

CIRCULAR DATED 31 OCTOBER 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings ascribed to them in the section entitled "Definitions" of this Circular.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

If you have sold or transferred all your shares in the capital of OEL (Holdings) Limited (the "**Company**"), you should immediately forward this Circular and the enclosed Notice of Extraordinary General Meeting and Proxy Form to the purchaser, transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("**Sponsor**") for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this Circular.

This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of information, statements, opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr Shervyn Essex, Registered Professional, at 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619, telephone +65 6381 6966.

This Circular, together with the Notice of Extraordinary General Meeting and the attached Proxy Form, has been made available on SGXNet. A printed copy of this Circular will NOT be despatched to Shareholders.

In light of the current COVID-19 situation and the related safe-distancing orders and / or regulations put in place in Singapore, Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via live audio-visual webcast or listening to the EGM proceedings via live audio-only stream, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM.

Please refer to the Notice of Extraordinary General Meeting for further information, including the steps to be taken by Shareholders to participate at the EGM.



OEL (HOLDINGS) LIMITED

OEL (HOLDINGS) LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 198403368H)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED DISPOSAL OF PROPERTY AT 8 ALJUNIED AVENUE 3, SINGAPORE 389933; AND**
- (2) THE PROPOSED ISSUE AND ALLOTMENT TO RELATED SUBSCRIBERS (AS DEFINED HEREINAFTER) OF:**
 - (I) UP TO 32,971,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE ISSUE PRICE OF S\$0.027 PER SHARE; AND**

- (II) UP TO 32,971,000 NON-LISTED NON-TRANSFERABLE WARRANTS CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE EACH IN THE CAPITAL OF THE COMPANY AT THE EXERCISE PRICE OF S\$0.027 PER SHARE.

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	14 November 2020 at 11.00 a.m.
Date and time of Extraordinary General Meeting	:	16 November 2020 at 11.00 a.m.
Place of Extraordinary General Meeting	:	The Extraordinary General Meeting will be held by way of electronic means

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

General

“Associate”	:	Has the meaning ascribed to it in the Catalist Rules
“Board”	:	The board of Directors of the Company
“Catalist Rules”	:	The SGX-ST Listing Manual (Section B: Rules of Catalist), as amended or modified from time to time
“Circular”	:	This circular to Shareholders dated 31 October 2020
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended, modified or supplemented from time to time
“Completion”	:	Completion of the Proposed Disposal
“Completion Date”	:	Date of completion of the Proposed Disposal, as further described in Section 2.5.5 of this Circular
“Consideration”	:	Consideration for the Proposed Disposal, as further described in Section 2.5.1 of this Circular
“Constitution”	:	The constitution of the Company in force for the time being
“Controlling Interest”	:	The interest of Controlling Shareholder(s)
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the total voting rights in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control of a company
“Cut Off Date”	:	The date notified by the Company to the Subscribers, being a date no earlier than eight (8) months after the execution of the Placement Agreement or such other date as the Subscribers and the Company may agree
“Deposit”	:	Has the meaning ascribed to it in Section 2.5.2 of this Circular
“Directors”	:	The directors of the Company
“EGM”	:	The extraordinary general meeting of the Company to be held on 16 November 2020 at 11.00 a.m., by way of electronic means, notice of which is set out on pages N-1 to N-5 of this Circular
“EPS”	:	Earnings per Share
“Exercise Price”	:	Has the meaning ascribed to it in Section 3.3.3(b) of this Circular
“FY2019”	:	Financial year ended 31 December 2019

DEFINITIONS

“GST”	:	Goods and services tax
“HY2020”	:	The financial period for the six months ended 30 June 2020
“HIFU”	:	Has the meaning ascribed to it in Section 2.6.2 of this Circular
“HEALTHCARE Project”	:	Has the meaning ascribed to it in Section 2.6.2 of this Circular
“JTC Approval”	:	Has the meaning ascribed to it in Section 2.5.3 of this Circular
“JTC In-Principle Approval”	:	Has the meaning ascribed to it in Section 2.5.3 of this Circular
“JV Company”	:	Has the meaning ascribed to it in Section 2.6.2 of this Circular
“Latest Practicable Date”	:	20 October 2020, being the latest practicable date prior to the publication of this Circular
“Listing and Quotation Notices”	:	Has the meaning ascribed to it in Section 3.1.1 of this Circular
“LPS”	:	Loss per Share
“Market Day(s)”	:	A day or days on which the SGX-ST is open for securities trading
“New Business”	:	Has the meaning ascribed to it in Section 2.6.2 of this Circular
“Net Proceeds”	:	Has the meaning ascribed to it in Section 3.6 of this Circular
“New Share(s)”	:	The Share(s) to be issued by the Company to the Subscriber upon the exercise of the Warrant(s) in accordance with the provisions of the Placement Agreement
“Notice of EGM”	:	The notice of the upcoming EGM as set out on pages N-1 to N-5 of this Circular
“NTA”	:	Net tangible assets
“Ordinary Resolution”	:	The ordinary resolutions as set out in the Notice of EGM
“Option”	:	Has the meaning ascribed to it in Section 2.1.1 of this Circular
“Option Fee”	:	Has the meaning ascribed to it in Section 2.5.2 of this Circular
“Placement”	:	The allotment and issue of the Placement Shares to the Subscribers at the Issue Price subject to the terms and conditions of the Placement Agreement
“Placement Agreement”	:	The agreement for the placement of Shares and issue of Warrants in the Company dated 12 February 2020 entered between the Company and each of the Subscribers (the details of which have been announced by the Company on SGXNet on the same date)
“Placement Shares”	:	Up to 142,999,000 new Shares to be issued by the Company to the Subscribers subject to the terms and conditions of the Placement Agreement; and “ Placement Share ” means each of the Placement Shares
“Placement Proceeds”	:	Has the meaning ascribed to it in Section 3.6 of this Circular

DEFINITIONS

“Property”	:	The property located at 8 Aljunied Avenue 3, Singapore 389933
“Proposed Disposal”	:	The Company’s disposal of the Property
“Proposed Placement”	:	Has the meaning ascribed to it in <u>Section 1.1</u> of this Circular
“Record Date”	:	The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions
“Related Subscribers”	:	Each of Zhang Jian and Zhao Xin, being the Chairman and Executive Director, and the Chief Executive Officer and Executive Director of the Company as at the Latest Practicable Date respectively.
“Securities Account”	:	The securities account(s) maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
“Shares”	:	Ordinary shares in the share capital of the Company
Substantial Shareholder	:	A person who holds directly or indirectly not less than five per cent. (5.00%) of the total number of issued Shares (excluding treasury shares) of the Company
“Subscriber(s)”	:	Has the meaning ascribed to it in <u>Section 3.1.1</u> of this Circular
“Unconditional Date”	:	The date on which there has been satisfactory completion or waiver by the Company of the conditions precedent set out in the Placement Agreement
“Valuation Report”	:	The valuation report dated 10 September 2020 issued by the Independent Valuer in respect of the valuation of the Property and as set out in Appendix A of this Circular
“Warrantholder(s)”	:	The holder(s) of the Warrants as registered in the Company’s Register of Warrantholders
“Warrants”	:	Up to 142,999,000 free, detachable, non-listed and non-transferable warrants of the Company to be issued by the Company to the Subscribers, with each Warrant carrying the right to subscribe for one (1) New Share at the Exercise Price (subject to adjustments upon certain events specified in the Conditions), under the terms and conditions set out in the Placement Agreement; and “Warrant” means each of the Warrants
“Warrant Proceeds”	:	Has the meaning ascribed to it in <u>Section 3.6</u> of this Circular

Companies, Persons, Organisation and Agencies

“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	OEL (Holdings) Limited
“Group”	:	The Company together with its subsidiaries

DEFINITIONS

“Independent Valuer”	:	PREMAS Valuers & Property Consultants Pte. Ltd., being the independent valuer commissioned by the Company to conduct an independent valuation on the Property
“JTC”	:	Jurong Town Corporation
“Purchaser”	:	Exeo Global Pte. Ltd.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Sponsor”	:	RHT Capital Pte. Ltd.

Currencies, Units and Others

“S\$” and “cents”	:	Singapore Dollars and cents, respectively, being the lawful currency of the Republic of Singapore
“%”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

The terms “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

References to persons shall include corporations. References to “**Section**” are to the sections of this Circular, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to “**Rule**” or “**Chapter**” is a reference to the relevant rule or Chapter in the Catalist Rules as for the time being, unless otherwise stated.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Catalist Rules, or any relevant laws of the Republic of Singapore or any statutory modification thereof and used in this Circular shall have the same meaning assigned to it under the Companies Act, the Catalist Rules, or any relevant laws of the Republic of Singapore or any statutory modification thereof, as the case may be.

Any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding; accordingly, the figures shown as totals in certain tables may not be an aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

OEL (HOLDINGS) LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198403368H)

Directors:

Zhang Jian (*Chairman and Executive Director*)
Zhao Xin (*Chief Executive Officer and Executive Director*)
Yap Koon Loong (*Independent Non-Executive Director*)
Chong Eng Wee (*Independent Non-Executive Director*)
Toh Lim Kai (*Independent Non-Executive Director*)

Registered Office:

8 Temasek Boulevard
#23-02 Suntec Tower Three
Singapore 038988

31 October 2020

To: The Shareholders of OEL (Holdings) Limited

Dear Sir / Madam,

- (1) **THE PROPOSED DISPOSAL OF PROPERTY AT 8 ALJUNIED AVENUE 3, SINGAPORE 389933; AND**
- (2) **THE PROPOSED ISSUE AND ALLOTMENT TO RELATED SUBSCRIBERS (AS DEFINED HEREINAFTER) OF:**
 - (I) **UP TO 32,971,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE ISSUE PRICE OF S\$0.027 PER SHARE; AND**
 - (II) **UP TO 32,971,000 NON-LISTED NON-TRANSFERABLE WARRANTS CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE EACH IN THE CAPITAL OF THE COMPANY AT THE EXERCISE PRICE OF S\$0.027 PER SHARE.**

1. INTRODUCTION

1.1 The Board is proposing to convene an EGM on 16 November 2020 to seek Shareholders' approval for the following resolutions:

- (i) the Proposed Disposal and the grant of the Option; and
- (ii) the proposed issue and allotment of:
 - (a) up to 32,971,000 Placement Shares at the Issue Price of S\$0.027 per Placement Share; and
 - (b) up to 32,971,000 Warrants, on the basis of one (1) Warrant for each Placement Share, with each Warrant carrying the right to subscribe for one (1) New Share at the Exercise Price of S\$0.027,

to the following restricted persons as set out in Catalist Rule 812(1) in the following proportions:

- (A) to Zhang Jian, the Executive Chairman and Executive Director of the Company: up to 30,012,000 Placement Shares and 30,012,000 Warrants; and
 - (B) to Zhao Xin, the Chief Executive Officer and Executive Director of the Company: up to 2,959,000 Placement Shares and 2,959,000 Warrants,
- (collectively, the "Proposed Placement"); and
- (iii) the transfer of Controlling Interest in the Company to Zhang Jian as a result of the Proposed Placement to him.

LETTER TO SHAREHOLDERS

(collectively, the “**Proposals**”).

- 1.2** The purpose of this Circular is therefore to provide Shareholders with the relevant information relating to the above, and to seek Shareholders’ approval in respect of the Proposals at the upcoming EGM.
- 1.3** Shareholders should note that Ordinary Resolution 1 (in respect of the Proposed Disposal) and Ordinary Resolution 2 (in respect of the grant of the Option) are interconditional upon each other. Accordingly, in the event that any of the foregoing Ordinary Resolutions is not approved, the other Ordinary Resolution would not be passed.
- 1.4** The Notice of EGM is set out on pages N-1 to N-5 of this Circular.

2. THE PROPOSED DISPOSAL

2.1 Introduction

2.1.1 The Company has on 19 October 2020 granted to the Purchaser a conditional option to purchase (the “**Option**”) the Company’s Property, being the property located at 8 Aljunied Avenue 3, Singapore 389933 for the Consideration amounting to S\$9,500,000 (excluding GST).

2.1.2 The Purchaser had on 27 October 2020 exercised the Option in accordance with the terms of the Option. Accordingly, the Option constitutes a conditional sale and purchase agreement binding on the Company and the Purchaser. In accordance with the terms of the Option, the Purchaser had also paid the Deposit (being 10% of the Consideration together with GST thereon) comprising:

- (a) the Option Fee (being 5% of the Consideration plus GST thereon) which was paid directly to the Company on the date of the grant of Option; and
- (b) the sum of S\$475,000 (being 5% of the Consideration) plus GST thereon which was paid by the Purchaser to the Company’s solicitors as stakeholders, pending the Company having obtained the relevant Shareholders’ approvals.

Please refer to Section 2.5 of this Circular for more information on the key terms of the foregoing sale and purchase.

2.2 Information on the Purchaser

2.2.1 The Purchaser is a private company limited by shares incorporated in Singapore and is wholly-owned by Kyowa Exeo Corporation. Kyowa Exeo Corporation is a company incorporated in Japan and is listed on the Tokyo Stock Exchange. The Purchaser is an independent third party and does not hold any shares in the Company.

2.2.2 The Purchaser was introduced to the Company through PropertyBank Pte Ltd, the property agent engaged by the Company for the disposal of the Property. For the introductory services provided by the property agent, the Company will pay the agent a commission fee of S\$95,000. The Company understands that such commission fee payable by the Company is in line with the market rate for such commission fee payable to an agent for commercial / industrial properties, which is typically 1% to 2% of the purchase price for such property with the agent has procured the sale of.

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2.3 Information on the Property

- 2.3.1 The Property is a 3-storey single-user detached factory located at 8 Aljunied Avenue 3, Singapore 389933 and is a JTC leasehold property with a leasehold tenure of 30 years commencing from 1 September 2013. The Property is currently mortgaged to a bank, pursuant to a facility previously obtained by the Company. The Company has not drawn down on the foregoing facility. Upon re-assessment of its finances and the potential earnings from the Proposed Disposal, the Company does not expect such facility to be required for the Group's business operations as at the Latest Practicable Date.
- 2.3.2 The Property is currently partially leased to a third party and the Company is deriving rental revenue from the lease of part of the Property. Other than conducting occasional business meetings at the Property, the Group does not conduct any of its principal operations at the Property.

2.4 Independent Valuation

- 2.4.1 For the purpose of the Proposed Disposal, the Company has commissioned the Independent Valuer to perform an independent valuation on the Property.
- 2.4.2 Pursuant to the Valuation Report, the Property has been valued at S\$9,500,000 on the basis of market value as at the valuation date of 19 June 2020. In this regard, "market value" as used in the context of the valuation is defined as "the estimated amount for which a property should exchange on the date of valuation, between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion." A copy of the Independent Valuation Report is set out in Appendix A of this Circular.
- 2.4.3 Shareholders should note that for the purposes of the Valuation Report, the date of valuation of the Property is 19 June 2020 (being the same date that the Company had previously engaged the Independent Valuer to perform a valuation of the Property for the purposes of a loan facility to be extended by a bank which was announced in the Company's announcement released on 11 August 2020 in relation to the Group's financial results for HY2020). The Company has agreed to use the valuation of the Property as at 19 June 2020 as an indication of the Property's value for the purposes of the Proposed Disposal as the Company is of the view that, as at the date of the Option, there has been no material change in the Property since the last valuation date of 19 June 2020.
- 2.4.4 Based on the latest announced unaudited consolidated financial statements of the Group for HY2020, the book value of the Property was approximately S\$7,792,000.
- 2.4.5 None of the Directors and/or the substantial Shareholders and/or their respective Associates has any interest, direct or indirect, in the Independent Valuer. Neither the Purchaser nor its director and sole shareholder has any interest, direct or indirect, in the Independent Valuer.

2.5 Principal Terms of the Proposed Disposal

2.5.1 Consideration

The consideration for the Property (the "**Consideration**") is S\$9,500,000, excluding GST, and will be satisfied wholly in cash upon completion of the Proposed Disposal.

The Consideration was arrived at after arm's length negotiations between the Company and the Purchaser on a willing buyer willing seller basis, taking into account, *inter alia*, the market value of the Property and prevailing market conditions.

2.5.2 Payment Terms

Pursuant to the Option, the Consideration shall be fully satisfied in cash and shall be payable in the following manner:

LETTER TO SHAREHOLDERS

- (a) 5% of the Consideration (being the sum of S\$475,000) plus GST thereon (the “**Option Fee**”) upon the grant of the Option, such monies to be paid directly to the Company. In this regard, the Company confirms that it has received a cheque for the amount of the Option Fee from the Purchaser;
- (b) 5% of the Consideration (being the sum of S\$475,000) plus GST thereon upon the exercise of the Option by the Purchaser (together with the Option Fee, the “**Deposit**”), such monies to be held by the Company’s solicitors as stakeholders pending satisfaction of the condition in Section 2.5.3(a) below.

In this regard, upon satisfaction of the condition in Section 2.5.3(a) below, the parties agree that such monies, being the sum of S\$475,000 and GST thereon, will be released and paid to the Company; and

- (c) the remaining 90% of the Consideration plus GST thereon upon completion of the Proposed Disposal.

If the Option is not exercised by the Purchaser in accordance with the terms of the Option, the Option shall lapse, and the Company shall be entitled to forfeit the Option Fee absolutely and thereafter neither party shall have any claim against the other whatsoever.

2.5.3 Conditions

Upon the Purchaser’s exercise of the Option, the Proposed Disposal is conditional upon, *inter alia*, the following conditions having been fulfilled or waived in accordance with the terms of the Option:

- (a) by no later than 31 December 2020 (or such other date as may be agreed in writing by the parties):
 - (i) the Company receiving all necessary approvals /ratification from its Shareholders as may be required pursuant to the Catalist Rules for the grant of the Option and disposal of the Property at an EGM to be convened; or
 - (ii) (if applicable) a waiver being obtained by the Company from the SGX-ST in respect of the requirement under Rule 1014(2) of the Catalist Rules or any other requirement of the Catalist Rules to seek the relevant Shareholders’ approval / ratification;

Please refer to Section 2.8.2 for more details on the basis on which Shareholders’ approval is being sought.
- (b) the Purchaser receiving notice of issuance by JTC of the in-principle approval (the “**JTC In-Principle Approval**”) for the sale of the Property to the Purchaser (the “**JTC Approval**”) and, where applicable, the approval of the relevant competent authorities as may be required for the sale of the Property to the Purchaser and such other applications in connection with the foregoing sale and purchase (including but not limited to the approval for the Company to sell and the Purchaser to purchase all the interest of the Company in the Property comprised in the relevant principal lease agreement and the Purchaser’s application for the redevelopment of the Property and the change of use of the Property) by 31 March 2021 (or such other date as may be agreed in writing by the parties);
- (c) the Purchaser’s solicitors having received satisfactory replies to the usual legal requisitions sent to the various relevant government departments provided that the Purchaser’s solicitors shall undertake such legal requisitions as soon as commercially practicable after the exercise of the Option by the Purchaser; and
- (d) there being no notice of acquisition or intended acquisition in whole or in part of the Property (where such part affects the building comprised in the Property, or affects more than 3% of the land area of the Property) by the government or any other competent authority. For avoidance of doubt, if any notice of acquisition or intended acquisition of the Property or any part thereof, is gazetted in the Government Gazette on or before the date of completion, such notice shall be deemed to be a

LETTER TO SHAREHOLDERS

notice issued by the Government or other competent authorities in respect of the Property or any part thereof on or before the date of completion.

The Proposed Disposal is further subject to “The Law Society of Singapore’s Conditions of Sale 2012”, insofar as they are applicable to a sale by private treaty and are not varied by or inconsistent with the terms of the Proposed Disposal.

2.5.4 Reimbursement of Costs and Return of Deposit

In the event that either condition in Section 2.5.3 (b) or Section 2.5.3 (c) is not satisfied, the Purchaser is entitled to rescind the Option by giving notice to the Company. Upon the Company’s receipt of the foregoing notice, the Option shall become null and void and the following will apply:

- (a) the Purchaser shall be required to reimburse the Company the sum of S\$95,000 for such relevant costs as may be incurred by the Company in respect of, among others, the application to JTC; and
- (b) the Company shall, after deducting the foregoing sum of S\$95,000, refund to the Purchaser the balance of the Deposit (without interests or any other deductions).

In the event that either condition in Section 2.5.3(a) or Section 2.5.3(d) above is not satisfied, the Option shall immediately be deemed null and void and the Company shall return the Deposit to the Purchaser (without any interests or deductions) and each party shall bear their own costs in the matter.

2.5.5 Completion

Completion of the Proposed Disposal is expected to take place:

- (a) on the date falling one (1) month after the date of the JTC In-Principle Approval; or
- (b) within 14 days after the Company’s receipt of JTC’s written confirmation that it has no objections to the execution by the parties of the instrument of transfer in respect of the Property in favour of the Purchaser,

whichever is the later (the “**Completion Date**”).

Save as disclosed in this Section 2.5, there are no other material conditions attached to the Option.

2.6 **Rationale for the Proposed Disposal**

- 2.6.1 The Property is not utilised for the Group’s business and is considered a non-key asset given the limited rental revenue derived from the partial leasing of the Property. As the Group diversifies into its New Business (as defined below), the Board believes that the Company’s continued holding of the Property is unlikely to reap any material benefits in the foreseeable future in view of the general uncertainty over the rental market. The Proposed Disposal therefore allows the Company dispose a loss-making asset and to realise the value of the Property and free up cash, thereby increasing and improving cash flow for the Group.

LETTER TO SHAREHOLDERS

- 2.6.2 The Proposed Disposal is in line with the Group's strategic plan to eventually dispose of its properties in respect of the Group's property rentals and property management businesses as the Group diversifies into the early childhood childcare and health education business, and investments into projects and companies in the healthcare industry (the "**New Business**"), including but not limited to funding the operations and business activities of HIFU Suntec Pte. Ltd. (the "**JV Company**"), such as the manufacturing and distribution of High-Intensity Focused Ultrasound ("**HIFU**") machines and other high-tech medical equipment and medical products and incurring requisite start-up costs associated with the provision of medical services relating to the HIFU machine and other high-tech medical equipment in relation to brand establishment, intellectual property registration, equipment installation and provision of professional medical training (collectively the "**HEALTHCARE Project**"), and the establishment of a manufacturing facility by the JV Company as announced by the Company on 9 June 2020 and 4 October 2020 respectively. The gains from the Proposed Disposal is expected to provide the Group with additional capital and funds to grow and expand the Group's New Business, in particular, the HEALTHCARE Project and the Childcare Wellness Education Division.
- 2.6.3 The Company had previously announced on 9 June 2020 that the Group intended to use the Property for the purposes of the HEALTHCARE Project. However, further to discussions the management had with medical professionals, the Company understands that the Property was not suitable and did not satisfy the relevant requirements expected of a site that is to be used for the manufacturing of such HIFU machines and medical equipment. Given that the Property is unable to serve the intended purposes for the HEALTHCARE Project and the Group has no other intended use for the Property, the Board is of the view that the Proposed Disposal would be in the best interests of the Group.
- 2.6.4 In view of the reasons set out in [Section 2.6.1](#) to [Section 2.6.3](#) above, the Board is of the view that the Proposed Disposal is in the best interests of the Group.

2.7 Use of Sale Proceeds

- 2.7.1 The consideration of S\$9,500,000 represents an excess of approximately S\$1,708,000 over the book value of the Property of approximately S\$7,792,000 as at 30 June 2020. Accordingly, the Group expects to recognise a net gain of approximately S\$1,533,000, after deducting expenses of approximately S\$175,000, from the Proposed Disposal.
- 2.7.2 The estimated net proceeds from the Proposed Disposal, after deducting expenses of approximately S\$175,000 incurred in connection with the Proposed Disposal is expected to amount to approximately S\$9,325,000. The Company intends to use the net proceeds from the Proposed Disposal solely for working capital purposes, in particular towards the expansion of its healthcare and healthcare education businesses.

2.8 Chapter 10 of the Catalist Rules and Section 160 of the Companies Act

2.8.1 Relative Figures computed on the bases set out in Rule 1006 of the Catalist Rules

The relative figures computed on the relevant bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Disposal and based on the unaudited consolidated financial statements of the Group for HY2020 (being the latest announced consolidated accounts of the Group) are set out below.

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Catalist Rule	Relative Figures
<p>Rule 1006(a)</p> <p>The net asset value of the assets to be disposed of, compared with the Group's net asset value.</p>	114.8 ⁽¹⁾
<p>Rule 1006(b)</p> <p>The net gain attributable to the assets disposed, compared with Group's net loss⁽²⁾.</p>	(211.1) ⁽³⁾
<p>Rule 1006(c)</p> <p>The aggregate value of the consideration given, compared with the Company's market capitalisation⁽⁴⁾ based on the total number of issued shares excluding treasury shares</p>	67.0 ⁽⁴⁾
<p>Rule 1006(d)</p> <p>The number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue</p>	Not applicable as the Company is disposing of a property
<p>Rule 1006(e)</p> <p>The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.</p>	Not applicable as the Company is not a mineral, oil and gas company

Notes:

- (1) The relative figure is computed based on the net asset value of the Property of S\$7,792,000 as compared to the net asset value of the Group of approximately S\$6,789,000 as at 30 June 2020.
- (2) For the purpose of computation of the net profit figures, in compliance with Rule 1002(3)(b) of the Catalist Rules, "**net profit**" means profit including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) The relative figure is computed based on the net profit attributable to the Property of approximately S\$1,708,000 (disregarding the expenses incurred in connection with the Proposed Disposal). as compared to the net loss of the Group of approximately S\$809,000 as at 30 June 2020.
- (4) The relative figure is computed based on the Consideration of S\$9,500,000 as compared to the market capitalisation of the Company of approximately S\$14,170,239.

The Company's market capitalisation is approximately S\$14,170,239 derived by multiplying the issued share capital of the Company of 745,802,074 Shares by the volume weighted average price of such Shares transacted on 16 October 2020 (being the last full market day immediately preceding the date of the Option on which Shares were traded) of S\$0.0190 per Share. The Company does not have any treasury shares.

2.8.2 Shareholders' Approval

The Company is seeking Shareholders' approval for the Proposed Disposal for the following purposes:

- (i) based on the relative figures in respect of the Proposed Disposal as computed on the relevant bases set out in Rule 1006 of the Catalist Rules, the Proposed Disposal is classified as a "major

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transaction” in accordance with Rule 1014(1)(b), read with paragraph 4.6 of Practice Note 10A of the Catalist Rules and is subject to Shareholder’s approval. Accordingly, the Company is seeking Shareholders’ approval for the Proposed Disposal, including the grant of the Option, and, if the Purchaser validly exercises the Option in the prescribed manner provided therein, the completion of the sale and purchase of the Property shall be subject to the Company having obtained the relevant Shareholders’ approval. In the event, that the relevant Shareholders’ approval is not obtained, the Option shall be deemed to be null and void and the Company will be required to return the Deposit to the Purchaser (without any interests or deductions). For further details, please refer to Section 2.5.2 of this Circular; and

- (ii) the Company has considered the application of section 160 of the Companies Act which requires the approval of its shareholders in general meeting for “any proposals for disposing of the whole or substantially the whole of the company’s undertaking or property”. In view that the Proposed Disposal involves the disposal of a substantial portion of the Company’s assets, the Company is also seeking Shareholders’ approval of the Proposed Disposal, in accordance with section 160 of the Companies Act.

2.8.3 Not a Cash Company

The Board has considered, and is of the view, that the completion of the Proposed Disposal should not result in the Company becoming a cash company under Rule 1017 of the Catalist Rules for the reasons set out below:

- (i) Currently, the Company earns rental income from the Property from only one (1) tenant. The monthly rental income is approximately S\$25,000 but the cost incurred for land lease, property tax, insurance and other miscellaneous is approximately S\$35,000. While the disposal of the Property would mean that the Company will cease its existing rental business, Shareholders should note that the Company is also disposing a loss-making asset which is in the best interests of the Shareholders.
- (ii) Whilst the completion of the Proposed Disposal may result in the cessation of the Group’s property rental business, it is envisaged that upon such completion, the Group will still have subsidiaries, operating businesses and generating revenue from its New Business for which the Company had received shareholders’ approval on 1 April 2020 for diversification of its business to include business in the health industry. Such operating businesses will include:
 - (a) the Group’s childcare wellness education business which is undertaken via its 100% subsidiary, Discovery Kidz Preschool Pte. Ltd. (“**Discovery Kidz**”). In line with the Group’s plan to diversify and expand into this new business segment, the Group has entered into collaborative agreements with two (2) early childhood education experts and one early childhood education partner, as well as formed a partnership with Yale New Haven Hospital Day Care Center. The Group’s childcare wellness education business is also currently earning a revenue of approximately S\$44,000 a month. The Group is set to grow through acquisition after having experienced success through the acquisition of Discovery Kidz, which has shown strong performance since coming under the fold of the Group; and
 - (b) the Group’s healthcare investment business undertaken principally by the Company’s 100% subsidiary, AJJ Health Care Management Pte. Ltd. (“**AJJ**”). AJJ has acquired 51% interests in Shanghai Longjian Hospital Management Co., Ltd. and has entered into a joint venture with Shanghai Suntec Co., Ltd. (via joint venture company HIFU Suntec Pte. Ltd.). In addition, AJJ has received the relevant certification from HSA to allow it to be engaged in the import, storage, distribution of, among others, electro mechanical medical devices. The Company has plans to further expand this particular business segment. The Group intends to bring the HIFU high-tech technology to Singapore and the goal of the Group is to build a Pan-Asian High-Tech Healthcare Company as its core business.

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- (iii) As such, upon completion of the Proposed Disposal, the Group will continue to have operating businesses (being the new businesses), and barring any unforeseen circumstances, the Company expects such new businesses to generate additional operating revenue, providing the Group with an income stream.

Accordingly, the Board is of the view that the disposal of a fixed asset property by the Company is not in contradiction of the intent and spirit of Rule 1017 which, would be more applicable to companies that will have no material operating business after the completion of a disposal transaction, which is not the case here.

2.9 Financial Effects of the Proposed Disposal

2.9.1 Bases and Assumptions

The financial effects of the Proposed Disposal on the share capital, NTA per Share and EPS of the Group have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2019 (being the most recently completed financial year).

For illustration purposes only, the financial effects of the Proposed Disposal have been computed based on the following assumptions:

- (a) the financial effects on the Group's NTA attributable to the Shareholders and the NTA per Share have been computed assuming that the Proposed Disposal was completed on 31 December 2019, being the end of the most recently completed financial year;
- (b) the financial effects on the Group's earnings attributable to the Shareholders and EPS have been computed assuming that the Proposed Disposal was completed on 1 January 2019, being the beginning of the most recently completed financial year; and
- (c) that the expenses in connection with the Proposed Disposal have been disregarded.

The financial figures are for illustrative purpose only and do not necessarily reflect the actual results and financial performance and position of the Group after the Proposed Disposal. No representation is made as to the actual financial position and/or results of the Company or Group following completion of the Proposed Disposal.

2.9.2 Share Capital

	Before Completion	After Completion
Number of Shares	668,266,667	668,266,667
Issued and paid-up share capital (S\$'000)	38,530	38,530

2.9.3 NTA per Share

	Before Completion	After Completion
NTA attributable to Shareholders (S\$'000)	5,504	7,144
Number of Shares	668,266,667	668,266,667
NTA per Share attributable to Shareholders (Singapore cents)	0.824	1.069

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2.9.4 LPS/EPS

	Before Completion	After Completion
(Loss) / Net profit attributable to Shareholders (S\$'000)	(955)	1,205
Weighted average number of Shares	668,266,667	668,266,667
(LPS) EPS (Singapore cents)	(0.143)	0.183

2.10 **Service Agreements**

No new directors are proposed to be appointed to the Board in connection with the Proposed Disposal. Accordingly, no service agreements will be entered into with any new director of the Company in connection with the Proposed Disposal.

3. **THE PROPOSED PLACEMENT**

3.1 **Background**

3.1.1 Introduction

As previously announced by the Board on 12 February 2020, the Company had entered into the Placement Agreement with 16 subscribers, namely: Zhang Jian, Zhao Xin, Wang Jue, Cai Xiaoyue, Ye Wenzheng, Guo Xinghe, Yao Shengkang, Tang Guomin, Gu Hanbin, Yao Yijing, Lee Huey Shin, Li Qingrui, Evelyn Pek Hoon Chih, Jin Wei, Huang Qiang and Lee Siew Leng (each a “**Subscriber**” and collectively, “**Subscribers**”).

Under the Placement Agreement, the Subscribers had agreed to subscribe for, and the Company had agreed to allot and issue to the Subscribers, by way of a private placement, an aggregate of up to 142,999,000 Placement Shares at the Issue Price of S\$0.027 per Placement Share, for an aggregate consideration of S\$3,860,973.

In addition, the Company had agreed to allot and issue up to 142,999,000 Warrants to the Subscribers, on the basis of one (1) Warrant for each Placement Share, with each Warrant carrying the right to subscribe for one (1) New Share at an Exercise Price of S\$0.027.

The Company had on 6 March 2020 made an application through its Sponsor to the SGX-ST for the listing of and quotation for the Placement Shares and New Shares on the Catalist board of the SGX-ST. On 29 April 2020, the Company received the listing and quotation notices (“**Listing and Quotation Notices**”) from the SGX-ST.

The Listing and Quotation Notices are not to be taken as an indication of the merits of the Placement Shares, New Shares, the Placement, the Proposed Placement, the Group and their securities.

As at 12 February 2020, being the date of the announcement, the Placement Shares, when allotted and issued in full, represents approximately 21.40% of the Company’s existing and paid-up capital of 668,266,667 Shares (the Company does not hold any treasury shares), and approximately 17.63% of the enlarged issued and paid-up share capital of 811,265,667 Shares upon completion of the Placement.

As at 12 February 2020, being the date of the announcement, the New Shares, when allotted and issued in full, will consist of 142,999,000 Shares representing approximately 21.40% of the Company’s existing and paid-up capital of 668,266,667 Shares (the Company does not hold any treasury shares), and approximately 17.63% of the enlarged issued and paid-up share capital of 811,265,667 Shares after the full exercise of the Warrants into New Shares.

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As at 12 February 2020, being the date of the announcement, the Placement Shares and New Shares together, when allotted and issued in full, will consist of 285,998,000 Shares representing approximately 42.80% of the Company's existing and paid-up capital of 668,266,667 Shares (the Company does not hold any treasury shares), and approximately 29.97% of the enlarged issued and paid-up share capital of 954,264,667 Shares after completion of the Placement and the full exercise of the Warrants into New Shares.

On 12 May 2020, the Company announced the completion of the Placement and issue and allotment in respect of 77,535,407 Placement Shares and the issue of 77,535,407 Warrants to the Subscribers other than the Related Subscribers, save in respect of Lee Siew Leng. For Lee Siew Leng, the Company announced that out of the aggregate 37,000,000 Placement Shares and 37,000,000 Warrants to be allotted and issued to her, the Company has completed the issue and allotment of only 7,407,407 Placement Shares and 7,407,407 Warrants.

The Placement was only partially completed in respect of Lee Siew Leng as the Company understood from her that her circumstances had changed due to the COVID-19 situation. The Placement Agreement between the Company and Lee Siew Leng was signed on 12 February 2020, which was before the current COVID-19 situation. The situation was unprecedented and outside any parties' reasonable expectations and it had resulted in significant dislocations in the capital and financial markets.

In this regard, the Company had made an application through its Sponsor for an extension of time to allot and issue the remaining Placement Shares and Warrants to Lee Siew Leng.

On 27 May 2020, the Company announced that it was not proceeding with the placement, issue and allotment of 29,592,593 Placement Shares and 29,592,593 Warrants to Lee Siew Leng.

On 26 June 2020, Wang Jue's re-election as a Director was not carried at the Annual General Meeting of the Company held on the same date, and as such, she ceased to be a Director on such date.

As Wang Jue is no longer a Director, the Company intends to proceed with completion of the issue and allotment of the 2,900,000 Placement Shares and issue of 2,900,000 Warrants to Wang Jue concurrently with completion of the Placement to the Related Subscribers. This will be in reliance of a general share issue mandate ("**General Mandate**") obtained from Shareholders at the annual general meeting of the Company held on 26 June 2020 ("**2020 AGM**"). The Company wishes to disclose that it has received the consideration payable by Wang Jue in respect of her share of the Placement.

The General Mandate authorises the Directors to allot and issue new Shares and instruments convertible into Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2020 AGM, of which the aggregate number of Shares (including Shares to be issued in pursuance of the instruments granted pursuant to the General Mandate) to be issued other than on a pro-rata basis to the existing Shareholders shall not exceed 50% of the Company's total number of issued Shares (excluding treasury shares).

As at the date of the 2020 AGM, the number of issued shares was 745,802,074. As 188,000,000 shares had previously been issued pursuant to the General Mandate (as announced by the Company on 23 September 2020), the total number of new shares (and instruments convertible into shares) that may be issued other than on a pro-rata basis is 184,901,037 shares. The allotment and issuance of an aggregate of 5,800,000 Placement Shares and Warrants to Wang Jue will therefore fall within the limits of the General Mandate.

3.1.2 Shareholders' Approvals to be Sought

With respect to the Proposed Placement, the Company wishes to seek Shareholders' approval in relation to:

- (i) pursuant to Catalyst Rule 805, the issue and allotment of:

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- (a) up to 32,971,000 Placement Shares at the Issue Price of S\$0.027 per Placement Share; and
 - (b) up to 32,971,000 Warrants, on the basis of one (1) Warrant for each Placement Share, with each Warrant carrying the right to subscribe for one (1) New Share at the Exercise Price of S\$0.027,
- (ii) pursuant to Catalist Rule 812, the issue and allotment of such of the Placement Shares and Warrants to the Related Subscribers in the following proportions, as both persons are restricted persons as set out in Catalist Rule 812(1):
- (a) to Zhang Jian, the Executive Chairman and Executive Director of the Company: up to 30,012,000 Placement Shares and 30,012,000 Warrants; and
 - (b) to Zhao Xin, the Chief Executive Officer and Executive Director of the Company: up to 2,959,000 Placement Shares and 2,959,000 Warrants,
- which, for the avoidance of doubt, are part of the 32,971,000 Placement Shares and 32,971,000 Warrants proposed to be issued under Section 3.1.2(i),
- (iii) pursuant to Catalist Rule 803, as a result of the issue and allotment of Placement Shares and Warrants to Zhang Jian, a transfer of Controlling Interest in the Company to him.

3.2 Issuance of Placement Shares, Warrants and New Shares to Related Subscribers

3.2.1 Rule 812 of the Catalist Rules

Rules 812(1) and 812(2) of the Catalist Rules state that: -

- (1) An issue must not be placed to any of the following persons:
 - (a) the issuer's directors and substantial shareholders;
 - (b) immediate family members of the directors and substantial shareholders;
 - (c) substantial shareholders, related companies (as defined in Section 6 of the Companies Act), associated companies and sister companies of the issuer's substantial shareholders;
 - (d) corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10%; or
 - (e) any person who, in the opinion of the Exchange, falls within category (a) to (d).
- (2) Rule 812(1) will not apply if specific shareholder approval for such a placement has been obtained. The person, and its associates, must abstain from voting on the resolution approving the placement.

Pursuant to Rule 812(2) of the Catalist Rules, as the Related Subscribers are persons identified under Rule 812(1)(a) of the Catalist Rules, Shareholders' approval is required for the issue and allotment of any Placement Shares to the Related Subscribers pursuant to the Placement.

Pursuant to Rule 812(2) of the Catalist Rules, the Related Subscribers shall abstain, and shall procure that their Associates abstain, from voting on the resolutions relating to the Proposed Placement. The Company will disregard any votes cast on a resolution by the persons required to abstain from voting.

3.2.2 The Proposed Placement to Zhang Jian

As at the Latest Practicable Date, Zhang Jian, the Executive Chairman and Executive Director of the Company, is a Substantial Shareholder of the Company. He currently holds 138,331,000 Shares,

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representing 14.81% of the existing issued and paid-up share capital of the Company comprising 933,802,074 Shares as at the Latest Practicable Date.

As the Executive Chairman and Executive Director of the Company, Zhang Jian intends to participate in the Placement as part of his efforts to support the Company.

Under the Placement Agreement, Zhang Jian will be issued and allotted the Placement Shares and Warrants as follows:

Number of Placement Shares to be subscribed for	30,012,000
Number of Warrants to be subscribed for	30,012,000
Shareholdings as a percentage of the Company's issued and paid-up share capital as at the Latest Practicable Date ⁽¹⁾	14.81%
Shareholdings as a percentage of the Company's enlarged issued and paid-up share capital after the completion of the Placement ⁽²⁾	17.36%
Shareholders as a percentage of the Company's enlarged issued and paid-up share capital after the exercise of the Warrants ⁽³⁾	19.73%

Notes:-

- (1) Based on the Company's existing issued and paid-up share capital of 933,802,074 Shares as at the Latest Practicable Date.
- (2) Based on the Company's enlarged issued and paid-up share capital of 969,673,074 Shares after the completion of the Placement.
- (3) Based on the Company's enlarged issued and paid-up share capital of 1,005,544,074 Shares after the completion of the Placement and the full exercise of the Warrants into New Shares, each Warrant carrying the right to subscribe for one (1) New Share, and assuming the Warrants are concurrently exercised.

Catalist Rule 803 provides that any issue of securities to transfer a Controlling Interest requires the prior approval of Shareholders in a general meeting. As defined in the Catalist Rules, a "Controlling Shareholder" is a person who holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company, or a person who in fact exercises control over the Company. The Proposed Placement to Zhang Jian, if approved, will result in Zhang Jian holding 17.36% (more than 15%) of the enlarged share capital of the Company, resulting in a transfer of Controlling Interest.

Accordingly, the Company also intends to seek the approval of Shareholders for the transfer of Controlling Interest to Zhang Jian pursuant to Catalist Rule 803.

3.2.3 The Proposed Placement to Zhao Xin

As at the Latest Practicable Date, Zhao Xin is the Chief Executive Officer ("CEO") and Executive Director of the Company. She currently holds 13,773,000 Shares in the Company, representing 1.47% of the existing issued and paid-up share capital of the Company comprising 933,802,074 Shares as at the Latest Practicable Date.

As the CEO and Executive Director of the Company, Zhao Xin intends to participate in the Placement as part of her efforts to support the Company.

Under the Placement Agreement, Zhao Xin will be issued and allotted the Placement Shares and Warrants as follows:

Number of Placement Shares to be subscribed for	2,959,000
Number of Warrants to be subscribed for	2,959,000
Shareholdings as a percentage of the Company's issued and paid-up share capital as at the Latest Practicable Date ⁽¹⁾	1.47%

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Shareholdings as a percentage of the Company's enlarged issued and paid-up share capital after the completion of the Placement ⁽²⁾	1.73%
Shareholders as a percentage of the Company's enlarged issued and paid-up share capital after the exercise of the Warrants ⁽³⁾	1.96%

Notes:-

- (1) Based on the Company's existing issued and paid-up share capital of 933,802,074 Shares as at the Latest Practicable Date.
- (2) Based on the Company's enlarged issued and paid-up share capital of 969,673,074 Shares after the completion of the Placement.
- (3) Based on the Company's enlarged issued and paid-up share capital of 1,005,544,074 Shares after the completion of the Placement and the full exercise of the Warrants into New Shares, each Warrant carrying the right to subscribe for one (1) New Share, and assuming the Warrants are concurrently exercised.

3.3 Principal Terms of the Placement

The Placement Shares, Warrants and New Shares will be issued and allotted to the Related Subscribers on the same terms and conditions as the other Subscribers under the Placement Agreement, as follows:-

3.3.1 Issue Price and Exercise Price

The Issue Price and Exercise Price of S\$0.027 each represent a premium of 1.12% to the volume weighted average price of S\$0.0267 for trades done on the Shares on the SGX-ST on 10 February 2020 (being the full market day immediately preceding the date on which the Placement Agreement is signed).

3.3.2 Ranking of the Placement Shares and New Shares

The Placement Shares and New Shares, when allotted and issued, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights and entitlements similar to the existing Shares, except that the Placement Shares and New Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls on or before the date of the issue of the Placement Shares or New Shares respectively.

3.3.3 Conditions for the Warrants

The issue of the Warrants is subject to and in accordance with the following terms, *inter alia*, as set out in the Placement Agreement:-

- (a) **Number of Warrants.** Up to 32,971,000 Warrants, each carrying the right to subscribe for one (1) New Share at the Exercise Price, will be issued to the Related Subscribers in their respective proportions set out in Section 3.2 above.
- (b) **Exercise Price.** A price of S\$0.027 per New Share shall be payable upon the exercise of each Warrant, subject to any adjustments as set forth in the Conditions.
- (c) **Adjustments.** The Exercise Price and number of Warrants are subject to adjustment in the event of, *inter alia*, consolidation, subdivision and capitalisation as provided for in the Placement Agreement.
- (d) **Exercise Period.** The Warrants are exercisable from the period commencing on the date of issue of the Warrants and until 5.00 p.m. on the earlier of (a) the date immediately preceding thirty-six (36) months from the date of issue of the Warrants, save in respect of the Related Subscribers for whom it shall be the date immediately preceding thirty-six (36) months from the date of issue of the Warrants to the other non-Related Subscribers; or (b) the date ending 30 days upon the announcement by the Company of any agreement (including a conditional agreement) that constitutes a very substantial acquisition or reverse takeover under Rule 1015 of the Catalist Rules. The right to exercise the Warrants will not be extended beyond the Exercise Period.

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- (e) **Expiry.** The Warrants will expire on the last day of the Exercise Period. The Company will announce the expiry of the Warrants, and send a notice of expiry to all Warrantholders at least one (1) month before the date of expiry.
- (f) **Listing and Transferability.** The Warrants are unlisted, non-assignable and non-transferable, in whole or in part; provided, however, that the Warrantholders may assign or transfer his Warrant and all rights thereunder, in whole or in part, by written request to the Company (together with surrender of the original or certificate representing the Warrants) and obtaining the written consent of the Company, such assignment or transfer to be subject to all applicable laws and in the manner and on such terms and conditions as the Company shall in its sole discretion deem fit.
- (g) **Rights of Warrantholders on Liquidation.** If an effective resolution is passed during the Exercise Period for a members' voluntary winding up of the Company, for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement, the terms of such scheme of arrangement shall be binding on the Warrantholder.

In any other case, if notice is given by the Company to its members to convene a general meeting for the purposes of considering a members' voluntary winding-up of the Company, the Warrantholder shall be entitled, subject to the Placement Agreement and the Conditions, at any time within three (3) weeks after the passing of such resolution for a members' voluntary winding up of the Company, by irrevocable surrender of his Warrant certificates to the Company with the notice for the exercise of the Warrants duly completed, together with all payments payable under Conditions, to elect to be treated as if he had had immediately prior to the commencement of such winding-up exercised the Warrants to the extent specified in the notice for the exercise of the Warrants and had on such date been the holder of the New Shares to which he would have become entitled pursuant to such exercise, and the liquidator of the Company shall give effect to such election accordingly.

Subject to the foregoing, if the Company is wound up for any other reasons, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

- (h) **Alterations.** Any material alteration to the terms of the Warrants to the advantage of a Warrantholders is subject to the approval of the Shareholders except where the alterations are made pursuant to the terms and conditions set out in the Placement Agreement. Save as provided for by the Placement Agreement, the Company shall not (i) extend the Exercise Period of an existing Warrant, (ii) issue a new warrant to replace an existing Warrant, (iii) change the Exercise Price of an existing Warrant or (iv) change the exercise ratio of an existing Warrant.
- (i) **Further Issuances.** Subject to the Conditions, the Company shall be at liberty to issue Shares to Shareholders either for cash or as bonus distributions and further subscription rights upon such terms and conditions as the Company sees fit but the Warrantholder shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire Shares.

3.3.4 Conditions Precedent

The obligation of the Company to proceed with completion of the Proposed Placement ("**Completion**") in respect of each of the Related Subscribers shall be conditional upon the following conditions precedent being in the sole discretion of the Company being satisfied or waived by the Company:-

- (a) the approval of Shareholders of the Company being obtained at the forthcoming EGM, for all resolutions as may be necessary or incidental to approve, implement or effect the matters contemplated under the Placement Agreement in relation to such Related Subscriber, including without limitation, the allotment and issue of Placement Shares, Warrants and New Shares to such Related Subscriber;

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- (b) the General Mandate remaining valid;
- (c) the in-principle approval and Listing and Quotation Notice from the SGX-ST for the listing and quotation of such Related Subscriber's Placement Shares and New Shares on the official list of the Catalist being obtained and not have been revoked or amended and being in full force and effect and, where such approval is subject to conditions, to the extent they are required to be fulfilled on or before Completion, such conditions are accepted by the Company and they are so fulfilled;
- (d) the approval of the Board being obtained for the entry into of the Placement Agreement and the allotment and issue of the Placement Shares, Warrants and New Shares on the terms and conditions of the Placement Agreement;
- (e) the issue and subscription of the Placement Shares, Warrants and New Shares for such Related Subscriber not being prohibited by any statute, directive, order, rule or regulation promulgated after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company;
- (f) the exemptions under Sections 272B of the SFA being applicable to the issue of the Placement Shares, Warrants and New Shares under the Placement Agreement;
- (g) the allotment, issue and subscription of the Placement Shares, Warrants and New Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore (including without limitation, the SGX-ST, the Monetary Authority of Singapore and/or the Securities Industry Council) which is applicable to the Company;
- (h) the Company having the full authority for the allotment and issuance of the Placement Shares, Warrants, and New Shares and such authority being in full force and effect and not having been revoked, cancelled, terminated or varied on the date of Completion;
- (i) the issue of the Placement Shares, Warrants and New Shares not resulting in an obligation under Rule 14 on the Singapore Code on Take-overs and Mergers arising and there being no pending take-over offers pursuant to the Singapore Code on Take-overs and Mergers;
- (j) trading in the Shares on the SGX-ST not being suspended, or the Company being delisted from the Catalist;
- (k) there having been, as at the date of Completion, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any respect such Interested Subscribers' and Company's warranties contained in the Placement Agreement as if they were repeated on and as of the date of Completion;
- (l) any of the above conditions not having been in the sole discretion of the Company satisfied or waived by the Cut Off Date; and
- (m) there having been no breach by such Related Subscriber of the terms of this Agreement as determined by the Company in its sole discretion, and there being no reason that the in-principle approval and listing and quotation notice from the SGX-ST for the listing and quotation of the Placement Shares and New Shares on the official list of the Catalist will not be granted for all of the Subscribers.

Should the approval of the Shareholders at the forthcoming EGM not be obtained in respect of an Related Subscriber, the obligations of the Company to issue the Placement Shares and Warrants to such unapproved Related Subscriber(s) and of such unapproved Related Subscriber(s) to subscribe for the Placement Shares and Warrants shall immediately terminate (save where expressly waived in writing by the Company) and neither such unapproved Related Subscriber(s) nor the Company shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise in respect of the Placement Agreement, save for any rights or liabilities accruing prior to such termination. Such termination

LETTER TO SHAREHOLDERS

shall not affect the validity nor enforceability of the Placement Agreement between the Company and the other Subscribers.

3.3.5 Cut Off Date

If Completion in respect of a Related Subscriber is not effected by the Cut Off Date, the Placement Agreement shall for such Related Subscriber *ipso facto* cease and be terminated and neither such Related Subscriber nor the Company shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise in respect of the Placement, save for any rights or liabilities accruing prior to such termination.

3.3.6 Completion

Completion for each Subscriber, including the Related Subscribers, shall proceed independently, and shall not be conditional upon successful or concurrent completion by any other Subscriber.

Completion of the Placement shall, for each Subscriber, be on a date as notified by the Company to each Subscriber, being a date falling within seven (7) clear Market Days after the satisfaction (or waiver by the Company) of the conditions precedents, or such other date as the Company and Subscriber may mutually agree.

3.3.7 General Terms of the Placement

The Placement is non-underwritten and there is no placement agent appointed for the purpose of this Placement. No commission, introducer fee or finder's fee is payable by the Company to any person in relation to the Placement, whether in cash or share or any other form.

3.4 **Confirmation by the Subscribers**

Each of the Related Subscribers has in the Placement Agreement represented and warranted to the Company that they are the legal and beneficial owners of the Placement Shares on their own accounts none of them are acting in concert with any other Subscriber(s) or any existing Shareholders of the Company; and none of them are seeking any Board or management representation in the Company or requesting the Company to appoint to the Board or management any person nominated by him in connection with or pursuant to his entrance into and execution of the Placement Agreement.

Save as disclosed in this Circular and in the Company's announcement dated 12 February 2020, none of the other Subscribers has any connection or business relationship with any other Subscriber(s) or Directors or Substantial Shareholders of the Company, and, save for Zhang Jian in respect of whom Shareholders' approval will be sought at the EGM, none of the other Subscribers will be, consequent upon his subscription of the Placement Shares and Warrants and subsequent exercise of the Warrants, a Controlling Shareholder of the Company.

3.5 **Financial Effects of the Placement**

3.5.1 Bases and Assumptions

The financial effects of the Placement as presented herein:

- (a) are purely for illustrative purposes only and is not a projection of the actual future financial performance or financial position of the Group after the Placement and/or exercise of Warrants; and
- (b) are based on the unaudited consolidated financial statement of the Group for the twelve months ended 31 December 2019.
- (c) that the expenses in connection with the Proposed Placement have been disregarded.

LETTER TO SHAREHOLDERS

3.5.2 NTA

Assuming that the Placement and full exercise of Warrants had been effected on 31 December 2019, the effects of the Placement and full exercise of Warrants on the Group's NTA per Share would be as follows:

	Before the Placement	After the Placement	After the full exercise of Warrants
NTA (S\$'000)	5,504	8,566	11,628
Number of Shares	668,266,667	781,673,074	895,079,481
NTA per Share (Singapore Cents)	0.82	1.10	1.30

3.5.3 EPS

Assuming that the Placement and full exercise of Warrants had been effected on 31 December 2019, the effects of the Placement and full exercise of Warrants on the Group's EPS would be as follows:

	Before the Placement	After the Placement	After the full exercise of Warrants
Earnings attributable to shareholders (S\$'000)	(955)	(955)	(955)
Weighted average number of Shares	668,266,667	668,577,369	668,888,072
EPS (Singapore Cents)	(0.14)	(0.14)	(0.14)

3.5.4 Share Capital

As at the Latest Practicable Date, the issued and paid up capital of the Company is S\$42,992,788 comprising 933,802,074 Shares (the Company does not hold any treasury shares).

When allotted and issued in full, the placement of the Placement Shares will increase the existing issued and paid-up share capital of the Company by S\$968,517 to S\$43,961,305, comprising 969,673,074 Shares (excluding treasury shares).

When the Warrants are fully exercised into New Shares, the existing issued and paid-up share capital of the Company will increase by S\$968,517 to S\$44,929,822, comprising 1,005,544,074 Shares (excluding treasury shares).

When both the Placement Shares are allotted and issued in full, and the Warrants are fully exercised into New Shares, the existing issued and paid-up share capital of the Company will increase by S\$1,937,034 to S\$44,929,822, comprising 1,005,544,074 Shares (excluding treasury shares).

3.6 **Rationale and use of proceeds of the Placement**

The estimated proceeds from the allotment and issue of the Placement Shares, net of the estimated expenses of approximately S\$61,000, is approximately S\$3,000,973 ("**Placement Proceeds**"). Assuming that the Warrants are fully exercised into New Shares, the estimated amount of additional proceeds, net of the estimated expenses of approximately S\$20,000, is approximately S\$3,041,973 ("**Warrant Proceeds**", and together with the Placement Proceeds, "**Net Proceeds**").

As announced by the Company on 11 August 2020 in its Half-Year Financial Statements and Dividend Announcement for the period ended 30 June 2020, out of the two Related Subscribers, it has received an advance sum of S\$79,893 from Zhao Xin, to be converted into Shares of the Company if the Shareholders

LETTER TO SHAREHOLDERS

approve of the resolution relating to the Proposed Placement in respect of Zhao Xin. The Company has recognised the advance as a loan, which will be offset against the sum payable by Zhao Xin for the Proposed Placement.

The Company intends to apply the Net Proceeds as follows:

Use of Proceeds	Assuming no Warrants are exercised	Assuming all Warrants are exercised
Working capital purposes	<ul style="list-style-type: none"> • S\$1,000,000 as loan repayment ⁽¹⁾ • S\$606,000 as loan repayment ⁽²⁾ • S\$991,892 for salary related expenses, rental expenses and other expenses incurred related to business operations 	<ul style="list-style-type: none"> • S\$1,190,000 as loan repayment ⁽¹⁾ • S\$606,000 as loan repayment ⁽²⁾ • S\$2,000,000 for salary related expenses, rental expenses and other expenses incurred related to business operations
General acquisitions and investments and for expansion of the Company's business	S\$403,081	S\$ 2,246,946
Total	S\$3,000,973	S\$ 6,042,946

Notes: -

- (1) S\$1,000,000 will be used towards repayment of the Company's existing loans from its Controlling Shareholder, Zhang Jian. Notwithstanding that the amount of his loan was S\$1,190,000 and fully repayable without interest on the date falling 399 days from the date of disbursement, the Company has decided to repay S\$1,000,000 in view of his participation in the Placement and to reduce the liabilities of the Company.
- (2) S\$606,000 will be used towards repayment of the Company's existing loans from its previous shareholder, Jeffrey Hing Yih Peir.

Pending utilisation of the Net Proceeds, the Group may place the Net Proceeds as deposits and/or short-term investments with banks and/or financial institutions.

The Company has made an announcement on 27 August 2020 on the use of proceeds from the partial completion of Placement and will make periodic announcement(s) on the utilisation of the Net Proceeds as and when such funds are materially disbursed, and provide a status report on the use of the Net Proceeds in the Company's half and full year financial statements issued under Rule 705 of the Catalist Rules and in the annual report. Where the Net Proceeds have been used for working capital purposes, the Company will disclose a breakdown with specific details on how the Net Proceeds have been applied in the announcements and annual reports. Where there is any material deviation from the stated use of Net Proceeds, the Company will announce the reasons for such deviation.

The Directors are of the opinion that, after taking into consideration the present bank facilities and Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements, on the assumption that the banking facilities of the Company are not withdrawn.

3.7 No prospectus or offer information statement

The Placement will be undertaken pursuant to a private placement exemption under Section 272B of the SFA. As such, no prospectus or offer information statement will be issued by the Company in connection with the Placement.

LETTER TO SHAREHOLDERS

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1.1 The interests of the Directors and substantial Shareholders in the Shares of the Company, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders kept by the Company, respectively, as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors				
Zhang Jian	138,331,000	14.81	-	-
Zhao Xin	13,773,000	1.47	-	-
Chong Eng Wee	-	-	-	-
Yap Koon Loong	-	-	-	-
Toh Lim Kai	-	-	-	-
Substantial Shareholders				
Zhang Jian	138,331,000	14.81	-	-

Notes:

(1) Based on 933,802,074 issued Shares (excluding treasury shares) as at the Latest Practicable Date

4.1.2 Save as expressly disclosed in this Circular, none of the other Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Placement or the Proposed Disposal, save through their respective shareholdings in the Company (if any).

5. ABSTENTION FROM VOTING

5.1 Proposed Disposal

To the best of the Company's knowledge, there is no Shareholder required to abstain from voting on Ordinary Resolution 1 and Ordinary Resolution 2, being the Ordinary Resolutions in relation to the Proposed Disposal and the grant of the Option, respectively.

5.2 Proposed Placement

In accordance with Rule 812(2) of the Catalist Rules, each Related Subscriber and his/her Associates shall abstain from voting on Ordinary Resolution 3 and Ordinary Resolution 4, being the ordinary resolutions in relation to the Proposed Placement.

Furthermore, each Related Subscriber shall decline, and ensure that his/her Associates decline to accept appointment as proxy/proxies to vote at the EGM in respect of those resolutions relating to the Proposed Placement for other Shareholders unless the Shareholders concerned shall have given specific instructions as to the manner in which their votes are to be cast at the EGM. The Company will disregard any votes cast on a resolution by the persons required to abstain from voting.

LETTER TO SHAREHOLDERS

6. DIRECTORS' RECOMMENDATIONS

6.1 Proposed Disposal

Having considered, among others, the rationale for the Proposed Disposal in [Section 2.6](#) of this Circular, the Board is unanimously of the opinion that the Proposed Disposal is in the best interests of the Company and is not prejudicial to the interests of the Shareholders.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Ordinary Resolutions 1 and 2 in respect of the Proposed Disposal and the grant of the Option set out in the Notice of EGM at the forthcoming EGM.

6.2 Proposed Placement

Having considered, among others, the rationale for the Proposed Placement in [Section 3.6](#) of this Circular, the Board (save for Zhang Jian and Zhao Xin who are Related Subscribers and who have therefore abstained from discussions on the resolution) is unanimously of the opinion that the Proposed Placement is in the best interests of the Company and are not prejudicial to the interests of the Shareholders.

Accordingly, save for Zhang Jian and Zhao Xin who are Related Subscribers and who are therefore abstaining from making recommendations or voting on the resolutions, the Board unanimously recommends that Shareholders vote in favour of the Ordinary Resolution 3 and Ordinary Resolution 4 in respect of the Proposed Placements set out in the Notice of EGM at the forthcoming EGM.

7. NOTE TO SHAREHOLDERS

Shareholders, in deciding whether to vote in favour of the resolutions, should read carefully the terms and conditions, rationale and financial effects of the Proposed Disposal and the Proposed Placement. In giving the above recommendations, the Board have had no regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal and the Proposed Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-5 of this Circular, will be held on 16 November 2020 at 11.00 a.m., by way of electronic means, for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out in the Notice of EGM.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

10.1.1 No attendance at EGM

Due to the current regulatory advisories and restrictions in respect of the COVID-19 outbreak in Singapore, Shareholders can only participate electronically via the live webcast. No physical attendance is permitted.

LETTER TO SHAREHOLDERS

10.1.2 Alternative Arrangement

Alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching or listening to the EGM proceedings via live webcast, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM. Shareholders should refer to the Notice of EGM set out in pages N-1 to N-5 of this Circular, for further information, including the steps to be taken by Shareholders to participate at the EGM.

11. **CONSENT**

The Independent Valuer, PREMAS Valuers & Property Consultants Pte. Ltd., has given and has not withdrawn its written consent to the issue of this Circular and the inclusion of its name and the Independent Valuation Report and all references thereto, in the form and context in which they appear in this Circular.

12. **LEGAL ADVISER**

12.1 **Proposed Disposal**

12.1.1 For the purposes of the Proposed Disposal and the relevant sections of this Circular in relation thereto, Kennedys Legal Solutions Pte. Ltd. has been appointed as the legal adviser to the Company in respect of Singapore law.

12.1.2 Mr. Chong Eng Wee, an Independent and Non-Executive Director of the Company, is also one of the partners at Kennedys Legal Solutions Pte. Ltd. acting for the Company on the Proposed Disposal. Accordingly, Mr. Chong has abstained on all deliberations and discussions by the Directors pertaining to the Company's appointment of legal advisers for the Proposed Disposal.

12.2 **Proposed Placement**

For the purposes of the Proposed Placement and the relevant sections of this Circular in relation thereto, Harry Elias Partnership LLP has been appointed as the legal adviser to the Company in respect of Singapore law.

13. **DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at 8 Temasek Boulevard #23-02, Suntec Tower Three, Singapore 038988, during normal business hours from the date hereof up to and including the date of the EGM, save that the Independent Valuation Report will be available for inspection for a period of three (3) months from the 19 October 2020, being the date of the announcement in respect of the Proposed Disposal:

- (a) the Option;
- (b) the Annual Report of the Company for FY2019;
- (c) the Constitution of the Company;
- (d) the Independent Valuation Report;
- (e) the letter of consent from the Independent Valuer, as referred to in Section 10 of this Circular; and
- (f) the Placement Agreement.

In light of the prevailing regulations due to the COVID-19 situation, any Shareholder who wishes to inspect the foregoing documents should contact the Company at the email address oel-egm@complete-corp.com at least three (3) working days in advance to make a prior appointment to attend at the registered office of the Company to inspect the documents. Shareholders will need to identify themselves by stating

LETTER TO SHAREHOLDERS

his/her/its full name as it appears on his/her/its CDP/CPF/SRS share records, contact number and NRIC/Passport/UEN number and state the manner in which he/she/it holds his/her/its Shares in the Company (e.g. via CDP, CPF or SRS).

Yours faithfully
For and on behalf of the Board of Directors of
OEL (HOLDINGS) LIMITED

ZHAO XIN
Chief Executive Officer and Executive Director



Premas

VALUATION OF 8 ALJUNIED AVENUE 3 SINGAPORE 389933

Prepared for OEL (Holdings) Limited

Report Date: 10 September 2020

Our Ref: CP/EF/EF/EF/51076

8 Aljunied Avenue 3 Singapore 389933

Executive Summary

Valuation of 8 Aljunied Avenue 3 Singapore 389933

Valuation Date: 19 June 2020
Valuation Purpose: To determine the open market value for disposal of property purpose
Location: The subject property is located along Aljunied Avenue 3. Public transport is readily available along the main roads and at Paya Lebar/ Eunos MRT Stations. Vehicular access to the subject property is excellent via the Kallang-Paya Lebar Expressway (KPE), Pan-Island Expressway (PIE) and East Coast Parkway (ECP).



Front View



Side View

Description: A 3-storey single-user detached factory. It is bounded by plastered brickwalls with metal grilles/ chain-linked fencing and completed with a metal sliding gate to main entrance and a pair of metal swing gates at the side entrance.
Land Area: 4,301.1 sq m (approx. 46,297 sq ft)
Floor Area: Approx. 4,643.1 sq m (approx. 49,978 sq ft)
Legal Description: Mk 24 Lot 6023P (Private Lot A5010902)
Tenure: Leasehold 30 years commencing from 1 September 2013
Tenancy Details: Partially owner-occupied, partially tenanted and partially vacant as at the time of inspection.

Market Value: **S\$9,500,000**

This summary is strictly confidential to the addressee. It must not be copied, distributed or considered in isolation from the full report.



8 Aljunied Avenue 3 Singapore 389933

Valuation Report

To: OEL (Holdings) Limited
Address of Property: 8 Aljunied Avenue 3 Singapore 389933
Request Date: 15 June 2020
Inspection Date: 19 June 2020*
**We have assumed that there has been no material change in the property premises and to the surroundings since our last inspection.*
Report Date: 10 September 2020

1 Instructions

We have been instructed by OEL (Holdings) Limited to determine the open market value of the Property for the purpose of disposal of the property. This valuation report is confidential to and for use only by OEL (Holdings) Limited and for specific purpose to which it refers.

2 Bases of Valuation

The valuation and report have been prepared in accordance with the Singapore Institute of Surveyors and Valuers' Valuation Standards and Practice Guidelines, 2015 Edition.

Bases

The Property has been valued on the basis of Market Value as at the Valuation Date.

Definitions

The term "Market Value" as used in the context of this valuation is defined as "the estimated amount for which a property should exchange on the date of valuation, between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

3 Title – As at 19 June 2020

Legal Description	Mk 24 Lot 6023P (Private Lot A5010902)	
Tenure	Leasehold 30 years commencing from 1 September 2013	
Registered Proprietor(s)	Lessor	Housing and Development Board* <i>* From 1st quarter of 2018, all industrial land and properties under the Housing and Development Board (HDB) has been transferred to Jurong Town Corporation (JTC).</i>
	Lessee(s)	OEL (Holdings) Limited

4 Encumbrances

No title searches have been conducted for the subject property. We recommend that all encumbrances be confirmed through your solicitors.

5 Land Area – According to Certificate of Title (SUB)

4,301.1 sq m (approx. 46,297 sq ft)

6 Floor Area – As scaled from floor plans provided, subject to survey

Approx. 4,643.1 sq m (approx. 49,978 sq ft)

8 Aljunied Avenue 3 Singapore 389933

7 Zoning – According to Master Plan 2019 Edition

Business 1

8 Land Rent

The current land rent payable is at S\$24,369.32 per month, reflecting a rate of about S\$67.99 per square metre per annum (before prevailing GST) over the site area.

9 Authorised Use

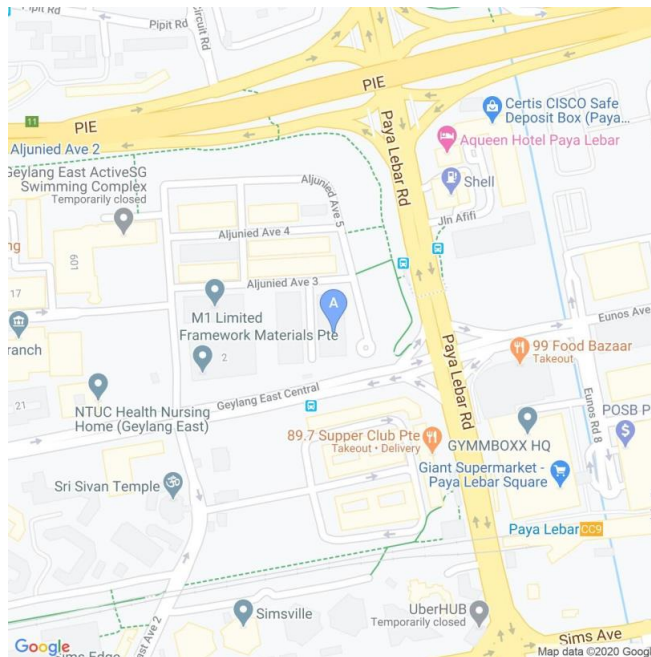
For the purpose of Engineering Design and Fabrication, Procurement Services & Solutions Only.

10 Property Description

A 3-storey single-user detached factory. It is bounded by plastered brickwalls with metal grilles/ chain-linked fencing and completed with a metal sliding gate to main entrance and a pair of metal swing gates at the side entrance.

11 Location

The subject property is located along Aljunied Avenue 3. The immediate vicinity is generally mixed in nature, comprising light industrial buildings, pre-war shophouses, hotels, association clubs and institutions, low-rise apartment blocks/ condominiums, educational institutions, places of worship and HDB housing estates. Other amenities in the vicinity include Geylang Serai Market & Food Centre, Paya Lebar Square, PLQ Mall, Tanjong Katong Complex and City Plaza. Public transport is readily available along the main roads and at Paya Lebar/ Eunos MRT Stations. Vehicular access to the subject property is excellent via the Kallang-Paya Lebar Expressway (KPE), Pan-Island Expressway (PIE) and East Coast Parkway (ECP).



Location Map

8 Aljunied Avenue 3 Singapore 389933

12 Site Description

The subject property is sited on a near trapezium shaped plot of land with a splayed corner which is generally flat contour and access at road level.

13 Building Construction

Construction is generally of:

Structure	Reinforced concrete framed
External Walls	Brick infilled
Roof	Metal with insulation and waterproofing systems

14 Accommodation, Finishes and Fittings



1st Storey - General office area



1st Storey - Partitioned office room



1st Storey - Warehouse area



1st Storey - Warehouse area



2nd Storey - General office area



2nd Storey - Kitchen

8 Aljunied Avenue 3 Singapore 389933



3rd Storey - Lobby and Meeting rooms



3rd Storey - Board room



3rd Storey - General office area



3rd Storey - Conference room

The accommodation includes the following:

1st Storey	Entrance lobby, General office area, Meeting room, 3 partitioned office rooms, Pantry, Male/ female toilets, Cleaner's store, Workshop, Warehouse area, Transformer room, Substation, Consumer's switchroom.
2nd Storey	Lobby, General office areas, Meeting rooms, Storage rooms, Various partitioned office rooms, Training room, Printing area, Recreation room, Kitchen, Pantry, Rodent proof store, Log office, Server room, Male/ female toilets, AHU rooms.
3rd Storey	Lobby, Board room, General office areas, Conference room, Meeting rooms, Various partitioned office rooms, Printing room, Storage room, Pantry, Male/ female toilets, AHU room.

The property is fitted with:

Windows	Aluminium framed, Louvred
Doors	Timber, Timber with glass infill, Glass, Roller Shutters
Gates	Nil

Finishes & Fittings include:

Floor	Carpet, Cement screed, Ceramic tiles, Epoxy painted
Walls	Plaster and paint, Ceramic tiles, Glazed tiles, Wallpaper, Rockstones, Internal partitions, Glass panels
Ceiling	Plaster and paint, Ceiling boards, Underside of insulation sheets, Aluminium panels
Fittings	Ducted/ Cassette/ Split unit/ Suspended ceiling air-conditioning systems, Feature wall, Cabinets, Shelves, Decorative wall panel, High and low level pantry cabinets with sinks/ worktops, Exhaust hood, Sink support, Work counter top.

Premas

8 Aljunied Avenue 3 Singapore 389933

15 Condition

Above average state of repairs and maintenance.

16 Year of Completion

Circa 1980s.

17 Services & Facilities

All usual Telecom and PUB services are available. Other facilities include r.c. staircases, goods lifts, guard house, concrete driveway and car/ lorry parking lots.

18 Tenancy Details

Partially owner-occupied, partially tenanted and partially vacant as at the time of inspection.

19 Comments on the Property

Nil.

20 Other Details

Unless otherwise instructed we do not normally carry out requisitions with various public authorities to confirm whether the property is affected by any public schemes such as road improvements. We recommend that verification be obtained from your lawyers if required.

21 Valuation Methodology

In arriving at the market value of the subject property, we have adopted both the Direct Comparison Method and the Investment Method of valuation.

With the Direct Comparison Method, sale transactions of comparable properties have been taken into consideration with regards to their location, tenure, age, size, condition, layout and design amongst other factors.

The Investment (Income) Method examines the present worth of the future income stream in the form of the net profit rental value capitalised at an appropriate investment yield

8 Aljunied Avenue 3 Singapore 389933

22 Valuation

Having regard to the foregoing and the present market conditions, we are of the opinion that the market value of the Property at **8 Aljunied Avenue 3 Singapore 389933**, based on leasehold 30 years commencing from 1 September 2013, with vacant possession and assuming free from all encumbrances, is valued as follows: -

Valuation Date : 19 June 2020

Market Value : S\$9,500,000/-
(Singapore Dollars Nine Million Five Hundred Thousand Only)

23 Confidentiality

Our valuation is restricted to the use by the client to whom this report is addressed, for the specific purpose stated therein and for the sole purpose for which it was commissioned. Any reliance on its contents shall be made within a reasonable time from the date of the valuation report. We disclaim any liability arising from any reliance on the valuation report by any other person or for any other purpose or beyond a reasonable time.

24 Limiting Conditions

This report is prepared subject to the attached Terms and Conditions.

Signed for and on behalf of PREMAS Valuers & Property Consultants Pte Ltd



Ms Chris Png, Assistant Director
Bachelor of Land Economics
Licensed Appraiser No.: AD041-2009296I
(Our Ref: CP/EF/EF/EF/51076)

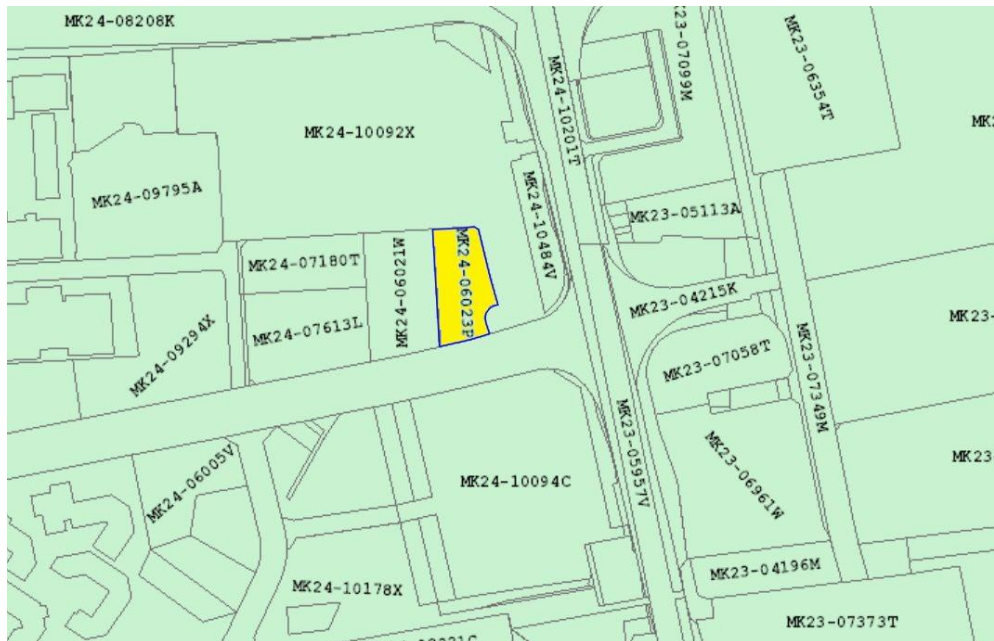


Ms Eileen Fun, Manager
Bachelor of Science (Real Estate) Hons
Licensed Appraiser No.: AD041-2009481J

8 Aljunied Avenue 3 Singapore 389933

Appendix 1 Site Plan

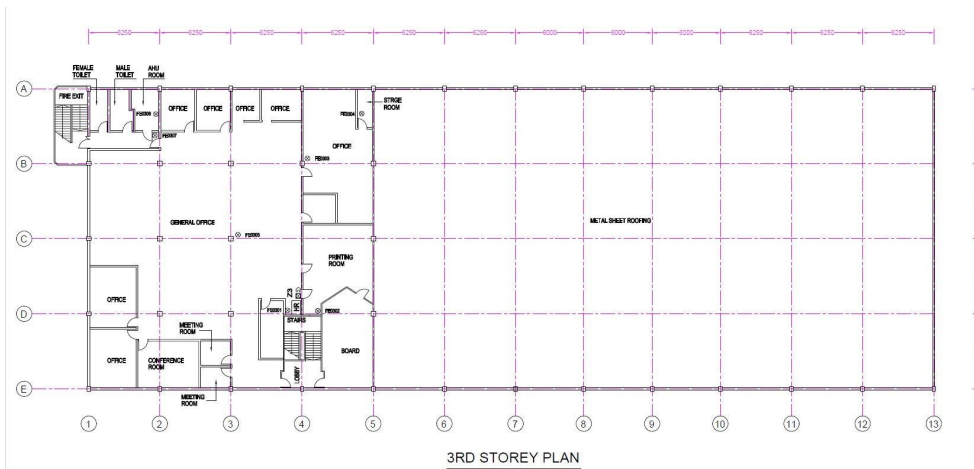
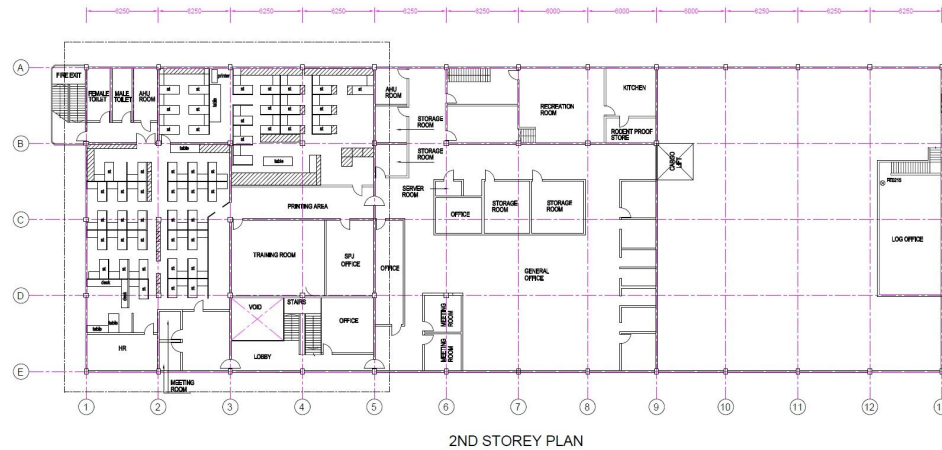
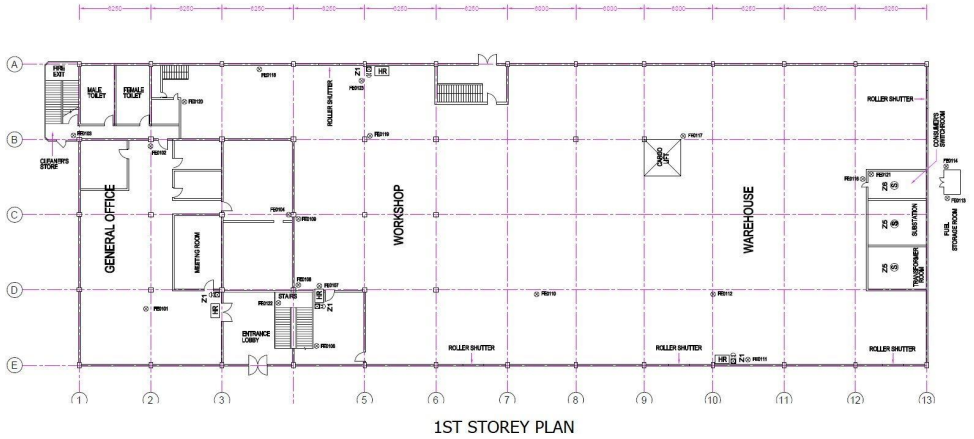
Note: Plan is not to scale



8 Aljunied Avenue 3 Singapore 389933

Appendix 2 Floor Plan(s)

Note: Plan is not to scale





8 Aljunied Avenue 3 Singapore 389933

TERMS AND CONDITIONS

The valuation report is prepared subject to the following terms and conditions: -

1. The valuation report is:
 - a. restricted to the use by the client to whom this report is addressed;
 - b. for the specific purpose stated therein; and
 - c. for the sole purpose for which it was commissioned.

Any reliance on its contents shall be made within a reasonable time from the date of the valuation report. We disclaim any liability arising from any reliance on the valuation report by any other person or for any other purpose or beyond a reasonable time.
2. Neither the whole nor any part of this valuation report or any reference to it may be included in any document, circular, statement, correspondence nor publication in any way without our prior written approval of the form and context in which it may appear. We bear no responsibility for any unauthorised inclusion or publication.
3. Where it is stated in the report that information has been supplied to us by another party, this information is believed to be reliable and accurate and we disclaim all responsibility if this information should later prove not to be so. Where information is given without being attributed directly to another party, it shall be taken that this information has been obtained by our own search of records and examination of documents, or by our enquiry from Government or quasi-Government departments.
4. The values assessed in this report for the subject property and any allocation of values between parts of the property apply strictly on the terms of and for the purpose of this valuation. The values assessed should not be used in conjunction with any other assessment, as they may prove incorrect if so used.
5. While due care is taken in the course of inspection to note serious defects of the subject property, no structural survey has been made and no guarantee is given that the building is free from rot, termite, pest infestation or other hidden defects. We have also not made any test on the building services such as air-conditioning, fire-fighting systems, lifts, escalators, plumbing and lighting etc. and the services are presumed to be in good working order.
6. Our valuation assumes that the title(s) is (are) in good order and are marketable, free from any liens, mortgages, encumbrances, restrictions and other legal impediments. We accept no responsibility for investigations into title(s), searches, legal requisitions, legal validity of title or any charges, claims, liabilities registered against the title(s). The client is advised to consult his solicitors on any matter concerning the title(s).
7. Any plans that are included in this report are meant for identification purposes and to assist the client in visualising the subject property. The plans should not be treated as certified true copies of areas or other particulars contained therein. We have not made any survey of the property and assume no responsibility in connection with such matters.
8. We have not taken into account of any plant and machinery in our valuation.
9. We have not made any requisition for the Road Line Plan or for drainage proposal. We have also not made any application for information/document in respect of Building Control Records. Such requisitions/applications will not be made unless specifically instructed by our client.
10. As matters concerning compulsory acquisitions by the Government are confidential, we are unable to provide information relating to Government acquisitions unless the subject property has already been gazette for acquisition.
11. Our valuation assumes that the subject property, as currently used, is in compliance with the existing land use zoning and is not in contravention of any planning rules or regulations.
12. Our valuation assumes that all development charges and maintenance/ service/ conservancy charges, if any, whether outstanding or payable as at the date of valuation, have already been fully paid.
13. Our valuation further assumes that, as at the date of valuation, there are no outstanding liabilities or charges attached to the property (ies).
14. Subject at all times to the provisions in these terms and conditions *and in the letter of engagement*, we shall not be liable to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of our services in respect of:
 - a. any direct loss of profit;
 - b. any indirect, special or consequential loss whatsoever howsoever caused including without limitation (i) indirect loss of profit; (ii) loss of business; (iii) loss of goodwill; (iv) loss of use of money; (v) loss of opportunity, and the parties agree that the sub-clauses of this clause shall be severable.
15. Subject at all times to the provisions in these terms and conditions *and in the letter of engagement*, we shall not be liable to you in negligence for pure economic loss arising in connection with the performance or contemplated performance of our services.
16. Where a third party has contributed to the losses, damages, costs, claims or expenses, we shall not be liable to make any contribution in respect of the liability of such third party.
17. Save in respect of third parties directly instructed by us and not on your behalf, we shall not be liable for the services or products provided by other third parties, nor shall we be required to inspect or supervise such third parties, irrespective of the third party services or products being incidental to or necessary for the provision of our services to you.
18. Subject to the provisions in these terms and conditions *and in the letter of engagement*, our total aggregate liability (including



8 Aljunied Avenue 3 Singapore 389933

that of our partners and employees) to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of our services shall be limited to (i) an aggregate sum not exceeding the fee paid for each instruction accepted; or (ii) S\$500,000.00, whichever is lower.

19. We shall be released from our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond our reasonable control (examples being a strike, act of God or act of terrorism). On becoming aware of any circumstance which gives rise, or which is likely to give rise, to any failure or delay in the performance of our obligations, we will notify you by the most expeditious method then available.

20. Our pricing structure has been established by reference to these limitations on our liability and our level of professional indemnity insurance in respect of the services we provide. If you feel that it is necessary to discuss with us a variation in these levels, then please raise the issue with your client partner who will be able to let you have proposals for a revised pricing structure to reflect the agreed level of our liability and/or professional indemnity cover.

21. Responsibility for our valuation extends only to the party(ies) to whom it is addressed. However, in the event of us being asked by you to re-address our report to another party or other parties or permit reliance upon it by another party or other parties, we will give consideration to doing so, to named parties, subject to payment of additional fees. These fees are exclusive of GST & expenses (including the cost of re-addressing the report). Should additional work be involved, over and above that undertaken to provide the initial report, we may make a further charge although we will agree this with you before commencing the work.

22. Where we consent to reliance on our report by another party or other parties, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/they had been a party to the original letter of engagement between us. Where we consent to such reliance, you agree to furnish the addressee with a copy of any reliance letter issued by us and/or a copy of these terms and conditions.

23. Where you provide a copy of and/or permit another party or parties to rely upon our valuation report without obtaining our express written consent (in accordance with clauses 21 and 22 above), you agree to indemnify and us, our affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including reasonable attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the valuation report by any such unauthorised person or entity.

24. Save where we have consented to another party or other parties relying on the valuation report in accordance with clauses 21 and 22, where a valuation report is prepared or where we consent to a valuation report being used for the purpose of a public offering in accordance with any stock exchange listing rules, you agree to indemnify us for any liability whatsoever that we have to any party or parties which exceeds our aggregate cap on liability (referred to in clause 18) which arises from their use and/or reliance on the valuation report.

25. The report is prepared on the basis that we are not required to give testimony or appear in court or any other tribunal or to any government agency by reason of this valuation report or with reference to the property in question unless prior arrangement have been made and we are properly reimbursed.

26.

- a. The U.S. Foreign Corrupt Practices Act (the "FCPA") and other laws make it unlawful for us or anyone acting on our behalf to offer, pay, promise or authorize to pay any money, gift or anything of value directly or indirectly to any Public Official with the intent of causing the Public Official to misuse such official's position to obtain or retain business for us or our subsidiaries or affiliates. The term Public Official is broadly defined to include not only traditional government officials and those employed by government agencies, departments, or ministries but also employees of companies which are owned or controlled by the state. The U.K. Bribery Act and other laws also prohibit commercial bribery of any kind.
- b. We comply with all applicable anti-bribery and corruption laws, rules, and regulations of the United States, European Union or any member state and any other similar laws in all applicable jurisdictions, including but not limited to the FCPA and U.K. Bribery Act ("Applicable Anti-Bribery Laws and Rules").
- c. You acknowledge and confirm your understanding of and agree to comply with all applicable Anti-Bribery Laws and Rules and agree not to take or fail to take any action that might in any way cause us to be in violation of such laws.
- d. We must at all times comply with all U.S. sanctions administered by the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury or under any statute, executive order (including, but not limited to, the September 24, 2001, Executive Order 13224 Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) or other governmental action and any applicable international laws and regulations pertaining to the detection, prevention and reporting of potential money laundering and terrorist financing activities (collectively "Applicable Sanctions/AML Rules").
- e. You represent and warrant to us that you, and all persons and entities owning (directly or indirectly) an ownership interest in you: (i) are not, and will not become, a person or entity with whom a party is restricted from doing business under Applicable Sanctions/AML Rules; and (ii) are not knowingly engaged in, and will not knowingly engage in, any dealings or transactions or be otherwise associated with such persons or entities described in Clause 28 (e) (i) above.
- f. In the event that we believe in good faith, and whether or not we have conducted an investigation, that you have acted in a way that may subject us to liability under Applicable Anti-Bribery Laws and Rules or you (including all persons and entities owning (directly or indirectly) an ownership interest in you) become a target of Applicable Sanctions/AML Rules, we shall have the unilateral right, exercisable immediately upon written notice, to terminate this agreement and shall be entitled to receive payment of the service fees for services rendered pursuant to this agreement together with any and all reasonable additional costs incurred due to such early termination.

NOTICE OF EXTRAORDINARY GENERAL MEETING

OEL (HOLDINGS) LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198403368H)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “EGM”) of OEL (Holdings) Limited (the “Company”) will be held on 16 November 2020 at 11.00 a.m., by way of electronic means, for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out below.

All capitalised terms in the resolutions below shall, unless otherwise defined herein, have the respective meanings ascribed to them in the circular of the Company dated 31 October 2020 to the shareholders of the Company.

ORDINARY RESOLUTION 1: THE PROPOSED DISPOSAL OF THE PROPERTY AT 8 ALJUNIED AVENUE 3, SINGAPORE 389933

THAT:

- (a) The disposal of the property at 8 Aljunied Avenue 3, Singapore 389933 (“Property”), for a consideration of S\$9,500,000 to be satisfied fully in cash and subject to the terms and conditions of the option to purchase (“Option”) dated 19 October 2020 between the Company and the Exeo Global Pte. Ltd, being the purchaser (“Purchaser”) be and are hereby approved, confirmed and ratified, for the purposes of and in accordance with section 160 of the Companies Act and Rule 1014 of the Catalist Rules.
- (b) The Directors and each of them be and are hereby authorised to implement, effect, complete and do all such acts and things (including without limitation executing all such documents as may be required) as the Directors or any of them may consider necessary, desirable or expedient for the purposes of or in connection with and to give effect to this resolution as they or he may think fit.

Note:

Shareholders should note that Ordinary Resolution 1 and Ordinary Resolution 2 are interconditional upon each other. Accordingly, in the event that this Ordinary Resolution 1 is not approved, Ordinary Resolution 2 would not be passed.

ORDINARY RESOLUTION 2: THE GRANT OF THE OPTION IN RELATION TO THE PROPOSED DISPOSAL

THAT:

- (a) The grant of the Option by the Company to the Purchaser in relation to the Proposed Disposal, and the completion of the conditional sale and purchase of the Property, subject to and in accordance with the terms of the Option, be and is hereby confirmed, approved and ratified.
- (b) The Directors and each of them be and are hereby authorised to implement, effect, complete and do all such acts and things (including without limitation executing all such documents as may be required) as the Directors or any of them may consider necessary, desirable or expedient for the purposes of or in connection with and to give effect to this resolution as they or he may think fit.

Note:

Shareholders should note that Ordinary Resolution 1 and Ordinary Resolution 2 are interconditional upon each other. Accordingly, in the event that this Ordinary Resolution 2 is not approved, Ordinary Resolution 1 would not be passed.

ORDINARY RESOLUTION 3: THE PROPOSED PLACEMENT TO ZHANG JIAN

THAT:

- (a) Pursuant to Catalist Rule 805:
 - (i) Approval be and is hereby given for the allotment and issuance to Zhang Jian of up to 30,012,000 Placement Shares at the Issue Price of S\$0.027 per Placement Share, the issue and allotment thereof

NOTICE OF EXTRAORDINARY GENERAL MEETING

each not being in reliance on the general share issue mandate obtained from Shareholders at the annual general meeting of the Company held on 26 June 2020;

- (ii) Approval be and is hereby given for the allotment and issuance to Zhang Jian of up to 30,012,000 Warrants, on the basis of one (1) Warrant for each Placement Share, with each Warrant carrying the right to subscribe for one (1) New Share at the Exercise Price of S\$0.027, the issue and allotment thereof each not being in reliance on the general share issue mandate obtained from Shareholders at the annual general meeting of the Company held on 26 June 2020;
- (iii) Approval be and is hereby given for the creation, allotment and issuance of such additional warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Warrants (any such further warrants to rank *pari passu* with the Warrants and for all purposes to form part of the same series, save as otherwise be provided in the terms and conditions of the Warrants); and
- (iv) Approval be and is hereby given for the allotment and issuance (notwithstanding that the issuance thereof may take place after the next or ensuing annual or other general meeting of the Company):
 - 1. upon exercise of the Warrants, such number of New Shares as may be required or permitted to be allotted and issued on the exercise of the Warrants subject to and otherwise in accordance with the terms and conditions of the Warrants; and
 - 2. on the same basis as paragraph (a)(iv)(1) above, such further New Shares as may be required to be allotted and issued on the exercise of any additional Warrants referred to in paragraph (a)(iii) above.
- (b) Pursuant to Catalist Rule 812, approval be and is hereby given for the allotment and issuance to Zhang Jian, the Chairman and Executive Director of the Company, being a restricted persons as set out in Catalist Rule 812(1), of up to 30,012,000 Placement Shares and 30,012,000 Warrants, in accordance with the above resolutions.
- (c) Pursuant to Catalist Rule 803, approval be and is hereby given for the transfer of Controlling Interest in the Company to Zhang Jian as a result of the Proposed Placement to him.
- (d) The Directors and each of them be and are hereby authorised to implement, effect, complete and do all such acts and things (including without limitation executing all such documents as may be required) as the Directors or any of them may consider necessary, desirable or expedient for the purposes of or in connection with and to give effect to this resolution as they or he may think fit.

Note:

Zhang Jian shall, and shall procure that his Associates shall, abstain from voting on this Ordinary Resolutions 3 in respect of their respective shareholdings in the Company and shall not accept appointment as proxy/proxies unless specific instructions have been given in the Shareholder Proxy Form(s) by the Shareholder(s) appointing them on how they wish their vote(s) to be cast.

ORDINARY RESOLUTION 4: THE PROPOSED PLACEMENT TO ZHAO XIN

THAT:

- (a) Pursuant to Catalist Rule 805:
 - (i) Approval be and is hereby given for the allotment and issuance to Zhao Xin of up to 2,959,000 Placement Shares at the Issue Price of S\$0.027 per Placement Share, the issue and allotment thereof each not being in reliance on the general share issue mandate obtained from Shareholders at the annual general meeting of the Company held on 26 June 2020;
 - (ii) Approval be and is hereby given for the allotment and issuance to Zhao Xin of up to 2,959,000 Warrants, on the basis of one (1) Warrant for each Placement Share, with each Warrant carrying the right to subscribe for one (1) New Share at the Exercise Price of S\$0.027, the issue and allotment thereof each not being in reliance on the general share issue mandate obtained from Shareholders at the annual general meeting of the Company held on 26 June 2020;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (iii) Approval be and is hereby given for the creation, allotment and issuance of such additional warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Warrants (any such further warrants to rank *pari passu* with the Warrants and for all purposes to form part of the same series, save as otherwise be provided in the terms and conditions of the Warrants); and
- (iv) Approval be and is hereby given for the allotment and issuance (notwithstanding that the issuance thereof may take place after the next or ensuing annual or other general meeting of the Company):
 - 1. upon exercise of the Warrants, such number of New Shares as may be required or permitted to be allotted and issued on the exercise of the Warrants subject to and otherwise in accordance with the terms and conditions of the Warrants; and
 - 2. on the same basis as paragraph (a)(iv)(1) above, such further New Shares as may be required to be allotted and issued on the exercise of any additional Warrants referred to in paragraph (a)(iii) above.
- (b) Pursuant to Catalist Rule 812, approval be and is hereby given for the allotment and issuance to Ms Zhao Xin, the Chief Executive Officer and Executive Director of the Company, being a restricted persons as set out in Catalist Rule 812(1), of up to 2,959,000 Placement Shares and 2,959,000 Warrants, in accordance with the above resolutions.
- (c) The Directors and each of them be and are hereby authorised to implement, effect, complete and do all such acts and things (including without limitation executing all such documents as may be required) as the Directors or any of them may consider necessary, desirable or expedient for the purposes of or in connection with and to give effect to this resolution as they or he may think fit.

Note:

Zhao Xin shall, and shall procure that her Associates shall, abstain from voting on Ordinary Resolution 4 in respect of their respective shareholdings in the Company and shall not accept appointment as proxy/proxies unless specific instructions have been given in the Shareholder Proxy Form(s) by the Shareholder(s) appointing them on how they wish their vote(s) to be cast.

BY ORDER OF THE BOARD

Zhao Xin

Chief Executive Officer and Executive Director
31 October 2020

IMPORTANT NOTES:

HOLDING OF THE EXTRAORDINARY GENERAL MEETING THROUGH ELECTRONIC MEANS

1. **Participation in the EGM via live webcast**

In view of the ongoing COVID-19 situation, the EGM is being convened, and will be held by way of electronic means. The Company will not accept any physical attendance by shareholders.

The following steps are taken to allow shareholders to participate in the EGM:

- (a) the Company will provide for the EGM to be shown by live webcast ("**Live Webcast**"), by way of (i) audio and video feed, or (ii) audio feed only, and shareholders may elect at their discretion;
- (b) shareholders who wish to participate in the EGM via Live Webcast must register their details on the Company's pre-registration website at <https://complete-corp.com/oei-egm/> by 12 November 2020, 11 a.m. ("**Registration Deadline**") for the Company to verify their status as shareholders;
- (c) corporate shareholders must also submit the Corporate Representative Certificate to the Company at oei-egm@complete-corp.com in addition to the registration procedures as set out in paragraph (b) above, by the Registration Deadline, for verification purpose;
- (d) verified shareholders will receive an email by 15 November 2020, 11 a.m., containing instructions to access the Live Webcast. Shareholders must not forward the link or their log-in details to third persons who are not shareholders and who are not entitled to attend the EGM proceedings;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (e) shareholders who do not receive an email by 15 November 2020, 11 a.m. but have registered before the Registration Deadline should email to: oel-egm@complete-corp.com for assistance, with the following details included: (i) shareholder's full name; (ii) NRIC / FIN / Passport no. (if the shareholder is an individual) or the Company Registration No. (if the shareholder is a corporation); and (iii) manner in which the shares are held (e.g. via Central Depository / scrip / Central Provident Fund ("CPF") / Supplementary Retirement Scheme ("SRS")), for verification purposes; and
- (f) shareholders, whose shares are not held under CPF or SRS and are registered under Depository Agents ("DAs"), must also contact their respective DAs to indicate their interest as soon as possible in order for their DAs to make the necessary arrangements for them to participate in the Live Webcast before the Registration Deadline.

2. **Submission of Questions prior to the EGM**

Shareholders who have any questions in relation to any agenda item of this notice, shall send their queries to the Company in advance, by 12 November 2020, 11 a.m. ("**Questions Submission Deadline**"), via email to oel-egm@complete-corp.com or by post to Complete Corporate Services Pte. Ltd. at 10 Anson Road, #29-07 International Plaza, Singapore 079903.

Shareholders, whose shares are not held under CPF or SRS and are registered under DAs, who have any question in relation to any agenda item of this notice, must contact their respective DAs to send their queries to the Company as soon as possible, in order for their DAs to make the necessary arrangements for them to send their questions to the Company before the Questions Submission Deadline.

Shareholders must identify themselves when submitting any questions by providing the following details for verification purposes:

- (a) Full name;
- (b) NRIC / FIN / Passport no. (if the shareholder is an individual) or the Company Registration No. (if the shareholder is a corporation);
- (c) Email address and/or contact telephone number; and
- (d) The manner in which the shares are held (e.g. via Central Depository / scrip / CPF / SRS).

Shareholders will not be able to speak and/ or raise questions during the Live Webcast, and therefore it is important for shareholders who wish to ask questions to submit such questions in advance of the EGM. The Company will endeavour to respond to substantial and relevant queries from shareholders prior to the EGM and/ or at the EGM. The Company will publish the minutes of the EGM within one month after the conclusion of the EGM on SGXNET.

3. **Submission of Proxy Forms to Vote**

Shareholders will not be able to vote through the Live Webcast and voting is only through submission of proxy form. If a shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, a shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

The accompanying proxy form for the EGM may be accessed from the SGX website and the Company's corporate website and may be accessed at the URLs <https://www2.sgx.com/securities/company-announcements> and <https://www.ohldg.com/tzgzx>. A printed copy of the proxy form will not be despatched to shareholders.

The instrument appointing Chairman of the EGM as proxy, duly executed, must be submitted in hard copy form or electronically via email:

- (a) If submitted by post, to be lodged at Complete Corporate Services Pte. Ltd. at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
- (b) If submitted electronically, be submitted via email to the Company, at oel-egm@complete-corp.com.

in either case, by 14 November 2020, 11 a.m. being not less than forty-eight (48) hours before the time appointed for the holding of the EGM (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

In view of the current COVID-19 situation, shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

The instrument appointing the Chairman of the EGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where an instrument appointing Chairman of the EGM as proxy is signed on behalf of the appointer by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must

NOTICE OF EXTRAORDINARY GENERAL MEETING

(failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

Shareholders, whose shares are registered under DAs, who wish to appoint the Chairman of the EGM as their proxy, should contact their respective DAs as soon as possible, in order to allow sufficient time for their DAs to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf by the cut-off date.

Shareholders who hold shares under CPF or SRS, who wish to appoint the Chairman of the EGM as their proxy, should approach their CPF Agent Banks or SRS Operators (as the case may be) to submit their votes at least seven (7) working days before the EGM (i.e. by 4 November 2020, 11 a.m.) in order to allow sufficient time for their respective CPF Agent Banks or SRS Operators to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf by the cut-off date.

CIRCULAR DATED 31 OCTOBER 2020:

The Circular has been uploaded on the SGX website on 31 October 2020 and the Company's website at <https://www.ohldg.com/tzzqx>.

IMPORTANT REMINDERS

Due to the constantly evolving COVID-19 situation, the Company may be required to change its EGM arrangements at short notice. Members are advised to regularly check the Company's announcements released on SGXNET for updates on the EGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and / or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman as proxy for the EGM and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM, and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

PROXY FORM

OEL (HOLDINGS) LIMITED

Company Registration No. 198403368H

(Incorporated in the Republic of Singapore)

EXTRAORDINARY GENERAL MEETING

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. The Extraordinary General Meeting (“EGM” or “Meeting”) is being convened, and will be held, by electronic means in view of the ongoing COVID-19 situation and the related safe-distancing orders and/ or regulations put in place in Singapore.
2. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM are set out in the Notice of EGM dated 31 October 2020 which has been uploaded on SGXNet and the Company’s website on the same day. A printed copy of the proxy form will NOT be despatched to members.
3. A shareholder will not be able to attend the EGM in person. If a shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend and vote on his/her/its behalf at the EGM. In appointing the Chairman of the Meeting as proxy, a shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
4. For Supplementary Retirement Scheme investors (“SRS Investors”) and Central Provident Fund investors (“CPF Investors”), who wish to appoint the Chairman of the EGM as their proxy, they should approach their SRS Operators and CPF Agent Banks (as the case may be) to submit their votes at least seven (7) working days before the EGM (i.e. by 4 November 2020, 11.00 a.m.) in order to allow sufficient time for their respective CPF Agent Banks or SRS Operators to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf by the cut-off date.
5. By submitting an instrument appointing the Chairman of the Meeting as proxy, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 31 October 2020.
6. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a shareholder’s proxy to vote on his/her/ its behalf at the EGM.

I/We* _____ (Name) _____ (NRIC/Passport No./Company Registration No.)
of _____ (Address) being
shareholder/shareholders of **OEL (HOLDINGS) LIMITED** (the “Company”) hereby appoint the **Chairman of the Meeting**
as my/our* proxy to attend and vote for me/us* on my/our* behalf at the Meeting of the Company to be held through live-
webcast on 16 November 2020 at 11.00 a.m.

I/We* direct the Chairman of the Meeting to vote for, against or to abstain from voting the Resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

**(Please indicate your vote “For”, “Against” or “Abstain” with an “X” within the boxes provided below. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.)*

No.	Ordinary Resolutions relating to:	For#	Against#	Abstain#
1.	The Proposed Disposal			
2.	The Grant of Option in relation to the Proposed Disposal			
3.	The Proposed Placement to Zhang Jian			
4.	The Proposed Placement to Zhao Xin			

* Delete whichever not applicable.

Dated this _____ day of _____ 2020

Signature(s) of Shareholder(s) or
Common Seal of Corporate Shareholder

Total number of Shares	No. of Shares
(a) Depository Register	
(b) Register of Members	

PROXY FORM

All capitalised terms used in this Proxy Form which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the circular to shareholders of the Company dated 31 October 2020.

NOTES:-

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the Meeting as proxy shall be deemed to relate to all the Shares held by you.
2. A shareholder will not be able to vote through the live webcast and voting is only through submission of proxy form. If a shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must submit his/her/its proxy form appointing the Chairman of the Meeting as his/her/its proxy to attend and vote on his/her/its behalf at the EGM. In appointing the Chairman of the Meeting as proxy, a shareholder of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. The instrument appointing Chairman of the Meeting as proxy, duly executed, must be submitted in hard copy form or electronically via email:
 - (a) If submitted by post, to be lodged at Complete Corporate Services Pte. Ltd. at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
 - (b) If submitted electronically, be submitted via email to the Company, at oe1-egm@complete-corp.com.

in either case, by 14 November 2020, 11 a.m. being not less than forty-eight (48) hours before the time appointed for the holding of the EGM (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

A shareholder who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation, shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

4. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where an instrument appointing Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
5. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if the shareholder being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend and vote at the Meeting and/or any adjournment thereof, a shareholder of the Company consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman as proxy for the EGM and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM, and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.