

**RESPONSE TO RELEVANT QUESTIONS RECEIVED FROM SHAREHOLDER
IN RELATION TO THE ANNUAL GENERAL MEETING FY2020**

The Board of Directors (“**Board**”) of OEL (Holdings) Limited (“**Company**”) and together with its subsidiaries, “**Group**”) would like to provide the following information in response to questions raised by shareholder in relation to the Company’s Annual General Meeting for the financial year ended 31 December 2020:

Question 1:

Please give a breakdown as to how many more staff were hired by OEL and its subsidiaries, and the remuneration of the top 3 staff (including directors).

Company’s Response:

Please refer to page 2 of the Company’s Annual Report 2020 (“**AR 2020**”). The staff hired by the Group has increased from 3 to around 39, mainly due to the new acquisition of the childcare and new headcounts in headquarter for business expansions.

Please refer to page 20 of the AR 2020 for the remuneration of director. The Group has no other key management personnel other than the Executive Directors.

Question 2:

Please explain why the repayments to Dr Zhang in respect of the controlling shareholder S\$1,190,000 loan and other directors’ loans were not reflected in the Consolidated Statement of Cash Flows in the FY2020 Annual Report.

Company’s Response:

The Consolidated Statement of Cash Flows was prepared on a net basis. As the loans had been fully repaid, they were not reflected. Please refer to page 27 of the AR 2020 under the material contract, the company has made the full disclosure of this loan.

Question 3:

Please state why OEL did not announce updates regarding HC/S 763/2020, when it announced the commencement of HC/209/2021 against Wang Jue.

Company's Response:

The Company only discloses matters that are required to be announced pursuant to the SGX-ST listing rules and/or matters which are deemed material or trade/ price sensitive. In this regard, there is no requirement for the Company to update the shareholders on each and every development in HC/763/2020, which pertains to a dispute between individual shareholders of the Company.

The lawsuit case HC/S 209/2021 is related to an action commenced by the Company against Wang Jue as its former Executive Director and this was announced in accordance with the Company's disclosure obligations.

Question 4:

Please explain why OEL decided to pay back the S\$1.19 million interest-free director's loan on 23 October 2020, four months earlier than its due date on 25 February 2021 (see page 27 of the FY2020 Annual Report).

Company's Response:

The Company was able to and decided to discharge its legal obligation in the form of such director's loan.

Question 5:

Please state why OEL did not put hold the S\$1.19 million in escrow when it is being claimed as a relief against the defendants in HC/S 763/2020.

Company's Response:

The lawsuit case HC/S 763/2020 is not against the Company and there is no power or obligation for the Company to act as suggested.

Question 6:

Please state how and why Mr Chong is perceived by the board to be “independent.”

Company’s Response:

Please refer to the second and third paragraphs from the bottom of page 14 of AR 2020, under the heading “Principle 2: Board Composition and Guidance”.

In this regard, the Board took into account the declaration forms executed by Mr Chong confirming that: -

- (a) He does not fall under any of the circumstances described in Rule 406(3)(d) of the SGX Listing Rules (Catalist); and
- (b) He does not have any relationship with the Company, its related corporations, its substantial shareholders or its officers which may affect his independence and can therefore be deemed to be independent.

Other than the declaration forms, the members of the Company’s Nominating Committee (with Mr Chong abstaining) also considered other factors such as his candour during board discussions, and whether Mr Chong may be deemed independent in his conduct, character and exercise of judgement such that he may act independently in the best interests of the Company.

Question 7:

Please state whether and how any steps have been taken to resolve potential conflicts of interest.

Company’s Response:

The Company takes real or potential conflict of interests seriously and requires any person with such conflict of interest to declare them. The matter would then be dealt with accordingly on the facts. The person in potential conflict of interest would normally recuse himself/herself from a decision on any issue that concerns the potential conflict of interest.

Question 8:

Please explain how any of the Independent Directors is considered “independent.” Please state whether and how any steps have been taken to resolve potential conflicts of interest.

Company’s Response:

The independence of Directors is considered by the Nomination Committee, who reports its recommendation to the Board of Directors. Any Director who has been recommended is considered based on his/her qualifications and experience. If found suitable, he/she would declare his/her independence as a matter of fact. If there is no known reason to disbelieve or reject the declaration of independence, the Board is empowered to accept the declaration as sufficient.

Question 9:

Given that the Directors’ Fees in FY2020 were only S\$123,399, please explain the proposed 50% increase in Directors’ Fees.

Company’s Response:

The increase in Directors’ Fees for FY2021 is due to the Remuneration Committee and the Board expecting each of the Directors to be required to devote more time and attention in considering and assessing more new business initiatives arising from the Company’s intention to expand its high-tech healthcare and childcare wellness education businesses. In particular, the Remuneration Committee and the Board expect each of the Independent Directors to utilise their valuable experience, knowledge and expertise in areas such as legal, regulatory, audit, accounting, medical and technology to evaluate the opportunities and proposals which are made available and/or presented to the Company.

Question 10:

Does the S\$180,000 figure include the salaries, CPF and Allowances (including car allowance) and benefits of Dr Zhang and Ms Zhao, and if not, why not?

Company’s Response:

No, it does not. Dr Zhang and Ms Zhao are not paid directors’ fees, as they are Executive Directors of the Company. Executive Directors of listed companies in Singapore are typically not paid directors’ fees and directors’ fees tabled for approval by shareholders also typically do not include the salaries and other benefits of Executive Directors.

The proposed director fees of S\$180,000 is only payable to the independent directors.

Question 11:

Given OEL's current business operations and the financial situation, please provide the Remuneration Committee and Audit Committee's views on the proposed quantum of Directors' Fees, including a review of the budgets, proposed salary and other terms of employment.

Please explain the roles played by all the Directors in year 2021, and whether the Directors' Fees to be paid is commensurate to such work performed. Was there any review of such targets, if any, achieved or assessment of such scope of work?

Company's Response:

The Remuneration Committee and Audit Committee carried out the necessary review and take the view that the proposed quantum is reasonable.

The Company is unable to provide the further information requested, as it extends into the ambit of an inappropriate demand for detailed disclosure and discussion of the Company's confidential and commercially sensitive information.

Question 12:

Please state the particulars of how OEL decided on Resolution 7, including whether the alleged negotiations were done in writing or verbally.

Please state the rationale behind Resolution 7.

Please state OEL's plan and/or intentions moving forward with Resolution 7, in light of the Injunction Order.

Company's Response:

Resolution 7 is a standard resolution that is commonly tabled as an item in the agenda for the AGM of public listed companies such as the Company.

All three (3) of the independent directors (which constitute a majority of the Board) had affirmed the Board's approval to table Resolution 7 at the AGM. For good order and without prejudice to their position in anyway whatsoever, Dr Zhang and Ms Zhao had abstained from the decision to reaffirm

the Board's approval to table Resolution 7 at the AGM and have also categorically confirmed to the rest of the Board that they will not act in contravention of the Injunction Order.

On the advice of the Company's lawyers that the tabling of Resolution 7 and the possibility of it being passed by the Company's shareholders do not constitute a breach of the Injunction Order, the Company has decided to table Resolution 7 at the Annual General Meeting.

Question 13:

Does the Board plan to do any further share placements in FY2021?

Company's Response:

The Company does not currently have any such plans.

By Order of the Board

Zhao Xin
Chief Executive Officer and Executive Director

29 April 2021

*This announcement has 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**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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