

TECHNICS OIL & GAS LIMITED
(UNDER JUDICIAL MANAGEMENT)
(the "**Company**")
(Company Registration No. 200205249E)
(Incorporated in Singapore)

ENTRY INTO MEMORANDUM OF UNDERSTANDING

The judicial manager of the Company ("**Judicial Manager**") wishes to announce that the Company had on 21 January 2020 entered into a memorandum of understanding ("**MOU**") with Dr. Kevin Yip Man Hing (the "**Business Owner**") and an investor group (the "**Investor Group**", and together with the Judicial Manager and the Business Owner, the "**Parties**") seeking to explore a corporate restructuring involving the Company (the "**Proposed Transaction**"). Tardis Capital (Singapore) Pte. Ltd. has been appointed as the corporate adviser to the Business Owner and the Investor Group, and introducer in relation to the Proposed Transaction.

The Investor Group, which is wholly-owned by the Business Owner, is in the business of providing treatments for sports and other orthopaedic related services through its clinics located at the Gleneagles Medical Centre, and comprises of the following entities:

1. Singapore Knee, Sports & Orthopaedic Clinic Pte Ltd;
2. Singapore Knee, Sports & Orthopaedic Services Pte Ltd;
3. Singapore Sports & Orthopaedic Clinic Pte Ltd;
4. SSOC Pte Ltd;
5. Singapore Sports & Orthopaedic Services Pte Ltd;
6. SSOS Pte Ltd; and
7. Singapore Sports and Physiotherapy Centre Pte Ltd.

The MOU is not intended to be legally binding save for certain provisions, including but not limited to those relating to confidentiality, exclusivity, costs and governing law, and is intended to set out the basis for further discussion and finalisation of the transaction structure for Proposed Transaction.

As at the date of the MOU, the structure for the Proposed Transaction being considered would involve the transfer of the Company's listing status (the "**Transfer**") on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") to the Investor Group (or a newly incorporated Singapore company directly or indirectly holding the business of the Investor Group) by way of a scheme of arrangement. The Transfer is envisaged to result in the listing and admission of the Investor Group to Catalist (the "**Listing**"), the sponsor-supervised board of the SGX-ST, and the Company's shares will, in conjunction with the Transfer and the Listing, be delisted and withdrawn from the Main Board of the SGX-ST. The consideration, amounting to an aggregate of S\$3,000,000, payable by the Investor Group to the Company for the Transfer will be satisfied by the issue of new shares in the capital of the Investor Group ("**Consideration Shares**") to the creditors and shareholders of the Company. The Parties have agreed that, subject to an independent valuation exercise, the valuation of the Investor Group shall not be less than S\$100,000,000. Upon completion of the Transfer, the Consideration Shares (together with other shares issued out of the capital of the Investor Group) will be listed on Catalist and will be freely tradable.

Completion of the Transfer is subject to various conditions precedent, including but not limited to the approvals of the shareholders and creditors of the Company, and the sanction and confirmation of the scheme by the Singapore courts.

The Parties have agreed to commit to exclusive negotiations for a period of 30 days (or such later date as the Parties may agree) with a view to arriving at a definitive implementation agreement within this period.

Further announcements will be released as and when there are material developments on the above.

There is no certainty or assurance that definitive agreements in relation to the Proposed Transaction will be entered into or that any of the transactions contemplated in the MOU will be completed. Accordingly, shareholders and potential investors of the Company are advised to exercise caution in dealings with the shares, and to consult their legal, financial, tax or other professional advisers if they have any doubt about the actions they should take.

**Submitted by the Judicial Manager
For and On Behalf of the Company**

Andrew Grimmett
Deloitte & Touche LLP

22 January 2020