

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

ENTRY INTO A SUPPLEMENTAL SALE AND PURCHASE AGREEMENT IN RELATION TO THE PROPOSED ACQUISITION OF 51% OF THE SHARES IN ALLIED RESOURCES LIMITED

1. INTRODUCTION

The Board of Directors (the “**Directors**” or the “**Board**”) of OEL (Holdings) Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the following:

- (a) its earlier announcements dated 23 September 2014, 5 February 2015 and 30 April 2015 in relation to the memorandum of understanding (as from time to time amended) that has been entered into in relation to the sale and purchase of such number of shares representing 51% of the entire issued share capital (“**Sale Shares**”) of Allied Resources Limited (“**Allied Resources**”) via the Company’s wholly owned subsidiary to be established (“**Proposed Acquisition**”);
- (b) its earlier announcement dated 30 June 2015 in relation to the sale and purchase agreement (“**SPA**”) that has been entered into in relation to the Proposed Acquisition; and
- (c) its earlier announcement dated 24 July 2015 in relation to the listing and quotation notice received from SGX-ST for the listing and quotation of 83,747,368 new ordinary shares in the share capital of the Company on the Catalist Board of the SGX-ST pursuant to the Proposed Acquisition.

Unless otherwise stated or the context otherwise requires, capitalized terms used herein shall have the definitions ascribed to them in the Company’s earlier announcement dated 30 June 2015.

2. THE PURCHASER

Pursuant to a notification given by the Company to the Vendor, the SPA has been novated to Yahweh China Pte Ltd (the “**Purchaser**”), following which the rights and liabilities of the Company under the SPA has been novated and assigned to the Purchaser.

3. SUPPLEMENTAL SALE AND PURCHASE AGREEMENT

The Vendor and the Purchaser had on 30 October 2015 entered into a supplemental sale and purchase agreement (“**Supplemental SPA**”), pursuant to which the following key amendments, *inter alia*, have been agreed by the Vendor and the Purchaser:

3.1 Long-Stop Date

The Long-Stop Date has been extended from 30 October 2015 to 30 November 2015.

3.2 Consideration

Pursuant to the terms of the Supplemental SPA, the Consideration shall be satisfied in the following manner:

- (a) S\$11,526,842 shall be payable in cash and Consideration Shares, of which S\$10,000,000 shall be payable in the form of cash and S\$1,526,842 shall be satisfied by the Purchaser procuring the Company to issue to the Vendor (or his nominees) 20,357,894 Consideration Shares at the Issue Price of S\$0.075 per Consideration Share. The cash portion of S\$10,000,000 shall be paid as an initial tranche of S\$2,000,000 on

Completion Date (“**Initial Tranche**”) and the balance of S\$8,000,000 as follows: (i) S\$4,000,000 within six (6) months from the Completion Date (as defined below); and (ii) the balance S\$4,000,000 within six (6) months from the expiration of the foregoing six (6) months period. The 20,357,894 Consideration Shares priced at S\$0.075 per Consideration Share shall be issued to the Vendor (or his nominees) on Completion Date; and

- (b) the balance of the Consideration, being S\$6,688,210, (“**Post-Completion Tranche Payment**”) shall be payable in the form of cash of S\$1,934,000 with the balance S\$4,754,210 to be satisfied by the Purchaser procuring the Company to issue to the Vendor (or his nominees) 63,389,474 Consideration Shares at the Issue Price, shall be payable upon fulfilment of the following conditions:
- (i) the Joint Venture Agreement being renewed to 2036 or such other terms as may be agreed by the Purchaser, and the renewal being on terms acceptable to the Purchaser;
 - (ii) any conditions precedent set out under the SPA waived as at Completion, or any conditions under which such conditions precedent were waived, being fulfilled; and
 - (iii) the Vendor not having breached the terms of, nor terminated, the SPA nor the service agreement of the Vendor, and such breach not having been remedied within 14 days of written notice by the Purchaser to the Vendor.

The Vendor has in the Supplemental SPA agreed to procure that the Target Group achieves certain production targets as set out in the Supplemental SPA for each quarter during the period from 1 January 2016 to 31 December 2017 (“**Production Warranty**”). The Purchaser’s obligation to pay any part of the Consideration shall be conditional upon the Vendor meeting the Production Warranty, unless waived or varied by the Purchaser.

The Supplemental SPA also provides that any Consideration Shares issued shall be subject to a moratorium against sale, transfer, disposal or creation of any encumbrance thereon for a period of three (3) months from the respective date of issue and thereafter, 50% of such Consideration Shares issued shall be subject to such moratorium for another three (3) months.

3.3 Post-completion obligations of the Vendor and post-completion rights of the Purchaser

The Supplemental SPA included the following post-completion obligations of the Vendor and the post-completion rights of the Purchaser:

- (a) the Purchaser shall be entitled to exercise its rights to appoint persons to the board of directors of Hengli and Qian An and this right continues after Completion;
- (b) the Vendor shall indemnify the Purchaser and the Company against any and all costs, expenses, losses, damages and liabilities (including reasonable legal fees and expenses) arising from any failure or breach by Allied Resources to comply with any law, legal and regulatory requirements including but not limited to applicable tax and annual return filings under the laws of Hong Kong and payment of any taxes; and
- (c) the Vendor shall provide to the Purchaser by 30 November 2015 the audited accounts of Allied Resources for the financial period ending 31 December 2014.

3.4 Service contracts of Directors

The Supplemental SPA clarified that the Vendor shall exercise its right to appoint two (2) persons to the board of directors of the Company within 60 days of Completion. The Supplemental SPA has also provided that the Purchaser shall be entitled to require at Completion the Vendor to sign either a service agreement or consultancy agreement with the Purchaser, at the option of the Purchaser.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the SPA, Supplemental SPA or the Proposed Acquisition, save through their respective shareholdings in the Company (if any).

5. 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 Supplemental SPA and the Proposed Acquisition, 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 this 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.

6. DOCUMENTS FOR INSPECTION

Shareholders should note that a copy of the Supplemental SPA will be available for inspection during normal business hours at the Company's registered office at No. 8 Aljunied Ave 3 Oakwell Building, Singapore 389933 for three (3) months from the date of this announcement.

By Order of the Board

Chang Ai Ling
Company Secretary
30 October 2015

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 or approved 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. Tan Chong Huat (Registered Professional, RHT Capital Pte. Ltd.)
Address : Six Battery Road, #10-01, Singapore 049909
Tel : 6381 6757*