

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

ENTRY INTO SHARE PURCHASE AGREEMENT IN RELATION TO THE ACQUISITION OF 51% SHAREHOLDINGS IN SHANGHAI LONGJIAN HOSPITAL MANAGEMENT CO., LTD.

*Unless otherwise defined, all capitalized terms used in this announcement shall bear the same meanings ascribed to them in the Company's announcements dated on 12 March 2020 in relation to the entry into a non-binding memorandum of understanding with Shanghai Longjian Hospital Management Co., Ltd. ("**Shanghai Longjian**") and 16 March 2020 in respect of the proposed diversification of the existing business of the Group to include business in the health industry (collectively, the "**Announcements**").*

The Board of Directors ("**Board**") of OEL (Holdings) Limited ("**Company**") and together with its subsidiaries, "**Group**") refers to the Announcements. Subsequent to obtaining shareholders' approval at an extraordinary general meeting on 1 April 2020 to diversify the existing business of the Group to include business in health industry, the Board is pleased to announce that the Company has on 21 April 2020, entered into a share purchase agreement ("**SPA**") with Shanghai Longjian for the acquisition of 51% shareholdings in Shanghai Longjian ("**Acquisition**").

Following the completion of the Acquisition, Shanghai Longjian will become an indirect subsidiary, held through AJJ Health Care Management Pte. Ltd., a wholly-owned subsidiary of the Company.

Background

As disclosed in the Company's circular and letter to shareholders dated 16 March 2020, Shanghai Longjian was founded in Shanghai, China on 25 March 2019.

Shanghai Longjian is in the business of hospital management, medical technology, biotechnology technology development and health management consulting. Shanghai Long Jian is an expert-oriented enterprise engaged in the management of medical institutions, medical specialists, medical investment consulting and health service management.

The founder and the legal representative of Shanghai Longjian, Dr Ye Wenzheng ("**Dr Ye**"), is one of the top authorities in China's haematology department, who is acclaimed to have three discoveries in the field of medicine:

1. The first case of allogeneic fetal liver transplantation for leukemia in China;
2. The first report on diagnosis of light chain disease in China; and
3. The first discovery of hereditary Pelger-hurt's leukopenia in China.

Accompanying Dr Ye, Shanghai Longjian also has other top experts in the medical industry namely:

1. Dr Tang Guomin ("**Dr Tang**"), who is a professor of orthopaedics, chief physician and postgraduate supervisor. Dr Tang has been engaged in the diagnosis and treatment of orthopaedic diseases especially in the diagnosis and treatment of spine surgery, joint diseases and bone trauma. In addition, Dr Tang is experienced in discipline construction, medical safety control, hospital culture cultivation and hospital all-round operation and management, and has many successful experiences in running a hospital with social capital. Dr Tang is also a shareholder of Shanghai Longjian.

2. Mdm Wang Zhifang (“**Mdm Wang**”), who is the former head nurse and chief nurse of the operating room of Changhai Hospital affiliated to the Second Military Medical University and has been engaged in nursing research. In the past five years, Mdm Wang has been the director of the Nursing Department of Shanghai Yibaikang nursing home centre. She has accumulated rich experience and excellent management ability for hospital planning and layouts to hospital systems, including training, quality supervision, service quality, safety monitoring, performance analysis and file management.
3. Dr Jiang Wei (“**Dr Jiang**”) is a postdoctoral, former senior researcher of Texas Medical Centre and a visiting professor of Shanghai Jiaotong University. He graduated from the Department of military medicine of the Second Military Medical University in 1984. In 1986, Dr Jiang served as chief resident under the guidance of Academician Li Leishi of the Institute of Nephrology of Nanjing Military General Hospital. In 1993, he studied in Baylor Medical College of Texas Medical Centre under Wide N.Suki, who is the president of American Nephrology Association. He has successively worked in many hospitals and research institutes such as Methodist Hospital Internal Medicine, Texas Children’s Hospital, M.D. Edson Tumor Centre, DAVITA Chain Dialysis Centre, working on clinical, basic research and management. Dr Jiang has a deep knowledge in the pathogenesis, early prevention and treatment of kidney diseases such as lupus nephritis, diabetic nephropathy, IgA nephropathy, renal failure with multiple organ failure, clinical and basic research of blood purification technology, early diagnosis and treatment research of kidney disease individualization.

Shanghai Longjian currently has the following projects in medical service management:

1. Working on products and protocols for COVID-19 therapy, including medical clinical services for Hydrogen Generator;
2. High-Intensity Focused Ultrasound medical equipment; and
3. Medical management services provided for old-age nursing homes based in Shanghai.

Purchase Consideration

The purchase consideration for the Acquisition is RMB1.00 to acquire the 51% registered share capital of Shanghai Longjian (“**Consideration**”). The Consideration will be funded through internal resources. Upon the completion of the Acquisition, the Company will inject an amount of RMB1,000,000 as part of the paid up capital for the 51% registered share capital acquired. The paid up capital of RMB1,000,000 is to be used for working capital purposes.

No valuation was carried out in connection with the Acquisition. The Consideration was arrived at an arm’s length negotiation between the Company and Shanghai Longjian while also taking into consideration the potential future business opportunities and growth. The Acquisition is also in line with the Group’s direction to enter the healthcare investment business.

Relative Figures for the Acquisition

Due to the current COVID-19 pandemic, the Company is unable to obtain the necessary financial information of Shanghai Longjian for the computation of the relative figures of the Acquisition as set out in Rule 1006(b) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”). As such, the Company is unable to assess the applicability of Chapter 10 of the Catalyst Rules. The Company will make further announcements to update the shareholders accordingly.

Information of Shareholders and Key Management Team of Shanghai Longjian

After the Acquisition, the shareholding of Shanghai Longjian will be as follows:

Name	Designation	Shareholding
AJJ Health Care Management Pte. Ltd.	Shareholder	51.0%
Ye Wenzheng	Executive Director and Manager	17.0%
Gu Hanbin	Shareholder	8.0%
Guo Xinghe	General Manager	8.0%
Tang Guoming	Shareholder	8.0%
Yao Shengkang	Shareholder	8.0%

Following the completion of the Acquisition, Dr. Ye will continue to lead Shanghai Longjian's healthcare business in China. The Company will provide its management and strategy expertise to the management team.

Subsequent to the Acquisition, the Company would be responsible for:

- (a) the co-ordination and introduction of internationally famous medical institutions to jointly build specialized hospitals in China, and be responsible for planning, acquisition and application of international intellectual property rights and international operators;
- (b) to take charge of leading the selection and introduction of international and domestic capital for health care complex projects;
- (c) to formulate feasibility study report on brand recognition, project location, government or private investors; and
- (d) to be responsible for joint overseas marketing.

The team from Shanghai Longjian would be responsible for:

- (a) the procurement of various applications and approval from regional government, relevant functional departments and application for Shanghai project; and
- (b) provision of competent and capable team of top medical experts.

After the Acquisition, Dr Ye will be considered as a key management personnel of the Group. The Company will make the appropriate announcements pursuant to Rule 704(6)(a) of the Catalist Rules.

Interests of Directors and Controlling Shareholders

Save for their shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition, other than through their respective shareholdings in the Company.

By Order of the Board

Zhao Xin
Chief Executive Officer and Executive Director
22 April 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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