

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

THE PROPOSED ISSUE AND ALLOTMENT OF:

- (A) UP TO 142,999,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE ISSUE PRICE OF S\$0.027 PER PLACEMENT SHARE; AND
- (B) UP TO 142,999,000 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 NEW SHARE,

(COLLECTIVELY, “PROPOSED PLACEMENT”); AND

THE PROPOSED DIVERSIFICATION OF THE CORE BUSINESSES OF THE GROUP TO INCLUDE EARLY CHILDHOOD HEALTH EDUCATION BUSINESS AND INVESTMENT IN THE HEALTHCARE INDUSTRY (“PROPOSED DIVERSIFICATION”); AND

THE PROPOSED CHANGE OF NAME TO ONE WHICH IS REFLECTIVE OF ITS PROPOSED NEW BUSINESSES (“PROPOSED CHANGE OF NAME”)

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 12 February 2020 entered into an agreement for the placement of ordinary shares and issue of warrants in the Company (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**”).

2. THE PROPOSED PLACEMENT

2.1. Overview

Under the Placement Agreement, the Company intends to issue to the Subscribers, by way of a private placement, an aggregate of up to 142,999,000 new ordinary shares in the capital of the Company (“**Placement Shares**”) at an issue price of S\$0.027 per Placement Share (“**Issue Price**”), for an aggregate consideration of S\$3,860,973.

The Issue Price represents a premium of 1.12% to the volume weighted average price of S\$ 0.0267 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 10 February 2020 (being the full market day immediately preceding the date on which the Placement Agreement is signed).

In addition, the Company has agreed to issue up to 142,999,000 free, detachable, non-listed and non-transferable warrants (“**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 (“**New Shares**”) at the exercise price of S\$0.027 (“**Exercise Price**”).

The Exercise Price represents 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).

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

The offer of the Placement Shares, Warrants and New Shares is made pursuant to the exemption under Section 272B of the Securities and Futures Act (Cap. 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

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

2.2. Authority to Issue the Placement Shares, Warrants and New Shares

(i) General Mandate

Save for the issuance of the Placement Shares, Warrants and New Shares to the Interested Subscribers (as defined below), the Placement Shares, Warrants and New Shares will be allotted and issued pursuant to a general share issue mandate ("**General Mandate**") obtained from the shareholders of the Company ("**Shareholders**") at the annual general meeting of the Company held on 29 April 2019 ("**2019 AGM**").

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 2019 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).

As at the date of the 2019 AGM, the number of issued shares was 668,266,667. 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 334,133,333 shares. The proposed allotment and issuance of an aggregate of 285,998,000 Placement Shares and Warrants will fall within the limits of the General Mandate.

(ii) Extraordinary General Meeting

The Company intends to convene an extraordinary general meeting ("**EGM**") to seek approval from Shareholders for certain of the Subscribers to take part in the Proposed Placement.

Pursuant to Rule 812(2) of the Listing Manual – Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**"), as certain of the Subscribers are persons identified under Rule 812(1)(a) of the Catalist Rules ("**Interested Subscribers**", the particulars of whom are set out in Section 3 of this announcement), Shareholders' approval for their taking part in the Proposed Placement will be sought at the EGM.

A circular containing further information of the Proposed Placement will be despatched to Shareholders in due course.

2.3. 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 and New 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**").

2.4. Terms of the Proposed Placement

(i) 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.

(ii) Loan

Save in respect of Lee Siew Leng and Zhang Jian, it is a term of the Placement Agreement that each Subscriber shall, no later than 21 days after the signing of the Placement Agreement, make payment to the Company of an amount equivalent to his respective consideration amount due to the Company under the Placement Agreement. Such payment shall, prior to Completion (as defined below), constitute a loan ("**Loan**") to the Company on terms that the Loan shall be unsecured and shall carry no interest. The Subscribers, save for Lee Siew Leng and Zhang Jian, are willing to advance the funds prior to the receipt of the in-principle approval and Listing and Quotation Notice from the SGX-ST for the listing and quotation of their Placement Shares voluntarily as they are supportive to the future development of the Company.

The Loan shall be repayable by the Company to each Subscriber 12 months after the date of the Placement Agreement to the extent that the Loan shall not have been applied towards payment of such Subscriber's consideration for the subscription of the Placement Shares and Warrants on the Cut Off Date (as defined below).

There are no restrictions on the manner in which the proceeds from the Loan may be utilised by the Company.

(iii) Consideration from Lee Siew Leng and Zhang Jian

In respect of Lee Siew Leng and Zhang Jian, each of them shall pay their respective consideration amount due to the Company under the Placement Agreement within three (3) Business Days of being notified of the receipt of the in-principle approval and Listing and Quotation Notice from the SGX-ST for the listing and quotation of their Placement Shares and New Shares on the official list of the Catalist being obtained.

In the event that Completion (as defined below) does not occur for Lee Siew Leng and/or Zhang Jian within seven (7) business days following the receipt of the in-principle approval and Listing and Quotation Notice from the SGX-ST, the Company shall refund the Subscriber for whom Completion did not occur his/her respective consideration amount in full without interest within three (3) business days.

(iv) Conditions Precedent

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

- (a) provided that such Subscriber is an Interested Subscriber, the approval of Shareholders of the Company being obtained at the 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 Interested Subscriber, including without limitation, the allotment and issue of Placement Shares, Warrants and New Shares to such Interested Subscriber;
- (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 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 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 Securities and Futures Act 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 any of the Subscribers' and Company's warranties contained in the Placement Agreement 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 (as defined below); and
- (m) there having been no breach by any of the Subscribers 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.

If the approval of the Shareholders at the EGM is not obtained in respect of an Interested Subscriber, the obligations of the Company to issue the Placement Shares and Warrants for the unapproved Interested Subscriber(s) and of such unapproved Interested 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 Interested 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 shall not affect the validity nor enforceability of the Placement Agreement between the Company and the other approved Subscribers.

(v) Cut Off Date

Under the Placement Agreement, there is a cut-off date of eight (8) months from the date of the Placement Agreement or such other date as the Subscribers and the Company may agree ("**Cut Off Date**"), failing which the Placement Agreement shall for such Subscriber *ipso facto* cease and be terminated 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 Proposed Placement, save for any rights or liabilities accruing prior to such termination.

(vi) Completion

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

Completion of the Proposed 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 (being a day on which the SGX-ST is open for securities trading) after the satisfaction (or waiver by the Company) of the conditions precedents, or such other date as the Company and Subscribers may mutually agree.

(vii) Warrants Issue

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

- (a) **Listing and Transferability.** The Warrants are unlisted, non-assignable and non-transferable, in whole or in part; provided, however, that the Subscriber 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.
- (b) **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.
- (c) **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 Interested Subscribers for whom it shall be the date immediately preceding thirty-six (36) months from the date of issue of the Warrants to the non-Interested 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
- (d) **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 Subscribers at least one (1) month before the date of expiry.
- (e) **Alterations.** Any material alteration to the terms of the Warrants to the advantage of the Subscriber 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.

(viii) Subscription of the Placement Shares, Warrants and New Shares

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) as at the date of this announcement, and approximately 17.63 % of the enlarged issued and paid-up share capital of 811,265,667 Shares upon completion of the Proposed Placement.

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) as at the date of this announcement, 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.

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) as at the date of this announcement, and approximately 29.97 % of the enlarged issued and paid-up share capital of 954,264,667 Shares after completion of the Proposed Placement and the full exercise of the Warrants into New Shares.

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

Name of Subscriber	Number of Placement Shares to be subscribed for	Number of Warrants to be subscribed for	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⁾	Shareholdings as a percentage of the Company's enlarged issued and paid-up share capital after the exercise of the Warrants ⁽³⁾
Zhang Jian	30,012,000	30,012,000	20.70%	20.75%	20.79%
Zhao Xin	2,959,000	2,959,000	2.06%	2.06%	2.06%
Wang Jue	2,900,000	2,900,000	2.00%	2.00%	2.01%
Cai Xiaoyue	13,400,000	13,400,000	-	1.65%	2.81%
Ye Wenzheng	5,600,000	5,600,000	-	0.69%	1.17%
Guo Xinghe	4,100,000	4,100,000	-	0.51%	0.86%
Yao Shengkang	4,100,000	4,100,000	-	0.51%	0.86%
Tang Guomin	1,000,000	1,000,000	-	0.12%	0.21%
Gu Hanbin	1,000,000	1,000,000	-	0.12%	0.21%
Yao Yijing	2,200,000	2,200,000	-	0.27%	0.46%
Lee Huey Shin	10,692,000	10,692,000	-	1.32%	2.24%
Li Qingrui	26,536,000	26,536,000	-	3.27%	5.56%
Evelyn Pek Hoon Chih	900,000	900,000	-	0.11%	0.19%
Jin Wei	300,000	300,000	-	0.04%	0.06%
Huang Qiang	300,000	300,000	-	0.04%	0.06%
Lee Siew Ling	37,000,000	37,000,000	-	4.56%	7.75%

Notes:

- (1) Based on the Company's existing issued and paid-up share capital of 668,266,667 Shares.
- (2) Based on the Company's enlarged issued and paid-up share capital of 811,265,667 Shares after the completion of the Proposed Placement.
- (3) Based on the Company's enlarged issued and paid-up share capital of 954,264,667 Shares after the completion of the Proposed 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. INFORMATION ON THE SUBSCRIBERS

Name of Subscriber	Background of Subscriber	Reason for investment
Zhang Jian	CEO and Managing Director of Eminence Investment Pte. Ltd., and a controlling shareholder of OEL (Holdings) Limited	To support the Company
Zhao Xin	CEO and Executive Director and shareholder of OEL (Holdings) Limited	To support the Company
Wang Jue	Employee and shareholder of OEL (Holdings) Limited	To support the Company
Cai Xiaoyue	Associate Professor at a Chinese university	Strategic investment in view of Company's expected diversification into the healthcare industry
Ye Wenzheng	Key Management and shareholder of a Chinese healthcare company ("Healthcare Co")	Strategic investment in view of Company's expected diversification into the healthcare industry
Guo Xinghe	Key Management and shareholder of Healthcare Co	Strategic investment in view of Company's expected diversification into the healthcare industry
Yao Shengkang	Key Management and shareholder of Healthcare Co	Strategic investment in view of Company's expected diversification into the healthcare industry
Tang Guomin	Key Management and shareholder of Healthcare Co	Strategic investment in view of Company's expected diversification into the healthcare industry
Gu Hanbin	Key Management and shareholder of Healthcare Co	Strategic investment in view of Company's expected diversification into the healthcare industry
Yao Yijing	Key Management of Healthcare Co	Strategic investment in view of Company's expected diversification into the healthcare industry
Lee Huey Shin	Senior Manager at a Singapore non-healthcare based statutory board	Strategic investment in view of Company's expected diversification into the health Industry
Li Qingrui	Business Associate	Strategic investment in view of Company's expected diversification into the health Industry
Evelyn Pek Hoon Chih	Key management of a financial services company	Strategic investment in view of Company's expected diversification into the health industry and upon invitation as introducer for certain subscribers herein
Jin Wei	Key management of a Chinese food and beverage company	Strategic investment in view of Company's expected diversification into the healthcare industry and upon invitation as introducer for certain subscribers herein
Huang Qiang	Key management of a Chinese college in Singapore	Strategic investment in view of Company's expected diversification into the health Industry and upon invitation as a current advisor to the Company and as a potential employee of the Company
Lee Siew Leng	Financial Consultant at a financial services company	Strategic investment in view of Company's expected diversification into the health Industry

Zhang Jian is the current controlling shareholder of the Company. Zhao Xin is the current Chief Executive Officer and Executive Director of the Company. They are considered as Interested Subscribers under Rule 812(1)(a) of the Catalist Rules. Accordingly as above, their participation in the Placement is subject to Shareholders' approval.

Cai Xiaoyue and Jin Wei introduced Ye Wenzheng, Guo Xinghe, Yao Shengkang, Tang Guomin, Gu Hanbin, Yao Yijing to Zhang Jian, Zhao Xin and Wang Jue.

Healthcare Co is a limited liability company incorporated in Shanghai on 25 March 2019, carrying on business related to hospital management, medical technology, biotechnology technology development, technical services, health management consulting, enterprise management consulting, research and development of medical equipments, etc. It has an issued and share capital of RMB 5,000,000, with its shareholders comprising Ye Wenzheng, Guo Xinghe, Yao Shengkang, Tang Guomin, Wu Junjie and Gu Hanbin in the respective proportions of 25%, 15%, 15%, 15%, 15% and 15%. Ye Wenzheng, Guo Xinghe, Yao Shengkang, Tang Guomin, and Gu Hanbin are proposed Subscribers.

The Company wishes to emphasize that as of the date of this announcement, whilst there are very preliminary discussions with Healthcare Co on future collaborations, no definitive agreement or memorandum of understanding has been entered into for any corporate action involving Healthcare Co and the Company. If any collaboration or corporate action involving Healthcare Co proceeds to fruition, the Company will make an announcement in accordance with the requirements of the Catalist Rules.

Evelyn Pek Hoon Chih introduced Lee Huey Shin to Zhao Xin and Wang Jue.

Li Qingrui is a business associate of the Company.

Huang Qiang has been advising the Company on the expected diversification and the Company intends to formally employ Huang Qiang. However, no letter of offer of employment has of the date of this announcement been issued and if appointed, he will not be appointed to the Board of Directors and is not expected to be an Executive Officer. Should he be appointed as an Executive Officer, an announcement in accordance with the Catalist Rules will be released.

Lee Siew Leng is a business acquaintance of Zhang Jian and was subsequently introduced to the Company.

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 and Warrants, a Controlling Shareholder (as defined in the Catalist Rules) of the Company.

4. 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/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.

4.1. Net Tangible Assets ("NTA") per Share

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

	Before the Proposed Placement	After the Proposed Placement	After the full exercise of Warrants
NTA (S\$'000)	5,504	9,304	13,145
Number of Shares	668,266,667	811,265,667	954,264,667
NTA per Share (Singapore Cents)	0.82	1.15	1.38

4.2. Earnings per Share (“EPS”)

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

	Before the Proposed Placement	After the Proposed Placement	After the full exercise of Warrants
Earnings attributable to shareholders (S\$’000)	(955)	(1,016)	(1,036)
Number of Shares	668,266,667	811,265,667	954,264,667
EPS (Singapore Cents)	(0.14)	(0.12)	(0.11)

4.3. Share Capital

As at the date of this announcement, the issued and paid up capital of the Company is S\$38,530,532.26 comprising 668,266,667 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\$3,860,973 to S\$42,391,505, comprising 811,265,667 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\$3,860,973 to S\$42,391,505, comprising 811,265,667 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\$7,721,946 to S\$46,252,478, comprising 954,264,667 Shares (excluding treasury shares).

5. RATIONALE AND USE OF PROCEEDS

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\$3,799,973 (“**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\$3,840,973 (“**Warrant Proceeds**”, and together with the Placement Proceeds, “**Net Proceeds**”).

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\$1,500,000 for salary related expenses, rental expenses and other expenses incurred related to business operation 	<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 operation
General acquisitions and investments and for expansion of the Company's business	S\$693,973	S\$3,844,946
Total	S\$3,799,973	S\$7,640,946

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 Proposed 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 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 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.

6. 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

7. INTERESTS OF SUBSCRIBERS, DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

	Before the Proposed Placement ⁽¹⁾				After the Proposed Placement ⁽²⁾				After the exercise of Warrants ⁽³⁾			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of shares	% ⁽¹⁾	No. of shares	% ⁽¹⁾	No. of shares	% ⁽²⁾	No. of shares	% ⁽²⁾	No. of shares	% ⁽³⁾	No. of shares	% ⁽³⁾
Directors												
Zhao Xin	13,773,000	2.06	-	-	16,732,000	2.06	-	-	19,691,000	2.06	-	-
Substantial Shareholders (Other than Directors and Subscribers)												
Zhang Jian	138,331,000	20.70	-	-	168,343,000	20.75	-	-	198,355,000	20.79	-	-
Subscribers												
Wang Jue	13,365,000	2.00	-	-	16,265,000	2.00	-	-	19,165,000	2.01	-	-

Notes:

- (1) Based on the Company's existing issued and paid-up share capital of 668,266,667 Shares.
- (2) Based on the Company's enlarged issued and paid-up share capital of 811,265,667 Shares after the completion of the Proposed Placement.
- (3) Based on the Company's enlarged issued and paid-up share capital of 954,264,667 Shares after the completion of the Proposed 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.

Save as expressly disclosed above, none of the other Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Placement, save through their respective shareholdings in the Company (if any).

8. INFORMATION ON THE PROPOSED DIVERSIFICATION

8.1. The Proposed Diversification

As at the date hereof, the principal activities of the Group are investment holding, property rentals and property management ("**Existing Business**"). The Group has leased part of its property in Singapore located at No. 8 Aljunied Avenue 3, Singapore 389933 and is deriving rental revenue from the lease of its property.

Subject to Shareholders' approval, the proposed businesses to be diversified into are as follows:

- (a) Early childhood childcare and health education business ("**Childhood Health Education Business**") and
- (b) Investment into projects and companies in the healthcare industry ("**Healthcare Investment Business**").

The Board intends to initially focus on the growth and expansion of the proposed Childhood Health Education Business and Healthcare Investment Business in Singapore, but will consider its strategic options and business opportunities from time to time and may, if the opportunity so arises, expand the proposed new businesses in the broader region and worldwide.

The Board believes that by allowing the Group to enter new markets offering new opportunities in the Proposed Diversification, the Board will be able to broaden the Group's revenue streams, thus potentially generating long-term sustainable growth across diverse economic conditions, and in turn enhancing Shareholders' value and returns.

8.2. Shareholders' Approval

The Proposed Diversification will involve new business areas which are substantially different from the Existing Business of the Company. It is envisaged that the existing risk profile of the Group may be changed.

Pursuant to the Catalist Rules, Shareholders' approval is required for the Proposed Diversification. Accordingly, an EGM will be convened by the Company to seek approval from Shareholders for the Proposed Diversification.

A circular containing further information of the Proposed Diversification will be despatched to Shareholders in due course.

8.3. Interests of Directors and Controlling Shareholders

None of the Directors of the Company and their respective associates has any interest, direct or indirect, in the Proposed Diversification (other than by reason only of being a Director and through their respective shareholdings in the Company).

None of the Company's controlling shareholders have any interest, direct or indirect, in the Proposed Diversification (other than by reason of their shareholding interests in the Company).

9. PROPOSED CHANGE OF NAME

In connection with the Proposed Diversification, the Company intends to seek Shareholders' approval at an EGM to change the name of the Company to one which is reflective of its new businesses following the Proposed Diversification.

A circular containing further information of the Proposed Change of Name will be despatched to Shareholders in due course.

10. 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.

11. 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 fulfillment 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
12 February 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 Lay Shi Wei (Registered Professional, RHT Capital Pte. Ltd.)

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