

ENTRY INTO A LOAN AGREEMENT WITH A CONTROLLING SHAREHOLDER

1. INTRODUCTION

The Board of Directors ("**Board**") of OEL (Holdings) Limited ("**Company**") wishes to announce that the Company had on 23 January 2020 entered into a loan agreement ("**Loan Agreement**") with Dr Zhang Jian ("**Lender**") pursuant to which the Lender has agreed to provide the Company an interest-free loan of S\$1,190,000 ("**Loan**" or "**Transaction**") subject to the terms and conditions of the Loan Agreement.

2. THE LENDER

The Lender is a controlling shareholder of the Company. As at the date of this announcement, the Lender has a direct interest in an aggregate of 138,331,000 ordinary shares in the capital of the Company representing 20.70% of the entire issued share capital of the Company.

3. SALIENT TERMS OF THE LOAN AGREEMENT

The salient terms of the Loan Agreement are as follows:

Principal Amount : S\$1,190,000

Repayment : The Loan shall be fully repayable on the date falling three hundred and ninety-nine (399) days from the date of disbursement by the Lender and shall be repaid by the Company not later than three hundred and ninety-nine (399) days from the date of disbursement by the lender.

4. USE OF PROCEEDS

The Company intends to use the Loan for repayment of the existing bank loan, partial repayment of the existing director loan and for the Company's working capital purposes.

5. PROVISION OF LOAN AS AN INTERESTED PERSON TRANSACTION

As the Lender is a controlling shareholder of the Company, he is regarded as an "interested person" within the meaning defined in Chapter 9 of Singapore Exchange Securities Trading Limited's Listing Manual Section B: The Rules of Catalist ("**Catalist Rules**"). The Company is regarded as "entity at risk" within the meaning defined in Chapter 9 of the Catalist Rules. Accordingly, the entry into the Loan Agreement is regarded as an interested person transaction within the meaning defined in Chapter 9 of the Catalist Rules.

Pursuant to Rule 909 of the Catalist Rules, in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. In the case of the Company, as the Loan is interest-free, the value of the transaction is zero. Therefore, the Company is not required to seek shareholders' approval or to make an announcement pursuant to Rule 906 of the Catalist Rules.

However, the Company is disclosing the Loan pursuant to Catalist Rules 703 read with paragraph 9 of Appendix 7A. Save as disclosed above, there are no other interested person transactions entered into by the Company with the Lender or its associates for the financial year ending 31 December 2019 and up to the date of this announcement.

6. STATEMENT OF THE AUDIT COMMITTEE

The Audit Committee of the Company had reviewed the terms of the Loan and is of the view that the Transaction is not prejudicial to the interests of the Company and its minority shareholders.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDER

Saved as disclosed herein, none of the other Directors or controlling shareholder(s) of the Company has any interest, direct or indirect (other than through their respective shareholdings in the Company), in the Transaction.

By Order of the Board

Zhao Xin
Executive Director and Chief Executive Officer
23 January 2020

*This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The details of the contact person for the Sponsor are:-

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