

**LETTER DATED 9 APRIL 2018**

**THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

*Unless stated otherwise, capitalised terms on this cover are defined in this Letter under the Section titled "Definitions".*

This Letter is circulated to Shareholders of OEL (Holdings) Limited (the "**Company**") together with the Company's annual report for the financial year ended 31 December 2017 (the "**Annual Report 2017**"). Its purpose is to provide Shareholders with the relevant information relating to, and seek Shareholders' approval for, the Proposed Change of Auditor to be tabled at the forthcoming Annual General Meeting ("**AGM**") to be held on 25 April 2018 at 10.00 a.m. at No. 8 Aljunied Avenue 3, Oakwell Building, Singapore 389933.

The Notice of AGM and the Proxy Form are enclosed with the Annual Report 2017.

If you have sold or transferred all of your Shares in the capital of the Company held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Letter with the Annual Report 2017 and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Letter with the Annual Report 2017 and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all of your Shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Letter, the Annual Report 2017 and the attached Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or the transfer was effected, for onward transmission to the purchaser or transferee.

This Letter has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte Ltd (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). The Sponsor has not independently verified the contents of this Letter.

*This Letter has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Letter including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Letter.*

*The contact person for the Sponsor is Mr. Mah How Soon (Registered Professional, RHT Capital Pte Ltd), at 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619, Tel: (65) 6381 6757.*

## **OEL (HOLDINGS) LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 198403368H)

### **LETTER TO SHAREHOLDERS**

In relation to

### **THE PROPOSED CHANGE OF AUDITOR**

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## DEFINITIONS

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In this Letter, the following definitions shall apply throughout unless the context otherwise requires:

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| <b>“Auditor”</b>                       | : | The auditor(s) of the Company for the time being  |
| <b>“ACRA”</b>                          | : | The Accounting and Corporate Regulatory Authority of Singapore  |
| <b>“AGM”</b>                           | : | The annual general meeting of the Company   |
| <b>“2018 AGM”</b>                      | : | The forthcoming AGM to be held on 25 April 2018   |
| <b>“Annual Report 2017”</b>            | : | The Company’s annual report for the financial year ended 31 December 2017   |
| <b>“Board” or “Board of Directors”</b> | : | The board of directors of the Company for the time being  |
| <b>“CDP”</b>                           | : | The Central Depository (Pte) Limited or any other corporation approved by the Authority as a depository company or corporation for the purposes of this Act, which operates the Central Depository System for the holding and transfer of book-entry securities |
| <b>“Catalist”</b>                      | : | The Catalist Board of the SGX-ST  |
| <b>“Catalist Rules”</b>                | : | The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time  |
| <b>“Companies Act”</b>                 | : | The Companies Act (Cap. 50) of Singapore, as amended, modified or supplemented from time to time  |
| <b>“Company”</b>                       | : | OEL (Holdings) Limited  |
| <b>“Director(s)”</b>                   | : | The director(s) of the Company for the time being   |
| <b>“Deloitte &amp; Touche”</b>         | : | Deloitte & Touche LLP, Singapore  |
| <b>“FY”</b>                            | : | Financial year ended or ending 31 December, as the case may be  |
| <b>“Group”</b>                         | : | The Company and its subsidiary collectively   |
| <b>“Latest Practicable Date”</b>       | : | 23 March 2018, being the latest practicable date prior to printing of this Letter   |
| <b>“Letter”</b>                        | : | This Letter to Shareholders dated 9 April 2018 in respect of the Proposed Change of Auditor   |

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## DEFINITIONS

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| “ <b>Notice of AGM</b> ”                     | : | The notice of AGM of the Company dated 9 April 2018 as set out on pages 78 to 81 of the Annual Report 2017  |
| “ <b>PKF</b> ”                               | : | PKF-CAP LLP, Singapore  |
| “ <b>Proxy Form</b> ”                        | : | The proxy form in respect of the 2018 AGM is enclosed in the Annual Report 2017   |
| “ <b>Securities Accounts</b> ”               | : | The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent   |
| “ <b>SFA</b> ”                               | : | The Securities and Futures Act (Cap. 289) of Singapore, as may be amended, modified or supplemented from time to time   |
| “ <b>SGX-ST</b> ”                            | : | Singapore Exchange Securities Trading Limited and its successors and assigns  |
| “ <b>Shares</b> ”                            | : | Ordinary shares in the capital of the Company   |
| “ <b>Shareholders</b> ” or “ <b>Member</b> ” | : | The registered holders of Shares except that where the registered holder is CDP, the term “ <b>Shareholders</b> ” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited |

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations where applicable.

Any reference in this Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA, the Catalist Rules or any statutory or regulatory modification thereof and used in this Letter shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Catalist Rules or any statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Any reference to a date and/or time of day in this Letter shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Letter may not be an arithmetic aggregation of the figures that precede them.

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## LETTER TO SHAREHOLDERS

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### **OEL (HOLDINGS) LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 198403368H)

#### **BOARD OF DIRECTORS**

Jeffrey Hing Yih Peir (Executive Chairman & Managing Director)  
Renny Yeo Ah Kiang (Lead Independent Non-Executive Director)  
Lai Kwok Seng (Independent Non-Executive Director)

#### **REGISTERED OFFICE:**

No.8 Aljunied Ave 3,  
Oakwell Building,  
Singapore 389933

9 April 2018

To: The Shareholders of OEL (Holdings) Limited

Dear Sir/Madam

#### **THE PROPOSED CHANGE OF AUDITOR**

##### **1. INTRODUCTION**

1.1 The Directors refer to:

- (a) the Notice of AGM convening the 2018 AGM;
- (b) Resolution 5, being the ordinary resolution relating to the appointment of PKF as the Auditor, in place of Deloitte & Touche (the **“Proposed Change of Auditor”**).

1.2 The purpose of this Letter is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the Proposed Change of Auditor. Shareholders' approval will be sought at the 2018 AGM. This Letter has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders to whom this Letter is despatched to) or for any other purpose.

1.3 The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Letter.

##### **2. RATIONALE FOR THE PROPOSED CHANGE OF AUDITOR**

2.1 The Company's existing Auditor, Deloitte & Touche, was re-appointed as Auditor at the last AGM of the Company held on 26 April 2017, to hold office until the conclusion of the 2018 AGM. Deloitte & Touche has served as Auditor for approximately 28 years since 3 September 1990. As stated in the Annual Report 2017, Deloitte & Touche had communicated to the Company of its intention not to seek re-appointment as Auditor at the 2018 AGM.

2.2 The Directors are of the view that it would be timely to effect a change in Auditor for the business of the Group in the interest of good corporate governance for the Company. The Directors are of the view that the Proposed Change of Auditor would enable the Company to benefit from fresh perspectives and views of another professional audit firm and thus further enhance the value of the audit.

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## LETTER TO SHAREHOLDERS

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- 2.3 The Company had on 13 March 2018 received a letter of nomination from Mr Jeffrey Hing Yih Peir, a Member of the Company, nominating the appointment of PKF as Auditor in place of Deloitte & Touche at the forthcoming 2018 AGM (the “**Nomination Letter**”). A copy of the Nomination Letter is available for inspection at the registered office address of the Company, as set out in the last paragraph of this Letter.
- 2.4 The Audit Committee of the Company (“**Audit Committee**”), having considered, *inter alia*, the adequacy of the resources and experience of PKF, the audit engagement partner assigned to the audit, PKF’s other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff assigned to the audit, is of the opinion that PKF will be able to fulfil the audit requirements of the Group. The audit will be performed in accordance with the Singapore Standards on Auditing, with the scope of the audit determined based on materiality levels.
- 2.5 After due deliberation, the Board, at the recommendation of the Audit Committee, proposed that PKF be appointed as Auditor for FY2018, in place of Deloitte & Touche.
- 2.6 In view of the above, the Company proposes to appoint PKF as its new Auditor in place of Deloitte & Touche at the 2018 AGM. PKF has on 23 March 2018 given its written consent to act as Auditor subject to approval from Shareholders being obtained for the Proposed Change of Auditor (the “**Consent Letter**”). Pursuant to Rule 712(3) of the Catalist Rules, the appointment of PKF as Auditor in place of Deloitte & Touche must be specifically approved by Shareholders in a general meeting. Upon such approval being obtained by the Shareholders in respect of the same, PKF will hold office as new Auditor until the conclusion of the next AGM.
- 2.7 The outgoing Auditor, Deloitte & Touche, will retire and will not seek re-appointment as Auditor at the 2018 AGM, being the end of its current term. Accordingly, the Board wishes to express its appreciation for the past services rendered by Deloitte & Touche.

### 3. INFORMATION ON PKF AND THE AUDIT ENGAGEMENT PARTNER

#### 3.1 About PKF

PKF is a member firm of PKF International Limited, a global network of accountancy firms with over 400 offices in 119 countries, and with 14,500 partners and staff (collectively, the “**Network**”). The Network has an overall annual turnover (including correspondent firms) of around US\$1.4 billion.

As a firm of chartered accountants in Singapore, PKF is registered with ACRA. PKF, together with its affiliated entities has 9 partners, 15 managers and more than 70 professional staff servicing a wide array of auditing, accounting, taxation, corporate secretarial and advisory clients in diversified industries such as agriculture, statutory boards, education, trading and distribution, manufacturing, healthcare, shipping, hospitality, fund management, technology, mining and construction.

More information about PKF, its core values and services, are provided at PKF’s website at: <http://www.pkfsingapore.com/>.

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## LETTER TO SHAREHOLDERS

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### 3.2 About the audit engagement partner

Mr John Lim (“**Mr Lim**”), the Partner of Audit & Assurance division of PKF will be assigned to the audit of the Group. Mr Lim has over 20 years of audit and assurance experience, and started his professional career with Arthur Anderson (Singapore) in 1989. In 1995, Mr Lim joined the Institute of Singapore Chartered Accountants as Practice Review Manager and was one of the pioneers of the Practice Monitoring Programme of Public Accountants in Singapore. In 2000, Mr Lim joined a large charitable organisation to be its Chief Financial Officer. Subsequently, Mr Lim joined a mid-tier international accounting firm as Senior Assurance Manager. In 2010, Mr Lim became the Co-Managing Director of a local public accounting firm which then merged with PKF in 2012. Throughout his professional career, Mr Lim has been involved in audit of companies in various industries including public listed companies. Mr Lim is also the Audit Committee Chairman of a public listed company on SGX-ST. In PKF, Mr Lim is also the HR and Training Partner. Mr Lim is a practising member of the Institute of Singapore Chartered Accountants and is a public accountant registered with ACRA.

## 4. COMPLIANCE WITH RULE 712 AND 715 OF THE CATALIST RULES

- 4.1 The Board, having considered various factors, including but not limited to the adequacy of the resources and experience of PKF, the audit engagement partner assigned to the audit, PKF’s other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff assigned to the audit, is of the opinion that PKF will be able to fulfil the audit requirements of the Group.

PKF is a professional audit firm registered with ACRA.

In accordance with the requirements of Rule 712(3) of the Catalist Rules:

- (a) the outgoing Auditor, Deloitte & Touche, have confirmed by way of their letter dated 23 March 2018 that, other than the matters as highlighted in its auditor’s report dated 23 March 2018, it is not aware of any professional reasons why the new Auditor, PKF, should not accept appointment as Auditor of the Company;
  - (b) the Company confirms that there were no disagreements with the outgoing Auditor, Deloitte & Touche, on accounting treatments within the last 12 months;
  - (c) the Company confirms that, save as disclosed in this Letter, it is not aware of any circumstances connected with the Proposed Change of Auditor that should be brought to the attention of the Shareholders which have not been disclosed in this Letter;
  - (d) the specific reasons for the Proposed Change of Auditor are set out in Section 2 above; and
  - (e) the Company confirms it is in compliance with Rule 712 and 715 of the Catalist Rules in relation to the appointment of PKF as new Auditor.
- 4.2 Subject to the Shareholders’ approval, PKF will be the Auditor and will also be appointed as auditor of the Company’s Singapore-incorporated subsidiary. As of the Latest Practicable Date, the Company does not have any Singapore-incorporated significant associated companies or significant foreign-incorporated subsidiary.

## 5. AUDIT COMMITTEE’S RECOMMENDATION

The Audit Committee has reviewed and deliberated, and after taking into consideration the suitability of PKF and compliance with the Catalist Rules, has recommended the Proposed Change of Auditor.

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## LETTER TO SHAREHOLDERS

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### 6. DIRECTORS' RECOMMENDATION

The Directors having fully considered, *inter alia*, the terms and rationale of the Proposed Change of Auditor as set out in this Letter, are of the opinion that the aforementioned proposal is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution in respect of the Proposed Change of Auditor at the 2018 AGM.

### 7. APPROVAL AND RESOLUTION

Shareholders' approval for the Proposed Change of Auditor will be sought at the 2018 AGM. The resolution to the Proposed Change of Auditor is contained in the Notice of AGM as Resolution 5.

### 8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the Proposed Change of Auditor, the Company and its subsidiary, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

### 9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at No.8 Aljunied Ave 3, Oakwell Building, Singapore 389933 during normal business hours from the date hereof up to and including the date of the 2018 AGM:

- (a) the constitution of the Company;
- (b) the Annual Report 2017;
- (c) the Nomination Letter;
- (d) professional clearance letter in respect of the Company issued by Deloitte & Touche to PKF dated 23 March 2018; and
- (e) the Consent Letter to act as Auditor of the Company from PKF.

Yours faithfully

for and on behalf of the Board of  
**OEL (Holdings) Limited**

Jeffrey Hing Yih Peir  
Executive Chairman & Managing Director