

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

ENTRY INTO JOINT VENTURE AGREEMENT

The Board of Directors (“**Board**”) of OEL (Holdings) Limited (“**Company**”), and together with its subsidiaries, “**Group**”) wishes to announce that the Company has on 7 June 2020 entered into a Joint Venture Agreement (the “**JVA**”) with Shanghai Suntec Co., Ltd. (上海新地实业有限公司) (“**Shanghai Suntec**”) for the incorporation of a joint venture company in Singapore (“**JV Company**”) for manufacturing and distribution of High-Intensity Focused Ultrasound (“**HIFU**”) machine and other medical equipment (collectively the “**HIFU Project**”). Under the JVA, the Company and Shanghai Suntec will carry out business activities in relation to production of the HIFU machine and providing medical services relating to the HIFU machine such as brand establishment, intellectual property registration, equipment installation, debugging and after-sales service, professional medical training, remote operation guidance, etc.

HIFU is a procedure in which high-energy sound waves are aimed directly at an area of abnormal cells or tissue in the body. The waves create heat that kills the cells. HIFU is being studied in the treatment of prostate cancer and some other types of cancer and other diseases¹. As announced on 22 April 2020, Shanghai Longjian Hospital Management Co., Ltd.’s medical team has been using HIFU technology in China for their treatments.

The JV Company will have an initial registered share capital of S\$100, comprising of 100 ordinary shares. Pursuant to the JVA, the Company’s wholly owned subsidiary, AJJ Health Care Management Pte. Ltd. (“**AJJ**”) will hold 80% interest in the JV Company and the remaining 20% interest will be held by Shanghai Suntec.

The incorporation of the JV Company will be funded through internal resources and is not expected to have any material impact on the net tangible assets and earning per share of the Company for the financial year ending 31 December 2020.

JV COMPANY FRAMEWORK

It is agreed that AJJ would inject cash in proportion to their shareholding and provide the Group’s industrial premise located at 8 Aljunied Avenue 3, Oakwell Building, Singapore 389933 for the purpose of the HIFU Project. Shanghai Suntec would inject cash in proportion to their shareholding and provide their HIFU patents to the JV Company. The injection of cash will be made progressively depending on the requirement of the HIFU Project.

It is expected that the JV Company would apply for the required permits or approval to meet the relevant technical standards and medical diagnostics of each country including branding, medical services, and equipment update related patents.

The Group expects to commence the HIFU Project from July 2020 onwards, subject to obtaining the required approvals or permits, if any, for manufacturing the HIFU machine. It is also subjected to the prevailing regulations or legislations, including all measures in relation to COVID-19 working arrangements. The JV Company’s HIFU Project is expected to be marketed in Singapore and Southeast Asia when ready, and subsequently in the United States of America and other countries.

¹ <https://www.cancer.gov/publications/dictionaries/cancer-terms/def/hifu>

INFORMATION ON SHANGHAI SUNTEC

Shanghai Suntec was founded in 1994 where its original name was Shanghai Jiaotong Suntec Industrial Co., Ltd. (上海交大新地实业公司). Shanghai Suntec was a company owned by Shanghai Jiao Tong University, China and operated as the university's medical equipment factory. In January 2020, Shanghai Suntec was converted to a private limited company. It has contributed in the development of HIFU technology in China over the past 20 years and now specialises in researching, production and export of large-scale medical equipment.

The shareholders of Shanghai Suntec are Zhang Jian, Zhou Jun and Shi Xiong. None of the shareholders of Shanghai Suntec are related to any Directors, controlling shareholders or their associates of the Company.

DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTEREST

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 JV Company and the HIFU Project, other than through their respective shareholdings in the Company.

FURTHER ANNOUNCEMENTS

The Company will make further update announcement(s) on the SGXNet in compliance with the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst on the HIFU Project, including the incorporation of the JV Company and/or when there are material developments in respect of the HIFU Project.

By Order of the Board

Zhao Xin
Chief Executive Officer and Executive Director

9 June 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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