wales, Australia</li> <li>• Barrister &amp; Solicitor, High Court of New Zealand</li> <li>• Solicitor of the High Court of Hong Kong</li> <li>• Bachelor of Laws, Victoria University of Wellington, New Zealand</li> </ul>	Chevalier Law LLC  Heatec Jietong Holdings Ltd.  GS Holdings Limited  Chevalier CS Pte. Ltd.

# CORPORATE GOVERNANCE REPORT

Name of Director	Date of last re-election/appointment	Nature of appointment	Functions/ Board Committee served	Academic and professional qualifications	Directorships present in other listed companies and other principal commitments
Dr Toh Lim Kai	29 April 2021	Non-Executive and Independent	Member of the AC, RC and NC	<ul style="list-style-type: none"> <li>• Membership Royal College of Surgeons Ireland</li> <li>• MB.BCh. BAO (Honours) from Royal college of Surgeon in Ireland</li> <li>• Msc (Pharmaceutical Medical) from Hibernia College (Dublin)</li> <li>• Singapore MOH accredited Family Physician</li> </ul>	T Medical Clinic (City Gate) Pte. Ltd.  TS Medical Pte Ltd  (Consultant) Esprimo Pte Ltd  (Consultant) Medlink Pte Ltd

## 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.**

Provisions 5.1 and 5.2

### ***Performance Criteria***

The Board and NC strive to ensure that the Directors on the Board possess the experience, knowledge and skills critical to the Company's business so as to enable the Board to make sound and well-considered strategic decisions. The NC assesses the independence of each Director according to the guidance given under the Code. The NC also reviews the Directors' attendance, preparedness, participation and candour in the meetings.

The performance evaluation was conducted for the Board as a whole and each of the Board Committees (namely the AC, NC and RC), each individual director and the Chairman in FY2022 for assessing the contribution by individual director and each of the Board Committees' members to the effectiveness of the Board.

The performance criteria were recommended by the NC and approved by the Board. The NC has established objective criteria to evaluate the Board's performance. More relevant and meaningful criteria will also be used when applicable.

# CORPORATE GOVERNANCE REPORT

## ***Board Evaluation Process***

The process for evaluation is as follows:

- (a) all Directors individually and collectively as a whole complete performance evaluation questionnaires on the effectiveness of the Board, each Board Committee, the individual Directors and the Chairman respectively based on the aforementioned performance criteria;
- (b) the Company Secretary will collate and present the results of the questionnaires to the Chairman of the NC in the form of a report; and
- (c) the NC will deliberate the report and opine on the performance results during the NC meeting.

The foregoing evaluation process and results also provide an opportunity to obtain constructive feedback from each Director and Board Committee member on whether procedures and processes had allowed him or her to discharge his duties effectively. Each Director was also encouraged to propose changes that may be made to enhance the effectiveness of the Board and Board Committees.

No external facilitator has been engaged by the Board for this purpose.

The NC is of the view that the performance of the Board as a whole and the respective Board Committees, each individual Director and the Chairman is satisfactory and had met the respective performance objectives as set out for FY2022.

## **II. 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 own remuneration.**

Provision 6.1

### ***Roles and Duties of the Remuneration Committee***

The Board has established a RC which is guided by its terms of reference, including but not limited to the key responsibilities as follows:

1. review and recommend a framework of remuneration for the Board members and key management personnel;
2. review and recommend the specific remuneration package and terms of employment for each Director as well as key management personnel of the Group;
3. recommend to the Board, the executives' and employees' share option schemes or any long-term incentive schemes which may be set up from time to time and does all acts necessary in connection therewith;

# CORPORATE GOVERNANCE REPORT

4. review the level of remuneration that is appropriate to attract, retain and motivate the Directors and key management personnel; and
5. review and recommend Directors' fees and relevant remuneration packages for Non-Executive and Independent Directors, which are subject to shareholders' approval at the AGM.

## Provision 6.2

### ***Remuneration Committee Composition***

As at the date of this Report, the RC comprises the following three (3) members, all of whom, are Non-Executive Directors, and of which two (2) are Independent Directors (including the Chairman):

Mr Chong Eng Wee	-	Chairman
Mr Yap Koon Loong	-	Member
Dr Toh Lim Kai	-	Member

## Provision 6.3

### ***Remuneration Packages and Termination Terms***

The RC considers all aspects of remuneration, including termination terms and compensation commitments, to ensure they are fair. This would entail, in the event of early termination, the review of the service contract, if any, with a view to be fair and not overly generous.

## Provision 6.4

### ***Engagement of Remuneration Consultants***

The RC has access to professional advice regarding remuneration matters, if required. No remuneration experts have been appointed to advise on remuneration matters for FY2022.

## 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.**

## Provisions 7.1 and 7.3

### ***Remuneration of Executive Directors and Key Management Personnel***

The RC makes recommendations on an appropriate framework of remuneration taking into account employment conditions within the industry and the Company's performance to ensure that the remuneration of the Directors is competitive and sufficient to attract, retain and motivate the Executive Directors and key management personnel (if any), so as to align their interests with those of shareholders and promote the long-term success of the Company. In addition, the Company has in place performance-related remuneration in respect of the Executive Directors and key management personnel (if any), which are determined based on the performance of the ongoing operations and corporate actions of the Company and/or Group and individual performance.

# CORPORATE GOVERNANCE REPORT

The RC has reviewed and is satisfied that for FY2022, the remuneration received by the Executive Directors is commensurate with their contribution, efforts, responsibilities and achievements.

The Company has no other key management personnel other than the Executive Directors in FY2022.

## Provision 7.2

### ***Remuneration of Non-Executive Directors***

In setting the remuneration packages for the Independent and/or Non-Executive Directors, the effort and time spent, and responsibilities of the Independent and/or Non-Executive Directors are taken into account. No retirement benefit schemes are in place for the Independent and/or Non-Executive Directors. No Director decides his own remuneration. Directors' fees are recommended by the RC and are submitted for endorsement by the Board. Directors' fees to be paid to Independent and/or Non-Executive Directors are subject to the approval of shareholders at the AGM.

## Disclosure on 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.**

## Provision 8.1

### ***Remuneration Criteria***

In setting the remuneration of each individual Director (including the CEO), the contribution, efforts, responsibilities and achievements of each Director is taken into account.

An annual review of the remuneration of each individual Director is carried out by the RC and the Board to ensure that the remuneration of the Directors is commensurate with their performance and level of contribution, and is aligned with the long-term interests of the Company to promote the long-term success of the Company. The performance of the Directors and CEO of the Company is reviewed periodically by the RC and the Board. In structuring the remuneration framework, the RC also takes into account the risk policies of the Group, the need for remuneration symmetric with the risk outcomes and the time horizon of risks relevant to the Company.

# CORPORATE GOVERNANCE REPORT

## ***Disclosure on Fees and Remuneration of Directors and CEO***

A breakdown showing the level and mix of the remuneration payable to each individual Director for FY2022 is as follows:

<b>Name of Director</b>	<b>Salary<sup>(1)</sup></b>		<b>Bonus and other variable performance components</b>		<b>Allowances and other benefits</b>		<b>Directors' fee</b>		<b>Total</b>	
	<b>(%)</b>	<b>(S\$)</b>	<b>(%)</b>	<b>(S\$)</b>	<b>(%)</b>	<b>(S\$)</b>	<b>(%)</b>	<b>(S\$)</b>	<b>(%)</b>	<b>(S\$)</b>
Dr Zhang Jian	92.55%	603,446	3.77%	24,610	3.68%	24,000	–	–	100%	652,056
Ms Zhao Xin	96.10%	229,027	3.90%	9,300	–	–	–	–	100%	238,327
Mr Yap Koon Loong	–	–	–	–	–	–	100%	60,000	100%	60,000
Mr Chong Eng Wee	–	–	–	–	–	–	100%	60,000	100%	60,000
Dr Toh Lim Kai	–	–	–	–	–	–	100%	60,000	100%	60,000

Note:

(1) The salary and bonus amounts shown are inclusive of Singapore Central Provident Fund contributions.

## ***Disclosure on the Remuneration of Key Management Personnel***

The Company has no other key management personnel other than the Executive Directors in FY2022.

Provision 8.2

## ***Disclosure on Remuneration of Immediate Family Member of Substantial Shareholder***

Besides Dr Zhang, being the Chairman and an Executive Director of the Company, there were no employees in the Group who are substantial shareholders of the Company, or the immediate family members of a Director, the CEO or a substantial shareholder of the Company and whose remuneration exceeds S\$100,000 in FY2022.

Provision 8.3

## ***Disclosure on employee share schemes***

The Company does not have any long-term incentive scheme or share option scheme in place, and the RC and the Board will consider incentive schemes for the Group in the future.

# CORPORATE GOVERNANCE REPORT

## III. ACCOUNTABILITY AND AUDIT

### **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.**

Provision 9.1

#### ***Nature and Extent of Risks***

The Board recognises the importance of maintaining a sound system of risk management and internal controls to safeguard shareholders' interests and the assets of the Group and determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board acknowledges that no cost-effective risk management and internal control system will preclude all errors and irregularities. Any system of internal controls is designed to mitigate rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss, the occurrence of errors, poor judgement in decision making, fraud or other irregularities. The Board reviews all significant control policies and procedures and highlights all significant matters to Management. If appropriate, the Board will consider setting up a board risk committee to address the foregoing.

The Board of Directors and the AC have reviewed the adequacy of the Group's internal controls addressing its financial, operational, compliance and information technology risk, relying on reports from external auditors and internal auditors. Any significant internal control weaknesses and non-compliance that are highlighted during the audit, together with recommendations by the external auditors and internal auditors, are reported to the AC. The AC will follow up and review the actions taken by Management to address the weaknesses highlighted based on the recommendations made by the external auditors and internal auditors.

As recommended by the AC, the Board appointed Tricor Axcelasia (SG) Pte Ltd as the internal auditors ("IA") of the Company. The internal audit plan taking into consideration the risks identified was reviewed and approved by the AC. During the year, an internal audit was conducted, covering the areas of interested person transaction, financial management, information technology general control and personal data protection. The AC evaluated the report presented by the IA to assess the adequacy and the effectiveness of the Group's risk management and the internal control systems. Any material non-compliance or gaps in internal controls were reported to the AC along with recommendations for improvement. The relevant departments were provided with a copy of the IA's report for further action and the implementation of the action plans are closely monitored to ensure timely and appropriate action.

Provision 9.2

#### ***Assurance from the Chief Executive Officer, Financial Controller and Management Personnel***

For FY2022, the AC had received written assurances from:

- (a) the CEO and Finance Manager that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the CEO and relevant management personnel that the Company's risk management and internal control systems were adequate and effective.

# CORPORATE GOVERNANCE REPORT

Based on the internal controls framework established, reviews carried out by Management and the Board Committees, work performed by the internal auditors and external auditors, and the assurance from Management, the Board, opines, with the concurrence of the AC, that the Company's internal controls (including financial, operational, compliance, information technology) and risk management systems were adequate and effective for FY2022.

Management will continue to review and strengthen the Group's control environment and devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls.

## **Audit Committee**

### **Principle 10: The Board has an Audit Committee which discharges its duties objectively.**

#### Provision 10.1

#### ***Roles and Duties of the Audit Committee***

The Board has established an AC, which carries out its duties in accordance with the written terms of reference of the AC, including but not limited to the key responsibilities as follows:

1. review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
2. review with the internal auditors, their audit plan and reports, the adequacy of the internal audit procedures and their evaluation of the adequacy and effectiveness of the overall internal control systems, including financial, operational, compliance and informational technology controls and risk management systems;
3. review and report to the Board at least annually on the adequacy and effectiveness of the Group's internal controls, which addresses the Group's financial, operational, compliance and information technology risks and risk management systems, and any other matters requiring the Board's attention;
4. evaluate the Group's system of internal controls with the internal auditors and assess the effectiveness and adequacy of internal accounting and financial control procedures;
5. review the Company's 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, and ensure that the Company publicly discloses, and clearly communicates to employees, the existence of a whistleblowing policy and procedures for raising such concerns;
6. conduct annual reviews of the cost-effectiveness of the audit, the independence and objectivity of the external auditors, including the volume of non-audit services provided by the external auditors, to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors before recommending their re-appointment to the Board;
7. review the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function;
8. make recommendations to the Board on (a) proposals to shareholders on the appointment, re-appointment, resignation and removal of the external auditors, and (b) the remuneration and terms of engagement of the external auditors;

# CORPORATE GOVERNANCE REPORT

9. receive and review the assurance from the CEO and Financial Controller on the financial records and financial statements;
10. review interested person transactions and to report its findings to the Board; and
11. review the half-year and full-year financial statements of the Company and the Group prior to submission to the Board for approval and the dissemination of the results announcements to shareholders and SGX-ST, including advising the Board if changes are needed to improve the quality of future interim financial statements or financial updates.

The AC met with the internal auditors and external auditors without the presence of Management in respect of FY2022 audit to review matters that may be raised privately further, to undertake an annual review of the independence of the external auditors.

In addition to the material uncertainty related to going concern, the key audit matters on impairment assessment of goodwill, impairment assessment of the Company's investment in subsidiary, recoverability assessment of the Company's amount due from subsidiaries and impairment assessment of plant and equipment, including right-of-use assets were presented by the external auditors in the course of the review of the financial statements for FY2022. For more information on the material uncertainty on going concern and key audit matters, please refer to pages 46 to 49 of this Annual Report.

During FY2022, the AC reviewed the half-year and full-year financial statements prior to submission to the Board for approval, the annual audit plan of the external auditor and the internal auditors and the results of the audit performed by them, interested person transactions, effectiveness and adequacy of the Company's risk management and internal controls systems, audit and non-audit services rendered by the external auditors and the re-appointment of external auditors and their remuneration.

The AC members had been briefed by the external auditors, PKF-CAP LLP, on any changes to accounting standards and issues which have a direct impact on financial statements as part of their audit.

Provisions 10.2 and 10.3

## ***Audit Committee Composition***

As at the date of this Report, the AC comprises the following three (3) members, all of whom (including the AC Chairman) are Non-Executive and Independent Directors:

Mr Yap Koon Loong	-	Chairman
Mr Chong Eng Wee	-	Member
Dr Toh Lim Kai	-	Member

None of the AC members were former partners or directors of the Company's external 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 Board is of the view that the AC members are appropriately qualified to discharge their responsibilities, taking into consideration that at least two (2) of the AC members, including the AC Chairman, have many years of experience in accounting and relevant financial management expertise and experience.

The Board recognises the importance of good corporate governance and the offering of a high standard of accountability to the shareholders of the Company. The AC is authorised by the Board to investigate all matters within its terms of reference. The AC has full access to, and the co-operation of Management, as well as full discretion to invite any Director to attend its meetings, and is provided with reasonable resources for it to discharge its functions properly.

# CORPORATE GOVERNANCE REPORT

## Provision 10.4

### ***Internal Audit Function***

The primary reporting line of the internal auditors is to the AC. The AC is responsible for the appointment, removal, evaluation and compensation of the accounting or auditing firm or corporation that the internal audit function of the Company is outsourced to.

The Group's internal audit function is outsourced to an independent internal audit service provider, Tricor Axcelasia (SG) Pte. Ltd., who reports directly to the AC Chairman on audit matters. The AC reviews and approves the annual internal audit plans and resources to ensure that the internal auditor has adequate resources to perform its function. The AC approves the hiring, removal and evaluation of the internal auditors. Internal audit reports are also given to the external auditors to ensure effective use of resources and to avoid duplication of efforts.

The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including access to AC, and has appropriate standing within the Company, to effectively discharge its responsibilities.

The internal auditors had, during the course of their audit, performed tests over operating effectiveness of certain controls and made some observations on internal controls and proposed recommendations to assist Management in enhancing existing controls, reducing risks and improving operational efficiency and effectiveness in the areas reviewed. Action plans to address these observations and findings have been put in place.

The AC assesses the adequacy and effectiveness of the internal audit function annually. The AC is satisfied that the internal audit function is independent, effective, adequately qualified (given, inter alia, its adherence to standards set by internationally recognised professional bodies) and adequately resourced.

### ***External Audit Function***

The Company had engaged PKF-CAP LLP, an audit firm registered with the Accounting and Corporate Regulatory Authority ("ACRA"), as the external auditors of the Company and its significant subsidiaries for consolidation purposes. Accordingly, the Group has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its external auditor.

The AC noted that other than the Agreed-Upon Procedures ("AUP") engagement to verify the childcare subsidy claims by one of the subsidiaries, there are no other non-audit services provided by the external auditor to the Group and is satisfied with the independence of PKF-CAP LLP as the external auditors of the Company.

The AC has reviewed the independence and objectivity of PKF-CAP LLP in FY2022 and is satisfied that PKF-CAP LLP has demonstrated appropriate qualifications and expertise and is also independent of the Company. The AC is also satisfied with the adequacy of the scope and quality of the external audits being conducted by PKF-CAP LLP. The AC recommended the re-appointment of PKF-CAP LLP as the external auditors for the ensuing financial year, taking into consideration the Audit Quality Indicators Disclosure Framework published by the ACRA. The Board accepted this recommendation and has proposed a resolution to shareholders for the re-appointment of PKF-CAP LLP as the external auditors of the Company at the forthcoming AGM.

# CORPORATE GOVERNANCE REPORT

Provision 10.5

## ***Meeting Auditors without the Management***

The AC has separately met with the external and internal auditors once in the absence of Management for FY2022 to discuss and evaluate the internal controls of the Group and review the overall scope of both external and internal audits at least once in FY2022 through video conference or other means of telecommunication, in line with government advisories amidst the COVID-19 pandemic.

## ***Whistle-Blowing Policy***

The Company is committed to a high standard of ethical conduct and adopts a zero-tolerance approach to fraud. The Company undertakes to investigate complaints of suspected fraud objectively and has put in place a whistle-blowing policy which provides employees and any other person with well-defined and accessible channels, including direct access to the Chairman of the AC, to raise concerns about possible irregularities in matters of financial reporting or other matters in confidence (the “**Whistle-Blowing Policy**”). The Whistle-Blowing Policy defines the processes clearly to ensure independent investigation of such matters and permits whistle-blowers to report matters relating to the foregoing directly by email to [whistleblower@ohldg.com.](mailto:whistleblower@ohldg.com.), which is only accessible by the Chairman of AC to ensure the identity of the whistle-blowers is kept confidential.

The Whistle-Blowing Policy is intended to encourage the reporting of such matters in good faith, with confidence that employees and any other person making such reports will be treated fairly and, as far as possible, be protected from possible reprisal. The AC oversees the function and handling of matters being reported through the whistle-blowing system, evaluating the seriousness and credibility of the matter and confirming the allegation from the source and ensuring independent investigation and any follow-up actions are carried out. The AC will follow the processes defined in the Whistle-Blowing Policy to ensure proper conduct of the investigation and follow up following the completion of the investigation including disciplinary actions and remediation of control weaknesses.

There was no whistle-blowing reports or complaints received through the Group's whistle-blowing channel as of the date of this report.

## **IV. SHAREHOLDER RIGHTS AND ENGAGEMENT**

### **Shareholder Rights and Conduct of General Meetings**

**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.**

Provision 11.1

### ***Shareholders' Participation in General Meetings***

The Group treats all shareholders fairly and equitably, and recognises, protects, and facilitates the exercise of shareholders' rights. The Company ensures that all material information is disclosed to shareholders on a timely basis via SGXNet. Results and annual reports are announced or issued within the mandatory periods.

# CORPORATE GOVERNANCE REPORT

At each general meeting of the Company, shareholders are given the opportunity to participate effectively and raise their concerns with the Directors and Management on matters pertaining to the Group and its operations. Any notice of a general meeting to shareholders is announced on SGXNet and published on the Company's corporate website (<https://www.ohldg.com>) at least 14 days (or 21 days if there is any special resolutions) before the scheduled date of the meeting.

All Directors, the Chairman of the Board, the respective Chairman of the AC, NC and RC, the Management and the external auditors are present at the general meetings to address any queries or concerns from shareholders on matters relating to the Group and its operations. During FY2022, in light of the COVID-19 situation, the Company had invited Shareholders to submit their questions in advance in relation to any resolutions set out in the notice of meeting for the AGM held on 29 April 2022. The Company had received certain questions from shareholders in advance of the AGM and had provided its response to these questions in the Company's announcement dated 29 April 2022.

Save for the AGM held on 29 April 2022, there were no other general meetings of the Company held during FY2022.

## ***Conduct of General Meetings***

Shareholders are informed of the rules, including the voting procedures that govern the general meetings during the general meetings. The Company conducts voting of all resolutions tabled at a general meeting of the Company by poll. The detailed voting results, including the total number of votes cast for or against each resolution tabled, are announced immediately at the meeting and via SGXNet on the same day of the general meeting.

If the shareholders are unable to attend in person or in the case of a corporate shareholder, through its appointed representative, the Company's Constitution allows all shareholders to appoint proxy(ies) to attend and vote at general meetings of the Company on their behalf. A shareholder who is not a relevant intermediary (as defined in Section 181(6) of the Companies Act) is entitled to appoint not more than two proxies to attend, speak and vote at the general meetings through proxy forms deposited 48 hours before the meeting. Indirect investors who hold the Company's shares through a nominee company or custodian bank or through a CPF agent bank may also attend and vote at the general meeting.

The Company's AGM in FY2022 was conducted through live webcast in light of the COVID-19 pandemic, pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and guidance from ACRA, the Monetary Authority of Singapore, and/or SGX RegCo on the conduct of general meetings.

The Company's forthcoming AGM will be held by way of physical means at 8 Commonwealth Lane, #02-04 Grande Building, Singapore 149555 on 27 April 2023 at 10:00 am. The Notice of AGM and accompanying proxy form is announced on the SGX website and published on the Company's corporate website (<https://www.ohldg.com>). The AGM will allow for submission of questions by shareholders in advance of or at the AGM, addressing of substantial and relevant questions prior to or at the AGM and voting by shareholders or their duly-appointed proxies at the AGM.

# CORPORATE GOVERNANCE REPORT

## Provision 11.2

### ***Conduct of Resolutions and Voting***

Every matter requiring shareholders' approval is proposed as a separate resolution. The Company does not bundle any resolution(s) to be tabled for shareholders' approval. Each item of special business included in the notice of meeting is accompanied by an explanation for the proposed resolution where appropriate. As the authentication of shareholder identification information and other related security issues remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, facsimile or email.

## Provision 11.3

### ***Attendance of directors and external auditors***

All Directors, the Chairman of the Board and the respective Chairman of the AC, NC and RC, the Management and the external auditors are present at the general meetings to address any queries or concerns from shareholders on matters relating to the Group and its operations. In FY2022, all Directors had attended the AGM held on 29 April 2022.

## Provision 11.4

### ***Absentia Voting***

As authentication of shareholder identity information and other related security issues remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, facsimile or email. Notwithstanding the foregoing, in light of the COVID-19 pandemic, Shareholders were invited to exercise their voting rights during the AGM in FY2022 through the submission of proxy forms nominating the Chairman of the AGM to vote on their behalf.

## Provision 11.5

### ***Minutes of General Meetings***

The Company prepares minutes of general meetings which includes key comments and queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management. The Company's minutes of the forthcoming AGM will be published to the SGXNet and the Company's website within a month after the AGM.

In respect of the previous AGM held on 29 April 2022, the Company published the minutes of the AGM on the SGXNet within one month from the date of the AGM.

## Provision 11.6

### ***Dividend Policy***

The Company does not have a fixed dividend policy as at the date of this Report. Nonetheless, Management will review the Group's performance and make appropriate recommendations to the Board on dividend declaration. The form, frequency, and/or amount of dividends will depend on the Company's cash, earnings, gearings, financial performance and position, project capital expenditure, future investment plans, funding requirements and any other factors that the Directors consider relevant. The Company will communicate any dividend payout to shareholders via announcements released to the SGX-ST via SGXNet. The Company did not declare any dividends in respect of FY2022 as it was in a loss-making position.

# CORPORATE GOVERNANCE REPORT

## **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.**

Provisions 12.1, 12.2 and 12.3

## ***Investor Relations Practices***

While the Company does not have an Investor Relations Policy in place, the Board is of the view that the current communication channels between the Company and shareholders are sufficient and cost-effective and the Board's policy is that all Shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Companies Act.

## ***Disclosure of Information***

Information is communicated to shareholders and public investors through the following channels:

- (a) details of all general meetings via SGXNet, including notices of general meetings published and circulars/reports;
- (b) Annual Reports that are issued to all shareholders. The Board makes every effort to ensure that the Annual Report includes all relevant information on the Group, including current developments, strategic plans and disclosures required under the Companies Act, the Singapore Financial Reporting Standards, and other applicable rules and regulations; and
- (c) announcements of half-yearly and full-year results released via SGXNet; announcements relating to major developments of the Group made via SGXNet; press and analysts' briefings as may be appropriate.

## ***Mechanism through which Shareholders may contact the Company with questions***

In addition to the above, the Company's corporate website (<https://www.ohldg.com>) has a dedicated "Investor Relations" link where the contact details of the investor relations team are available therein, to enable shareholders to contact the Company with ease. The Company's investor relations team has procedures in place to address investors' queries or complaints as soon as possible.

Given the foregoing, the Board is of the view that notwithstanding that the Company does not have an Investor Relations Policy in place, given the steps undertaken by the Company in respect of the timely disclosure of information to shareholders and the processes in place to address shareholders' queries or complaints, the Company's practices in FY2022 in respect of shareholder engagement are in line with the intent of Principle 12 of the Code.

# CORPORATE GOVERNANCE REPORT

## V. MANAGING RELATIONSHIPS WITH STAKEHOLDERS

### **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.**

Provisions 13.1 and 13.2

### ***Stakeholders' Engagement***

The Company has its materiality assessment process to identify key stakeholders that may have a direct or indirect impact to the company's business and operations. The Company's engagement with the key stakeholders, including engagement methods and key issues, will be disclosed in the Company's Sustainability Report 2022, which will be released on SGXNet no later than 30 April 2023.

Stakeholders can know more about the Group's business and governance practices through the Company's corporate website (<https://www.ohldg.com>) and to communicate with the Company through its Investor Relations team with their contact details mentioned on the corporate website.

Provision 13.3

### ***Corporate Website***

The Company aims to provide clear and continuous disclosures of its corporate governance practices through the efficient use of technology.

The latest Annual Report, financial results and Company announcements are posted on the Company's corporate website (<https://www.ohldg.com>) following their release to the market through SGXNet, to ensure fair dissemination to shareholders.

## VI. INTERESTED PERSON TRANSACTIONS

The Company has established internal control policies to ensure that transactions with interested persons are properly reviewed and approved and are conducted at arms' length basis. All interested person transactions are subject to review by the AC.

The Company has not obtained a general mandate from its Shareholders in respect of interested person transactions for FY2022.

There were no interested person transactions entered into during FY2022 which exceeded S\$100,000.

## VII. MATERIAL CONTRACTS

Save as disclosed above in the section entitled "Interested Person Transactions", the service agreement between the Company and the Executive Director and CEO, and the Directors' Statement and Financial Statements, there were no material contracts (including loans) entered into by the Company or any of its subsidiaries involving the interests of any Director or controlling Shareholder which are either still subsisting as at the end of FY2022 or if not then subsisting, entered into since the end of the previous financial year.

# CORPORATE GOVERNANCE REPORT

## VIII. DEALINGS IN SECURITIES

The Company has complied with Rule 1204(19) of the Catalist Rules of the SGX-ST in relation to the best practices on dealings in the securities.

The Group has adopted a Code of Best Practice Guides for Dealings in Securities (the "**Securities Code**") which sets out the policy on dealings in securities of the Company and the implications of insider trading. In line with the Securities Code, Directors, key management personnel (if any) and employees of the Group who have access to unpublished price-sensitive and confidential information are informed not to deal in the securities of the Company for the period commencing at least one month before the release of the Company's half-year and full-year financial results to the SGX-ST and ending on the date of announcement of the relevant results, or when they are in possession of any unpublished material price-sensitive information.

Directors, key management personnel and employees are also discouraged from dealing in the Company's securities on short-term considerations.

In addition, the Directors and Management are expected to observe the insider trading laws at all times, even when dealing in securities within the permitted trading period.

## IX. SUSTAINABILITY REPORT

The Company will publish its sustainability report by 30 April 2023 and intends to make it accessible to shareholders on SGXNET. The report will emphasize the significant economic, environmental, social, and governance ("**ESG**") factors, highlighting the company's commitment to sustainability. The Company acknowledges the significant risks that climate change poses to the operations, the industry, and the communities the Company serves. To address these risks, the Company is committed to identifying and evaluating climate-related risks as well as implementing measures to manage and mitigate them effectively. The Company understands that transparency is essential and is currently working to align the disclosure with the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**"). As such, information on climate-related risks and opportunities will be included in our future Sustainability Reports.

## X. CODE OF BUSINESS CONDUCT

The Directors, officers and employees are required to observe and maintain high standards of integrity, and are in compliance with the law, regulations, and the Company's policies.

## XI. NON-SPONSORSHIP FEES

With reference to Rule 1204(21) of the Catalist Rules, there were no non-sponsorship fees payable or paid to the Company's Sponsor, Evolve Capital Advisory Private Limited in FY2022.

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

The directors present their statement to the members together with the audited consolidated financial statements of OEL (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 December 2022.

## 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 December 2022 and the financial performance, changes in equity and cash flows of the Group and the 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:

Zhang Jian  
 Zhao Xin  
 Yap Koon Loong  
 Chong Eng Wee  
 Toh Lim Kai

## ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## DIRECTORS' INTEREST IN SHARES AND DEBENTURES

The directors holding office at the end of the financial year and their interests in the shares of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company in accordance with Section 164 of the Singapore Companies Act 1967 were as follows:

<b>Name of director and entity in which interests are held</b>	<b>Shareholdings registered in the names of directors</b>	
	<b>At beginning of year</b>	<b>At end of year</b>
<i>Ordinary shares of the Company</i>		
Zhang Jian	138,331,000	138,331,000
Zhao Xin	13,773,000	13,773,000

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 20 January 2023.

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 related corporations, either at the beginning of the financial year or at the end of the financial year.

## SHARE OPTIONS

No options to take up unissued shares of the Company or of its subsidiaries were granted during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries, whether granted before or during the financial year.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

## AUDIT COMMITTEE

The Audit Committee ("AC") of the Company is chaired by Mr Yap Koon Loong and includes Mr Chong Eng Wee and Dr Toh Lim Kai at the date of this statement. The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, the SGX Listing Manual and Code of Corporate Governance, which include *inter alia* the following:

- Reviewed the significant financial reporting issues and judgements so as to ensure the integrity of the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company;
- Reviewed the half yearly and annual financial results announcement and the independent auditor's report on the year end consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company before their submission to the Board of Directors for approval;
- Reviewed the adequacy and effectiveness of the Group's and Company's internal controls and risk management systems;
- Reviewed the adequacy, effectiveness, independence, scope and results of the external audit and the internal audit function, including the nature and extent of non-audit services provided by the external auditor;
- Met with the internal and external auditors of the Group and Company to review their audit plan and discuss the results of their respective examinations and their evaluation of the Group's and Company's system of internal accounting controls without the presence of the Group's and Company's Management;
- Considered and recommended to the Board of Directors on re-appointment of the external and internal auditors, and approved the remuneration and terms of engagement of the external and internal auditors;
- Reviewed the external and internal auditors' reports;
- Reviewed the co-operation given by the Group's and Company's management to the external and internal auditors;

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

- Reviewed and approved interested persons transactions falling within the scope of Chapter 9 of the Catalist Rules;
- Reviewed and established procedures for receipt, retention and treatment of complaints received regarding, inter alia, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group.

The AC noted that other than the Agreed-Upon Procedures ("AUP") engagement to verify the childcare subsidy claims by one of the subsidiaries, there are no other non-audit services provided by the external auditor to the Group and is satisfied with the independence of the external auditor. The AC has also conducted a review of interested person transactions.

The AC convened two meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

The Audit Committee has recommended to the Board the nomination of PKF-CAP LLP for re-appointment as external auditor of the Company at the forthcoming Annual General Meeting.

## AUDITOR

PKF-CAP LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

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Zhao Xin  
Director

Singapore  
12 April 2023

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Yap Koon Loong  
Director

# INDEPENDENT AUDITOR'S REPORT

To the members of OEL (Holdings) Limited

## **Report on the Audit of the Financial Statements**

### ***Opinion***

We have audited the accompanying financial statements of OEL (Holdings) Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 52 to 92.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and 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 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the 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.

### ***Material Uncertainty Related to Going Concern***

We draw attention to Note 2.1 in the financial statements, which indicates that for the financial year ended 31 December 2022, the Group reported a loss after tax of S\$4,241,000 (2021: S\$1,733,000) and incurred net operating cash outflows of S\$3,203,000 (2021: S\$5,544,000). In addition, as at 31 December 2022, the Group and the Company have low cash and bank balances of S\$170,000 (2021: S\$3,667,000) and S\$40,000 (2021: S\$3,628,000) respectively. As stated in Note 2.1, these events or conditions, along with other matters as set forth in Note 2.1, indicate that a material uncertainty exists that may cast significant doubt on the ability of the Group and of the Company to continue as going concerns. Our opinion is not modified in respect of this matter.

### ***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 year. 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.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that the matters described below to be the key audit matters to be communicated in our report.

# INDEPENDENT AUDITOR'S REPORT

To the members of OEL (Holdings) Limited

## **Report on the Audit of the Financial Statements (Continued)**

### **Key Audit Matters (Continued)**

#### Impairment Assessment of Goodwill

(Refer to Notes 2.4(c), 3.2(i) and 14 to the financial statements)

The Group's goodwill amounted to S\$267,000 (2021: S\$267,000) which accounted for 8.7% (2021: 3.5%) of the Group's total assets as at 31 December 2022.

The impairment assessment of goodwill is considered a key audit matter as it requires management to exercise significant judgement on the assessment of various key assumptions that are affected by future market and economic conditions. As disclosed in Note 14, the Group's goodwill is allocated to one Cash Generating Unit ("CGU") for impairment assessment. Management has performed an impairment review and has recognised a goodwill impairment loss of S\$267,000 (S\$Nil).

Management made key assumptions in respect of future market and economic conditions such as revenue growth rates, earnings before interest and tax ("EBIT") margins, discount rates and long-term economic growth rates when performing the assessment.

Our audit procedures included, among others:

- Reviewed the discounted future cash flows used to assess the value in use of the CGU to which the goodwill is allocated for impairment testing, including reperforming the calculations to verify the accuracy.
- Assessed that the discounted future cash flows are based on the budgets approved by the Board of Directors.
- Assessed the appropriateness of the key assumptions used such as revenue growth rates, EBIT margins, discount rates and long-term economic growth rates when performing the assessment together with our internal valuation specialists.
- Assessed and tested the key assumptions which the outcome of the impairment is most sensitive to.
- Assessed the adequacy of disclosures made in the financial statements.

#### Impairment Assessment of the Company's Investment in Subsidiary

(Refer to Notes 2.14, 3.2(ii) and 12 to the financial statements)

The Company's carrying amount of investment in subsidiaries amounted to S\$1,150,000 (2021: S\$1,150,000) which accounted for 61.1% (2021: 15.5%) of the Company's total assets as at 31 December 2022.

Where there is an indication of impairment, management is required to assess the recoverable amount of its investment in subsidiaries which is the higher of the fair value less costs of disposal and value in use of the subsidiaries assessed as a CGU.

As disclosed in Note 12 to the financial statements, management has performed an impairment test on an investment in subsidiary with indication of impairment. Management estimated the recoverable amount of the investment in subsidiary by assessing the fair value less costs of disposal. As the fair value less costs of disposal exceed the carrying amount, the investment in subsidiary is assessed to be not impaired and it is not necessary to estimate the value in use.

The impairment assessment of investment in subsidiary is considered a key audit matter as it requires management to exercise judgement on the assessment of various key assumptions to estimate the recoverable amount of the investment in subsidiary that are affected by future market and economic conditions. Management made key assumptions in respect of future market and economic conditions such as the forecasted maintainable revenue and market enterprise value to revenue multiples of publicly traded comparable companies.

# INDEPENDENT AUDITOR'S REPORT

To the members of OEL (Holdings) Limited

## **Report on the Audit of the Financial Statements (Continued)**

### ***Key Audit Matters (Continued)***

#### Impairment Assessment of the Company's Investment in Subsidiary (Continued)

Our audit procedures included, among others:

- Performed evaluation of the Company's policies and procedures to identify indicators for potential impairment of the Company's investment in subsidiary.
- Reviewed the impairment model used to assess the fair value less costs of disposal of the CGU, including reperforming the calculations to verify the accuracy.
- Assessed the appropriateness of the key assumptions used such as forecasted maintainable revenue and market enterprise value to revenue multiples of publicly traded comparable companies together with our internal valuation specialists.
- Assessed and tested the key assumptions which the outcome of the impairment is most sensitive to.
- Assessed the adequacy of disclosures made in the financial statements.

#### Recoverability Assessment of the Company's Amount Due From Subsidiaries

(Refer to Notes 2.17, 3.2(v) and 16 to the financial statements)

The Company's gross amount due from subsidiaries totalled S\$2,897,000 (2021: S\$1,401,000) which accounted for 154.0% (2021: 18.9%) of the Company's total assets as at 31 December 2022.

Management has performed an impairment review based on the expected credit loss ("ECL") model and based on the review, ECL allowance of S\$2,841,000 (2021: S\$Nil) was provided for by management.

The estimated credit loss allowance is based on the historical and forward-looking trends of the receivables from the subsidiaries, which includes analysis of the age of these receivables and the financial ability of the subsidiaries to repay the amounts.

We identified this as a key audit matter as the assessment of the determination of ECL requires management to exercise significant judgement and estimation. In determining the credit quality and whether any significant increase in credit risk occurs, requiring both forward-looking and historical information to be considered.

Our audit procedures included, among others:

- Obtained understanding of the Company's processes in assessing ECL for the amount due from subsidiaries.
- Discussed with management on the basis adopted by management in assessing the recoverability of the amount due from subsidiaries.
- Reviewed whether there are subsequent receipts for the settlement of the amount due from subsidiaries after the financial year end.
- Assessed the adequacy of disclosures made in the financial statements.

# INDEPENDENT AUDITOR'S REPORT

To the members of OEL (Holdings) Limited

## **Report on the Audit of the Financial Statements (Continued)**

### **Key Audit Matters (Continued)**

#### Impairment Assessment of Plant and Equipment, Including Right-of-Use Assets

(Refer to Notes 2.15, 3.2(iv), 11 and 20(a) to the financial statements)

The Group's and Company's carrying amount of plant and equipment, including right-of-use assets totalled S\$1,558,000 (2021: S\$2,235,000) and S\$237,000 (2021: S\$619,000) respectively which accounted for 51.0% (2021: 29.6%) and 12.6% (2021: 8.4%) of the Group's and Company's total assets respectively as at 31 December 2022.

An impairment review is performed when there are indications of impairment. Management had carried out impairment assessment to determine whether the recoverable amount of the plant and equipment, including right-of-use assets are less than the respective carrying amounts. The fair value less costs of disposal and value in use calculations of the CGU of the plant and equipment, including right-of-use assets requires management to estimate the future cash flows that the Group and Company expect to derive from the assets from the disposal of the assets and through continuing use.

We identified this as a key audit matter as the estimation of the recoverable amount involved significant judgement and estimation. In estimating the fair value less costs of disposal, management made key assumptions in respect of future market and economic conditions such as the forecasted maintainable revenue and market enterprise value to revenue multiples of publicly traded comparable companies. In estimating the future cash flows in the value in use calculations, management made key assumptions in respect of future market and economic conditions such as revenue growth rates, earnings before interest and tax ("EBIT") margins, discount rates and long-term economic growth rates when performing the assessment.

Our audit procedures included, among others:

- Performed evaluation of the Group's policies and procedures to identify indicators for potential impairment of the plant and equipment, including right-of-use assets.
- Reviewed the impairment model used to assess the value in use of the CGU to which the plant and equipment, including right-of-use assets is allocated for impairment testing, including reperforming the calculations to verify the accuracy.
- Assessed that the discounted future cash flows are based on the budgets approved by the Board of Directors.
- Assessed the appropriateness of the key assumptions used such as forecasted maintainable revenue, market enterprise value to revenue multiples of publicly traded comparable companies, revenue growth rates, EBIT margins, discount rates and long-term economic growth rates when performing the assessment together with our internal valuation specialists.
- Assessed and tested the key assumptions which the outcome of the impairment is most sensitive to.
- Assessed the adequacy of disclosures made in the financial statements.

### **Other Information**

Management is responsible for other information. The other information comprises the information included in the Annual Report 2022, 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 or conclusion thereon.

# INDEPENDENT AUDITOR'S REPORT

To the members of OEL (Holdings) Limited

## **Report on the Audit of the Financial Statements (Continued)**

### ***Other Information (Continued)***

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.

# INDEPENDENT AUDITOR'S REPORT

To the members of OEL (Holdings) Limited

## Report on the Audit of the Financial Statements (Continued)

### ***Auditor's Responsibilities for the Audit of the Financial Statements (Continued)***

- 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.
- 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, actions taken to eliminate threats or safeguards applied.

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 year 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 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 Sia Boon Tiong.

### **PKF-CAP LLP**

Public Accountants and  
Chartered Accountants

Singapore  
12 April 2023

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

		<b>The Group</b>	
	Note	2022 S\$'000	2021 S\$'000
<b>Revenue</b>			
Cost of sales	4	779	319
Gross profit		(295)	(48)
Other operating income	5	484	271
Selling and distribution expenses		155	2,476
Administrative expenses		(990)	(1,266)
Other operating expenses		(3,783)	(3,105)
Finance costs	6	(320)	(38)
		(70)	(75)
<b>Loss before tax</b>	8	(4,524)	(1,737)
Income tax credit	9	283	4
<b>Loss after tax for the year</b>		<b>(4,241)</b>	<b>(1,733)</b>
<b>Other comprehensive (loss)/income, net of tax:</b>			
Item that may be reclassified subsequently to profit or loss, net of tax:			
Exchange differences on translation of a foreign operation, net of tax		(4)	4
Other comprehensive (loss)/income, net of tax		(4)	4
<b>Total comprehensive loss for the year</b>		<b>(4,245)</b>	<b>(1,729)</b>
<b>Loss attributable to:</b>			
Equity holders of the Company		(4,241)	(1,696)
Non-controlling interest		-	(37)
		<b>(4,241)</b>	<b>(1,733)</b>
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Company		(4,245)	(1,692)
Non-controlling interest		-	(37)
		<b>(4,245)</b>	<b>(1,729)</b>
<b>Loss per share attributable to equity holders of the Company (cents per share)</b>			
Basic and diluted	10	<b>(0.45)</b>	<b>(0.18)</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

	Note	The Group		The Company	
		2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
<b>NON-CURRENT ASSETS</b>					
Plant and equipment	11	475	716	79	233
Right-of-use assets	20	1,083	1,519	158	386
Investment in subsidiaries	12	—	—	1,150	1,150
Intangible asset	13	19	37	—	—
Goodwill on consolidation	14	—	267	—	—
Other non-current asset		9	10	—	—
Other receivables	16	53	—	—	—
		<b>1,639</b>	<b>2,549</b>	<b>1,387</b>	<b>1,769</b>
<b>CURRENT ASSETS</b>					
Inventories	15	536	317	24	25
Trade and other receivables	16	712	1,007	430	1,979
Cash and bank balances	17	170	3,667	40	3,628
		<b>1,418</b>	<b>4,991</b>	<b>494</b>	<b>5,632</b>
<b>Total assets</b>		<b>3,057</b>	<b>7,540</b>	<b>1,881</b>	<b>7,401</b>
<b>CURRENT LIABILITIES</b>					
Lease liabilities	20	281	439	34	213
Trade and other payables	18	499	305	410	207
Provision for other liabilities		60	4	55	—
Income tax payable		—	1	—	—
		<b>840</b>	<b>749</b>	<b>499</b>	<b>420</b>
<b>NON-CURRENT LIABILITIES</b>					
Provision for reinstatement costs		56	31	—	—
Loan and borrowing	22	207	—	—	—
Lease liabilities	20	825	1,103	140	190
Deferred tax liabilities	19	3	286	—	280
		<b>1,091</b>	<b>1,420</b>	<b>140</b>	<b>470</b>
<b>Total liabilities</b>		<b>1,931</b>	<b>2,169</b>	<b>639</b>	<b>890</b>
<b>Net assets</b>		<b>1,126</b>	<b>5,371</b>	<b>1,242</b>	<b>6,511</b>
<b>EQUITY</b>					
Share capital	21	42,745	42,745	42,745	42,745
Accumulated losses		(41,552)	(37,311)	(41,503)	(36,234)
Foreign currency translation reserve		3	7	—	—
<b>Attributable to equity holders of the Company</b>		<b>1,196</b>	<b>5,441</b>	<b>1,242</b>	<b>6,511</b>
Non-controlling interest		<b>(70)</b>	<b>(70)</b>	<b>—</b>	<b>—</b>
<b>Total equity</b>		<b>1,126</b>	<b>5,371</b>	<b>1,242</b>	<b>6,511</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

	Attributable to equity holders of the Company					Non-controlling interest S\$'000	Total equity S\$'000
	Share capital S\$'000	Accumulated losses S\$'000	Foreign currency translation reserve S\$'000	Revaluation reserve S\$'000	Total S\$'000		
<b>The Group</b>							
Balance as at 1 January 2021	42,745	(43,494)	3	7,879	7,133	(33)	7,100
Loss for the year		(1,696)	–	–	(1,696)	(37)	(1,733)
Realisation of revaluation reserve of leasehold building sold during the year		7,879	–	(7,879)	–	–	–
<u>Other comprehensive income for the year</u>		–	–	4	–	4	4
Exchange differences on translation of a foreign operation, net of tax		–	6,183	4	(7,879)	(1,692)	(1,729)
Total comprehensive income/(loss) for the year		42,745	(37,311)	7	–	5,441	(70)
Balance as at 31 December 2021							5,371
Loss for the year		(4,241)	–	–	(4,241)	–	(4,241)
<u>Other comprehensive loss for the year</u>		–	–	(4)	–	(4)	(4)
Exchange differences on translation of a foreign operation, net of tax		–	(4,241)	(4)	–	(4,245)	(4,245)
Total comprehensive loss for the year							–
<b>Balance as at 31 December 2022</b>	<b>42,745</b>	<b>(41,552)</b>	<b>3</b>	<b>–</b>	<b>1,196</b>	<b>(70)</b>	<b>1,126</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

<b>The Company</b>	<b>Share capital</b>	<b>Accumulated losses</b>	<b>Revaluation reserve</b>	<b>Total equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Balance as at 1 January 2021	42,745	(43,428)	7,879	7,196
Realisation of revaluation reserve of leasehold building sold during the year	–	7,879	(7,879)	–
Total comprehensive loss for the year	–	(685)	–	(685)
Balance as at 31 December 2021	42,745	(36,234)	–	6,511
Total comprehensive loss for the year	–	(5,269)	–	(5,269)
<b>Balance as at 31 December 2022</b>	<b>42,745</b>	<b>(41,503)</b>	<b>–</b>	<b>1,242</b>

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

		The Group	
	Note	2022 S\$'000	2021 S\$'000
<b>Cash flows from operating activities</b>			
Loss before tax		(4,524)	(1,737)
<u>Adjustments for:</u>			
Depreciation of plant and equipment	11	223	165
Depreciation of right-of-use assets	20	494	426
Amortisation of intangible asset	13	18	18
Interest expense	6	70	75
Gain on settlement of litigation	5	–	(373)
Gain on sale of leasehold building	5	–	(1,884)
Write-off of plant and equipment	11	53	–
Impairment loss of goodwill		267	–
Gain on early termination of lease		(7)	–
<b>Operating cash flow before changes in working capital</b>		(3,406)	(3,310)
<u>Changes in working capital:</u>			
Inventories		(219)	(307)
Trade and other receivables		242	(250)
Trade and other payables		251	(1,602)
<b>Net cash used in operations</b>		(3,132)	(5,469)
Interest paid		(70)	(75)
Tax paid		(1)	–
<b>Net cash used in operating activities</b>		(3,203)	(5,544)
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment	11	(35)	(500)
Proceeds from sale of leasehold building		–	9,500
Acquisition of other non-current asset		–	(10)
<b>Net cash (used in)/generated from investing activities</b>		(35)	8,990
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities	20	(462)	(402)
Proceeds from loan and borrowing	22	207	–
<b>Net cash used in financing activities</b>		(255)	(402)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(3,493)	3,044
Cash and cash equivalents at beginning of the year		3,667	619
Effect of currency translation on cash and cash equivalents		(4)	4
<b>Cash and cash equivalents at end of the year</b>	17	170	3,667

The accompanying notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

## 1. CORPORATE INFORMATION

OEL (Holdings) Limited (the "Company") (Registration No. 198403368H) is incorporated and domiciled in Singapore as a limited liability company and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 8 Commonwealth Lane, #02-04 Grande Building, Singapore 149555.

The principal activities of the Company are that of investment holding and property management. The principal activities of the subsidiaries are disclosed in Notes 12 to the financial statements. The Group is primarily involved in the provision of childcare wellness education services and the selling and distribution of healthcare products.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 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 S\$), which is the functional currency of the Company. All values are rounded to the nearest thousand (\$'000), except when otherwise indicated.

#### **Going concern assumption**

The Group reported a loss after tax of S\$4,241,000 (2021: S\$1,733,000) and incurred net operating cash outflows of S\$3,203,000 (2021: S\$5,544,000) for the financial year ended 31 December 2022. In addition, as at 31 December 2022, the Group and the Company have low cash and bank balances of S\$170,000 (2021: S\$3,667,000) and S\$40,000 (2021: S\$3,628,000) respectively. These indicate the existence of material uncertainties that cast significant doubt on the ability of the Group and of the Company to operate as going concerns.

Management has assessed that it is appropriate to use the going concern assumption for the preparation of the financial statements after taking into consideration the following:

- i. Subsequent to the financial year end, on 1 April 2023, the Company entered into a loan agreement with the controlling shareholder for the provision of interest-free loan amounting to S\$1,400,000 ("loan from controlling shareholder"). The funds from the loan from controlling shareholder are disbursed in four tranches as follows:
  - S\$400,000 on 1 April 2023;
  - S\$200,000 on or before 3 April 2023;
  - S\$200,000 on or before 5 April 2023;
  - S\$600,000 on or before 10 April 2023.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

#### Going concern assumption (Continued)

- ii. Management is exploring the potential sale of some of the Group's existing assets and operations. As part of management's plan to sell the assets and operations, management is actively undertaking measures to identify potential suitable buyers and entering into negotiations with such buyers to discuss on the potential terms of the sale. The sale proceeds are expected to provide additional funding to the Group to sustain its operations for the foreseeable future. At the same time, should the disposal materialise, it is expected to allow the Group to reduce its net operating cash outflows as the operations have been incurring losses and net operating cash outflows during the current and prior financial years.
- iii. Management's future plans and measures to grow the Group's healthcare equipment and services segment which included the following:
  - Management is actively negotiating and tendering for contracts with new customers to grow the Group's healthcare equipment and services revenue base. As of to date, the Group has managed to secure two master agreements for the supply of healthcare products and equipment to government clinics and hospitals as well as new purchase orders for the supply of healthcare equipment which the Group is in the midst of fulfilling the order.
  - The Group has established a partnership with a third-party distributor to sell and market the Group's healthcare equipment and services.
  - Management is exploring potential mergers & acquisitions (M&As) opportunities with other healthcare equipment and services companies with established customer base, profitable track record and competent management teams to further grow the Group's healthcare equipment and services segment.
- iv. Management will continue to undertake measures to improve and manage the cash flows, productivity and cost efficiency of the Group's operations. In this regard, the executive directors are willing to defer the payments of their salaries should such deferment be required to ensure the Group has sufficient funds to sustain its operations.

After considering the abovementioned measures and mitigating actions, management is confident that the Group and the Company will be able to generate sufficient cash flows and have the necessary funds to meet the operating requirements of the Group's operations and to settle its liabilities as and when they fall due for at least another twelve months from the date of the financial statements are authorised for issuance and that the continuing use of the going concern assumption in the preparation of the financial statements is appropriate. Accordingly, the financial statements do not include adjustments relating to the recoverability and reclassification of recorded asset amounts or the amounts and reclassification of liabilities that might be necessary should the Group and the Company be unable to continue as going concerns.

Should the going concern assumptions be inappropriate, adjustments may have to be made to:

- i. Reflect the situation that assets may need to be realised other than in the normal course of the business and at amounts which may differ significantly from the amounts at which they are currently recorded in the statement of financial position;
- ii. Provide for further liabilities that might arise; and
- iii. Reclassify non-current assets and non-current liabilities as current.

No such adjustments have been made in the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Adoption of new and amended standards and interpretations

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 amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the Group's financial statements.

### 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: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to SFRS (I) 17: <i>Insurance Contract</i>	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	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.

### 2.4 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 (if any) even if that results in a deficit balance.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.4 Basis of consolidation and business combinations (Continued)

#### (b) Business combinations

Business combinations are initially accounted for on a provisional basis using 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 deemed to be an asset or liability, will be recognised in profit or loss. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

The Group elects for each individual business combination, whether non-controlling interest in the acquire (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(l).

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.

#### (c) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

### 2.5 Transactions with non-controlling interests

Non-controlling interest represents 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.6 Foreign 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 except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(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 Revenue recognition

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. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Rental income*

Rental income arising from operating leases on non-current asset is accounted for on a straight-line basis over the lease terms (i.e. over time). The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(b) *Provision of childcare wellness education services*

Revenue arising from the rendering of childcare wellness education services is recognised over the period of time which the services are being rendered (i.e. over time).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.7 Revenue recognition (Continued)

(c) *Sale of medical healthcare equipment*

Revenue from the sale of medical healthcare equipment is recognised when the goods are delivered to the customer (i.e. at a point in time). The amount of revenue recognised is the amount of consideration to which the Group expects to be entitled in exchange for transferring the goods to the customer.

### 2.8 Employee benefits

(a) *Defined contribution plans*

The Company and the Group contribute to the Central Provident Fund ("CPF") or equivalent fund, a defined contribution plan regulated and managed by the Government of Singapore or other authorities, which applies to the majority of the employees. The Company's and the Group's contributions to CPF or equivalent are recognised to the profit or loss in the period to which the contributions relate.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

### 2.9 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.

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

**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 includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.15.

The Group's right-of-use assets are disclosed in Note 20(a).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.9 Leases (Continued)

As lessee (Continued)

#### 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 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. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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, 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 Group's lease liabilities are disclosed in Note 20(b).

#### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery (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 office equipment 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.

#### Related rent concessions

The Group has applied the *Amendment to SFRS(I) 16 Leases: Covid-19 Related Rent Concessions*. The Group applies the practical expedient allowing it not to assess whether a rent concession related to Covid-19 is a lease modification. The Group applies the practical expedients consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group choose not to apply the practical expedient or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

### 2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in first-out method and comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost necessary to make the sale.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.11 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 authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. 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.

(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 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, associates and interests in joint ventures, 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 investments in subsidiaries, associates and interests in joint ventures, 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.11 Taxes (Continued)

(b) *Deferred tax (Continued)*

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 relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) *Goods and services tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

### 2.12 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than leasehold building are measured at cost less accumulated depreciation and any accumulated impairment losses.

Leasehold building is measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the leasehold buildings at the end of the reporting period.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Depreciation is computed on a straight-line basis to write off the cost of property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

Plant and equipment

<b>Useful lives</b>
3 to 10 years

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.12 Property, plant and equipment (Continued)

Repair and maintenance expenses are taken to profit or loss during the financial year in which they are incurred. The cost of major renovations and restorations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company, and depreciated over the remaining useful life of the asset.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal is determined by comparing proceeds with the carrying amount and is included in profit or loss from operations. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

### 2.13 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible asset acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

#### *Acquired Student Population*

The acquired student population intangible asset was acquired as part of the acquisition of the subsidiary, Discovery Kidz Preschool Pte Ltd and is amortised to profit or loss over its finite useful life of approximately 4 years.

### 2.14 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group 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 separate financial statements, investment in subsidiaries is accounted for at cost less impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.15 Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment 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 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 except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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 unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses relating to goodwill cannot be reversed in future periods.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

### 2.16 Financial instruments

#### (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**

All the financial assets of the Group are measured at amortised cost during the reporting period and as at reporting date.

##### *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 the amortisation process.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.16 Financial instruments (Continued)

- (a) *Financial assets (Continued)*

#### **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.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

#### **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 or cancelled or expired. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

### 2.17 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. ECLs are based on the difference between 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).

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.17 Impairment of financial assets (Continued)

#### *Definition of default*

The Group considers the followings as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the company, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when there is evidence that a financial asset is credit impaired unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

### 2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

### 2.19 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### 2.20 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.20 Contingencies (Continued)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair values can be reliably determined.

### 2.21 Related parties

A related party is defined as follows:

- (a) A person or close member of the person's family is related to the Group and Company if that person:
  - (i) Has control or joint control over the Company;
  - (ii) Has significant influence over the Company; or
  - (iii) Is a member of the key management personnel of the Group and Company or of a parent of the Company.
- (b) An entity is related to the Group and Company if any of the following conditions apply:
  - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.22 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

### 2.23 Share capital and share issuance 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.

### 2.24 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

### 2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 28, including the factors used to identify the reportable segments and the measurement basis of segment information.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

### 3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, the Group has not made significant judgements, apart from those involving estimations.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

### 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 that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below.

(i) *Impairment assessment on goodwill*

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

(ii) *Impairment on investment in subsidiaries*

The recoverable amount of the investment is reviewed at the end of each reporting period to determine whether there is any indication that the investment has suffered an impairment loss. If any such indication exists, the carrying amount of the investment is determined on the basis of the net recoverable amount to determine the extent of the impairment loss.

The Company's impairment of investment in subsidiaries as at 31 December 2022 and 31 December 2021 are disclosed in Note 12.

(iii) *Leases – estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore it uses incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

(iv) *Impairment assessment on non-financial assets*

An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units if applicable is measured based on the fair value less costs of disposal or value in use calculations. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amounts of plant and equipment and right-of-use assets as at 31 December 2022 and 31 December 2021 are disclosed in Note 11 and Note 20(a) respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

### 3.2 Key sources of estimation uncertainty (Continued)

(v) *Provision for ECLs of trade and other receivables*

The Group determines the expected credit loss for trade and other receivables based on assumptions about risk of default and expected credit loss rate. The Group adopts judgement in making these assumptions and selecting inputs for computing such impairment loss, broadly based on the available customer's historical data, like ageing analysis of the receivables, creditworthiness and the past collection history of each customer, existing market conditions and forward-looking estimates at end of each reporting date. The carrying amounts of trade and other receivables as at 31 December 2022 and 31 December 2021 are disclosed in Note 16 to the financial statements.

## 4. REVENUE

Main revenue streams:  
 Rental income  
 Provision of childcare wellness education services  
 Sale of medical healthcare equipment

	The Group	
	2022 S\$'000	2021 S\$'000
Rental income	-	26
Provision of childcare wellness education services	<b>186</b>	249
Sale of medical healthcare equipment	<b>593</b>	44
	<b>779</b>	319
Timing of transfer of goods or services:		
At a point in time	<b>593</b>	44
Over time	<b>186</b>	275
	<b>779</b>	319

## 5. OTHER OPERATING INCOME

Administrative and management income  
 Government grants  
 Gain on settlement of litigation (Note 24)  
 Gain on sale of leasehold building  
 Gain on early termination of lease  
 Others

	The Group	
	2022 S\$'000	2021 S\$'000
Administrative and management income	-	16
Government grants	<b>145</b>	203
Gain on settlement of litigation (Note 24)	-	373
Gain on sale of leasehold building	-	1,884
Gain on early termination of lease	7	-
Others	3	-
	<b>155</b>	2,476

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 6. FINANCE COSTS

Interest expense on:  
– Lease liabilities (Note 20(c))

	The Group	
	2022 S\$'000	2021 S\$'000
Interest expense on: – Lease liabilities (Note 20(c))	70	75

## 7. EMPLOYEE BENEFITS EXPENSES

Employee benefits expenses (including directors):  
– Salaries and wages  
– Defined contribution plans  
– Short-term employee benefits

	The Group	
	2022 S\$'000	2021 S\$'000
– Salaries and wages	2,339	2,223
– Defined contribution plans	242	217
– Short-term employee benefits	141	163
	<b>2,722</b>	<b>2,603</b>

The above employee benefits expense includes compensation payable to key management personnel as disclosed in Note 23 to the financial statements.

## 8. LOSS BEFORE TAX

Loss before income tax is determined after charging:–

Bank charges  
Directors' fee  
Depreciation of plant and equipment (Note 11)  
Depreciation of right-of-use assets (Note 20(c))  
Amortisation of intangible asset (Note 13)  
Employee benefits expenses (Note 7)  
Impairment loss of goodwill (Note 14)  
Legal and consultancy fees  
Write-off of plant and equipment  
Professional fees  
Audit fees paid/payable to the auditors of the Company  
Non-audit fees paid/payable to the auditors of the Company

	The Group	
	2022 S\$'000	2021 S\$'000
Bank charges	14	5
Directors' fee	180	225
Depreciation of plant and equipment (Note 11)	223	165
Depreciation of right-of-use assets (Note 20(c))	494	426
Amortisation of intangible asset (Note 13)	18	18
Employee benefits expenses (Note 7)	2,722	2,603
Impairment loss of goodwill (Note 14)	267	–
Legal and consultancy fees	115	168
Write-off of plant and equipment	53	–
Professional fees	157	249
Audit fees paid/payable to the auditors of the Company	45	33
Non-audit fees paid/payable to the auditors of the Company	5	4

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 9. INCOME TAX CREDIT

	<b>The Group</b>	
	2022 S\$'000	2021 S\$'000
Deferred income tax		
– Origination and reversal of temporary differences (Note 19)	<u>283</u>	<u>4</u>

The income tax credit on the loss of the financial year varies from the amount of income tax credit determined by applying the Singapore statutory rate of income tax on the Group's losses as a result of the followings:

	<b>The Group</b>	
	2022 S\$'000	2021 S\$'000
Loss before tax	<u>(4,524)</u>	<u>(1,737)</u>
Tax credit calculated at tax rate of 17% (2021: 17%)	<u>(769)</u>	<u>(295)</u>
Non-deductible expenses	<u>50</u>	<u>33</u>
Income not subject to taxation	<u>–</u>	<u>(323)</u>
Deferred tax assets not recognised	<u>716</u>	<u>581</u>
Origination and reversal of temporary differences	<u>(280)</u>	<u>–</u>
	<u>(283)</u>	<u>(4)</u>

As at reporting date, the Group has unutilised tax losses of approximately S\$7,629,000 (2021: S\$3,418,000) which are available for offset against future taxable profits for which no deferred tax assets are recognised due to unpredictability of the future profit streams to be generated by the Group in the foreseeable future. The deferred tax assets not recognised at reporting date totalled approximately S\$1,297,000 (2021: S\$581,000). The utilisation of these tax losses is subject to the agreement of the tax authorities and compliance with the applicable provisions of the tax legislation. The realisation of the future income tax benefits from unutilised tax losses is available for an unlimited future period.

## 10. LOSS PER SHARE

Basic and diluted loss per share are calculated by dividing the loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following tables reflect the loss and share data used in the computation of basic and diluted loss per share calculations:

	<b>The Group</b>	
	2022 S\$'000	2021 S\$'000
Loss attributable to equity holders of the Company, used in the computation of basic and diluted loss per share	<u>(4,241)</u>	<u>(1,696)</u>
	<b>No. of shares</b>	<b>No. of shares</b>
	2022	2021
Weighted average number of ordinary shares, used in the computation of basic and diluted loss per share	<u>933,802,074</u>	933,802,074

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 11. PLANT AND EQUIPMENT

	Plant and equipment	
	The Group	The Company
	S\$'000	S\$'000
<u>At cost</u>		
As at 1 January 2021	563	404
Additions	500	31
	<u>As at 31 December 2021</u>	<u>435</u>
Additions	35	5
Written off	(278)	(278)
	<u>As at 31 December 2022</u>	<u>162</u>
<u>Accumulated depreciation</u>		
As at 1 January 2021	182	106
Charge during the year (Note 8)	165	96
	<u>As at 31 December 2021</u>	<u>202</u>
Charge during the year (Note 8)	223	106
Written off	(225)	(225)
	<u>As at 31 December 2022</u>	<u>83</u>
<u>Net carrying amount</u>		
As at 31 December 2021	716	233
As at 31 December 2022	<b>475</b>	<b>79</b>

### Impairment testing of plant and equipment

During the financial year, management performed impairment tests at the CGU level for plant and equipment with indication of impairment. Based on the assessment, no provision for impairment is necessary as the recoverable amount of the 2 CGUs to which the plant and equipment belong to are assessed to be higher than the carrying amount. The key assumptions of the impairment assessments at the 2 CGUs are as disclosed in Note 12 and Note 14 of the financial statements. Management believes that any reasonably possible change in the key assumptions on which its recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

## 12. INVESTMENT IN SUBSIDIARIES

	The Company	
	2022 S\$'000	2021 S\$'000
<u>Investments at cost</u>		
As at 1 January	1,350	200
Add: Investment in subsidiaries	-	1,150
	<u>As at 31 December</u>	<u>1,350</u>
<u>Less: Accumulated impairment losses</u>		
As at 1 January	(200)	-
Add: Impairment loss during the year	-	(200)
	<u>As at 31 December</u>	<u>(200)</u>
Net carrying amount	<b>1,150</b>	<b>1,150</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 12. INVESTMENT IN SUBSIDIARIES (CONTINUED)

In the previous financial year, on 20 January 2021, the Company subscribed to an additional 149,900 shares of its wholly-owned subsidiary, AJJ Healthcare Management Pte. Ltd. ("AJJ Healthcare") for a total cash consideration of S\$149,900. On 12 August 2021, the Company subscribed to a further 1,000,000 shares of AJJ Healthcare via the capitalisation of the Company's S\$1,000,000 loan to AJJ Healthcare.

The details of the subsidiaries are as follows:

<b>Name of subsidiary</b>	<b>Country of incorporation</b>	<b>Effective interest of the Company</b>		<b>Principal activities</b>
		<b>2022</b>	<b>2021</b>	
<i>Held by the Company</i>				
AJJ Healthcare Management Pte. Ltd. <sup>1</sup>	Singapore	<b>100%</b>	100%	Investment holding and management consultancy services for healthcare organisations
W Property Management Pte. Ltd. <sup>1</sup>	Singapore	<b>100%</b>	100%	Real estate leasing and management
ESO Health Care Pte. Ltd. <sup>1</sup>	Singapore	<b>100%</b>	100%	Investment holding, nurseries and kindergartens
Shanghai Longjian Hospital Management Co., Ltd. <sup>2</sup>	China	<b>51%</b>	51%	Hospital management, medical technology, biotechnology, technology development and health management consulting
<i>Held through ESO Health Care Pte. Ltd.</i>				
Discovery Kidz Preschool Pte. Ltd. <sup>1</sup>	Singapore	<b>100%</b>	100%	Child care services for pre-school children
<i>Held through AJJ Healthcare Management Pte. Ltd.</i>				
HIFU Suntec Pte. Ltd. <sup>1</sup>	Singapore	<b>80%</b>	80%	Conduct research and development of medical technologies, manufacture and repair of irradiation and electromedical of HIFU machine and other medical equipment

1 PKF-CAP LLP is appointed as auditor but exempted from audit under Section 205C of the Companies Act.

2 Inactive and not audited.

### Non-controlling interests ("NCI")

The Group has no subsidiaries that have NCI that are considered material to the Group.

### Impairment assessment of investment in subsidiaries

During the financial year, management performed impairment testing on its investment in subsidiary, AJJ Healthcare Management Pte. Ltd. which has indication of impairment. Based on the assessment, no provision for impairment is necessary as the recoverable amount of the investment in subsidiary which is measured as the fair value less costs of disposal using the market approach and Level 2 inputs of the fair value hierarchy is assessed to be higher than the carrying amount.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 12. INVESTMENT IN SUBSIDIARIES (CONTINUED)

### Impairment assessment of investment in subsidiaries (Continued)

The calculation of the fair value less costs of disposal of the investment in subsidiary is most sensitive to the following key assumptions:

(i) *Maintainable revenue*

Forecasted maintainable revenue of approximately S\$1,300,000 (2021: S\$Nil) has been used. The forecasted maintainable revenue is computed as the average of the actual revenue earned in the current year and the forecasted revenue for the next 12 months.

(ii) *Enterprise value to revenue ratio*

Enterprise value to revenue ratio of approximately 2.34x (2021: Nil) has been used. The estimated enterprise value to revenue ratio is derived based on the ratio of publicly traded comparable companies and adjusted for the company specific factors and market and economic conditions.

Management believes that any reasonably possible change in the key assumptions on which its recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

## 13. INTANGIBLE ASSET

<b>The Group</b>	<b>Acquired Student Population S'\$000</b>
<u>Cost</u>	
As at 1 January 2021/As at 31 December 2021/As at 31 December 2022	71
<u>Accumulated amortisation</u>	
As at 1 January 2021	16
Charge during the year (Note 8)	18
As at 31 December 2021	34
Charge during the year (Note 8)	18
As at 31 December 2022	52
<u>Net carrying amount</u>	
As at 31 December 2021	37
As at 31 December 2022	19

## 14. GOODWILL ON CONSOLIDATION

	<b>The Group</b>	
	<b>2022</b> <b>S'\$000</b>	<b>2021</b> <b>S'\$000</b>
As at 1 January	267	267
Impairment loss during the year	(267)	-
As at 31 December	-	267

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 14. GOODWILL ON CONSOLIDATION (CONTINUED)

### Impairment assessment of goodwill

Goodwill is tested for impairment on an annual basis by comparing the carrying amount of the Cash Generating Unit ("CGU"), Discovery Kidz with its recoverable amount, which is based on value in use. The value in use was determined based on the most recent five-year financial forecasts for Discovery Kidz approved by management, which is the best estimate of the CGU's future performance.

The calculation of the value-in-use for the CGU is most sensitive to the following key assumptions:

(i) *Revenue Growth Rates*

Forecasted revenue growth rates of between 17% to 42% (2021: 10% to 25%) per annum had been used. The forecasted revenue growth rates are based on the average growth rates achieved in prior years, adjusted for future market and economic conditions and management future plans.

(ii) *Discount Rate*

The discount rate applied to the future cash flow projections is 9.5% (2021: 9%). This reflects the current market assessments of the risks specific to the CGU and time value of money.

(iii) *Terminal Growth Rate*

The terminal growth rate applied to the future cash flow projections is 2% (2021: 2%). This steady growth rate beyond the initial 5-year period is estimated based on the long-term economic growth rate of the market in which the CGU operates in.

Impairment is recognised in the profit or loss when the carrying amount of the CGU exceeds its recoverable amount. In current financial year, the total goodwill impairment loss amounted to S\$267,000 (2021: S\$Nil) has been recognised in profit or loss under the line item "other operating expenses".

## 15. INVENTORIES

	The Group		The Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
<b>Statement of financial position:</b>				
Healthcare and medical equipment	511	288	-	-
Others	25	29	24	25
	<b>536</b>	<b>317</b>	<b>24</b>	<b>25</b>
<b>Statement of comprehensive income:</b>				
Inventories recognised as an expense in profit or loss	295	48	2	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 16. TRADE AND OTHER RECEIVABLES

	The Group	The Company	
	2022 S\$'000	2021 S\$'000	2021 S\$'000
<u>Current</u>			
Trade receivables			
Third parties	<u>108</u>	106	-
Other receivables			
Third parties	<u>58</u>	100	<u>21</u>
Subsidiaries	-	-	<u>2,897</u>
Deposit	<u>486</u>	694	<u>320</u>
Prepayments	<u>60</u>	107	<u>33</u>
Less: Allowance for impairment	-	-	<u>(2,841)</u>
	<u>604</u>	901	<u>430</u>
Sub-total, trade and other receivables, current	<u>712</u>	1,007	<u>430</u>
<u>Non-current</u>			
Other receivables			
Deposit	<u>53</u>	-	-
Sub-total, other receivables, non-current	<u>53</u>	-	-
Total trade and other receivables	<u>765</u>	1,007	<u>430</u>
			1,979

Movements in allowance for impairment on trade and other receivables is as follows:

	The Company	
	2022 S\$'000	2021 S\$'000
At beginning of the year	-	-
Charge for allowance for impairment to profit or loss	<u>(2,841)</u>	-
At end of the year	<u>(2,841)</u>	-

Trade receivables are normally settled on 30 days' (2021: 30 days') term. Other receivables are unsecured, non-interest bearing and repayable on demand.

Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired are as follows:

	The Group	
	2022 S\$'000	2022 S\$'000
Not past due	<u>77</u>	24
1-30 days past due	<u>25</u>	10
31-60 days past due	<u>3</u>	71
61-90 days past due	<u>3</u>	-
More than 90 days past due	-	1
Total	<u>108</u>	106

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 16. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade and other receivables are recognised at their original invoice amounts which represent their fair values on initial recognition. The expected credit losses on the trade and other receivables are not significant.

The trade and other receivables denominated in foreign currency at reporting date are as follows:

	<b>The Group</b>	
	<b>2022 S\$'000</b>	<b>2021 S\$'000</b>
United States Dollars	—	70

## 17. CASH AND BANK BALANCES

	<b>The Group</b>		<b>The Company</b>	
	<b>2022 S\$'000</b>	<b>2021 S\$'000</b>	<b>2022 S\$'000</b>	<b>2021 S\$'000</b>
Cash on hand	1	—	—	—
Cash at banks	169	3,667	40	3,628
	<b>170</b>	<b>3,667</b>	<b>40</b>	<b>3,628</b>

## 18. TRADE AND OTHER PAYABLES

	<b>The Group</b>		<b>The Company</b>	
	<b>2022 S\$'000</b>	<b>2021 S\$'000</b>	<b>2022 S\$'000</b>	<b>2021 S\$'000</b>
<u>Trade payables</u>				
Third parties	27	7	8	—
<u>Other payables</u>				
Third parties	254	151	172	80
Subsidiary	—	—	40	40
Accrued operating expenses	218	147	190	87
	<b>472</b>	<b>298</b>	<b>402</b>	<b>207</b>
	<b>499</b>	<b>305</b>	<b>410</b>	<b>207</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled on 60 days' (2021: 60 days') term.

## 19. DEFERRED TAX LIABILITIES

<b>The Group</b>	<b>Leasehold building S\$'000</b>	<b>Intangible asset S\$'000</b>	<b>Total S\$'000</b>
At 1 January 2021	280	10	290
Origination and reversal of temporary differences (Note 9)	—	(4)	(4)
At 31 December 2021	280	6	286
Origination and reversal of temporary differences (Note 9)	(280)	(3)	(283)
At 31 December 2022	—	3	3

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 19. DEFERRED TAX LIABILITIES (CONTINUED)

### The Company

At 1 January 2021/31 December 2021  
 Origination and reversal of temporary differences  
 At 31 December 2022

Leasehold building S\$'000
280
(280)
-

## 20. LEASES

### Group as a lessee

The Group has lease contracts for office premises, plant and equipment and motor vehicles. The Group's obligations under its lease are secured by the lessor's title to the leased asset. The leases have lease terms of 3 – 7 (2021: 3 – 7) years. The Group is restricted from assigning and subleasing the leased assets.

#### (a) Right-of-use assets

<b>The Group</b>	<b>Office premises S\$'000</b>	<b>Plant and equipment S\$'000</b>	<b>Motor vehicles S\$'000</b>	<b>Total S\$'000</b>
At 1 January 2021	705	6	40	751
Additions	982	6	206	1,194
Depreciation (Note 8)	(363)	(2)	(61)	(426)
At 31 December 2021	1,324	10	185	1,519
Additions	52	–	31	83
Depreciation (Note 8)	(431)	(3)	(60)	(494)
Derecognition	(25)	–	–	(25)
At 31 December 2022	<b>920</b>	<b>7</b>	<b>156</b>	<b>1,083</b>

<b>The Company</b>	<b>Office premises S\$'000</b>	<b>Plant and equipment S\$'000</b>	<b>Motor vehicles S\$'000</b>	<b>Total S\$'000</b>
At 1 January 2021	369	6	40	415
Additions	–	–	206	206
Depreciation	(172)	(1)	(62)	(235)
At 31 December 2021	197	5	184	386
Additions	–	–	30	30
Depreciation	(172)	(1)	(60)	(233)
Derecognition	(25)	–	–	(25)
At 31 December 2022	<b>–</b>	<b>4</b>	<b>154</b>	<b>158</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 20. LEASES (CONTINUED)

### Group as a lessee (Continued)

#### Impairment testing of right-of-use assets

During the financial year, management performed impairment tests at the CGU level for right-of-use assets with indication of impairment. Based on the assessment, no provision for impairment is necessary as the recoverable amount of the 2 CGUs to which the right-of-use assets belong to are assessed to be higher than the carrying amount. The key assumptions of the impairment assessments at the 2 CGUs are as disclosed in Note 12 and Note 14 of the financial statements. Management believes that any reasonably possible change in the key assumptions on which its recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

#### (b) Lease liabilities

	<b>The Group</b>		<b>The Company</b>	
	<b>2022 S\$'000</b>	<b>2021 S\$'000</b>	<b>2022 S\$'000</b>	<b>2021 S\$'000</b>
At 1 January	<b>1,542</b>	781	<b>403</b>	429
Additions	–	1,163	–	206
Modifications	<b>57</b>	–	<b>30</b>	–
Accretion of interests	<b>70</b>	75	<b>16</b>	27
Payments	<b>(532)</b>	(477)	<b>(244)</b>	(259)
Derecognition	<b>(31)</b>	–	<b>(31)</b>	–
At 31 December	<b>1,106</b>	1,542	<b>174</b>	403
<i>Presented as:</i>				
Current	<b>281</b>	439	<b>34</b>	213
Non-current	<b>825</b>	1,103	<b>140</b>	190
	<b>1,106</b>	1,542	<b>174</b>	403

Maturity analysis of lease liabilities:

	<b>Carrying amount S\$'000</b>	<b>Contractual cash flows S\$'000</b>	<b>One year or less S\$'000</b>	<b>One to five years S\$'000</b>	<b>More than five years S\$'000</b>
<b>Group</b>					
<b>2022</b>					
Lease liabilities	<b>1,106</b>	<b>1,221</b>	<b>330</b>	<b>891</b>	–
<b>2021</b>					
Lease liabilities	1,542	1,724	507	1,120	97
<b>Company</b>					
<b>2022</b>					
Lease liabilities	<b>174</b>	<b>195</b>	<b>42</b>	<b>153</b>	–
<b>2021</b>					
Lease liabilities	403	439	228	175	36

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 20. LEASES (CONTINUED)

Group as a lessee (Continued)

- (c) Amounts recognised in profit or loss

	The Group	
	2022 S\$'000	2021 S\$'000
Depreciation of right-of-use assets (Note 8)	494	426
Interest expense on lease liabilities (Note 6)	70	75
Total amount recognised in profit or loss	<b>564</b>	501

- (d) Total cash outflows

The Group had total cash outflows for leases of S\$532,000 (2021: S\$477,000).

A reconciliation of liabilities arising from financing activities are as follows:

	Non-cash changes					
	1 January 2022 S\$'000	Cash flows S\$'000	Accretion of interests S\$'000	Modification S\$'000	Derecognition S\$'000	Interest paid S\$'000
	Lease liabilities 1,542	(462)	70	57	(31)	(70)
	31 December 2022 S\$'000	1,106				
Non-cash changes						
	1 January 2021 S\$'000	Cash flows S\$'000	Accretion of interests S\$'000	Additions S\$'000	Interest paid S\$'000	31 December 2021 S\$'000
	Lease liabilities 781	(402)	75	1,163	(75)	1,542

## 21. SHARE CAPITAL

	The Group and The Company			
	2022	2021	2022	2021
	Number of shares	S\$'000	S\$'000	S\$'000
<b>Issued and fully paid</b>				
Ordinary shares:				
Beginning and end of financial year	<b>933,802,074</b>	933,802,074	<b>42,745</b>	42,745

The holders of ordinary shares are entitled to receive dividends as and when declared from time to time and are entitled to one vote per share without restriction. The ordinary shares have no par value.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 22. LOAN AND BORROWING

	The Group	
	2022 S\$'000	2021 S\$'000
<u>Unsecured</u>		
Term loan	<u>207</u>	—
Disclosed as: —		
Non-current	<u>207</u>	—

The loan and borrowing pertains to the 2 years term loan which is due to a director of a subsidiary of the Group, is denominated in Singapore Dollars and is unsecured. Interest is accrued on indebtedness at the rate of 1.60% per annum.

Maturity analysis of loan and borrowing:

<u>Group</u>	<u>Carrying amount</u> <u>S\$'000</u>	<u>Contractual cash flows</u> <u>S\$'000</u>	<u>One year or less</u> <u>S\$'000</u>	<u>One to five years</u> <u>S\$'000</u>
<b>2022</b>				
Loan and borrowing	207	214	4	210

The fair value of the loan and borrowing is measured by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2). The fair value measured was reasonably close to the carrying amount reported as the observable current market interest rate of the loan and borrowing also approximated to the effective interest rate of the loan and borrowing.

## 23. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following are significant transactions between the Group and its related parties during the financial year on terms agreed between the parties concerned:

	The Group	The Company
	2022 S\$'000	2021 S\$'000
<u>Companies in which the Company's directors and key management personnel have a financial interest</u>		
Fees paid to company in which the Company's key management personnel has a financial interest	<u>34</u>	14
		<u>27</u>
		11

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 23. RELATED PARTY TRANSACTIONS (CONTINUED)

Key management personnel include the directors and those persons having authority and responsibilities for planning, directing and controlling the activities of the Group, directly or indirectly. The remuneration paid to directors and other members of key management for the financial year is as shown below.

	<b>The Group</b>	<b>The Company</b>
	2022 S\$'000	2022 S\$'000
	2021 S\$'000	2021 S\$'000
Short-term benefits	1,044	1,044
Post-employment benefits	27	27
	<hr/> <b>1,071</b>	<hr/> <b>1,071</b>
	1,160	1,160

The remuneration of directors and key management is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

## 24. CONTINGENCIES

### Legal case initiated by the Company

In the prior year, on 24 February 2021, the Company has commenced legal proceedings against Ms Wang Jue (the “Defendant”) in the High Court of Singapore. The Defendant was not re-elected as a director at the Annual General Meeting of the Company on 26 June 2020 and had consequently asked for her employment with the Company to be terminated. The suit alleges that the Defendant had, amongst other things, breached her fiduciary duty as an executive director of the Company and/or her duty of fidelity, care and confidence owed to the Company.

The Company had decided to prosecute the claim to protect the interests of the Company and its shareholders including claim for special damages and reputational loss to be assessed. Nevertheless, subsequent to the financial yearend, on 4 April 2023, the Company has reached a full and final settlement agreement with the defendant. This settlement does not have any material financial and operational impact on the Company.

### Legal case initiated against the Company

In the prior year, the Company made a provision in respect of a claim for alleged outstanding legal fees from a local law firm for legal services purportedly provided to the Company, its direct subsidiary, OSEC Shipyard Pte Ltd (“OSEC”) which has since been liquidated and its indirect subsidiary, OSC Co., Ltd (“OSC”) in various arbitration proceedings. The local law firm alleged that the Company had agreed to be jointly and severally liable for all fees and disbursements incurred by OSEC and OSC, due to a letter issued by the Company dated 10 September 2013, which was allegedly signed by the previous managing director of the Company. The local law firm was purportedly engaged for its services on or around March 2013.

The Company disputed the aforesaid claims and has undertaken measures to verify and confirm the validity and veracity of such claims. In particular, the Company noted that other than a sum of S\$120,406 owing to the local law firm which has already been provided for under “Trade & Other Payables” in the financial statements, there was no reference to any of the other alleged outstanding sums owing to the local law firm. On the grounds of prudence, the Company has recognised the provision for the remaining legal fees claimed against it amounting to approximately S\$439,000.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 24. CONTINGENCIES (CONTINUED)

### Legal case initiated against the Company (Continued)

In previous financial year, the Company has entered into an amicable settlement with the local law firm. Upon the receipt of the settlement sum, the local law firm has withdrawn all of its legal claims against the Company. A gain on settlement amounting to approximately S\$373,000 is recognised representing the difference between the settlement sum paid and the provision made as disclosed in Note 5.

## 25. FAIR VALUE OF FINANCIAL INSTRUMENTS

### Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

As at 31 December 2022 and 2021, the Group and the Company had no financial instruments measured at fair value using valuation techniques.

### Financial instruments whose carrying amount approximates fair value

The carrying amounts of financial assets and liabilities with a maturity of less than one year approximate their fair values due to the relatively short-term maturity.

For the non-current refundable deposit as disclosed in Note 16, the Group does not expect the carrying amount recorded at the reporting date would be significantly different from the value that would eventually be received or settled due to the relatively low and stable market interest rate of the economic environment of the currency which the refundable deposit is denominated in.

For the non-current loan and borrowing as disclosed in Note 22, the carrying amount of the loan and borrowing is considered to approximate its fair value as the observable current market interest rate of the loan and borrowing also approximated the effective interest rate of the loan and borrowing.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk, and liquidity risk.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks. There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

(i) *Foreign currency risk*

The Group and the Company do not have any significant foreign currency denominated financial instruments.

Management does not expect changes in foreign exchange rates to have significant impact on the Group's loss before tax from continuing operations as majority of the financial assets and financial liabilities are denominated in Singapore Dollar.

(ii) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to market risk for changes in interest rates relates primarily to loan and borrowing and lease obligations. The impact of change in interest rate on the Group's financial assets and liabilities is minimal. As such, the effect of a sensitivity analysis on the Group's net profit/loss would be negligible.

(iii) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Cash and bank balances are placed with financial institutions which are regulated and reputable.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and appropriate measures to mitigate credit risk exposures are undertaken to ensure that the Group's exposure to bad debts is not significant.

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.

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 supporting forward-looking information.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (iii) Credit risk (Continued)

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the customers will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

As of 31 December 2022 and 31 December 2021, the Group and the Company do not have any significant concentration of credit risk to any counterparty.

### (iv) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company monitor its liquidity needs by closely monitoring their cash outflows arising from the Group's and Company's day-to-day operations.

All financial liabilities are repayable on demand or within 12 months from the end of the reporting period, except for loan and borrowing and lease liabilities. The maturity analysis of lease liabilities and loan and borrowing are disclosed in Note 20(b) and Note 22 respectively.

Management believes that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future as set out in Note 2.1 to the financial statements.

## 27. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and maintain healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments 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, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 31 December 2021.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 28. SEGMENT INFORMATION

- (a) *Products and services from which reportable segments derive their revenues*

The Group operates in the following segments:

1. Rental of property & corporate;
2. Childcare wellness education; and
3. Healthcare equipment & services.

Segment revenue represents revenue generated from external customers. Segment results represent the profit earned by each segment without allocation of interest income, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible assets and financial assets attributable to each segment.

- (b) *Segment revenues and results*

<b><u>The Group</u></b>	<b>2022</b>		<b>2021</b>	
	<b>Revenue</b> <b>S\$'000</b>	<b>%</b>	<b>Revenue</b> <b>S\$'000</b>	<b>%</b>
Rental of property & corporate	-	-	26	8.1
Childcare wellness education	<b>186</b>	<b>23.9</b>	249	78.1
Healthcare products & services	<b>593</b>	<b>76.1</b>	44	13.8
Total	<b>779</b>	<b>100.0</b>	319	100.0

<b><u>The Group</u></b>	<b>2022</b>		<b>2021</b>	
	<b>Results</b> <b>S\$'000</b>	<b>%</b>	<b>Results</b> <b>S\$'000</b>	<b>%</b>
Rental of property & corporate	<b>(2,440)</b>	<b>57.5</b>	(493)	28.4
Childcare wellness education	<b>(538)</b>	<b>12.7</b>	(134)	7.7
Healthcare equipment & services	<b>(1,263)</b>	<b>29.8</b>	(1,106)	63.9
Total	<b>(4,241)</b>	<b>100.0</b>	(1,733)	100.0

There were no inter-segment sales during the years ended 31 December 2022 and 31 December 2021.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 28. SEGMENT INFORMATION (CONTINUED)

### (c) Segment assets and liabilities

	Rental of property & corporate S\$'000	Childcare wellness education S\$'000	Healthcare equipment & services S\$'000	Total S\$'000
<u>31 December 2022</u>				
<b>Assets</b>				
Segment assets	<u>668</u>	<u>456</u>	<u>1,933</u>	<u>3,057</u>
<b>Liabilities</b>				
Segment liabilities	<u>(602)</u>	<u>(306)</u>	<u>(1,023)</u>	<u>(1,931)</u>
<b>Other information</b>				
Amortisation	–	(18)	–	(18)
Depreciation	(341)	(112)	(264)	(717)
Impairment loss of goodwill	–	(267)	–	(267)
Write-off of plant and equipment	<u>(53)</u>	–	–	<u>(53)</u>
<u>31 December 2021</u>				
<b>Assets</b>				
Segment assets	<u>4,854</u>	<u>770</u>	<u>1,916</u>	<u>7,540</u>
<b>Liabilities</b>				
Segment liabilities	<u>(854)</u>	<u>(318)</u>	<u>(997)</u>	<u>(2,169)</u>
<b>Other information</b>				
Amortisation	–	18	–	18
Depreciation	(332)	(98)	(161)	(591)
Gain on sale of leasehold land and building	<u>1,884</u>	–	–	<u>1,884</u>

### (d) Geographical segment and major customers information

The Group operates primarily in Singapore and its revenue are derived from rental of property, provision of childcare wellness education services and sale of medical healthcare products. The revenue from rental of property, provision of childcare wellness education services and sale of medical healthcare products were earned from nil customers (2021: 2 customers), 16 customers (2021: 24 customers) and 41 customers (2021: 21 customers) respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 29. CATEGORIES OF FINANCIAL INSTRUMENTS

Financial instruments as at the reporting date are as follows:

	<b>The Group</b>	<b>The Company</b>	
	2022 S\$'000	2021 S\$'000	2022 S\$'000
<u>Financial assets</u>			
At amortised cost			
Trade and other receivables <sup>#</sup>	<b>705</b>	900	<b>397</b>
Cash and bank balances	<b>170</b>	3,667	<b>40</b>
	<b>875</b>	4,567	<b>437</b>
<u>Financial liabilities</u>			
At amortised cost			
Lease liabilities	<b>1,106</b>	1,542	<b>174</b>
Trade and other payables	<b>499</b>	305	<b>410</b>
Loan and borrowing	<b>207</b>	–	<b>–</b>
	<b>1,812</b>	1,847	<b>584</b>

# Exclude non-financial assets of the Group and Company of S\$60,000 (2021: S\$107,000) and S\$33,000 (2021: S\$21,000) respectively.

## 30. OUTBREAK OF COVID-19

The outbreak of the COVID-19 pandemic globally and in Singapore has continued to cause disturbance and slowdown of economic activities. Following the roll-out of COVID-19 vaccinations globally in prior year and the further reopening of international borders in the current year, these developments have enabled the resumption of more economic activities. While the Group expects the challenges brought by the COVID-19 pandemic to continue, the Group is confident of meeting such challenges with an emphasis on the safety and well-being of the staff. Meanwhile, the COVID-19 pandemic has also increased awareness and demand for the Group's healthcare related products.

The Group will continue to explore and evaluate strategic business opportunities, including but not limited to strategic investments, partnerships, or acquisitions that have potential to generate value for shareholders. The directors will continue to monitor the situation and respond proactively to mitigate the impact on the Group's financial performance and financial position.

## 31. EVENT SUBSEQUENT TO YEAR-END

Subsequent to the financial yearend, the Company has received funds under the loan from the controlling shareholder (Note 2.1) of approximately S\$1,400,000.

## 32. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the board of directors on 12 April 2023.

# SHARE STATISTICS

As at 23 March 2023

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 23 MARCH 2023

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHAREHOLDINGS
1 – 99	2	0.07	12	0.00
100 – 1,000	294	10.28	283,957	0.03
1,001 – 10,000	834	29.15	4,751,300	0.51
10,001 – 1,000,000	1,619	56.59	232,052,611	24.85
1,000,001 and above	112	3.91	696,714,194	74.61
<b>Grand Total</b>	<b>2,861</b>	<b>100.00</b>	<b>933,802,074</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS AS AT 23 MARCH 2023

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHAREHOLDINGS
1	ZHANG JIAN	138,331,000	14.81
2	DBS NOMINEES PTE LTD	71,655,754	7.67
3	LIU YUNHUA	43,020,300	4.61
4	PHILLIP SECURITIES PTE LTD	34,974,200	3.75
5	UOB KAY HIAN PTE LTD	22,771,100	2.44
6	LIM BOK HOO	19,000,000	2.03
7	KOH YEW CHOO	17,106,600	1.83
8	ANG AH LEK @AN AH LEK	14,000,000	1.50
9	ZHAO XIN	13,773,000	1.47
10	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	13,590,800	1.46
11	ANG HAN KEONG (HONG HANQIANG)	13,494,600	1.45
12	WANG JUE	13,365,000	1.43
13	QUAK CHOON CHAI (GUO JUNCAI)	10,692,000	1.14
14	YIP KENG SOON	10,000,000	1.07
15	TAN LYE SENG	8,365,900	0.90
16	DENG RONG	7,692,000	0.82
17	OCBC NOMINEES SINGAPORE PTE LTD	7,559,800	0.81
18	SHIE YONG FAH	6,800,000	0.73
19	LYE KOON MOY	6,745,000	0.72
20	ONN ENG SIONG (WENG YONGXIONG)	6,000,000	0.64
	<b>TOTAL</b>	<b>478,937,054</b>	<b>51.28</b>

## INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Ms Zhao Xin	Mr Chong Eng Wee
Date of Appointment	20 January 2020	30 June 2020
Date of last re-appointment (if applicable)	29 April 2021	29 April 2021
Age	33	43
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The re-election of Ms Zhao as the CEO and Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration her qualifications, expertise, past experience and overall contribution since she was appointed as a Director of the Company.</p>	<p>The re-election of Mr Chong as the Non-Executive and Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company.</p> <p>The Board considers Mr Chong to be independent for the purpose of Rule 704(7) of the Catalist Rules.</p>
Whether appointment is executive, and if so, the area of responsibility	Executive, General management, overall strategic planning and direction of the Group	Non-Executive and Independent
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	CEO and Executive Director	Independent Director, Chairman of the NC and RC, and a member of the AC
Professional qualifications	<p>Master of Social Sciences (China and Global Governance), Nanyang Technological University</p> <p>Master of Science with Merit in Professional Accountancy, University of London</p> <p>Bachelor of Science in Finance and Accounting Management, Northeastern University in the United States</p> <p>Program for Leadership Development, Harvard Business School</p>	<p>Advocate &amp; Solicitor, Supreme Court of Singapore</p> <p>Legal Practitioner, Supreme Court of New South Wales, Australia</p> <p>Barrister &amp; Solicitor, High Court of New Zealand</p> <p>Solicitor of the High Court of Hong Kong</p> <p>Bachelor of Laws, Victoria University of Wellington, New Zealand</p>

# INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Ms Zhao Xin	Mr Chong Eng Wee
Working experience and occupation(s) during the past 10 years	<p><b>2018 to 2020</b> Eminence Investment Pte Ltd</p> <p><b>2014 to 2017</b> Manuli Fluiconneto Pte Ltd</p>	<p><b>August 2021 – Present</b> Managing Director and Member at Chevalier Law LLC</p> <p><b>October 2017 – July 2021</b> Partner &amp; Head of Corporate at Kennedys Legal Solutions Pte Ltd</p> <p><b>July 2015 – October 2017</b> Partner &amp; Deputy Head, Capital Markets &amp; International China Practice (South East Asia) at RHTLaw Taylor Wessing LLP</p> <p><b>April 2011 – June 2015</b> Associate Director &amp; Representative of Shanghai Representative office at Duane Morris &amp; Selvam LLP</p>
Shareholding interest in the listed issuer and its subsidiaries	Direct interest in 13,773,000 ordinary shares	Nil
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	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments including Directorships		
Past Directorship (for the last 5 years)	Eminence Investment Pte Ltd	CW Group Holdings Limited Innopac Holdings Limited Kennedys Legal Solutions Pte Ltd Legal Solutions LLC Wish Hospitality Holdings Private Limited Wish Health Management (Shanghai) Co. Ltd. KTL Global Limited Kingsblade Asia Pte. Ltd.
Present Directorship	Director, OEL Group of Companies	Chevalier Law LLC Chevalier CS Pte. Ltd. GS Holdings Limited Heatec Jietong Holdings Ltd.

## INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Ms Zhao Xin	Mr Chong Eng Wee
<b>Disclose the following matters concerning an appointment of director. If the answer to any question is "yes", full details must be given.</b>		
(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
(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

## INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Ms Zhao Xin	Mr Chong Eng Wee
(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
(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

## INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Ms Zhao Xin	Mr Chong Eng Wee
(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
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(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	No	No
(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	No	No
(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,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		

# INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Ms Zhao Xin	Mr Chong Eng Wee
(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?	No	No
<b>Disclosure applicable to the appointment of Director only</b>		
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. 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. These disclosures are in respect of the re-election of a Director of the Company.	Not applicable. These disclosures are in respect of the re-election of a Director of the Company.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held by way of physical means at 8 Commonwealth Lane, #02-04 Grande Building, Singapore 149555 on Thursday, 27 April 2023, at 10 a.m. to transact the following businesses:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2022, together with the Independent Auditor's Report thereon. **[Resolution 1]**
2. To re-elect the following Directors of the Company who are retiring pursuant to the following regulations of the Company's Constitution, and, being eligible, offer themselves for re-election:

Ms Zhao Xin *(pursuant to Regulations 87 and 89)* **[Resolution 2]**

Mr Chong Eng Wee *(pursuant to Regulations 87 and 89)* **[Resolution 3]**

[See Explanatory Note (i)]

3. To approve the payment of Directors' fees of S\$180,000 for the financial year ending 31 December 2023, to be paid quarterly in arrears (FY2022: S\$180,000). **[Resolution 4]**
4. To re-appoint PKF-CAP LLP as auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Directors of the Company to fix their remuneration. **[Resolution 5]**
5. To transact any other business which may be properly transacted at an Annual General Meeting.

## AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:

6. **AUTHORITY TO ALLOT AND ISSUE SHARES AND CONVERTIBLE SECURITIES** **[Resolution 6]**

That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**") and Rule 806 of Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might 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 of the Company may in their absolute discretion deem fit; and

# NOTICE OF ANNUAL GENERAL MEETING

- (b) notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares pursuant to any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including Shares to be issued pursuant of the Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares (including Shares to be issued pursuant of the Instruments made or granted pursuant to this Resolution) to be issued other than on a *pro-rata* basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (a) new Shares arising from the conversion or exercise of any convertible securities;
  - (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of passing of this Resolution, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of Shares.
- (3) 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 of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority 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 earlier.

[See Explanatory Note (ii)]

On Behalf of the Board

Zhao Xin  
Chief Executive Officer and Executive Director

Singapore, 12 April 2023

# NOTICE OF ANNUAL GENERAL MEETING

## **Explanatory Notes on Resolutions to be passed:**

- (i) Ms Zhao Xin will, upon re-election as a Director of the Company, remain as the Chief Executive Officer and Executive Director. Mr Chong Eng Wee will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Nominating Committee and Remuneration Committee and a member of the Audit Committee. He will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.
- (ii) The Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors of the Company, effective 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 or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a *pro-rata* basis to shareholders of the Company.

For determining the aggregate number of Shares that may be issued, the percentage of issued Shares in the capital of the Company shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution 6 is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities, or share options or vesting of share awards which were issued and outstanding or subsisting at the time Ordinary Resolution 6 is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

## **IMPORTANT NOTES FOR SHAREHOLDERS:**

### **No Virtual Attendance**

1. The Annual General Meeting (the “**AGM**”) will be held by way of physical means at 8 Commonwealth Lane, #02-04 Grande Building, Singapore 149555. **Shareholders and their duly appointed proxy (or proxies) will not be able to attend the AGM by way of electronic means.**

### **Voting at the AGM and voting by proxy**

2. Shareholders may cast their votes for each resolution at the AGM or appoint proxy or proxies (other than the Chairman of the AGM) to vote on their behalf at the AGM.
3. As an alternative to voting at the AGM in the foregoing manner, shareholders who wish to vote on any or all of the resolutions at the AGM may appoint the Chairman of the AGM to act as their proxy to vote on their behalf at the AGM. All votes in the AGM will be taken on a poll.
4. If a shareholder wishes to appoint a proxy or proxies (including the Chairman of the AGM) to vote on their behalf at the AGM, duly executed Proxy Forms must be submitted in hard copy form or electronically via email:
  - (a) if submitted by post, to be deposited at the registered office of the Company at 80 Robinson Road, #11-02, Singapore 068898; or
  - (b) if submitted by way of electronic means, to be submitted via email in Portable Document Format (PDF) to the Company, at [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com),

**in either case, not less than forty-eight (48) hours before the time appointed for the holding of the AGM and/or any adjournment thereof.** A shareholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above.

5. In appointing a proxy/proxies, shareholders should specifically indicate in the Proxy Form how they wish to vote for or vote against (or abstain from voting on) the resolution set out in the Notice of AGM, if no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her discretion. Proxy or proxies (other than the Chairman of the AGM) appointed to vote on their behalf at the AGM and the Chairman of the AGM as proxy, need not be a member or members of the Company. The accompanying proxy form to the Notice of AGM may be downloaded from the Company’s announcement on the SGX website accessible at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s website accessible at the URL <https://www.ohldg.com/announcement>.
6. Shareholders are strongly encouraged to submit the completed and signed Proxy Forms by way of electronic means via email. Any incomplete proxy form will be rejected by the Company.

# NOTICE OF ANNUAL GENERAL MEETING

7. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where a Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member 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 its Constitution and Section 179 of the Companies Act 1967 of Singapore, 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.

## **Submission of Questions**

9. Shareholders who have questions in relation to any agenda item in this notice of AGM can submit their questions to the Company in advance, by **10 a.m. on Thursday, 20 April 2023**, through any of the following means:
    - (a) by email to cosec@chevalierlawllc.com; or
    - (b) by post, to be deposited with Complete Corporate Services Pte Ltd at 10 Anson Road, #11-03 International Plaza, Singapore 079903.
- Shareholders must identify themselves when posting questions through email or mail by providing the following details:
- (a) Full Name;
  - (b) Contact Telephone Number;
  - (c) Email Address; and
  - (d) The manner in which you hold shares (if you hold shares directly, please provide your CDP account number; otherwise, please state whether you hold your shares through CPF or SRS, or a Relevant Intermediary (as defined below)).

10. Shareholders are strongly encouraged to submit their questions via email. The Company will endeavour to respond to all substantial and relevant questions (as may be determined by the Company in its sole discretion) from shareholders submitted in advance via an announcement on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <https://www.ohldg.com/announcement> no later than 48 hours before the deadline for the submission of the Proxy Form. The Company will also address any subsequent clarifications sought, or follow-up questions, prior to, or at, the AGM in respect of substantial and relevant matters.
11. Shareholders and their duly appointed proxy or proxies will also be able to ask questions relating to the resolutions at the AGM. The Company will endeavour to respond to and address substantial and relevant questions as far as reasonably practicable during the AGM. Where there are substantially similar questions, the Company will consolidate such questions and consequently not all questions may be individually addressed.

## **Voting at the AGM by persons holding shares through a Relevant Intermediary and CPF/SRS Investors**

12. Persons who hold shares through Relevant Intermediaries (as defined below), including CPF and SRS investors, and who wish to participate in the AGM by: (a) submitting questions in advance of the AGM in the manner provided above; and/or (b) voting at the AGM if they are appointed as proxies by their respective CPF Agent Banks and SRS Operators or appointing the Chairman of the AGM as proxy to attend speak and vote on their behalf at the AGM, should contact the Relevant Intermediary (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order to facilitate the necessary arrangements for them to participate in the AGM.
13. CPF and SRS Investors may attend and vote at the AGM if they are appointed as proxies by their respective CPF agent banks or SRS operators and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies. CPF and SRS investors who wish to appoint the Chairman of the AGM as their proxy, should approach their respective CPF Agent Banks and SRS Operators to submit their votes at least seven (7) working days before the AGM.

# NOTICE OF ANNUAL GENERAL MEETING

14. A “**Relevant Intermediary**” is:

- (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.

## **FY2022 ANNUAL REPORT**

15. Copies of the documents and information relating to the AGM (including the Annual Report for FY2022, Notice of AGM and the accompanying Proxy Form) have been made available on SGXNet and the Company’s corporate website and may be accessed at the following URLs:

- (a) <https://www.sgx.com/securities/company-announcements>; or
- (b) the Company’s corporate website at <https://www.ohldg.com/announcement>.

Printed copies of the FY2022 Annual Report, this Notice of AGM and the Proxy Form will not be despatched to Shareholders. Shareholders are advised to check the SGX-ST website and/or the Company’s corporate website regularly for updates.

## **PERSONAL DATA PRIVACY**

“**Personal data**” in this notice of AGM has the same meaning as “personal data” in the Personal Data Protection Act 2012, which includes your name, address and NRIC/Passport number. By submitting (a) questions relating to the resolutions to be tabled for approval at the AGM; and/or (c) an instrument appointing proxy or proxies to vote at the AGM and/or any adjournment thereof, a Shareholder of the Company hereby (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers including any organisations the Company has engaged to perform any function related to the AGM) for the purposes of addressing any selected questions submitted by the member and following up with the member where necessary, and responding to, handling, and processing queries and requests from the member, processing and administration by the Company (or its agents or service providers including any organisations the Company has engaged to perform any function related to the AGM) of proxy forms appointing proxy or proxies (including any adjournment thereof), and the preparation, compilation and disclosure (as application) of the attendance lists, minutes, questions from members and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers including any organisations the Company has engaged to perform any function related to the AGM) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), and (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the 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 (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

Photographic, sound and/or video recordings at the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his name, his presence at the AGM and any questions he may raise or motions he 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, Evolve Capital Advisory Private Limited (“**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“**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 details of the contact person for the Sponsor are:-

Name : Mr Jerry Chua (Registered Professional, Evolve Capital Advisory Private Limited)  
 Address : 138 Robinson Road, Oxley Tower, #13-02, Singapore 068906  
 Tel : (65) 6241 6626

# OEL (HOLDINGS) LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198403368H)

## ANNUAL GENERAL MEETING PROXY FORM

### IMPORTANT

1. The Annual General Meeting ("AGM" or the "Meeting") to be held on Thursday, 27 April 2023 at 10:00 a.m. is being convened, and will be held, by physical means at 8 Commonwealth Lane, #02-04 Grande Building, Singapore 149555. Shareholders and their duly appointed proxy (or proxies) will not be able to attend the AGM by way of electronic means.
2. Shareholders and proxies will be able to attend the AGM in person and may cast their votes in real time for each resolution to be tabled at the AGM. Alternatively, shareholders may appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her discretion.
3. CPF and SRS investors may attend and vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies. This proxy form is not for use by Supplementary Retirement Scheme ("SRS") investors and Central Provident Fund ("CPF") investors. For CPF and SRS investors, who wish to appoint the Chairman of the AGM as their proxy, they should approach their respective CPF Agent Banks and SRS Operators to submit their votes at least seven (7) working days before the AGM.
4. By submitting this proxy form, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2023.
5. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting (or any person other than the Chairman of the Meeting) as a shareholder's proxy to vote on his/her/its behalf at the AGM.

I/We\* \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport No./Company Registration No.)

of \_\_\_\_\_ (Address)  
being a member/members of **OEL (HOLDINGS) LIMITED** (the "Company") hereby appoint:

Name	Email Address	NRIC/Passport No.	Proportion of Shareholding (%)

or failing whom, the Chairman of the Meeting as my/our\* proxy to attend and to vote for me/us\* on my/our\* behalf at the AGM of the Company to be held at 8 Commonwealth Lane, #02-04 Grande Building, Singapore 149555 on Thursday, 27 April 2023 at 10:00 a.m. and at any adjournment thereof.

\*I/We direct my/our\* proxy/proxies\* to vote for, against or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, my/our\* proxy/proxies\* may vote or abstain from voting at his or her discretion.

Please indicate your vote "For", "Against" or "Abstain" with an "X" within the boxes provided below. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

No.	Ordinary Resolutions Relating To:	For	Against	Abstain
1.	Adoption of the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2022, together with the Independent Auditor's Report thereon			
2.	Re-election of Ms Zhao Xin as a Director of the Company			
3.	Re-election of Mr Chong Eng Wee as a Director of the Company			
4.	Approval of Directors' fees of S\$180,000 for the financial year ending 31 December 2023, payable quarterly in arrears			
5.	Re-appointment of PKF-CAP LLP as auditors of the Company and authority to Directors to fix their remuneration			
6.	Authority to allot and issue new shares or convertible securities pursuant to Section 161 of the Companies Act 1967 of Singapore			

\* Delete whichever not applicable.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Total Number of Shares	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(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, 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 entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing proxy/proxies/Chairman of the Meeting shall be deemed to relate to all the shares held by you.
  2. A shareholder who is not a Relevant Intermediary (as defined below) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such shareholder's Proxy Form appoints more than one (1) proxy, the proportion of his/her/its shareholding concerned to be represented by each proxy shall be specified in the Proxy Form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this Proxy Form as invalid. A shareholder who is a Relevant Intermediary (as defined below) 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 shareholder. Where such shareholder's Proxy Form 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 Proxy Form.
  3. The instrument appointing a proxy or proxies to vote on the shareholder's behalf at the AGM, duly executed, must be submitted in hard copy form or electronically via email to the Company in the following manner:
    - (a) if submitted by post, to be mailed to Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
    - (b) if submitted electronically, be submitted via email to the Company, at oel-agm@complete-corp.com,in either case by **10 a.m. on Tuesday, 25 April 2023** (being not less than forty-eight (48) hours before the time appointed for the holding of the AGM). A shareholder who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
4. In appointing the Chairman of the AGM as proxy (or any person other than the Chairman), shareholders should specifically indicate in the Proxy Form how they wish to vote for or vote against (or abstain from voting on) the resolution set out in the Notice of AGM, if no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her discretion. Proxy or proxies (other than the Chairman of the AGM) appointed to vote on their behalf at the AGM and the Chairman of the AGM as proxy, need not be a member or members of the Company. The accompanying proxy form to the Notice of AGM may be downloaded from the Company's announcement on the SGX website accessible at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website accessible at the URL <https://www.ohdg.com/announcement>.
  5. Persons who hold shares through Relevant Intermediaries (as defined below), including CPF and SRS investors, and who wish to participate in the AGM by appointing the Chairman of the AGM as proxy to attend speak and vote on their behalf at the AGM, should contact the Relevant Intermediary (which would include, in the case of CPF and SRS investors, their respective CPF agent banks and SRS approved banks or depository agents) through which they hold such shares as soon as possible in order to facilitate the necessary arrangements for them to participate in the AGM. CPF and SRS investors who wish to appoint the Chairman of the AGM as their proxy should approach their respective CPF agent banks and SRS approved banks or depository agents to submit their votes at least seven (7) working days before the AGM (i.e. by Monday, 17 April 2023 at 10:00 a.m.).
  6. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. Where this instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.
  7. A corporation which is a member may authorize 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 its constitution and Section 179 of the Companies Act 1967 of Singapore, and the person so authorized 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 the corporation could exercise in person if it were an individual.

**Shareholders are strongly encouraged to submit completed proxy forms electronically via email.**

A "Relevant Intermediary" is:

- (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 submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2023.

**GENERAL**

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing a proxy or proxies). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the shareholder being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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