

All for the commitment to life



OEL (HOLDINGS) LIMITED
SGX:584

2021 ANNUAL REPORT



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 announced in early 2020, the Company is engaged 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 products, laboratory products, dental products and animal health products. Its subsidiary, ESO Health Care Pte. Ltd. (“**ESO**”) provides education services focused on 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 Catalyst 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”). The sponsor has not independently verified the contents of this annual report.

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) LIMITED

MEDICAL | DENTAL | LABORATORY



As a forward-looking Singapore Exchange Catalist-listed company, OEL (Holdings) Limited is committed to corporate social responsibility and the goal of building a pan-asian high tech healthcare company at its core and pursuing long-term investments within stable and high-growth areas with value creation for its shareholders.



MEDICAL



DENTAL



LABORATORY



ABOUT US

AJJ Healthcare Management Pte. Ltd. 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.

OEL (Holdings) Limited had on 4 March 2020 established a wholly-owned subsidiary, ESO Health Child Care Pte Ltd. 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

HiFU - 2001



More Advanced.

Minimise 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.

3D Printer HeyGears Ultracraft



More Efficient.

Ultra Craft DS is compatible with HeyGears Cloud and serves as the terminal for our full-chain digitalized solution from design service to post-processing. The one-stop solution boosts the patients' experience by providing immediate treatment while increasing the efficiency of clinics at the same time.



Social-Emotional Development for Toddlers Textbook

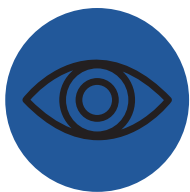
The First in Singapore.

Mental health focus in early childhood education is now an indispensable component in today's children's well-being. A new textbook by the company, has surpassed the traditional education model by prioritising social-emotional development to cultivate a child's self-confidence and resilience, help them adapt to societal pressure, and enhance their intelligence, emotional and adversity quotients.



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



OUR 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 Annual 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 2021 ("**FY2021**").

In the financial year ended 2020 ("**FY2020**"), the Company diversified into providing healthcare solutions and services, and childcare wellness education. I am pleased to announce that in FY2021, the Company has humbly and steadily entered the healthcare industry. Under our core values of "Fairness", "Transparency", "Professional" and "Integrity", the Group has built its unique brand and consumer awareness, as well as developed and expanded its sales channels which focuses on providing high-quality and high-tech products within the medical, dental and laboratory aspects. We are also planning to venture into 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.

In 2021, the Company's wholly-owned subsidiary, AJJ Healthcare Management Pte. Ltd., successfully achieved its ISO 13485:2016 and EN ISO 13485:2016 accreditation, and successfully extended the scope to accommodate a fast-growing product portfolio with stringent compliance to safety, quality and performance guidelines. Furthermore, AJJ has not only successfully maintained our Good Distribution Practice for Medical Devices (GDPMDS) certification, we have also taken a step further to obtain bizSAFE Level 3 accreditation and introduced Laboratory Segment products. To date, AJJ has a product portfolio of over 2000 products including medical, laboratory, dental and veterinary equipment and consumables.

The Company together with its wholly-owned subsidiary, ESO Health Child Care Pte. Ltd., formed a textbook committee comprising of world-class and professional early childhood education members from Nanyang Technological University ("**NTU**") and Yale New Haven Hospital Day Care Centre ("**YNH**"). The committee researched, developed and published the world's first textbook in the contemporary era to systematically apply Dr. Gail E. Joseph's research paper "Enhancing Emotional Vocabulary in Young Children" to the practice of early childhood education. The textbook content is also based on the Head Start Early Learning Outcomes Framework from the US Department of Health and Human Services that advocates the skills, behaviours and knowledge children should develop for school and long-term success.

The Social-Emotional Development textbook for toddlers aged 1.5-3 years old can be found in the National Library Board of Singapore and the library of NTU. The textbook has been distributed globally and is currently being used by YNH in the United States of America and our childcare center, Discovery Kidz Preschool Pte. Ltd. ("**DKP**"). The textbook is recommended by various early childhood education experts and psychologists.

DKP has renewed its Early Childhood Development Agency license and was honoured to be awarded the "Platinum Healthy Preschool" by the National Health Promotion Board of Singapore.

MAINTAINED A STRONG BOARD

Since 2020, myself together with Ms. Alice Zhao Xin, Mr. Chong Eng Wee, Mr. Francis Yap Koon Loong and Dr. Toh Lim Kai have continued to provide a strong leadership to the company by leveraging on our varied professional experience with investment banking qualifications, medical, legal, and audit and accounting expertise. The Company looks forward to achieving further growth with the current Board, and with the support of the Board, Ms. Alice Zhao Xin will continue to lead the Company's management and operations.

ESTABLISHED A STRONG TEAM

Under the leadership of our CEO, Alice Zhao Xin, the Company established a strong team with strong complementary values regardless of race, nationality or gender. Nearly 70% of the staff are qualified graduates with a necessary bachelor's degree in the field of medical devices, management quality assurance, supply chain and operations, business development, regional and channel sales and marketing experience. The team is young, qualified, professional, and always driven to innovate, spearhead and grow the healthcare division of the Group by sourcing for the latest innovation and cutting-edge medical technology and providing clients with end-to-end solutions in the medical, dental, laboratory and veterinary segments.

FINANCIAL PERFORMANCE

The financial performance of the Group in respect of FY2021 was a breakthrough for the Group despite its extensive expansion into new business divisions and segments. The Group secured purchases orders of S\$2.69 million from regional sales and S\$0.07 million from Singapore hospitals in the last quarter of FY2021, and has sufficient cash and banking resources to meet its working capital and the growth needs of its existing business for the next 12 months.

CHAIRMAN'S STATEMENT

The Group is also diligently seeking to expand its regional business opportunities in the medical, dental and laboratory segments, with Singapore as the hub of its operations.

OUTLOOK IN 2022

AJJ will continue to secure partnerships with renowned and high-tech companies, especially in the dental market.

According to international research institutions, the global market value for dental products is expected to expand at a compound annual growth rate of 12.1% by 2028. In 2022, the company will continue its aggressive and calculated expansion into the Dental market segment. To date, AJJ has added over 1000 dental products to its product portfolio as part of our goal to be an end-to-end Dental Solutions provider.

International research institutions further highlighted that there are 9 big dentistry technology trends at the moment, and AJJ is currently involved in 2 of them, namely Computer-assisted design and 3D-printing, and intra-oral scanner. AJJ has already secured a collaboration to bring in 3D modelling and printing technology to Singapore and potentially South-East Asia. This 3D printer and resins are capable of high-speed printing dental models, dental surgical guide, temporary crown and bridge, dental tray, and dental dentures, which also includes digital orthodontics, fixed restoration, removable restoration, digital implant and nightguard. AJJ is confident of its positive impact and value to patients and dental professionals.

On its other healthcare product segments, AJJ will continue to be working towards meeting the regulations set by the government authorities and is in the process of extending its ISO13458:2016 scope for its Singapore manufacturing plant. Concurrently, AJJ will build a high-tech medical equipment manufacturing plant, high-tech medical equipment R&D team and medical products inventory base in Singapore. Research and development continue to be one of the Group's focuses, to improve our existing products as well as innovating new products. We intend to start manufacturing HIFU machines in Singapore and are in the process of registering for Singapore and relevant international medical licenses.

The Group will continue on a roadmap to promote and strengthen its core competencies, such as HIFU technology and medical solutions, 3D Printer and Dental end-to-end solutions and its one-of-a-kind social-emotional development textbook. With a sustainable Original Equipment Manufacturer business model, the Group is able to bring in a substantial amount of healthcare solutions such as customisable surgical packs and strengthen the Group's supply chain with government and private hospitals, and related medical

organisations. The Group will also aim to expand its presence to more organisations in Singapore, Southeast Asia, the Middle East and other countries.

The Group will also continue to fulfil its corporate social responsibility by publishing levels 2, 3 and 4 of the Social-Emotional Development Textbook series. Meanwhile, AJJ will also extend to a new product segment this year, actively looking for and introducing new eco-friendly and sustainable medical products.

COVID-19

While we transition towards more 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 such as the ART tests requirements before visits to our childcare centre. 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 convey my sincere appreciation to all our business associates and partners for their strong support. We are also grateful to the Board for their commitment towards best practices in corporate governance and for contributing their invaluable experience to guide the Group. I would like to commend the CEO, Ms. Alice Zhao Xin 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", "Professional" 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 the shareholders for your unwavering support and trust in the Group. We look forward to embarking on this next chapter with you.

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 and will be seeking re-appointment at the forthcoming AGM. 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 and has obtained MBA and DBA in United States. He has 20 years of experience overseas, and 8 years in China, and has a deep appreciation of corporate culture in Asia, Middle East and Western developed countries.

MS ZHAO XIN

Chief Executive Officer and Executive Director

Ms Zhao Xin (“**Ms Zhao**”) was appointed as Chief Executive Officer and Executive Director of the Company on 20 January 2020 and was last re-elected on 29 April 2021. 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.

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 Lim Kai has been a Medical Director at T Clinic 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, Viiv 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 is also 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 Chevalier Law, he was a Partner and Head of Corporate at Kennedys Legal Solutions, a joint law venture between Kennedys Law LLP and Legal Solutions LLC. He was also previously the Deputy Head of both the Capital Markets & International China practices of another firm and the Representative for the Shanghai Representative Office of another joint law venture firm.

His areas of practice include capital markets, mergers and acquisitions, private equity, China ("**PRC**"), banking and finance, 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 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).

He is currently the Lead Independent Director at GS Holdings Limited and Heatec Jietong Holdings Ltd.. He is also the Company Secretary for LHN Limited, a company dual listed on SGX-ST and the mainboard of the Hong Kong Stock Exchange and China Vanadium Titanium-Magnetite Mining Company Limited, a Hong Kong mainboard listed company, and Joint Company Secretary for Sincap Group Limited, a company listed on the SGX-ST Catalyst Board.

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 and will be seeking re-appointment at the forthcoming AGM. He was also appointed as the Chairman of Audit Committee and a member of Remuneration Committee and Nominating Committee.

Mr Yap is currently a director of various 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 previously the chief financial officer of several listed companies on both the Mainboard and Catalyst Board of SGX-ST.

Mr Yap holds a Master of Business in Professional Accounting from Victoria University of Technology, Australia in June 1998.

OPERATIONS AND FINANCIAL REVIEW

REVIEW OF TURNOVER, COSTS AND EARNINGS

Revenue

The Group's revenue has decreased by S\$0.36 million (-53.29%) from S\$0.68 million for the financial year ended 31 December 2020 ("**FY2020**") to S\$0.32 million for financial year ended 31 December 2021 ("**FY2021**"). The decrease was primarily due to the disposal of the leasehold building in February 2021, which in turn resulted in the decrease of rental income generated from the leasehold building.

Other operating income

Other operating income has increased by S\$2.15 million (672.81%) from S\$0.32 million in FY2020 to S\$2.47 million in FY2021. The increase was mainly due to the gain on sale of leasehold land and building amounting to S\$1.88 million.

Selling and distribution expenses

Selling and distribution expenses increased by S\$1.24 million (4,769.23%) from S\$0.02 million in FY2020 to approximately S\$1.27 million in FY2021 as a result from the expansion of the new healthcare business in FY2021. Such increase in selling and distribution expenses mainly comprises (i) the increase of employees' salaries of S\$1.18 million, (ii) the increase in employees' costs for products registration of S\$0.06 million.

Administrative expenses

Administrative expenses increased by S\$0.61 million (24.35%) from S\$2.5 million in FY2020 to S\$3.11 million in FY2021. The increase was mainly due to (i) an increase of S\$0.13 million in professional and legal fees incurred for business expansion, (ii) an increase of S\$0.3 million in depreciation, and (iii) increase in approximately S\$0.1 million for the directors' fees comprising an increase of S\$0.05 million in directors' fees for FY2021 and under-provision of S\$0.05 million of directors' fees in FY2020.

Other operating expenses

Other operating expenses decreased by approximately S\$1.14 million (-97.01%) from S\$1.17 million in FY2020 to approximately S\$0.03 million in FY2021. This is because no depreciation charge was incurred for the Aljunied Building in FY2021 following the reclassification to "Asset held for sale" in corresponding period of immediate preceding year which is in accordance with the requirement under SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operation and the subsequent disposal of the building during the year. The depreciation for existing property, plant and equipment are classified under "Administrative expenses" which is consistent with the classification in the corresponding period.

Finance costs

Finance costs of the Group has decreased by S\$0.02 million (-24.24%) from S\$0.1 million in FY2020 to S\$0.08 million in FY2021. The decrease was mainly because the loans from bank borrowings, former directors and controlling shareholder of which yielding interest have all been fully settled prior to the beginning of current financial period. As such, the finance costs incurred during the current financial period mainly pertains to the interest on lease liabilities.

Profit/(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\$1.73 million in FY2021 as compared to a loss of S\$2.79 million in FY2020. There was a loss of S\$0.04 million attributable to non-controlling interests in FY2021.

OPERATIONS AND FINANCIAL REVIEW

REVIEW OF WORKING CAPITAL, ASSETS AND LIABILITIES

Current assets

Current assets decreased by S\$3.84 million from S\$8.84 million as of 31 December 2020 ("FY2020") to approximately S\$5.00 million as of 31 December 2021 ("FY2021"), accounting for 43% of the total assets. The decrease was mainly due to a decrease in assets held for sales of S\$7.45 million, offset by an increase in cash and cash equivalents by S\$3.05 million, an increase in trade and other receivables of S\$0.25 million, and an increase in inventory of S\$0.31 million.

Non-current assets

Non-current assets increased by S\$1.1 million from S\$1.45 million in FY2020 to S\$2.55 million in FY2021. The increase was mainly due to an increase of S\$0.33 million of property, plant and equipment and S\$0.77 million of right-of-use assets, mainly due to the acquisition of new plant and equipment and the right-of-use assets recognised for the lease of the new office for new healthcare business by one of the subsidiary offset by depreciation charges.

Non-current liabilities

Non-current liabilities increased by approximately S\$0.63 million from S\$0.79 million in FY2020 to S\$1.42 million in FY2021. The increase was mainly due to a increase in lease liabilities of S\$0.61 million attributable to the repayments made during the year offset by the lease liabilities recognised for the lease of the new office by one of the subsidiaries.

Current liabilities

Current liabilities decreased by S\$1.65 million from S\$2.4 million in FY2020 to approximately S\$0.75 million in FY2021. The decrease was mainly due to the settlement of S\$1.37 million in trade and other payables and the decrease in provision for other liabilities of approximately S\$0.43 million offset by the increase in lease liabilities of S\$0.15 million.

REVIEW OF CASH FLOW STATEMENT

Net cash used in operating activities

In FY2021, the Group recorded a net cash outflow for operating activities of S\$5.54 million. The net operating cash outflow was mainly due to operating losses before working capital changes of S\$3.31 million and adjusted for working capital outflow of S\$2.16 million. Working capital outflow is mainly due to (i) settlement of trade and other payables of approximate S\$1.81 million; (ii) addition of inventories of inventories of S\$0.3 million; (iii) increase of S\$0.25 million in trade and other receivables which was mainly derived from the deposit made for the leasing of Commonwealth's office; and (iv) payment of other administrative and operating expenses.

Net cash generated from/(used in) investing activities

Net cash generated from investing activities of S\$8.99 million during the period mainly arose from the proceeds from sale of leasehold land and building amounting to S\$9.5 million, offset by the outflows for the acquisition of property, plant and equipment of S\$0.50 million.

Net cash (used in)/generated from financing activities

Net cash used in financing activities of S\$0.4 million during the period in FY2021 mainly relates to the payment for principal portion of respective lease liabilities.

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

Lee Yi Han

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #11-02
Singapore 068898

REGISTERED OFFICE

8 Temasek Boulevard
#23-02 Suntec Tower Three
Singapore 038988
Tel: +65 62355091

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 2021 (“**FY2021**”).

Pursuant to Rule 710 of the Listing Manual Section B: Rules of Catalist issued by the SGX-ST (the “**Catalist Rules**”), this corporate governance report (this “**Report**”) outlines the Company’s corporate governance practices that were in place during FY2021. 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

Principle 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 of the Directors or send a written notice to the Company pursuant to Section 156 of the Companies Act, Chapter 50 (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.
- **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 Catalist Rule 406(3)(a) and Practice Note 4D of the Catalist Rules. The training of Directors will be arranged and funded by the Company.

Under Rule 406(3)(a) and Practice Note 4D of the Catalist Rules, Dr Toh Lim Kai, 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 Lim Kai has completed three (3) out of the four (4) compulsory core modules conducted by the Singapore Institute of Directors. The details of the courses attended by Dr Toh Lim Kai in FY2021 and the remaining course to be attended by Dr Toh Lim Kai in 2022 are set out in the table below:

Modules	Date of completion / Date of intended completion
LED 1 – Listed Entity Director Essentials	08/03/2022
LED 2 – Board Dynamics	To be completed on 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 FY2021 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 were updated on changes to the Catalist Rules, corporate governance matters and other regulatory requirements on a regular basis; and
- (d) relevant training courses organised by the institutes and/or group associations of specific interest.

Further, all Directors will be undergoing training on sustainability matters as prescribed by the SGX-ST in the financial year ending 31 December 2022, in compliance with Catalist Rule 720(6).

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 FY2021 were in-person or 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 FY2021 and the attendance of each Director are set out as follows:

No. of Meetings held	Board of Directors		Audit Committee			Nominating Committee		Remuneration Committee	
	1/2	2/2	Member	1/2	2/2	Member	1/1	Member	1/1
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 22 November 2021 and as decided collectively by the Board, Ms Lee Yi Han was appointed as the Company Secretary in place of Ms Ong Le Jing with effect on and from 22 November 2021.

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 Messrs. Yap Koon Loong, Chong Eng Wee and Toh Lim Kai 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.

Nonetheless, the independence of any Director who has served on the Board beyond nine (9) years since the date of his first appointment will be subject to particularly rigorous review. Further, the Company will comply with Catalist Rule 406(3)(d)(iii) which took effect on and from 1 January 2022, and seek approval for the appointment of any Independent Director who has been a Director for an aggregate period of more than nine (9) years in separate resolutions from (a) all Shareholders, and (b) Shareholders, excluding the Directors and the CEO, and associates of the Directors and the CEO.

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	26 June 2020
Ms Zhao Xin	CEO and Executive Director	20 January 2020	29 April 2021
Mr Yap Koon Loong	Independent Director	27 February 2020	26 June 2020
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

Although the Company does not have a written policy on board diversity, it has maintained a culture of diversity to benefit from a wide talent pool. The current composition of the Board provides diversity in terms of skills, experience, knowledge and gender.

The NC has been tasked to develop a Board Diversity policy setting out the qualitative and quantitative objectives and that addresses gender, skills and experience, and any other relevant aspects of diversity in compliance with Rule 710A of the Catalist Rules.

In FY2021, 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.

CORPORATE GOVERNANCE REPORT

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 FY2021, 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

Dr Zhang Jian is the Chairman of the Board, and Ms Zhao Xin 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.

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.

CORPORATE GOVERNANCE REPORT

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.

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;

CORPORATE GOVERNANCE REPORT

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.

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 Director(s) 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 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.

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

- (a) Dr Zhang Jian, who is retiring by rotation pursuant to Regulations 87 and 89 of the Company's Constitution; and
- (b) Mr Yap Koon Loong, who is retiring by rotation pursuant to Regulations 87 and 89 of the Company's Constitution.

Dr Zhang Jian has given his consent for re-election and he will, upon re-election as a Director of the Company, remain as the Chairman and an Executive Director of the Company. Mr Yap Koon Loong 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 AC, and a member of the RC and NC. Mr Yap Koon Loong 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 Dr Zhang Jian and Mr Yap Koon Loong 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 Yap Koon Loong 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 93 to 97 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 Koon Loong, Mr Chong Eng Wee, and Dr Toh Lim Kai, 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.

CORPORATE GOVERNANCE REPORT

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.

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	26 June 2020	Executive	Chairman and Executive Director	DBA & EMBA – West Coast University Los Angeles, US	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"> Master of Social Sciences (China and Global Governance), Nanyang Technological University Master of Science with Merit in Professional Accountancy, University of London Bachelor of Science in Finance and Accounting Management, Northeastern University in the United States 	OEL Group of subsidiaries
Mr Yap Koon Loong	26 June 2020	Non-Executive and Independent	Chairman of the AC, and a member of the NC and RC	<ul style="list-style-type: none"> Master of Business in Professional Accounting, Victoria University of Technology 	Chongqing Yuhai Precision Manufacturing (Singapore) Co. Pte. Ltd. FFC Alliance Pte. Ltd. Lighthouse Capital Pte. Ltd. Ooway Technology Pte. Ltd.

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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 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"> • Advocate & Solicitor, Supreme Court of Singapore • Legal Practitioner, Supreme Court of New South Wales, Australia • Barrister & Solicitor, High Court of New Zealand • Solicitor of the High Court of Hong Kong • Bachelor of Laws 	Chevalier Law LLC Heatec Jietong Holdings Ltd. GS Holdings Limited
Dr Toh Lim Kai	29 April 2021	Non-Executive and Independent	Member of the AC, RC and NC	<ul style="list-style-type: none"> • Membership Royal College of Surgeons Ireland • MB.BCh. BAO (Honours) from Royal college of Surgeon in Ireland • Msc (Pharmaceutical Medical) from Hibernia College (Dublin) • Singapore MOH accredited Family Physician 	T Medical Clinic (City Gate) Pte. Ltd. TS Medical Pte Ltd (Consultant) Esprimo Pte Ltd (Consultant) Medlink Pte Ltd

CORPORATE GOVERNANCE REPORT

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 FY2021 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.

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 FY2021.

CORPORATE GOVERNANCE REPORT

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 should be 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;
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.

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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 FY2021.

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.

The RC has reviewed and is satisfied that for FY2021, the remuneration received by the Executive Directors is commensurate with their contribution, efforts, responsibilities and achievements. The RC has also reviewed and is satisfied that the overall performance conditions were met in respect of FY2021.

The Company has no other key management personnel other than the Executive Directors in FY2021.

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.

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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 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

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 FY2021 is as follows:

Name of Director	Salary ⁽¹⁾ (%)	Bonus and other variable performance components (%)	Allowances and other benefit (%)	Directors' fee (%)	Total (%)
Above S\$250,000 and below S\$700,000					
Dr Zhang Jian	91	5	4	–	100
Ms Zhao Xin	68	5	27	–	100
Below S\$250,000					
Mr Yap Koon Loong	–	–	–	100	100
Mr Chong Eng Wee	–	–	–	100	100
Dr Toh Lim Kai	–	–	–	100	100

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 FY2021.

CORPORATE GOVERNANCE REPORT

Provision 8.2

Disclosure on Remuneration of Immediate Family Member of Substantial Shareholder

Besides Dr Zhang Jian, 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 FY2021.

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.

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 RSM Risk Advisory Pte Ltd as the internal auditors of the Company. A internal audit review was conducted for FY2021, covering the areas on the general control environment, procurement to payment and personal data protection controls, and was completed in December 2021. The internal auditors issued its report in respect of FY2021 on 20 December 2021.

CORPORATE GOVERNANCE REPORT

Provision 9.2

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

For FY2021, 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.

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 FY2021.

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;

CORPORATE GOVERNANCE REPORT

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;
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 quarterly 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 FY2021 audit to review matters that may be raised privately further, to undertake an annual review of the independence of the external auditors.

Except for the key audit matter on impairment assessment of goodwill, there were no other key audit matters presented by the external auditors in the course of the review of the financial statements for FY2021.

During FY2021, 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.

CORPORATE GOVERNANCE REPORT

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.

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, RSM Risk Advisory Pte Ltd. ("**RSM**"), 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 auditor of the Company.

The AC has reviewed the independence and objectivity of PKF-CAP LLP in FY2021 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 FY2021 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 FY2021 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., 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 14 April 2022.

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.

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 despatched at least 14 days (or 21 days if there is any special resolutions) before the scheduled date of the meeting.

CORPORATE GOVERNANCE REPORT

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 FY2021, 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 2021. 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 2021.

Save for the AGM held on 29 April 2021, there were no other general meetings of the Company held during FY2021.

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 general meeting and via SGXNet after 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 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.

In view of the COVID-19 situation, the Company's forthcoming AGM to be held in April 2022 will be conducted via electronic means 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 (the "**Order**") and relevant guidance issued by Singapore Exchange Regulation. Alternative arrangements relating to the mode of publication of the notice of AGM, despatch of annual report and proxy form, attendance at the AGM via electronic means, submission of questions by shareholders in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, will be put in place for the forthcoming AGM.

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 FY2021, all Directors had attended the AGM held on 29 April 2021.

CORPORATE GOVERNANCE REPORT

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 FY2021 through the submission of proxy forms nominating the Chairman of the meeting 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 accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

In respect of the previous AGM held on 29 April 2021, 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 FY2021 as it was in a loss-making position.

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.

CORPORATE GOVERNANCE REPORT

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 FY2021 in respect of shareholder engagement are in line with the intent of Principle 12 of the Code.

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 2021, which will be released on SGXNet no later than 31 May 2022.

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.

CORPORATE GOVERNANCE REPORT

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 FY2021.

There were no interested person transactions entered into during FY2021 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, 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 FY2021 or if not then subsisting, entered into since the end of the previous financial year.

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.

CORPORATE GOVERNANCE REPORT

IX. 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.

X. 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 FY2021.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

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 2021.

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 2021 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 Companies Act, Chapter 50 (the "Act") were as follows:

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

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2022.

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.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

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 Companies Act, Chapter 50 (the "Act"), 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;
- 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.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

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

Zhao Xin
Director

Yap Koon Loong
Director

Singapore
31 March 2022

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 (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 2021, 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 financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 47 to 91.

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, Chapter 50 (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 2021 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.

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.

We have determined that the matter described below to be the key audit matter to be communicated in our report.

Impairment Assessment of Goodwill

(Refer to Notes 2.4(c), 3.2(ii) and 15 to the financial statements)

The Group's goodwill totalled S\$267,000 (2020: S\$267,000) which accounted for 3.5% (2020: 2.6%) of the Group's total assets as at 31 December 2021.

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 15, the Group's goodwill is allocated to one Cash Generating Unit ("CGU") for impairment assessment. 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.

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 (Continued)

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

Other Information

Management is responsible for other information. The other information comprises the information included in the Annual Report 2021, 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.

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.

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

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.
- 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, related safeguards.

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.

INDEPENDENT AUDITOR'S REPORT

To the members of OEL (Holdings) Limited

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
31 March 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	The Group	
		2021 S\$'000	2020 S\$'000 Restated*
Revenue	4	319	683
Cost of sales		(48)	–
Gross profit		271	683
Other operating income	5	2,476	320
Selling and distribution expenses		(1,266)	(26)
Administrative expenses		(3,105)	(2,513)
Other operating expenses		(38)	(1,171)
Finance costs	6	(75)	(99)
Loss before tax	8	(1,737)	(2,806)
Income tax credit	9	4	2
Loss for the year		(1,733)	(2,804)
Other comprehensive income, net of tax:			
<i>Item that may be reclassified subsequently to profit or loss, net of tax:</i>			
Exchange differences on translation of a foreign operation, net of tax		4	3
Other comprehensive income, net of tax		4	3
Total comprehensive loss for the year		(1,729)	(2,801)
Loss attributable to:			
Equity holders of the Company		(1,696)	(2,771)
Non-controlling interest		(37)	(33)
		(1,733)	(2,804)
Total comprehensive loss attributable to:			
Equity holders of the Company		(1,692)	(2,768)
Non-controlling interest		(37)	(33)
		(1,729)	(2,801)
Loss per share attributable to equity holders of the Company (cents per share)			
Basic and diluted	10	(0.18)	(0.36)

* Comparative information has been restated due to the retrospective adjustment to the provisional goodwill recognised as of the date of acquisition as disclosed in Note 15.

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	The Group		The Company	
		2021 S\$'000	2020 S\$'000 Restated*	2021 S\$'000	2020 S\$'000
NON-CURRENT ASSETS					
Property, plant and equipment	11	716	381	233	298
Right-of-use assets	22	1,519	751	386	415
Investment in subsidiaries	12	–	–	1,150	200
Investment in an associate	13	–	–	–	–
Intangible asset	14	37	55	–	–
Goodwill on consolidation	15	267	267	–	–
Other non-current asset		10	–	–	–
		2,549	1,454	1,769	913
CURRENT ASSETS					
Assets held for sale	16	–	7,449	–	7,449
Inventories	17	317	10	25	–
Trade and other receivables	18	1,007	757	1,979	1,151
Cash and bank balances	19	3,667	619	3,628	402
		4,991	8,835	5,632	9,002
Total assets		7,540	10,289	7,401	9,915
CURRENT LIABILITIES					
Lease liabilities	22	439	285	213	207
Trade and other payables	20	305	1,678	207	1,571
Provision for other liabilities		4	439	–	439
Income tax payable		1	1	–	–
		749	2,403	420	2,217
NON-CURRENT LIABILITIES					
Provision for reinstatement costs		31	–	–	–
Lease liabilities	22	1,103	496	190	222
Deferred tax liabilities	21	286	290	280	280
		1,420	786	470	502
Total liabilities		2,169	3,189	890	2,719
Net assets		5,371	7,100	6,511	7,196
EQUITY					
Share capital	23	42,745	42,745	42,745	42,745
Accumulated losses		(37,311)	(43,494)	(36,234)	(43,428)
Foreign currency translation reserve		7	3	–	–
Revaluation reserve	24	–	7,879	–	7,879
Attributable to equity holders of the Company		5,441	7,133	6,511	7,196
Non-controlling interest		(70)	(33)	–	–
Total equity		5,371	7,100	6,511	7,196

* Comparative information has been restated due to the retrospective adjustment to the provisional goodwill recognised as of the date of acquisition as disclosed in Note 15.

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

The Group	Attributable to equity holders of the Company						
	Share capital S\$'000	Accumulated losses S\$'000	Foreign currency translation reserve S\$'000	Revaluation reserve S\$'000	Total S\$'000	Non-controlling interest S\$'000	Total equity S\$'000
Balance as at 1 January 2020	38,348	(40,723)	-	7,879	5,504	-	5,504
Issuance of new ordinary shares	4,462	-	-	-	4,462	-	4,462
Share issue expenses	(65)	-	-	-	(65)	-	(65)
Loss for the year (Restated*)	-	(2,771)	-	-	(2,771)	(33)	(2,804)
Other comprehensive loss for the year	-	-	-	-	-	-	-
Exchange differences on translation of a foreign operation, net of tax	-	-	3	-	3	-	3
Total comprehensive loss for the year (Restated*)	-	(2,771)	3	-	(2,768)	(33)	(2,801)
Balance as at 31 December 2020 (Restated*)	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 (Note 24)	-	7,879	-	(7,879)	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-
Exchange differences on translation of a foreign operation, net of tax	-	-	4	-	4	-	4
Total comprehensive loss for the year	-	6,183	4	(7,879)	(1,692)	(37)	(1,729)
Balance as at 31 December 2021	42,745	(37,311)	7	-	5,441	(70)	5,371

* Comparative information has been restated due to the retrospective adjustment to the provisional goodwill recognised as of the date of acquisition as disclosed in Note 15.

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

The Company	Share capital	Accumulated	Revaluation	Total equity
	S\$'000	losses	reserve	S\$'000
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2020	38,348	(40,692)	7,879	5,535
Issuance of new ordinary shares	4,462	–	–	4,462
Share issue expenses	(65)	–	–	(65)
Total comprehensive loss for the year	–	(2,736)	–	(2,736)
Balance as at 31 December 2020	42,745	(43,428)	7,879	7,196
Realisation of revaluation reserve of leasehold building sold during the year (Note 24)	–	7,879	(7,879)	–
Total comprehensive loss for the year	–	(685)	–	(685)
Balance as at 31 December 2021	42,745	(36,234)	–	6,511

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

		The Group	
	Note	2021 S\$'000	2020 S\$'000 Restated*
Cash flows from operating activities			
Loss before tax		(1,737)	(2,806)
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	11	165	384
Depreciation of right-of-use assets	22	426	549
Amortisation of intangible asset	14	18	16
Interest expense	6	75	99
Waiver of debts	5	–	(40)
Provision for other liabilities		–	439
Gain on settlement of litigation	5	(373)	–
Gain on sale of leasehold building	5	(1,884)	–
Unrealised currency translation loss		–	2
		(3,310)	(1,357)
Operating cash flow before changes in working capital			
<u>Changes in working capital:</u>			
Inventories		(307)	(10)
Trade and other receivables		(250)	(521)
Trade and other payables		(1,602)	1,226
		(5,469)	(662)
Net cash used in operations			
Interest paid		(75)	(99)
		(5,544)	(761)
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(500)	(411)
Proceeds from sale of leasehold building	16	9,500	–
Acquisition of other non-current asset		(10)	–
Acquisition of subsidiary, net of cash acquired	12	–	(405)
		8,990	(816)
Net cash generated from/(used in) investing activities			
Cash flows from financing activities			
Proceeds from issuance of new ordinary shares	23	–	4,462
Share issue expenses	23	–	(65)
Repayment of bank borrowings		–	(1,050)
Payment of principal portion of lease liabilities	22	(402)	(450)
Repayment to a former director (resigned on 27 February 2020) of the Company		–	(707)
		(402)	2,190
Net cash (used in)/generated from financing activities			
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		619	3
Effect of currency translation on cash and cash equivalents		4	3
		3,667	619
Cash and cash equivalents at end of the year			

* Comparative information has been restated due to the retrospective adjustment to the provisional goodwill recognised as of the date of acquisition as disclosed in Note 15.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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 Temasek Boulevard, #23-02 Suntec Tower Three, Singapore 038988.

The principal activities of the Company are that of investment holding, healthcare services, medical equipment, supplies & distribution and childcare education. The principal activities of the subsidiaries and associates are disclosed in Notes 12 and 13 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 (S\$'000), except when otherwise indicated.

Going concern

The Group has incurred total comprehensive loss of S\$1,729,000 (2020: S\$2,801,000) for the current financial year ended 31 December 2021.

As disclosed in Note 16 to the financial statements, on 2 February 2021, the Group sold its leasehold building which was previously leased out under an operating lease. Following from this, the Group derived minimal rental income of S\$26,000 (2020: S\$310,000) during the current financial year. The Group's current main source of revenue is from the provision of childcare wellness education services which contributed revenue amounting to S\$249,000 (2020: S\$373,000) to the Group during the current financial year.

Management plans to develop and grow its healthcare products and services business segment which is expected to be the main revenue stream of the Group moving forward. As of 31 December 2021, the Group has managed to secure purchase orders of approximately S\$3m for its healthcare products and services business segment which are expected to be fulfilled and provide earnings visibility to the Group for the next 12 months from the current financial year ended 31 December 2021. As at 31 December 2021, the Group and the Company have net assets of S\$5,371,000 (2020: S\$7,100,000) and S\$6,511,000 (2020: S\$7,196,000) respectively and the Group and the Company have net current assets of S\$4,242,000 (2020: S\$6,432,000) and S\$5,212,000 (2020: S\$6,785,000) respectively. Taking these into consideration, the financial statements have been prepared on a going concern basis and 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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 2021. The adoption of these standards did not have any material effect on the Group's financial statements.

In the previous financial year, the Group has early adopted the *Amendment to SFRS(I) 16 Leases: Covid-19 Related Rent Concessions* which introduced an optional practical expedient for lessees from assessing whether a rent concession related to Covid-19 is a lease modification.

The Group has applied this practical expedient to all leases. As a result of applying the practical expedient, rent concessions of approximately S\$30,000 (Note 5) was recognised as "Other operating income" in the profit or loss of the previous financial year.

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
Amendment to SFRS(I) 16: <i>Covid 19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
Amendments to SFRS(I) 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to SFRS(I) 1-16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37: <i>Onerous Contracts—Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</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

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation and business combinations (Continued)

(a) Basis of consolidation (Continued)

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.

(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 acquiree (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(I).

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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).

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(a) 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 2.16.

The Group's right-of-use assets are disclosed in Note 22(a).

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 22(b).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Leases (Continued)

(a) *As lessee (Continued)*

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.

(b) *As lessor*

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income arising from operating leases on the Company's leasehold building is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Taxes (Continued)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Taxes (Continued)

(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:

	Useful lives
Leasehold building	30 years
Plant and equipment	3 to 10 years

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Property, plant and equipment (Continued)

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 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investment in an associate using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in an associate is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. The profit or loss reflects the share of results of the operations of the associate. Distributions received from associate reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associate.

When the Group's share of losses in an associate equal or exceed its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.16 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 to sell 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Impairment of non-financial assets (Continued)

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.

2.17 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Financial instruments (Continued)

(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.

2.18 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 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 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.

2.19 Assets held for sale and discontinued operations

The Group classifies assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of comprehensive income.

Additional disclosures are provided in Note 16. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 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.

2.21 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.

2.22 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 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.

2.24 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.

2.25 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 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.

2.27 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 30, 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.

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) *Business combinations*

As disclosed in Note 2.4(b), business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting are retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

(ii) *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.

(iii) *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 2021 and 31 December 2020 are disclosed in Note 12.

(iv) *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.

4. REVENUE

	The Group	
	2021	2020
	S\$'000	S\$'000
Main revenue streams:		
Rental income	26	310
Provision of childcare wellness education services	249	373
Sale of medical healthcare equipment	44	–
	319	683
Timing of transfer of goods or services:		
At a point in time	44	–
Over time	275	683
	319	683

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

5. OTHER OPERATING INCOME

	The Group	
	2021 S\$'000	2020 S\$'000
Administrative and management income	16	23
Government grants	203	163
Waiver of debts	–	40
Property tax and rental rebate	–	30
Gain on settlement of litigation (Note 26)	373	–
Gain on sale of leasehold building	1,884	–
Others	–	64
	2,476	320

6. FINANCE COSTS

	The Group	
	2021 S\$'000	2020 S\$'000
Interest expense on:		
– Loan and borrowings	–	6
– Lease liabilities (Note 22(c))	75	93
	75	99

7. EMPLOYEE BENEFITS EXPENSE

	The Group	
	2021 S\$'000	2020 S\$'000
Employee benefits expense (including directors):		
– Salaries and wages	2,223	1,219
– Defined contribution plans	217	110
– Short-term employee benefits	163	44
	2,603	1,373

The above employee benefits expense includes compensation payable to key management personnel as disclosed in Note 25 to the financial statement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

8. LOSS BEFORE TAX

Loss before income tax is determined after charging of the following:

	The Group	
	2021 S\$'000	2020 S\$'000 Restated*
Bank charges	5	73
Directors' fee	225	82
Depreciation of property, plant and equipment (Note 11)	165	384
Depreciation of right-of-use assets (Note 22(c))	426	549
Amortisation of intangible asset (Note 14)	18	16
Employee benefits expense (Note 7)	2,603	1,373
Legal and consultancy fees	168	554
Professional fees	249	77
Property tax	–	45
Sublet consent fee	–	13
Audit fees	33	45

9. INCOME TAX CREDIT

	The Group	
	2021 S\$'000	2020 S\$'000 Restated*
<u>Deferred income tax</u>		
– Origination and reversal of temporary differences (Note 21)	4	2

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:

	The Group	
	2021 S\$'000	2020 S\$'000 Restated*
Loss before tax	(1,737)	(2,806)
Tax credit calculated at tax rate of 17% (2020: 17%)	(295)	(477)
Non-deductible expenses	33	475
Income not subject to taxation	(323)	–
Deferred tax assets not recognised	581	–
	(4)	(2)

* Comparative information has been restated due to the retrospective adjustment to the provisional goodwill recognised as of the date of acquisition as disclosed in Note 15.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

9. INCOME TAX CREDIT (CONTINUED)

As at reporting date, the Group has unutilised tax losses of approximately S\$3,418,000 (2020: S\$Nil) 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\$581,000 (2020: S\$Nil). The utilisation of these tax losses and capital allowances is subject to the agreement of the tax authorities and compliance with the applicable provisions of the tax legislation.

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:

	The Group	
	2021 S\$'000	2020 S\$'000 Restated*
Loss attributable to equity holders of the Company, used in the computation of basic and diluted loss per share	(1,696)	(2,771)
	No. of shares 2021	No. of shares 2020
Weighted average number of ordinary shares, used in the computation of basic and diluted loss per share	933,802,074	769,718,266

* Comparative information has been restated due to the retrospective adjustment to the provisional goodwill recognised as of the date of acquisition as disclosed in Note 15.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

11. PROPERTY, PLANT AND EQUIPMENT

The Group	Leasehold building S\$'000	Plant and equipment S\$'000	Total S\$'000
	<i>At valuation</i>	<i>At cost</i>	
<u>At cost or valuation</u>			
As at 1 January 2020	10,312	81	10,393
Acquisition of a subsidiary	–	71	71
Additions	–	411	411
Reclassification (Note 16)	(10,312)	–	(10,312)
As at 31 December 2020	–	563	563
Additions	–	500	500
As at 31 December 2021	–	1,063	1,063
<u>Accumulated depreciation</u>			
As at 1 January 2020	2,352	66	2,418
Acquisition of a subsidiary	–	69	69
Charge during the year (Note 8)	337	47	384
Reclassification (Note 16)	(2,689)	–	(2,689)
As at 31 December 2020	–	182	182
Charge during the year (Note 8)	–	165	165
As at 31 December 2021	–	347	347
<u>Net carrying amount</u>			
As at 31 December 2020	–	381	381
As at 31 December 2021	–	716	716
The Company			
<u>At cost or valuation</u>			
As at 1 January 2020	10,312	81	10,393
Additions	–	323	323
Reclassification (Note 16)	(10,312)	–	(10,312)
As at 31 December 2020	–	404	404
Additions	–	31	31
As at 31 December 2021	–	435	435
<u>Accumulated depreciation</u>			
As at 1 January 2020	2,352	66	2,418
Charge during the year	336	40	376
Reclassification (Note 16)	(2,688)	–	(2,688)
As at 31 December 2020	–	106	106
Charge during the year	–	96	96
As at 31 December 2021	–	202	202
<u>Net carrying amount</u>			
As at 31 December 2020	–	298	298
As at 31 December 2021	–	233	233

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The warehouse located on the ground floor, part of the second floor, and the third floor of the leasehold building were leased out by the Group and Company as the lessor under an operating lease (Note 22). During the current financial year, the operating lease term ended on 31 January 2021 and the leasehold building was sold on 2 February 2021.

12. INVESTMENT IN SUBSIDIARIES

	The Company	
	2021	2020
	S\$'000	S\$'000
<u>Investments at cost</u>		
As at 1 January	200	5,000
Add: Investment in subsidiaries	1,150	200
Less: Liquidation of a subsidiary	–	(5,000)
As at 31 December	<u>1,350</u>	<u>200</u>
<u>Less: Accumulated impairment losses</u>		
As at 1 January	–	(5,000)
Add: Impairment loss during the year	(200)	–
Less: Liquidation of a subsidiary	–	5,000
As at 31 December	<u>(200)</u>	<u>–</u>
Net carrying amount	<u>1,150</u>	<u>200</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition of subsidiaries

In the previous financial year, on 1 March 2020, the Group acquired 100% of the voting shares of Discovery Kidz Preschool Pte. Ltd. ("Discovery Kidz"), a company based in Singapore for cash consideration of S\$416,000. The principal activity of Discovery Kidz is providing childcare services. The Group acquired Discovery Kidz for diversification of its existing business of investment holding, property rentals and property management, to include business in the childcare industry. The fair values of the identifiable assets and liabilities of Discovery Kidz as at the date of acquisition were as follows:

	Fair value recognised on acquisition S\$'000
Assets	
Plant and equipment	2
Right-of-use assets (Note 22(a))	402
Intangible asset (Restated*) (Note 14)	71
Cash at bank	11
Trade and other receivables	140
	<hr/>
	626
Liabilities	
Other payables	(52)
Income tax payable	(1)
Deferred tax liability (Restated*) (Note 21)	(12)
Lease liabilities (Note 22(b))	(412)
	<hr/>
	(477)
Total identifiable net assets at fair value	149
Goodwill arising on acquisition (Restated*) (Note 15)	267
Purchase consideration paid in cash	416
	<hr/>

The effect of acquisition on cash flows was as follows:

	S\$'000
Cash payment for acquisition	416
Less: Cash and cash equivalents in Discovery Kidz	(11)
	<hr/>
Net cash outflow on acquisition	405
	<hr/>

* Comparative information has been restated due to the retrospective adjustment to the provisional goodwill recognised as of the date of acquisition as disclosed in Note 15.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition of subsidiaries (Continued)

In the previous financial year, on 11 June 2020, the Company acquired 51% of the voting shares of Shanghai Longjian Hospital Management Co., Ltd. ("Shanghai Longjian"), a newly incorporated company based in China for cash consideration of RMB1.00. The principal activities of Shanghai Longjian are those relating to medical technology and health management consulting. The Group acquired Shanghai Longjian for diversification of its existing business of investment holding, property rentals, property management and childcare services, to include business in the healthcare industry.

Incorporation of subsidiaries

In the previous financial year, on 4 March 2020, the Company subscribed for 1 ordinary share of S\$1.00 representing the entire issued and paid-up share capital of W Property Management Pte. Ltd. ("W Property") for a total cash consideration of S\$1.00. Following the transaction, W Property became a wholly owned subsidiary of the Company. The principal business activities of W Property are real estate leasing and management services.

In the previous financial year, on 4 March 2020, the Company subscribed for 1 ordinary share of S\$1.00 representing the entire issued and paid-up share capital of ESO Health Care Pte. Ltd. ("ESO Health Care") (formerly known as Alice Health Child Care Pte. Ltd.) for a total cash consideration of S\$1.00. Following the transaction, ESO Health Care became a wholly owned subsidiary of the Company. The principal business activities of ESO Health Care are providing nurseries and kindergartens services, and investment holding.

In the previous financial year, on 29 September 2020, AJJ Healthcare Management Pte. Ltd. ("AJJ Healthcare"), a wholly owned subsidiary of the Company subscribed for 100 ordinary shares of S\$1.00 each, representing the entire issued and paid-up share capital of HIFU Suntec Pte. Ltd. ("HIFU Suntec") for a total cash consideration of S\$100. Following the transaction, HIFU Suntec became an indirect wholly owned subsidiary of the Company. The principal business activities of HIFU Suntec are to conduct research and development of medical technologies, manufacture and repair of irradiation and electromedical of High Intensity Focused Ultrasound ("HIFU") machine and other medical equipment.

Liquidation of a subsidiary

The Company's investment in OSEC Shipyard Pte. Ltd. ("OSEC") had been fully impaired since previous financial years as OSEC was placed under liquidation since 2017. The liquidation was subsequently completed on 10 November 2020 and dissolved with immediate effect on that date.

Following the above, OSC Co., Ltd. ("OSC"), an indirect wholly-owned subsidiary of the Group held through OSEC ceased to be the subsidiary of the Group with effect on 10 November 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Liquidation of a subsidiary (Continued)

The details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Effective interest of the Company		Principal activities
		2021	2020	
<i>Held by the Company</i>				
AJJ Healthcare Management Pte. Ltd. (formerly known as Yahweh China Pte. Ltd.) ¹	Singapore	100%	100%	Investment holding and management consultancy services for healthcare organisations
W Property Management Pte. Ltd. ¹	Singapore	100%	100%	Real estate leasing and management
ESO Health Care Pte. Ltd. (formerly known as Alice Health Child Care Pte. Ltd.) ¹	Singapore	100%	100%	Investment holding, nurseries and kindergartens
Shanghai Longjian Hospital Management Co., Ltd. ²	China	51%	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. ¹	Singapore	100%	100%	Child care services for pre-school children
<i>Held through AJJ Healthcare Management Pte. Ltd.</i>				
HIFU Suntec Pte. Ltd. ¹	Singapore	100%	100%	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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

13. INVESTMENT IN AN ASSOCIATE

	2020	
	The Group S\$'000	The Company S\$'000
Unquoted equity shares, at cost	36	36
Share of post-acquisition losses	(36)	–
Less: Impairment loss	–	(36)
Less: Disposal	–*	–*
	<u>–</u>	<u>–</u>

* In the previous financial year, on 12 April 2020, the Group has entered into a Share Purchase Agreement with a purchaser to sell 49.0% of the issued and paid-up capital of OCT Co., Ltd, an associate of the Group (“Proposed Disposal”). The aggregate consideration payable by the purchaser for the Proposed Disposal is S\$1. The Proposed Disposal was subsequently completed on 23 April 2020.

In previous financial years, the Group has fully impaired its investment in the associate and has not recognised further share of the associate’s cumulative losses. The associate’s accounts have not been audited since the financial year ended 31 December 2012.

14. INTANGIBLE ASSET

The Group	Acquired Student Population S\$'000
<u>Cost</u>	
As at 1 January 2020	–
Acquisition of a subsidiary (Restated*) (Note 12)	71
As at 31 December 2020 (Restated*)/As at 31 December 2021	<u>71</u>
<u>Accumulated amortisation</u>	
As at 1 January 2020	–
Charge during the year (Restated*) (Note 8)	16
As at 31 December 2020 (Restated*)	16
Charge during the year (Note 8)	18
As at 31 December 2021	<u>34</u>
<u>Net carrying amount</u>	
As at 31 December 2020	55
As at 31 December 2021	<u>37</u>

* Comparative information has been restated due to the retrospective adjustment to the provisional goodwill recognised as of the date of acquisition as disclosed in Note 15.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15. GOODWILL ON CONSOLIDATION

	The Group	
	2021 S\$'000	2020 S\$'000 Restated*
As at 1 January	267	–
Acquisition of a subsidiary (Note 12)	–	267
As at 31 December	<u>267</u>	<u>267</u>

Retrospective adjustment to the provisional goodwill on acquisition of Discovery Kidz

In the previous financial year, a provisional goodwill amounting to approximately S\$326,000 was recognised for the goodwill arising from the acquisition of Discovery Kidz. The provisional goodwill represents an excess on the cost of acquisition over the estimated fair value of the net identifiable assets of Discovery Kidz prior to the acquisition.

In the current financial year, upon the finalisation of the Purchase Price Allocation (“PPA”) conducted by RSM Corporate Advisory Pte. Ltd. (“RSM”), the Group recognised adjustments to the provisional goodwill retrospectively as measurement period adjustments under SFRS(I) 3 Business Combinations to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The retrospective adjustments to the comparative information are as follows:

The Group	As previously reported S\$'000	2020 Measurement period retrospective adjustment S\$'000	As adjusted S\$'000
<u>Statement of financial position</u>			
<i>Non-current assets</i>			
Intangible asset	–	55	55
Goodwill on consolidation	326	(59)	267
<i>Non-current liability</i>			
Deferred tax liability	280	10	290
<i>Equity</i>			
Accumulated losses	(43,480)	(14)	(43,494)
<u>Statement of comprehensive income</u>			
Administrative expenses	(2,497)	(16)	(2,513)
Income tax credit	–	2	2
Loss for the year	<u>(2,790)</u>	<u>(14)</u>	<u>(2,804)</u>

The measurement period retrospective adjustments have no significant impact on the net results, net assets and cash flows of the Group and accordingly no statement of financial position as at 1 January 2020 is presented.

* Comparative information has been restated due to the retrospective adjustment to the provisional goodwill recognised as of the date of acquisition as disclosed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15. 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 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%. This reflects the current market assessments of the risks specific to the CGU and time value of money.

Impairment is recognised in the profit or loss when the carrying amount of the CGU exceeds its recoverable amount. Management believes that any reasonable possible changes in the key assumptions would not cause the carrying amount of the CGU to exceed its recoverable amount.

16. ASSETS HELD FOR SALE

In the previous financial year, on 19 October 2020, the Group has granted to a third party (the "Purchaser") a conditional option to purchase the Group's leasehold building located at 8 Aljunied Avenue 3, Singapore 389933 for a purchase consideration of S\$9,500,000.

As at 31 December 2020, the assets and liabilities related to the sale have been presented in the statement of financial position as "Assets held for sale". The major classes of assets and liability classified as held for sale as at 31 December 2020 were as follows:

	The Group and The Company 2020 S\$'000
Assets	
Leasehold building (Note 11)	7,623
Right-of-use asset	7,050
	<hr/> 14,673 <hr/>
Liability	
Lease liabilities	<hr/> (7,224) <hr/>
Assets held for sale	<hr/> 7,449 <hr/>

No impairment loss was recognised during the previous financial year as the fair value less costs to sell exceeded the carrying amount of the assets. During the current year, the sale of the leasehold building was completed on 2 February 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

17. INVENTORIES

	The Group		The Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Statement of financial position:				
Healthcare and medical equipment	288	–	–	–
Others	29	10	25	–
	317	10	25	–
Statement of comprehensive income:				
Inventories recognised as an expense in profit or loss	48	–	–	–

18. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Trade receivables	106	71	–	54
Other receivables	100	7	1,455	566
Deposit	694	645	503	514
Prepayment	107	34	21	17
	1,007	757	1,979	1,151

Trade receivables are normally settled on 30 days' (2020: 30 days') term. Other receivables are unsecured, non-interest bearing and repayable on demand.

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:

	The Group	
	2021 S\$'000	2020 S\$'000
United States Dollars	70	–

19. CASH AND BANK BALANCES

	The Group		The Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Cash on hand	–	19	–	–
Cash at banks	3,667	600	3,628	402
	3,667	619	3,628	402

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

20. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Trade payables				
Third parties	7	121	-	121
Other payables				
Accrued operating expenses	147	246	87	223
Other payables	151	299	120	252
Deposits	-	1,012	-	975
	298	1,557	207	1,450
	305	1,678	207	1,571

Trade and other payables are unsecured, non-interest bearing and are normally settled on 60 days' (2020: 60 days') term.

21. DEFERRED TAX LIABILITIES

The Group	Leasehold building S\$'000	Intangible asset S\$'000	Total S\$'000
At 1 January 2020	280	-	280
Acquisition of a subsidiary (Note 12) (Restated*)	-	12	12
Origination and reversal of temporary differences (Note 9) (Restated*)	-	(2)	(2)
At 31 December 2020 (Restated*)	280	10	290
Origination and reversal of temporary differences (Note 9)	-	(4)	(4)
At 31 December 2021	280	6	286

The deferred tax liabilities for leasehold building represent tax effects of the balancing charge by the tax authority for the disposal during the year which is expected to be imposed in future Years of Assessment ("YAs").

* Comparative information has been restated due to the retrospective adjustment to the provisional goodwill recognised as of the date of acquisition as disclosed in Note 15.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

22. LEASES

Group as a lessee

The Group has lease contracts for leasehold building, 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 (2020: 3 – 5) years. The Group is restricted from assigning and subleasing the leased assets.

(a) Right-of-use assets

The Group	Leasehold building S\$'000	Office premises S\$'000	Plant and equipment S\$'000	Motor vehicles S\$'000	Total S\$'000
At 1 January 2020	7,361	–	–	–	7,361
Acquisition of a subsidiary (Note 12)	–	402	–	–	402
Additions	–	512	6	69	587
Depreciation (Note 8)	(311)	(209)	–	(29)	(549)
Reclassification	(7,050)	–	–	–	(7,050)
At 31 December 2020	–	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

The Company	Leasehold building S\$'000	Office premises S\$'000	Plant and equipment S\$'000	Motor vehicles S\$'000	Total S\$'000
At 1 January 2020	7,361	–	–	–	7,361
Additions	–	512	6	69	587
Depreciation	(311)	(143)	–	(29)	(483)
Reclassification	(7,050)	–	–	–	(7,050)
At 31 December 2020	–	369	6	40	415
Additions	–	–	–	206	206
Depreciation	–	(172)	(1)	(62)	(235)
At 31 December 2021	–	197	5	14	386

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

22. LEASES (CONTINUED)

Group as a lessee (Continued)

(b) Lease liabilities

	The Group		The Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
At 1 January	781	7,461	429	7,461
Acquisition of a subsidiary (Note 12)	-	412	-	-
Additions	1,163	587	206	587
Accretion of interests	75	93	27	77
Payments	(477)	(548)	(259)	(472)
Reclassification	-	(7,224)	-	(7,224)
At 31 December	1,542	781	403	429
<i>Presented as:</i>				
Current	439	285	213	207
Non-current	1,103	496	190	222
	1,542	781	403	429

Maturity analysis of lease liabilities:

	Carrying amount S\$'000	Contractual cash flows S\$'000	One year or less S\$'000	One to five years S\$'000	More than five years S\$'000
Group					
2021					
Lease liabilities	1,542	1,724	507	1,120	97
2020					
Lease liabilities	781	842	317	525	-
Company					
2021					
Lease liabilities	403	439	228	175	36
2020					
Lease liabilities	429	452	223	229	-

(c) Amounts recognised in profit or loss

	The Group	
	2021 S\$'000	2020 S\$'000
Depreciation of right-of-use assets (Note 8)	426	549
Interest expense on lease liabilities (Note 6)	75	93
Total amount recognised in profit or loss	501	642

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

22. LEASES (CONTINUED)

Group as a lessee (Continued)

(d) Total cash outflows

The Group had total cash outflows for leases of S\$477,000 (2020: S\$543,000).

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

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

	1 January 2020 S\$'000	Cash flows S\$'000	Accretion of interests S\$'000	Non-cash changes			Interest paid S\$'000	31 December 2020 S\$'000
				Waiver S\$'000	Additions* S\$'000	Reclassification S\$'000		
Lease liabilities	7,461	(450)	93	-	994	(7,224)	(93)	781
Short term bank loans	1,050	(1,050)	-	-	-	-	-	-
Loan from a former director	747	(707)	-	(40)	-	-	-	-
	9,258	(2,207)	93	(40)	994	(7,224)	(93)	781

* Include acquisition of a subsidiary (Note 12)

Group as a lessor

The Group rents out its leasehold building in Singapore under an operating lease. Property rental income earned during the year was S\$26,000 (2020: S\$310,000) as disclosed in Note 4.

The future minimum rental receivable under non-cancellable operating leases contracted for at the reporting period are as follows:

	The Group and The Company	
	2021 S\$'000	2020 S\$'000
Not later than one year	-	25,000

During the current financial year, the operating lease term ended on 31 January 2021 and the leasehold building was sold on 2 February 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23. SHARE CAPITAL

	The Group and The Company			
	2021	2020	2021	2020
	Number of shares		S\$'000	
Issued and fully paid				
<i>Ordinary shares:</i>				
Beginning of financial year	933,802,074	668,266,667	42,745	38,348
Issuance of new shares	–	265,535,407	–	4,462
Share issue expenses	–	–	–	(65)
End of financial year	933,802,074	933,802,074	42,745	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.

In the previous financial year, on 12 May 2020 and 22 September 2020, the Company issued 77,535,407 and 188,000,000 new ordinary shares respectively at an aggregated amount of approximately S\$4,462,000.

24. REVALUATION RESERVE

The revaluation reserve represents the revaluation gains of the leasehold building, net of tax, and revaluation losses to the extent that such losses relate to the leasehold building and reverses the revaluation gains which was previously recognised in other comprehensive income.

In the current financial year, upon the sale of the leasehold building on 2 February 2021, the revaluation reserve that relates to the leasehold building is effectively realised and is transferred directly to accumulated losses within equity.

25. 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	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 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	14	–	11	–
Fees received from company in which the Company's key management personnel has a financial interest	–	27	–	27

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

25. 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.

	The Group		The Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Short-term benefits	1,126	687	1,126	687
Post-employment benefits	34	18	34	18
	1,160	705	1,160	705

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

26. CONTINGENCIES

Legal case initiated by the Company

During the current 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. As at the date of this report, the Company is unable to quantify the impact of the suit.

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.

During the current year, Company has recently entered into an amicable settlement with the local law firm for all disputes as detailed in the Company's FS2020. The settlement was on a full and final settlement basis, and the local law firm has filed notices of discontinuance for the First Proceedings and the Second Proceedings after receipt of the settlement sum. The settlement sum and terms of the settlement agreement are confidential.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

27. 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 2021 and 2020, 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.

28. 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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposures to its counterparties are continuously monitored. Credit exposure is controlled by the counterparty limits that are reviewed and approved by management on an on-going basis.

As of 31 December 2021 and 31 December 2020, the Group and the Company do not have any significant concentration of credit risk to any counterparty. Cash balances are held with reputable financial institutions.

(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's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

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

29. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and 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. No changes were made in the objectives, policies or processes during the years ended 31 December 2021 and 31 December 2020.

30. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

30. SEGMENT INFORMATION (CONTINUED)

(b) *Segment revenues and results*

	2021 Revenue		2020 Revenue	
	S\$'000	%	S\$'000	%
The Group				
Rental of property & corporate	26	8.1	310	45.4
Childcare wellness education	249	78.1	373	54.6
Healthcare products & services	44	13.8	–	–
Total	319	100.0	683	100.0

	2021 Results		2020 (Restated*) Results	
	S\$'000	%	S\$'000	%
The Group				
Rental of property & corporate	(493)	28.4	(2,719)	97.0
Childcare wellness education	(134)	7.7	51	(1.8)
Healthcare equipment & services	(1,106)	63.9	(136)	4.8
Total	(1,733)	100.0	(2,804)	100.0

There were no inter-segment sales during the years ended 31 December 2021 and 31 December 2020.

(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 2021</u>				
Assets				
Segment assets	4,854	770	1,916	7,540
Liabilities				
Segment liabilities	(854)	(318)	(997)	(2,169)
Other information				
Amortisation	–	18	–	18
Depreciation	(332)	(98)	(161)	(591)
<u>31 December 2020</u>				
Assets				
Segment assets (Restated*)	9,151	983	155	10,289
Liabilities				
Segment liabilities (Restated*)	2,719	460	10	3,189
Other information				
Amortisation (Restated*)	–	16	–	16
Depreciation	859	74	–	933

* Comparative information has been restated due to the retrospective adjustment to the provisional goodwill recognised as of the date of acquisition as disclosed in Note 15.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

30. SEGMENT INFORMATION (CONTINUED)

(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 2 customers (2020: 3 customers), 24 customers (2020: 38 customers) and 21 customers (2020: Nil) respectively.

31. CATEGORIES OF FINANCIAL INSTRUMENTS

Financial instruments as at the reporting date are as follows:

	The Group		The Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
<u>Financial assets</u>				
<i>At amortised cost</i>				
Trade and other receivables [#]	900	689	1,958	1,117
Cash and bank balances	3,667	619	3,628	402
	4,567	1,308	5,586	1,519
<u>Financial liabilities</u>				
<i>At amortised cost</i>				
Lease liabilities	1,542	781	403	429
Trade and other payables	305	1,678	207	1,571
	1,847	2,459	610	2,000

Exclude non-financial assets of the Group and Company of S\$107,000 (2020: S\$34,000) and S\$21,000 (2020: S\$17,000) respectively.

32. OUTBREAK OF COVID-19

The COVID-19 outbreak and the associated lockdowns all over the world have resulted in an unprecedented global health and economic crisis, with varying knock-on effects on businesses and individuals. While the Company expects the challenges brought by the COVID-19 pandemic to continue, the Company 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.

33. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the board of directors on 31 March 2022.

SHARE STATISTICS

As at 17 March 2022

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 17 MARCH 2022

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHAREHOLDINGS
1 – 99	2	0.07	12	0.00
100 – 1,000	293	10.09	282,957	0.03
1,001 – 10,000	841	28.98	4,792,300	0.51
10,001 – 1,000,000	1,659	57.17	233,611,411	25.02
1,000,001 and above	107	3.69	695,115,394	74.44
Grand Total	2,902	100.00	933,802,074	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 17 MARCH 2022

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHAREHOLDINGS
1	ZHANG JIAN	138,331,000	14.81
2	DBS NOMINEES PTE LTD	43,496,054	4.66
3	LIU YUNHUA	43,010,300	4.61
4	PHILLIP SECURITIES PTE LTD	41,845,800	4.48
5	NICHOLAS NG SWEE LIAN	25,000,000	2.68
6	UOB KAY HIAN PTE LTD	22,061,600	2.36
7	LIM BOK HOO	22,000,000	2.36
8	ZHAO XIN	13,773,000	1.47
9	ANG HAN KEONG (HONG HANQIANG)	13,494,600	1.45
10	WANG JUE	13,365,000	1.43
11	ANG AH LEK @AN AH LEK	13,000,000	1.39
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	11,848,000	1.27
13	MAYBANK SECURITIES PTE. LTD.	11,304,353	1.21
14	QUAK CHOON CHAI (GUO JUNCAI)	10,692,000	1.14
15	SHIE YONG FAH	10,100,000	1.08
16	DAVID QUEK YONG QI	10,000,000	1.07
17	YIP KENG SOON	10,000,000	1.07
18	OCBC NOMINEES SINGAPORE PTE LTD	7,882,800	0.84
19	DENG RONG	7,692,000	0.82
20	HSBC (SINGAPORE) NOMINEES PTE LTD	7,668,700	0.82
	TOTAL	476,565,207	51.02

INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION

Name of Director	Dr Zhang Jian	Mr Yap Koon Loong
Date of Appointment	4 May 2020	27 February 2020
Date of last re-appointment (if applicable)	26 June 2020	26 June 2020
Age	60	52
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the NC and having assessed Dr Zhang Jian's working experiences and leadership in the Group, is of the view that Dr Zhang Jian has the requisite experiences to assume the responsibilities as Chairman of the Company.	The Board, having considered the recommendation of the NC and having assessed Mr Yap Koon Loong's working experiences and leadership in the Group, is of the view that Mr Yap Koon Loong has the requisite experiences to assume the responsibilities as a Non-Executive and Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Dr Zhang is responsible for the overall strategic direction of the Group, and he leads and ensures the effectiveness of the Board, ensures effective communication and maintains good relationships with the Group's stakeholders and investors.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman and Executive Director	Non-Executive and Independent Director, Chairman of the AC, Member of the RC and NC
Professional qualifications	DBA & EMBA – West Coast University Los Angeles, US	Master of Business in Professional Accounting, Victoria University of Technology Associate member of ASCPA
Working experience and occupation(s) during the past 10 years	<p>June 2014 – Present Eminence Investment Pte. Ltd./Eminence Partnership – Chief Executive Officer and Executive Director</p> <p>June 2013 – May 2014 Libra Group Limited – Executive Director, President and Chief Executive Officer/Vice President of Operations</p> <p>December 2011 – May 2013 Climate Control and Security/Carrier China – Greater China Commercial Director, China Distribution</p> <p>September 2007 – November 2011 Johnson Control (S) Pte. Ltd./York International Pte. Ltd. – Business Development Director/Project Director</p>	<p>June 2019 – Present Chief Financial Officer, Chongqing Yuhai Precision Manufacturing Co., Ltd</p> <p>October 2016 – June 2018 Chief Financial Officer, Crosspoint Telecom Pte. Ltd.</p> <p>April 2015 – October 2016 Finance Director, Astaka Holdings Limited</p> <p>August 2014 – March 2015 Chief Financial Officer, Blackco Group Pte. Ltd.</p> <p>May 2011 – December 2013 Chief Financial Officer, P99 Holdings Ltd (f.k.a China Fashion Holdings Limited)</p>

INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION

Name of Director	Dr Zhang Jian	Mr Yap Koon Loong
Shareholding interest in the listed issuer and its subsidiaries	Direct interest in 138,331,000 shares in the Company.	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	Business relationship with the Company's Chief Executive Officer and Executive Director, Ms Zhao Xin. Dr Zhang Jian is the Chief Executive Officer and Executive Director of Eminence Investment Pte. Ltd. (" Eminence ") and holds 70.1% shares in Eminence. Ms Zhao Xin holds 9.99% shares in Eminence.	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
Past Directorship (for the last 5 years)	NIL	<ol style="list-style-type: none"> 1. Crosspoint Telecom Pte. Ltd. 2. Astaka Holdings Limited 3. Blackco Group Pte Ltd
Present Directorship	<ol style="list-style-type: none"> 1. OEL Group of subsidiaries 2. Eminence Investment Pte. Ltd. 3. Eminence Partnership 4. Eminence Commercial Consultancy Pte. Ltd. 	<ol style="list-style-type: none"> 1. Chongqing Yuhai Precision Manufacturing (Singapore) Co. Pte. Ltd. 2. Ooway Technology Pte Ltd 3. FFC Alliance Pte. Ltd. 4. Lighthouse Capital Pte Ltd
(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

INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION

Name of Director	Dr Zhang Jian	Mr Yap Koon Loong
(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
(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

INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION

Name of Director	Dr Zhang Jian	Mr Yap Koon Loong
(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
(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

INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION

Name of Director	Dr Zhang Jian	Mr Yap Koon Loong
(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
(v) In connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(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
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).	<p>Yes. Dr Zhang was an Executive Director of Libra Group Limited, a company listed on the SGX-ST.</p> <p>Dr Zhang had completed his mandatory prescribed courses conducted by Singapore Institute of Directors in FY2021.</p>	<p>No. Mr Yap had completed his mandatory prescribed courses conducted by Singapore Institute of Directors in FY2021.</p>

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be convened and held by way of electronic means on Friday, 29 April 2022, at 11.30 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 2021, 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:

Dr Zhang Jian *(pursuant to Regulations 87 and 89)*

[Resolution 2]

Mr Yap Koon Loong *(pursuant to Regulations 87 and 89)*

[Resolution 3]

Dr Zhang Jian will, upon re-election as a Director of the Company, remain as the Chairman and Executive Director.

Mr Yap Koon Loong will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee. He will be considered independent for the purposes of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

3. To approve the payment of Directors' fees of S\$180,000 for the financial year ending 31 December 2022, to be paid quarterly in arrears (FY2021: 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

That pursuant to Section 161 of the Companies Act, Chapter 50 (the "Act") of Singapore (the "**Companies Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), 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

NOTICE OF ANNUAL GENERAL MEETING

- (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

- (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

NOTICE OF ANNUAL GENERAL MEETING

- (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 (i)] **[Resolution 6]**

On Behalf of the Board

Zhao Xin
Chief Executive Officer and Executive Director

Singapore, 14 April 2022

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes on Resolutions to be passed:

- (i) 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:

HOLDING OF THE ANNUAL GENERAL MEETING OF THE COMPANY ON 29 APRIL 2022 (THE "AGM") THROUGH ELECTRONIC MEANS

In view of the ongoing COVID-19 situation, the Company's AGM is being convened, and will be held, by way of electronic means pursuant to the provision of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Company will not accept any physical attendance by shareholders of the Company ("**Shareholders**").

1. **Alternative Arrangements for Participation in the AGM**

Shareholders may participate in the AGM by:

- (a) observing and/or listening to the proceedings of the AGM via "live" audio-visual webcast of the AGM ("**Live Webcast**") or "live" audio-only stream (via telephone) of the AGM ("**Audio-Only Means**");
- (b) submitting questions in relation to any agenda item in this notice of AGM in advance of the AGM; and/or
- (c) appointing the Chairman of the AGM as proxy to vote on their behalf in accordance with their instructions.

Details of the steps for pre-registration, submission of questions in advance of the AGM and voting by appointing the Chairman of the Meeting as proxy are set out below.

2. **Pre-registration for participation via Live Webcast or Audio-Only Means (collectively, "Electronic Means")**

Please see below for information on the pre-registration process for participating in the AGM through the Live Webcast or Audio-Only Means:

- (a) Shareholders including investors who hold shares through the Central Provident Fund ("**CPF**") and/or Supplementary Retirement Scheme ("**SRS**") who wish to follow the proceedings of the AGM must pre-register online at <https://complete-corp.com/oel-agm/> no later than **26 April 2022, 11.30 a.m.** ("**Pre-Registration Deadline**") for verification purposes; and
- (b) following successful verification, an email with instructions on how to join the Live Webcast or audio feed of the AGM proceedings will be sent to the registered shareholders via email by **28 April 2022, 11.30 a.m.** Shareholders must not forward the email instruction to other persons who are not shareholders and who are not entitled to attend the AGM proceedings. This is also to avoid any technical disruptions or overload in respect of the AGM proceedings.

A person holding shares through Relevant Intermediaries (as defined below) (other than CPF/SRS investors) will not be able to pre-register for the Live Webcast of the AGM, and should approach his/her Relevant Intermediary (as defined below) as soon as possible in order to make the necessary arrangements if he/she/it wishes to participate in the Live Webcast. The Relevant Intermediary (as defined below) is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number), via email to the Company at oel-agm@complete-corp.com no later than **26 April 2022, 11.30 a.m.**

Shareholders who have registered by the Pre-Registration Deadline but did not receive the aforementioned email by **28 April 2022, 11.30 a.m.** should contact the Company by email at oel-agm@complete-corp.com.

NOTICE OF ANNUAL GENERAL MEETING

3. Submission of Questions prior to the AGM

Shareholders will not be able to ask questions during the AGM proceedings.

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 **23 April 2022, 11.30 a.m.**, through any of the following means:

- (a) by email to oel-agm@complete-corp.com; or
- (b) by post, to be deposited with Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 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)).

In view of the current COVID-19 situation, members are strongly encouraged to submit their questions via email. The Company will respond to all substantial and relevant questions prior to the AGM (via an announcement on SGXNet at the URL <https://www2.sgx.com/securities/company-announcements> and the Company's website at the URL <https://www.ohldg.com/announcement>).

4. Voting at the AGM by appointing the Chairman of the AGM as Proxy

For persons who hold shares through a Relevant Intermediary (as defined below), please refer to paragraph 5 below for information on the procedures for voting at the AGM.

As shareholders will not be able to vote live at the AGM through electronic means and voting is only through submission of proxy form appointing the Chairman of the Meeting as proxy, the duly completed proxy form must be submitted through any of the following means not later than **27 April 2022, 11.30 a.m.** (being no later than forty-eight (48) hours before the time appointed for holding the AGM):

- (a) by email to oel-agm@complete-corp.com; or
- (b) by post, to be deposited with Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903.

The proxy form has been made available on SGXNet and the Company's corporate website and may be accessed at the URLs <https://www2.sgx.com/securities/company-announcements> and <https://www.ohldg.com/announcement>.

In appointing the Chairman of the Meeting as proxy, the Shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

Please refer to the detailed instructions set out in the proxy form.

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

A person who holds their shares through Relevant Intermediaries (as defined below) (including CPF/SRS investors) who wish to appoint the Chairman as their proxy to vote at the AGM should not make use of the proxy form and should instead approach their respective Relevant Intermediaries (as defined below) as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF agent banks or SRS approved banks or depository agents to submit their votes by **19 April 2022, 11.30 a.m.** being at least seven (7) working days before the AGM, in order to allow sufficient time for their respective CPF agent banks or SRS approved banks or depository agents to in turn submit a proxy form to appoint the Chairman to vote on their behalf no later than **27 April 2022, 11.30 a.m.**

NOTICE OF ANNUAL GENERAL MEETING

A “**Relevant Intermediary**” is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19 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 (Chapter 289 of Singapore) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36 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.

FY2021 ANNUAL REPORT

Copies of the documents and information relating to the AGM (including the Annual Report for FY2021, 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://www2.sgx.com/securities/company-announcements>; or
- (b) the Company’s corporate website at <https://www.ohldg.com/announcement>.

Important Reminder: In view of the constantly evolving COVID-19 situation, the Company may be required to change its AGM arrangements at short notice. Shareholders are advised to regularly check the Company’s website or announcements released on SGXNet for updates on the AGM.

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) an application to pre-register for participation in the AGM via the Live Webcast; (b) questions relating to the resolutions to be tabled for approval at the AGM; and/or (c) an instrument appointing Chairman of the meeting as proxy to vote at the AGM and/or any adjournment thereof, a member of the Company hereby 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, (i) verifying the member’s information and processing of the member’s application to pre-register to participate in the AGM via the Live Webcast and providing the member with any technical assistance where possible; (ii) 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; (iii) the 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 Chairman of the meeting for the AGM (including any adjournment thereof); and (iv) 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.

*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 662

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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 Friday, 29 April 2022, at 11.30 a.m. is being convened, and will be held, by electronic means 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.
2. Alternative arrangements relating to, among others, the attendance, submission of questions in advance of the AGM and/or voting by proxy at the AGM are set out in the Notice of AGM dated 14 April 2022 which has been uploaded on SGXNet and the Company’s website on the same day.
3. A shareholder will not be able to attend the AGM in person. A shareholder (whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
4. Supplementary Retirement Scheme (“SRS”) investors and Central Provident Fund (“CPF”) investors who wish to appoint the Chairman of the Meeting as their proxy should approach their SRS Operators and CPF Agent Banks (as the case may be) to submit their votes at least seven (7) working days before the AGM.
5. By submitting an instrument appointing the Chairman of the Meeting as proxy, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2022.
6. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of 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 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 by way of electronic means via live webcast on Friday, 29 April 2022 at 11.30 a.m. and at any adjournment thereof.

*I/We direct the Chairman of the Meeting to vote for or against 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, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

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 the Chairman of the Meeting, as your proxy, not to vote on that resolution. Alternatively, please indicate the number of shares in respect of which the Chairman of the Meeting is to abstain from voting.

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 2021, together with the Independent Auditor’s Report thereon			
2.	Re-election of Dr Zhang Jian as a Director of the Company			
3.	Re-election of Mr Yap Koon Loong as a Director of the Company			
4.	Approval of Directors’ fees of S\$180,000 for the financial year ending 31 December 2022, 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, Chapter 50 (the “Act”) of Singapore			

* Delete whichever not applicable.

Dated this _____ day of _____ 2022

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, Chapter 289 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 the Chairman of the Meeting as proxy shall be deemed to relate to all the shares held by you.
2. Due to the ongoing COVID-19 situation and the COVID-19 restriction orders in Singapore, members of the Company will not be able to attend the AGM in person. Shareholders will not be able to cast their votes live at the AGM through electronic means and a shareholder of the Company (whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM must submit his/her/its proxy form appointing the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. The instrument appointing Chairman of the Meeting as proxy 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 Chairman of the Meeting as proxy 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.
5. The instrument appointing the Chairman of the Meeting as proxy, duly executed, must be submitted 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 **11.30 a.m. on Wednesday, 27 April 2022** (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.

In view of the current COVID-19 situation and the related safe distancing measures, shareholders are strongly encouraged to submit completed proxy forms electronically via email.

PERSONAL DATA PRIVACY

By submitting a proxy form appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2022.

GENERAL

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy 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 the Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the Meeting as proxy). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy 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.

MEDICAL. DENTAL. LABORATORY. VETERINARY. EDUCATION



OEL (HOLDINGS) LIMITED

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