

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**”) would like to announce its responses to the queries raised by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 30 July 2020 in relation to the Company’s announcement made on 27 July 2020 as follows:

Query 1 – It was mentioned that the Letter included allegations against certain shareholders in respect of their shareholding in the Company for and on behalf of the claimants. Who were these shareholders and claimants, and do they have any nexus (past or present) to the Company?

Response

The allegations are made against the following shareholders: Dr Zhang Jian, Ms Zhao Xin, Ms Wang Jue, Mr Quak Choon Chai, Mr Liu Yunhua and Mr Deng Rong (the “**Shareholders**”). They are all shareholders of the Company. Dr Zhang Jian is currently the Chairman & Executive Director and Ms Zhao Xin is the Chief Executive Officer & Executive Director of the Company. Ms Wang Jue was previously an Executive Director of the Company.

The allegations are made by the following claimants: Mr Chen Mingxing, Mr Deng Yuhao, Mr Wu Jiaqi, Mr Huang Hai and Mr Zhu Tao (the “**Claimants**”).

The Company understands that as at the date of this announcement, none of the Claimants is a shareholder in the Company or is related to any Director of the Company. The Company further understands that none of its current Directors knows or has met or spoken to any of the Claimants. However, the Company understands that Ms Wang Jue, a former director of the company, knows or has met or spoken to these Claimants. Subsequent to Ms Wang Jue ceasing to be an Executive Director of the Company, the Company tried to contact her on numerous occasions to request her to comply with all employee exit procedures, including exit interview with sponsor, the handover of all work, documents and equipment, but she has not responded to the Company. The Company is reviewing its records and conducting verification checks/ investigations and seeking legal advice from its lawyers on the appropriate course of action and will update shareholders and potential investors of the Company on any further material development.

Query 2 – Please provide details on the allegations made against the Shareholders.

Response

The allegations made against the Shareholders are that there is an alleged trust arrangement in respect of their shareholding in the Company for and on behalf of the Claimants. The alleged trust arrangement is said to be in respect of the shares acquired by the Shareholders pursuant to a sale and purchase agreement entered into by such Shareholders with Mr Jeffrey Hing Yih Peir, who was at the relevant time, the Executive Chairman and Managing Director, and a controlling shareholder, of the Company. The Claimants also alleged that Dr Zhang Jian holds a sum of S\$466,110.72 on trust for them.

Query 3 – If the allegations against the Shareholders are true, are there any impacts to the Company’s compliance with Rule 723. If yes, please disclose the impact.

Response

On the assumption that the allegations against the Shareholders are true, there is no impact on the Company’s compliance with Rule 723. The total amount of 197,545,000 shares alleged to be held on trust amounts to 29.56% of the Company’s shares. This is computed based on 668,266,667 issued shares prior to the completion of the share placement as announced on 12 May 2020. To the best knowledge of the Company, the percentage of shareholding held in the hands of public as at 3 July 2020 is approximately 79.66% of the Company’s issued share capital. Accordingly, the Company believes that it is in compliance with Rule 723.

Query 4 – In relation to the allegations in the Letter made against the Company and the Board in relation to a bank facility accepted by the Company in May 2020, it was mentioned in the Announcement that the Company and the Board ‘are of the view that such allegations are without basis’. Please provide details of the allegations in relation to the said bank facility;

Response

The allegations in relation to the bank facility are that there was no disclosure made and no approval was granted by shareholders at a general meeting for the bank facility pursuant to Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**Catalist Rules**”) under Rule 1006(a), 1010, 1011, 1014(1)(b) and 1014(2). It was further alleged that the Directors have acted *ultra vires* in accepting the bank facility.

The Company’s position is that the Catalist Rules cited are not applicable, and the requisite disclosure, where applicable, and approval in relation to the bank facility have been complied with and/or obtained. Accordingly, the Company and the Board are of the view that such allegations are without basis.

Query 5 – Since the inception of the bank facility in May 2020, has the Company received any notices from the bank to withdraw the facility?

Response

As at the date of this announcement, the Company has not received any notice from the bank to withdraw the facility.

Query 6 – Are the Company and the Board aware of any events (including events of default) which have triggered or might trigger the termination of the bank facility?

Response

The Company has been informed by the bank that they received a copy of the demand letter dated 21 July 2020 (including all enclosures referred to therein) from the Claimants’ lawyer. Management has also been in discussions with the bank in relation to the drawdown of the bank facility and understands that the bank intends to reserve its rights to withhold the disbursement of the loan proceeds. The Company and the bank may terminate the bank facility if the impasse on the drawdown of the loan proceeds cannot be resolved. The Company, through letters sent to the Claimants and their lawyers by its solicitors, has informed the Claimants and their lawyers that it reserves all its rights including the right to claim damages for any loss suffered as a result of the matters aforesaid.

Assuming that the facility loan from the bank is withdrawn, the Company’s cashflow position may become tight. Notwithstanding the above, the Company wishes to highlight the following:

- 1) The Company expects the convening of the extraordinary general meeting and completion of previous share placement to the Interested Subscribers by September 2020 as referred in the Company's announcements dated 12 May 2020 titled '*Placements: Partial Completion of the Proposed Placement to Non-interested Subscribers*';
- 2) The Company is exploring certain fund raising alternatives and shall keep the shareholders informed as and when there is any material development on this; and
- 3) The Company's controlling shareholder, Dr Zhang Jian, has indicated his willingness to provide financial support by extending loans to the Company to ease the Company's cashflow issues, if required.

By Order of the Board

Zhao Xin
Chief Executive Officer and Executive Director

2 August 2020

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("**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 are:-

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