

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

**PROPOSED PLACEMENT OF 188,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE
COMPANY AT THE ISSUE PRICE OF S\$0.0126 PER PLACEMENT SHARE**

1. INTRODUCTION

The Board of Directors ("**Board**") of OEL (Holdings) Limited ("**Company**") and together with its subsidiaries, "**Group**") wishes to announce that the Company has on 17 August 2020 entered into an agreement for the placement of ordinary shares in the Company (the "**Placement Agreement**") with 16 subscribers, namely: Liu Yunhua, Liang Gaojian, Ong Jia Jing, Ng Kah Peng, Ng Kah Poh, Yip Keng Soon, Lim Bok Hoo, David Quek Yong Qi, Gay Teo Siong, Onn Eng Siong, Ang Han Keong, Kuik Sin Pheng, Sng Bee Jade, Lye Koon Moy, Nicholas Ng Swee Lian and Ng Koon Yeow (each a "**Subscriber**" and collectively, "**Subscribers**") (the "**Proposed Placement**").

2. PROPOSED PLACEMENT

Under the Placement Agreement, the Company intends to issue to the Subscribers, by way of a private placement, an aggregate of up to 188,000,000 new ordinary shares in the capital of the Company ("**Placement Shares**") at an issue price of S\$0.0126 per Placement Share ("**Issue Price**"), for an aggregate consideration of S\$2,368,800.

The Issue Price represents a discount of 10% to the volume weighted average price of S\$0.014 for trades done on the issued and paid-up ordinary shares in the capital of the Company ("**Shares**") on the Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 12 August 2020 (being the full market day immediately preceding the date on which the Placement Agreement is signed).

The Proposed Placement is non-underwritten. The Company did not appoint any placement agent for the purposes of the Proposed Placement, and no commission, fee or other selling or promotional expenses is payable or incurred by the Company in connection with the Proposed Placement, other than those incurred for administrative or professional service.

The Proposed Placement will not result in any transfer of controlling interest in the Company.

3. AUTHORITY TO ISSUE THE PLACEMENT SHARES

The Placement Shares will be allotted and issued pursuant to a general share issue mandate obtained from the shareholders of the Company ("**Shareholders**") at the annual general meeting of the Company held on 26 June 2020 ("**2020 AGM**") (the "**General Mandate**").

The General Mandate authorises the Directors to allot 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 this 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 and subsidiary holdings).

As at the date of the 2020 AGM, the number of issued shares was 745,802,074. As no shares (or instruments convertible into shares) had previously been issued pursuant to the General Mandate, the total number of new shares (and instruments convertible into shares) that may be issued other than on a pro-rata basis is 372,901,037 shares. The Company does not have any treasury shares and subsidiary holdings. The proposed allotment and issuance of an aggregate of 188,000,000 Placement Shares will fall within the limits of the General Mandate.

Each of the Subscribers has represented and warranted to the Company in the Placement Agreement that it is not a person falling within the category of persons listed in Rule 812(1) of the Catalist Rules of the SGX-ST.

4. APPLICATION TO THE SPONSOR

The Company will be making an application through its sponsor, RHT Capital Pte. Ltd. (“**Sponsor**”) to the SGX-ST for the listing of and quotation for the Placement Shares on the Catalist board of the SGX-ST, and will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST (“**Listing and Quotation Notice**”).

5. TERMS OF THE PROPOSED PLACEMENT

(a) The Placement Shares

The Placement 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 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.

(b) Placement Price and Consideration

It is a term of the Placement Agreement that each Subscriber shall, within 3 Market Days after the execution of the Placement Agreement, make payment to the Company of an amount equivalent to his/her respective consideration amount due to the Company under the Placement Agreement by way of telegraphic transfer to the account designated by the Company or by way of delivery to and receipt by the Company of a cashiers' order or cheque for his respective consideration amount. Such payment by each Subscriber (if received in its entirety) shall, prior to Completion, constitute full discharge of such Subscriber's obligations to pay the Company his consideration amount pursuant to the Placement Agreement.

In the event that the Company does not receive in-principle approval and the Listing and Quotation Notice from the SGX-ST for the listing and quotation of the Subscribers' Placement Shares on the official list of the Catalist or if the conditions precedent set out at paragraph (c)(i) to (x) of this announcement is not fulfilled for any reason whatsoever, the respective consideration amount shall be repayable by the Company to each Subscriber no later than three (3) months from the date on which the Company received such consideration amount (the “**Holding Period**”). In addition to the full repayment of the consideration amount to the Subscribers, the Company shall also pay each Subscriber all interests accrued over the Holding Period at the rate of 0.88% per month (the “**Interest**”). For the avoidance of doubt, the Company shall not be liable to repay any consideration amount or any Interest to any Subscriber as long as such Subscriber has been issued the number of Placement Shares to such Subscriber as specified in the Placement Agreement.

(c) Conditions Precedent

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

- (i) the General Mandate remaining valid;
- (ii) the in-principle approval and listing and quotation notice from the SGX-ST for the listing and quotation of such Subscriber's Placement 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;

- (iii) the approval of the Board being obtained for the entry into of the Placement Agreement and the allotment and issue of the Placement Shares on the terms and conditions of the Placement Agreement;
- (iv) the issue and subscription of the Placement Shares for such Subscriber not being prohibited by any statute, directive, order, rule or regulation promulgated after the date of this Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company;
- (v) the exemptions under Sections 272B of the Securities and Futures Act being applicable to the issue of the Placement Shares under the Placement Agreement;
- (vi) the allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of this Agreement by any legislative, executive or regulatory body or authority of Singapore (including without limitation, the SGX-ST, the MAS and/or the Securities Industry Council) which is applicable to the Company;
- (vii) the issue of the Placement 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;
- (viii) trading in the Shares on the SGX-ST not being suspended, or the Company being delisted from the Catalist;
- (ix) 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 any of the warranties by the Company contained in the Placement Agreement if they were repeated on and as of the date of Completion;
- (x) 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 any of the warranties by the Subscribers contained in the Placement Agreement if they were repeated on and as of the date of Completion.

(d) Cut-off date

Under the Placement Agreement, there is a cut-off date to be notified by the Company to the Subscribers, being a date no later than three months from the date of the Placement Agreement ("**Cut Off Date**"). If any of the conditions set forth in paragraph 5(c) of this Announcement are not for a particular Subscriber satisfied or waived by the Company or the Subscriber, as the case may be, by the Cut Off Date, the obligations of the Company to issue the Placement Shares for such particular Subscriber and of such particular Subscriber to subscribe for the Placement Shares shall terminate and neither such Subscriber nor the Company shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise in respect of the subscription by the Subscriber of Shares, save for any other rights or liabilities which have accrued prior to such termination or which are expressed to apply after such termination.

(e) Completion

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

Completion of this Agreement shall take place on the date as notified by the Company to each Subscriber, being a date falling within five (5) clear Market Days after the date on

which the conditions precedent are satisfied, or such other date as the Company and the Subscribers may mutually agree.

6. INFORMATION ON THE SUBSCRIPTION OF THE PLACEMENT SHARES

The Placement Shares, when allotted and issued in full, represents approximately 25.21% of the Company's existing and paid-up capital of 745,802,074 Shares (the Company does not hold any treasury shares and subsidiary holdings) as at the date of this announcement, and approximately 20.13% of the enlarged issued and paid-up share capital of 933,802,074 Shares upon Completion of the Proposed Placement. 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\$2,368,800 to S\$42,992,788, comprising 933,802,074 Shares (excluding treasury shares and subsidiary holdings).

Pursuant to the Proposed Placement, the Company will issue and allot to the Subscribers the number of Placement Shares set out against their respective names as below:-

Name of Subscriber	Number of Placement Shares	Consideration amount	Shareholdings as a percentage of the Company's issued and paid up share capital as at the date of this announcement ⁽¹⁾	Shareholdings as a percentage of the Company's enlarged issued and paid-up share capital after the completion of the Proposed Placement ⁽²⁾
Liu Yunhua	10,000,000	S\$126,000	0.09%	1.14%
Liang Gaojian	20,000,000	S\$252,000	0.00%	2.14%
Ong Jia Jing	20,000,000	S\$252,000	0.00%	2.14%
Ng Kah Peng	5,000,000	S\$63,000	0.00%	0.54%
Ng Kah Poh	5,000,000	S\$63,000	0.00%	0.54%
Yip Keng Soon	10,000,000	S\$126,000.	0.00%	1.07%
Lim Bok Hoo	30,000,000	S\$378,000	0.00%	3.21%
David Quek Yong Qi	10,000,000	S\$126,000	0.00%	1.07%
Gay Teo Siong	8,000,000	S\$100,800	0.00%	0.86%
Onn Eng Siong	10,000,000	S\$126,000	0.00%	1.07%
Ang Han Keong	10,000,000	S\$126,000	0.00%	1.07%
Kuik Sin Pheng	8,000,000	S\$100,800	0.00%	0.86%
Sng Bee Jade	10,000,000	S\$126,000	0.00%	1.07%
Lye Koon Moy	12,000,000	S\$151,200	0.00%	1.29%
Nicholas Ng Swee Lian	12,000,000	S\$151,200	0.00%	1.29%
Ng Koon Yeow	8,000,000	S\$100,800	0.00%	0.86%

Notes:

(1) Based on the Company's existing issued and paid-up share capital of 745,802,074 Shares.

(2) Based on the Company's enlarged issued and paid-up share capital of 933,802,074 Shares after the completion of the Proposed Placement.

7. INFORMATION ON THE SUBSCRIBERS

Name of Subscriber	Number of Placement Shares	Background of Subscriber	Rationale for the Subscriber's subscription of the Placement Shares
Liu Yunhua	10,000,000	Liu Yunhua (" Professor Liu ") is a Professor at Nanyang Technological University, Singapore, since 1994. Professor Liu also serves as a consultant on regional and urban development for governments and enterprises in Singapore and China. His consulting work include Singapore's JTC's transport policy, HDB's housing policy, industrial planning for Chinese cities.	Subscribe for investment purpose
Liang Gaojian	20,000,000	Businessman in food and beverage industry and director in 1st Jewellery Pte Ltd	Subscribe for investment purpose
Ong Jia Jing	20,000,000	Director of HLH Agriculture (Cambodia) Co., Ltd.	Subscribe for investment purpose
Ng Kah Peng	5,000,000	Businessman in Recycling Business	Subscribe for investment purpose
Ng Kah Poh	5,000,000	Business Development – Guan Peng Hardware Pte Ltd	Subscribe for investment purpose
Yip Keng Soon	10,000,000	Director of food and beverage business	Subscribe for investment purpose
Lim Bok Hoo	30,000,000	Experienced investor	Subscribe for investment purpose
David Quek Yong Qi	10,000,000	Businessman in food and beverage industry	Subscribe for investment purpose
Gay Teo Siong	8,000,000	Experienced investor	Subscribe for investment purpose
Onn Eng Siong	10,000,000	Experienced entrepreneur and investor	Subscribe for investment purpose
Ang Han Keong	10,000,000	Experienced entrepreneur and investor	Subscribe for investment purpose
Kuik Sin Pheng	8,000,000	Experienced entrepreneur and investor	Subscribe for investment purpose
Sng Bee Jade	10,000,000	Experienced investor	Subscribe for investment purpose
Lye Koon Moy	12,000,000	Experienced investor	Subscribe for investment purpose
Nicholas Ng Swee Lian	12,000,000	Experienced entrepreneur and investor	Subscribe for investment purpose
Ng Koon Yeow	8,000,000	Experienced investor	Subscribe for investment purpose

Sng Bee Jade and Kuik Sin Pheng were introduced by Ang Kok Pin Marvin. Sng Bee Jade is Ang Kok Pin Marvin's wife. Save as disclosed and other than Professor Liu, the Subscribers were introduced by BG (RET) Lim Yeow Beng. BG (RET) Lim Yeow Beng is the President of AJJ Health Care Management Pte Ltd, a 100% subsidiary of the Company.

Professor Liu, who is a Subscriber, is the business consultant to the Company. Professor Liu is a minority shareholder holding 10% in Eminence Investment Pte. Ltd. Dr Zhang Jian, the Chairman and Executive Director of the Company and Ms Zhao Xin, the Chief Executive Officer and Executive Director of the Company, hold 70.01% and 9.99% interest respectively, in Eminence Investment Pte. Ltd.

There is no incurrence of any introducer's fee, whether in cash or share or any other form, to any party for referral of any Subscriber to enter into the Placement Agreement.

Each of the 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.

Save as disclosed above, none of the Subscribers has any connection or business relationship with any other Subscriber(s) or Directors or substantial shareholders of the Company, and none of the Subscribers will be, consequent upon his subscription of the Placement Shares, a Controlling Shareholder (as defined in the Catalist Rules) of the Company.

8. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The financial effects of the Proposed 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 Proposed Placement; and
- (b) are based on the audited consolidated financial statements of the Group for the twelve months ended 31 December 2019.

8.1 Net Tangible Assets ("NTA") per Share

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

	Before the Proposed Placement	After the Proposed Placement
NTA (S\$'000)	5,504	7,853
Number of Shares	668,266,667	856,266,667
NTA per Share (Singapore cents)	0.824	0.917

8.2 Earnings per Share ("EPS")

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

	Before the Proposed Placement	After the Proposed Placement
Earnings attributable to Shareholders (S\$'000)	(955)	(955)
Weighted average number of shares in issue during the year	668,266,667	668,781,735

EPS (Singapore cents)	(0.143)	(0.143)
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9. USE OF PROCEEDS

The estimated proceeds from the allotment and issue of the Placement Shares, net of the estimated expenses of approximately S\$19,700, is approximately S\$2,349,100 (“**Placement Proceeds**”).

The Company intends to apply the Placement Proceeds as follows:

Use of Proceeds	Amount	Approximate Percentage of Allocation (%)
Development and expansion of the Company's property management, healthcare and health childcare business and for future investment opportunities.	S\$1,300,000	55.34
Working capital	S\$1,049,100	44.66
Total	S\$2,349,100	100.00

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

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

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

	As at the date hereof					
	Direct Interest		Deemed Interest		Total Interest	
	No of Shares	%⁽¹⁾	No of Shares	%⁽¹⁾	No of Shares	%⁽¹⁾
Substantial Shareholders (Including Directors)						
Zhang Jian	138,331,000	18.55	-	-	138,331,000	18.55
Directors						
Zhao Xin	13,773,000	1.85	-	-	13,773,000	1.85

	After the Proposed Placement					
	Direct Interest		Deemed Interest		Total Interest	
	No of Shares	%⁽²⁾	No of Shares	%⁽²⁾	No of Shares	%⁽²⁾
Substantial Shareholders (Including Directors)						
Zhang Jian	138,331,000	14.81	-	-	138,331,000	14.81

Directors						
Zhao Xin	13,773,000	1.47	-	-	13,773,000	1.47

Notes:-

- (1) Based on the issued share capital of 745,802,074 Shares before the Proposed Placement.
(2) Based on the issued share capital of 933,802,074 Shares after the Proposed Placement.

11. NO PROSPECTUS OR OFFER INFORMATION STATEMENT

The Proposed Placement will be undertaken pursuant to a private placement exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about 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 announcement misleading. Where information in the announcement 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 this announcement in its proper form and context.

13. TRADING CAUTION

Shareholders and potential investors should exercise caution when trading in shares of the Company in relation to this announcement as there is no certainty that the Proposed Placement will be completed as it is subject to the fulfilment of terms and conditions as set out in the Placement Agreement. When in doubt as to the action they should take, Shareholders and potential investors should consult their financial, tax or other professional adviser immediately.

By Order of the Board

Zhao Xin
Chief Executive Officer and Executive Director
18 August 2020

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

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

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

Name : Mr Shervyn Essex (Registered Professional, RHT Capital Pte. Ltd.)
Address: 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619
Tel : 6381 6966
