

**ENTRY INTO A NON-BINDING MEMORANDUM OF UNDERSTANDING IN RELATION TO THE
PROPOSED ACQUISITION OF 51% SHAREHOLDINGS IN SHANGHAI LONGJIAN HOSPITAL
MANAGEMENT CO., LTD.**

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 10 March 2020 entered into a non-binding Memorandum of Understanding (the "**MOU**") with Shanghai Longjian Hospital Management Co., Ltd. ("**Shanghai Longjian**") in relation to the proposed acquisition of 51% shareholdings in Shanghai Longjian through the Company's wholly-owned subsidiary, AJJ Health Care Management Pte. Ltd. ("**AJJ**") ("**Proposed Acquisition**"). Due to commercial sensitivity, the final aggregate value of consideration vis-à-vis of Shanghai Longjian would be appropriately disclosed upon entry of the definitive agreement ("**Definitive Agreement**").

BRIEF TERMS ON THE MEMORANDUM OF UNDERSTANDING

The MOU is not legally binding, save for the provisions relating to cost, confidentiality, duration and exclusivity, governing law and dispute resolution. The Proposed Acquisition is subject to the negotiation and execution of the Definitive Agreement. The MOU sets out the key commercial terms as agreed between the Company and Shanghai Longjian and the parties shall negotiate in good faith with the intention of executing the Definitive Agreement within 6 months from the date of signing of the MOU.

RATIONALE

As announced on 12 February 2020, the Group intends to invest in projects and companies in the healthcare industry ("**Healthcare Investment Business**"), as part of the proposed business diversification, subject to shareholders' approval.

The Proposed Acquisition is in line with the Group's intention to enter into the Healthcare Investment Business and is an important measure for the Company to realize the construction of its Healthcare Investment Business's economic belt.

INFORMATION ON SHANGHAI LONGJIAN

Founded in Shanghai, China on 25 March 2019, Shanghai Longjian is in the business of hospital management, medical technology, biotechnology technology development and health management consulting. Shanghai Longjian is an expert-oriented enterprise engaged in the management of medical institutions, medical specialists, medical investment consulting and health service management.

The founder and the legal representative of Shanghai Longjian, Mr. Ye Wenzheng ("**Mr. Ye**"), is one of the top authorities in China's haematology department, who is acclaimed to have three discoveries in the field of medicine. Following the completion of the Proposed Acquisition, Mr. Ye will continue to lead Shanghai Longjian's healthcare business in China.

Shanghai Longjian has the following projects in medical service management, expert services of medical equipment and appliance:

- (i) Medical clinical services for Hydrogen Generator:
The doctors of Shanghai Longjian are using the medical technology of Hydrogen Generator to conduct medical expert guidance, clinical services and technical specification control for COVID-19 affected patients. This technology has been recognized by China's authoritative

experts and is currently being applied in Wuhan Central Hospital, Jinyintan Hospital, Zhongnan Hospital, Hanyang Hospital and Puren Hospital.

- (ii) High-Intensity Focused Ultrasound medical equipment (“HIFU”):
On 9 October 2019, Shanghai Longjian had signed an agreement with Shanghai Aishen Technology Development Co., Ltd. for the distribution and the use of HIFU. HIFU is an equipment used for cancer treatment, including but not limited to, minimally invasive, non-invasive, traditional Chinese medicine and western medicine. Shanghai Longjian is responsible for providing clinical services, training and technical specification control in relation to HIFU.

and;

- (iii) Medical management service provided for old-age nursing home based in Shanghai.

DIRECTORS AND SUBSTANTIAL SHAREHOLDERS’ INTEREST

Save for their shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings in the Company.

FURTHER ANNOUNCEMENTS

The Company will make further announcements as and when appropriate, including information required under Chapter 10 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst, when the Definitive Agreement has been entered into in relation to the Proposed Acquisition.

TRADING CAUTION

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. In particular, Shareholders and potential investors should note that the Proposed Acquisition is subject to the execution of the Definitive Agreement. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.

By Order of the Board

Zhao Xin
Chief Executive Officer and Executive Director

12 March 2020

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

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

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

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