

OEL (HOLDINGS) LIMITED
(Company Registration No: 198403368H)
(Incorporated in the Republic of Singapore)

RESPONSE TO SGX-ST QUERIES

The Board of Directors of OEL (Holdings) Limited (the “**Company**”) would like to announce its response to the queries raised by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 24 and 27 December 2019 (“**SGX-ST Queries**”) in relation to the Company’s announcement made on 20 December 2019 relating to the sale and purchase agreement for the sale of shares by controlling shareholder (the “**Announcement**”) as follows:

All capitalised terms used herein, unless otherwise defined, shall have the definitions ascribed to them in the Announcement.

Query 1 – What is the reason for Mr Hing’s disposal of his entire 29.56% shareholdings in OEL?

Response:

The Purchasers were willing and able to simultaneously complete the sale and purchase of Mr Hing’s entire shareholdings and was thus an opportunity for Mr Hing to realise his past investments in the Company.

Query 2 – Will Mr Hing remain on the board and key management? Who will lead the Company?

Response:

Mr Hing will be resigning as Managing Director and Chairman of the Company. Mr Zhang Jian, the substantial shareholder, is proposing for Ms Zhao Xin, one of the Purchasers, to be appointed as Managing Director and Chairman of the Company.

Mr Hing’s resignation and Ms Zhao’s appointment will be subject to the approval of the Nominating Committee and the Board in consultation with the Sponsor.

The Board will continue its supervisory role in overseeing the Company, and opportunities for the Company’s growth will be discussed by the Board.

Query 3 – How was the disposal price of S\$0.030595 per share arrived at? How does it compare to the market price, and the historical VWAP price?

Response:

The sale consideration was arrived at based on willing buyer willing seller basis, and the Purchasers taking into consideration that Mr Hing will be giving up his position as controlling shareholder in the Company.

The disposal price of S\$0.030595 is approximately 8 times higher than the closing market price of S\$0.004 on 20 December 2019 and approximately 8 times over the 90 days VWAP per price of S\$0.00405 on 20 December 2019.

Query 4 – How was Mr Hing introduced to the Purchasers?

Response:

Mr Hing was introduced to the Purchasers through a broker. Mr Hing was a client for the broker and the broker knew one of the Purchasers, Ms Zhao Xin, from a business tea session. After knowing that Ms Zhao Xin and the other Purchasers were interested in buying a listed company, the broker introduced the Purchasers to Mr Hing. The broker is not related to Mr Hing or the Purchasers.

Query 5 – Who are all the Purchasers?

Response:

The Purchasers are Mr Zhang Jian, Ms Zhao Xin, Ms Wang Jue, Mr Quak Choon Chai, Mr Deng Rong and Mr Liu Yunhua.

Query 6 – What are the Purchasers' plans for the Company?

Response:

Mr Zhang Jian has indicated that they may consider fund raising activities and/or look for investment opportunities for the Company.

Query 7 – To detail the Group's current operations and explain how it is a viable business for a listed company.

Response:

The Group currently operates in the business of investment holding and property management. The Group is actively exploring and evaluating new strategic opportunities, including the onboarding of Ms Zhao Xin as a Director of the Company (which is subject to the approval of the Nominating Committee and Board) to improve the Group's cash flow and business activities.

Query 8 – Please provide background of each of the Purchasers, and the relationship between the Purchasers.

Response:

Background of Purchasers

Mr Zhang Jian has over 30 years of extensive corporate management experience and has held various leadership positions. He has experience in several industries such as investment banking, real estate (city planning, commercial and medical), information technology and life sciences. He is currently a resident in Singapore and holds the position of CEO and Managing Director in Eminence Investment Pte Ltd.

Mr Liu Yunhua has over twenty years of experience in urban development research, teaching and management consultancy. His research works include city industry development, economic analysis for investment, land use, housing policy and urban issues such as traffic management. He is a resident of Singapore and is currently an Executive Director of Eminence Investment Pte Ltd.

Ms Zhao Xin has experience in identifying investment opportunities in various industries including mineral resources, tourism, healthcare and life sciences. Her skills include identifying, assessing and concluding investment opportunities. Ms Zhao Xin resides in Singapore and is currently an Executive Director of Eminence Investment Pte Ltd.

Mr Deng Rong held the position of General Manager of Kin Xin Engineering Pte Ltd between 10 May 2013 and 5th Dec 2019. In his role as a General Manager, his responsibilities include planning, strategizing and overseeing the operations of Kin Xin Engineering Pte Ltd. Mr Deng Rong has more than 20 years of experience in the building construction field especially in M&E services, including system design, site installation and project management.

Prior to joining Kin Xin, Mr Deng Rong was the Deputy Managing Director at Great Resources M&E Contractor Pte Ltd. Mr Deng Rong was previously based in China, where he had managed projects at the Singapore-Suzhou Industrial Park, Singapore-Wuxi Industrial Park wafer factory and a five-star hotel under the Sheraton Group at Nanning. He was also formerly a lecturer at Shanghai Mechanical Institution for 7 years.

Ms Wang Jue has over 15 years of experience in the media industry. She is well versed in a wide range of skills such as business administration to business development, marketing and execution of business matching projects as well as recruiting and training staff. She currently resides in Singapore.

Mr Quak is a Singapore Citizen and he is a freelance business consultant who advises clients in Singapore. He also regularly invests in SGX Listed stocks.

Relationship between the Purchasers

Three of the Purchasers (Mr Zhang, Ms Zhao, and Mr Liu) are shareholders and Directors of Eminence Investment Pte. Ltd with shareholdings in proportions of 74%, 6% and 10% respectively.

Mr Deng and Mr Zhang are former business associates. Mr Zhang introduced Mr Deng to the other Purchasers.

Mr Quak and Mr Zhang met through a mutual friend. Mr Zhang introduced Mr Quak to the other Purchasers.

One of the Purchasers, Ms Wang, provides business consultancy services to Eminence Investment Pte. Ltd.

Save for what is disclosed above, the Purchasers do not have any other existing relationships.

Query 9 – Are there any relationship between Mr Hing and any of the Purchasers?

Response:

None of the Purchasers are related to Mr Hing.

Query 10 – What is the rationale for the Purchasers in wanting to “buy a listed company” and thereafter acquiring the controlling stake in the Company?

Response:

The Purchasers have plans to venture into the healthcare industry. As such, the Purchasers were looking to invest in a listed Company in Singapore so that it will be easier to raise funds in the future for its plans.

Ms Zhao was introduced to Mr Hing through a broker in a business tea session. After finding out that Mr Hing was looking for investors/new business/assets to inject in Company, she informed the other Purchasers to check if they were interested. Accordingly, the Purchasers expressed their willingness to purchase all the shares from Jeffrey.

The Purchasers are currently exploring several business plans and will update shareholders in due course.

Query 11 – What is the reason for the Purchasers to be prepared to pay 8 times the market price and historical VWAP price to acquire the shares in the Company?

Response:

Mr Hing was only willing to sell his shares at the selling price, which he felt was representative of his investment and loss of controlling interest in the Company.

The Purchasers then proceeded to conduct their own due diligence and identified the Company as a suitable investment despite the high asking price.

Based on their due diligence, they were of the view that Company has a healthy balance sheet.

Based on a combination of the factors above, both parties were agreeable on the selling price.

By Order of the Board

Tan Ching Chek
Company Secretary
30 December 2019

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the “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.

The details of the contact person for the Sponsor is:-

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