

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

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**BUSINESS UPDATES TO THE HEALTHCARE DIVISION – INCORPORATION OF JV COMPANY  
TO MANUFACTURE HIFU TUMOUR AND CANCER TREATMENT MACHINE**

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*Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the Company's announcement dated 9 June 2020 in relation to the entry into a joint venture agreement with Shanghai Suntec Co., Ltd ("**Shanghai Suntec**").*

The Board of Directors (the "**Board**") of OEL (Holdings) Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company's wholly-owned subsidiary, AJJ Health Care Management Pte. Ltd. ("**AJJ**"), has incorporated a joint venture company ("**JV Company**"), HIFU Suntec Pte. Ltd. ("**HIFU Suntec**"), with its joint venture partner, Shanghai Suntec, on 29 September 2020.

HIFU Suntec, which is 80% owned by AJJ and 20% owned by Shanghai Suntec, has an issued and paid-up capital of \$100 consisting of 100 shares. The JV Company was incorporated to conduct research & development of medical technologies and the manufacturing of HIFU machine and other medical equipment.

As the majority shareholder of the JV Company, AJJ will be providing financial support to the JV Company and its supply chain expertise spanning across the Asia Pacific and European regions. Shanghai Suntec will be responsible for providing the intellectual property and the technical know-how of the HIFU machine and technology, and through the manufacturing facility to be set up by HIFU Suntec, aims to manufacture the HIFU machine in Singapore under a "Made in Singapore" proprietary brand owned by the Group.

In terms of demand for HIFU services, the Group notes that the Asia Pacific region is currently the fastest-growing geographical market globally<sup>1</sup>. Accordingly, the Group sees high growth potential for HIFU treatment in this market where people are getting more affluent and are seeking high quality medical treatment.

In addition, AJJ has on 1 October 2020, received the SS 620:2016 GDPMDS (Good Distribution Practice for Medical Devices) Certificate, which certifies that AJJ has met the HSA's (Health Sciences Authority) requirements to ensure the safety, quality and performance of medical devices that it is dealing in. This allows AJJ to be engaged in the import, storage, distribution (including transportation), installation and servicing (including repair and maintenance) of electro mechanical medical devices,

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<sup>1</sup> <https://www.alliedmarketresearch.com/ultrasound-high-intensity-focused-ultrasound-HIFU-therapy-market#:~:text=The%20global%20high%20intensity%20focused,21.8%25%20from%202018%20to%202025>

hospital hardware, diagnostic and therapeutic radiation devices, single-use devices, medical software and reusable devices.

### **About Shanghai Suntec**

Shanghai Suntec, formerly known as Shanghai Jiaotong Suntec Industrial Co., Ltd (上海交大新地实业公司), was founded in 1994. Shanghai Suntec was a medical equipment manufacturing facility owned by Shanghai Jiao Tong University, China. In January 2020, Shanghai Suntec was privatised and converted to a private limited company.

Shanghai Suntec is designated by the Chinese State Food and Drug Administration (“**SFDA**”) as SFDA’s large-scale medical equipment research, production and export manufacturer, and has made excellent contributions in the development of HIFU technology in China for the past 20 years.

The HIFU-2001 machine developed by Shanghai Suntec uses the unique “Dual-Focus Emission Technology” and “Multi-Piece Self-Focusing Crystal Design” technologies. These two unique technologies are instrumental for the success of HIFU-2001 machine in providing accurate image precision to ensure the highest level of accuracy during treatment. These technologies also ensure moderate energy transmission density during treatment to prevent the adverse events that may cause skin burn or channel tissues burn, therefore offering high efficacy and safety treatment for the patients.

### **About HIFU Technology**

HIFU is an advanced non-invasive tumour and cancer treatment that have been proven effective and safe in treating several types of tumour and cancer. The most commonly treated conditions using HIFU are uterine fibroid, adenomyosis, prostate cancer, pancreatic cancer and liver cancer. Patients going for surgeries using this technology have a lower risk of complications, trauma, long recovery and scar.

By using beams of ultrasound to destroy cancerous cells without damaging surrounding normal tissue (similar to using a magnifying glass to focus sunlight), this technology enables tumours to be treated without surgery hence it can be done as a day procedure with minimal effect to the patients and little downtime after the treatment. With the increasing prevalence of people suffering from tumours and cancers globally, the Group believes that it is critical to continuously develop and improve the medical technology to save lives as well as providing better treatment options especially for cancer patients.

Our joint-venture partner manufactures the HIFU-2001 machine, which is now one of the leading global HIFU machines with its multi-dimensional imaging capability that allows for surgical precision.

Based on a 31 July 2020 report cited by Business Wire – a Berkshire Hathaway company - the global high intensity focused ultrasound (HIFU) market may be worth US\$548.6 million by 2026 as surging prevalence of various types of cancers like primary and secondary liver cancer, pancreatic cancer, prostate, kidney cancer, and bladder cancer is expected to further facilitate the growth in the demand for HIFU treatment.<sup>2</sup>

**By Order of the Board**

Zhao Xin  
Chief Executive Officer and Executive Director

4 October 2020

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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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<sup>2</sup> <https://www.businesswire.com/news/home/20200731005279/en/Global-High-Intensity-Focused-Ultrasound-HIFU-Market>