

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 further raised by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 30 December 2019 (“**SGX-ST Queries**”) in relation to the Company’s announcements made on 20, 23 and 30 December 2019 relating to the sale and purchase agreement for the sale of shares by controlling shareholder (the “**Announcements**”) as follows:

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

Query 1 – Noted from the Company’s initial response to SGX RegCo’s queries (as stated in the email of 26 December 2019 at 5.58pm) that Mr Hing will remain as MD and Executive Chairman of the Company despite him disposing his shareholdings in the Company. However, based on the Company’s announcement released on SGXNet on 30 December 2019, it is stated that Mr Hing will resign as MD and Chairman of the Company, and instead, the substantial shareholder, Zhang Jian is proposing for one of the purchasers, Ms Zhao Xin, to be appointed as MD and Chairman of the Company.

- (i) **What led to the change in Mr Hing’s decision, resulting in his intention to resign as MD and Chairman?**

Response:

While Mr Hing had initially intended to continue as Managing Director and Executive Chairman of OEL, Mr Hing subsequently considered that in view of the disposal of his shareholding, and the proposed appointment of Ms Zhao Xin as an executive director, it may be more appropriate for him to resign. Mr Hing also notes that the new controlling shareholder may have the intention for OEL to undertake new businesses. Based on preliminary discussions between Mr Hing and the new controlling shareholder, Mr Hing expects that the new businesses are expected to be in industries that he is not familiar with.

- (ii) **Mr Hing is the sole ED of the Company currently. Will his departure have any adverse impact on the Group?**

Response:

It is Mr Hing’s intention to continue as executive director of the company until a new executive director is appointed. The Company will also ensure that an orderly handover is carried out.

Taking into account the current business circumstances of the Group, the Company is of the view that his departure will have a limited adverse impact, if any, on the Group.

(iii) Does Ms Zhao Xin have experience as director of Singapore listed companies?

Response:

Ms Zhao Xin does not have experience as a director of Singapore listed companies. If appointed, the Nominating Committee will require Ms Zhao Xin to attend training courses conducted by the Singapore Institute of Directors to familiar herself with the roles and responsibilities of a director of a public listed company in Singapore.

(iv) What is NC's assessment of Mr Hing's resignation and Ms Zhao Xin's proposed appointment, and efficacy of the Board as a whole?

Response:

The Nominating Committee is in the process of conducting their own checks and will meet on 6 January 2020 to discuss on the above. The Company will update shareholders on SGXNET in compliance with the relevant Catalist Rules.

(v) What is the Sponsor's assessment of Mr Hing's resignation and Ms Zhao Xin's proposed appointment, and efficacy of the board as a whole?

Response:

In advising the Company on the suitability of directors arising from the proposed changes (Jeffrey Hing's resignation and Zhao Xin's proposed appointment) in the Company's board of directors, RHT Capital Pte. Ltd. ("**RHTC**") will (i) conduct its own background independent checks on the relevant personnel, (ii) conduct interviews with the relevant personnel to understand the reasons for cessation and suitability of the incoming director, and also (iii) take into consideration the Nominating Committee's assessment in advising the Company on the proposed changes.

As of the date of this announcement, we do not have sufficient information to be able to make an informed assessment. RHTC will provide its assessment via the Company's respective announcements on SGXNET in compliance with the Catalist Rules.

Query 2 – What is the history and track record of Eminence Investment Pte Ltd?

Response:

Eminence Investment Pte. Ltd. ("**Eminence Investment**") was established in Singapore as a corporate investment services group in 2015. It is headquartered in Singapore and has a representative office in Shanghai. The current directors and shareholders of Eminence Investment are Mr Zhang Jian, Mr Liu Yunhua, Ms Zhao Xin and Ms Hu Lingyan.

Eminence Investment provides management consultancy services to companies. Some of these activities include: Providing advisory services in merger and acquisitions, takeovers and share repurchases. They also act as a strategy adviser for transactions involving acquisitions and disposals of businesses and/or assets by listed companies, takeover offers and privatizations.

In addition, Eminence Investment co-invest in companies with growth potential in various industries.

Query 3 – In addition to what is disclosed in the announcement dated 30 December 2019 in response to query 8, please provide more details on the experience and track record of the Purchasers.

Response:

In addition to the responses for query 8 released by the Company on 30 December 2019, please find below more details on the experience and track record of the Purchasers.

Mr Zhang Jian is currently the Chief Executive Officer and Managing Director of Eminence Investment. Prior to his current role, Mr Zhang had experience working in senior management roles in several companies.

Mr Liu Yunhua is currently an Executive Director and Chief Economist of Eminence Investment. He is currently also the Academic Director of Urban Research Institute, Peoples.com, and the professor and director for Centre of Urban and Regional Development for Renmin University of China. Prior to his current role, he was working in Nanyang Technological University as a Deputy Director.

Ms Zhao Xin is currently an Executive Director (Strategy and Risk Management) in Eminence Investment.

Mr Deng Rong was a General Manager of Kin Xin Engineering Pte Ltd. He 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.

Ms Wang Jue is the Managing Director of HS International Pte. Ltd. and a Director of GB Explorer Pte. Ltd.. Prior to her current role, she was a senior consultant at DP Information.

Mr Quak is the Business Development Consultant of Meyzer Business Advisory Pte. Ltd. Prior to his current role, he has experience working in the facilities management industry.

Query 4 – In response to query 11 in the announcement dated 30 December 2019 on the reasons of why the Purchasers are prepared to pay 8 times the market price for the shares, the Company responded that it was to acquire a controlling stake and that the Company has a healthy balance sheet. The disposal consideration of S\$0.030595 per share is 3.5 times that of its latest announced 3QFY19 NAV per share of S\$0.0087. Are there any other factors considered by the Purchasers and Jeffrey Hing in arriving at the disposal consideration?

Response:

Please refer to our Announcement on 30 December 2019. Save for the response on Query 11, there are no other factors considered by Mr Hing, and to the best of his knowledge, the Purchasers, in arriving at the disposal consideration.

By Order of the Board

Jeffrey Hing Yih Peir
Executive Chairman
2 January 2020

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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