



Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: OEL (Holdings) Limited

Stock code: 584

Meeting details:

Date: 26 June 2020

Time: 11.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Q1. On 9 June 2020, the company announced that it had entered into a Joint Venture Agreement with Shanghai Suntec Co., Ltd. for the incorporation of a joint venture company in Singapore relating to the manufacturing and distribution of High-Intensity Focused Ultrasound (“HIFU”) machines and other services.

An extract of the announcement dated 9 June 2020 is reproduced below:

Singapore, 9 June 2020 – Singapore Exchange-Listed OEL (Holdings) Limited (“OEL”) has entered into a Joint Venture Agreement (the “JVA”) with Shanghai Suntec Co., Ltd. (上海新地实业有限公司) (“Shanghai Suntec”) for the incorporation of a joint venture company in Singapore (“JV Company”) for the manufacturing and distribution of High-Intensity Focused Ultrasound (“HIFU”) machines entire end-to-end industrial chain of R&D, manufacturing and installation, medical services and equipment after-sales service, the HIFU-2001 High-Intensity Focused Ultrasound tumour treatment system will be launched soon.

(Source: company announcement dated 9 June 2020)

- (i) **Would the company clarify its contribution and value-add to the joint venture?**
- (ii) **As the HIFU machine appears to be a medical equipment, would this require the approval and registration of the Health Sciences Authority? If this is only for export, would the company also require a manufacturer’s licence to manufacture it in Singapore?**
- (iii) **If the equipment is to be deployed in Singapore as part of the group’s business plan, has the company verified that the use of High-Intensity Focused Ultrasound treatment is approved in Singapore?**
- (iv) **Will the joint venture be obtaining product liability insurance coverage?**

Q2. On 1 March 2020, the company entered into a Sale and Purchase Agreement with a seller to acquire 100% of the issued and paid-up share capital of a company operating a preschool in Singapore, namely Discovery Kidz Preschool Pte. Ltd. The aggregate consideration payable by the company for the proposed acquisition is \$416,000.

- (i) **Can the company elaborate further on the strategic plans for the group’s new preschool/education business?**

In addition, as at 31 December 2019, the group and the company have net current liabilities of S\$2,332,000 and S\$2,327,000 respectively. The current liabilities include bank loans of S\$1,050,000 (2018: S\$1,150,000).

- (ii) **How does the group intend to fund the proposed acquisition?** The group reported cash and bank balances of \$3,000 as at 31 December 2019 and it appears that the group has suspended its placement at the end of May.
- (iii) **Has the group re-evaluated the business model of a preschool given that the current pandemic?**

Q3. In January/February 2020, the company announced several new directors to the board, namely:

- Ms Zhao Xin, appointed on 20 January 2020
- Mr Yap Koon Loong, appointed on 27 February 2020
- Ms Wang Jue, appointed on 27 February 2020

The three directors have stated that they had no prior experience as a director of an issuer listed on the SGX-ST. The company has stated that the directors will be attending training courses to familiarise themselves with the roles and responsibilities of a director of a public listed company in Singapore.

- (i) **Can the company update shareholders on the training that the directors have attended since their appointment?**

In addition, on 4 May 2020, the company announced the appointment of Mr Zhang Jian as chairman and executive director. Based on the announcement, Mr Zhang had prior experience as an executive director of Libra Group Limited, a company listed on the SGX-ST.

In 2013, Mr Zhang Jian was appointed to the board of Libra on 18 November 2013 and resigned from the board with effect from 18 February 2014. It would appear that the prior experience of Mr Zhang Jian was his 3-month stint on the board of Libra.

- (ii) **As it does not appear that Mr Zhang Jian received training prior to his appointment as a director at Libra, would the company be sending Mr Zhang Jian to training prescribed by SGX-ST for newly appointed directors?**
- (iii) **Given that the majority of the directors do not have experience as a director, can the board help shareholders understand if the board is well equipped to lead the company?**

^Amid the global COVID-19 outbreak, issuers who choose to proceed with the AGM before 30 April 2020 must provide opportunities for shareholders to ask questions. Shareholders are encouraged to read the annual report and submit any questions they might have to the companies in advance. Issuers would then publicly address the questions at the general meeting via the issuer's website, through "live" webcast and on SGXNet.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on [SIAS website](http://www.sias.org.sg)

Join our mailing list [here](#) to receive latest news and upcoming events.

CONNECT WITH US



^ Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 Mar 2020 (<https://www.sgx.com/media-centre/20200331-acra-mas-and-sgx-regco-update-guidance-general-meetings>)