

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

RESPONSE TO SGX-ST QUERIES

The Board of Directors (the “**Board**”) of OEL (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to the queries received from Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 16 January 2024 in relation to the Company’s announcement dated 11 January 2024 (the “**Announcement**”) regarding, *inter alia*, the Proposed ZJ Loan Capitalisation, Proposed ZYL Loan Capitalisation, Proposed Partial Acquisition Consideration Capitalisation and Proposed Outstanding Sponsor Fees Capitalised Amount Capitalisation (each as defined in the Announcement).

Capitalised terms which are not defined shall have the meanings given to them in the Announcement, unless the context otherwise requires.

SGX-ST’s Query 1:

Please disclose the basis in arriving at the capitalisation price of S\$0.007 per Capitalisation Share.

Company’s Response:

In the 12-month period prior to 3 January 2024 (being the last full Market Day with trading volume before the date on which the Conditional Capitalisation Deeds were entered into), the average trading price of the Shares was lower than the Capitalisation Price. As disclosed in the Announcement, the volume weighted average price of the price of the Shares on 3 January 2024 was S\$0.006 (the “**VWAP**”), and the Capitalisation Price therefore represents a premium of 16.7% to the VWAP which would in turn result in less dilution to the existing shareholders of the Company. In addition, the closing price for the Shares on 3 January 2024 was S\$0.007. Accordingly, S\$0.007 was deemed by the Company to be a fair and reasonable price for the purposes of the Capitalisation Price.

In addition to the foregoing, the NAV per Share of the Company was approximately 0.01 Singapore cents as of 30 June 2023. The Capitalisation Price therefore represents a 6,900% premium over the NAV per Share.

Complementing our internal analysis, we engaged Independent Financial Advisors (“**IFA**”) to provide an impartial evaluation. The IFA’s report states: “We are of the opinion that, on balance, the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation, as interested person transactions, are on normal commercial terms and are not prejudicial to the interests of the Company and the Independent Shareholders. Furthermore, we find these arrangements to be fair and reasonable.” This independent validation from the IFAs reinforces our confidence that the Capitalisation Price of S\$0.007 per share is fair, reasonable, and in the best interest of our shareholders.

SGX-ST’s Query 2:

What is the resultant shareholdings of Dr. Zhang Jian and his associates upon the completion of the Proposed ZJ Loan Capitalisation, Proposed ZYL Loan Capitalisation and the Proposed Grant of the ZYL Award?

Company’s Response:

The resultant shareholdings of Dr. Zhang Jian and his associates upon the completion of the Proposed ZJ Loan Capitalisation, Proposed ZYL Loan Capitalisation and the Proposed Grant of the ZYL Award is as follows:

Shareholder	Direct Interest (Number of Shares)	Deemed Interest (Number of Shares)	Total Interest (Number of Shares)	% of Enlarged Share Capital
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Dr. Zhang Jian	138,331,000	-	283,616,714	22.53%
Zhang Yulei	-	-	87,428,571	6.95%
Total	138,331,000	-	371,045,285	29.48%

SGX-ST's Query 3:

With reference to Paragraph 4.1 of the Circular in relation to the financial effects of the Proposed Capitalisation on the share capital of the Company, please clarify why the enlarged issued and paid-up share capital after the Proposed Capitalisation for both periods as of 31 December 2022 and 30 June 2023, are not consistent with Paragraph 5 of the Circular setting out the total enlarged number of shares of the Company after the Proposed Capitalisation.

Company's Response:

The difference in the enlarged issued and paid-up share capital figures presented as of 31 December 2022 and as of 30 June 2023, as stated in paragraph 4.1 of the Circular, as compared to the total enlarged number of shares post-Proposed Capitalisation in paragraph 5 of the Circular, is due to the timing of the transactions resulting in the relevant amount payable that is being capitalised:

- **As of 31 December 2022:** There was only a sum of S\$207,000 due and owing to ZYH (the “ZYH Partial Loan”) and therefore the enlarged issued and paid up share capital then reflects only the capitalisation effects of the ZYH Partial Loan as other transactions had not yet occurred (they occurred in 2023).
- **As of 30 June 2023:** By this date, additional transactions had taken place, including the ZYH Loan (including the interests that have accrued up to 30 June 2023), the ZJ Loan, the engagement of the Sponsor for sponsorship services in 2023 and the Quest Acquisition. However, the amounts that accrued after 30 June 2023 (including interests on the ZYH Loan, part of the Sponsor Outstanding Fees and the ZYL Loan (which was executed on 28 August 2023) have not been included as they have yet to occur or accrued as of 30 June 2023.

The total of 308,965,857 Capitalisation Shares stated in paragraph 5 of the Circular reflects the total share capital post-Proposed Capitalisation. This total includes all related transactions that had occurred up to the Latest Practicable Date in the Circular, including those not having been taken into account for the aforesaid figures.

BY ORDER OF THE BOARD

Zhao Xin
Chief Executive Officer and Executive Director

18 January 2024

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”).

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 are:-

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