

OEL (HOLDINGS) LIMITED

(Company Registration No: 198403368H)

Results For The Fourth Quarter And Twelve Months Ended 31.12.2019

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) A Statement of Comprehensive Income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) Statement of Comprehensive Income

	Group					
	4Q 2019 S\$'000	4Q 2018 S\$'000	Change %	FY 2019 S\$'000	FY 2018 S\$'000	Change %
Revenue	57	74	-23.0%	180	738	-75.6%
Other operating income	7	7	NA	28	26	7.7%
Administrative expenses	(128)	(103)	24.3%	(440)	(440)	NA
Other operating expenses	(186)	(175)	6.3%	(717)	(709)	1.1%
Finance costs	(31)	(9)	NM	(108)	(29)	NM
Loss before tax	(281)	(206)	36.4%	(1,057)	(414)	NM
Income tax expenses *	-	-	NA	102	(105)	NM
Loss for the period	(281)	(206)	36.4%	(955)	(519)	84.0%

Loss attributable to:

Owners of the Company	(281)	(206)	36.4%	(955)	(519)	84.0%
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NM = Not meaningful

NA = Not applicable

* (Under)/ over provision of income tax in prior years

1(a)(ii) Notes to Statement of Comprehensive Income

Loss for the period is stated after (charging) /crediting the following:

Depreciation of property, plant and equipment

Depreciation of right-of-use asset

Interest expense

Interest expense on lease liabilities

Over /(under) provision of tax in prior years

Group					
4Q 2019 S\$'000	4Q 2018 S\$'000	Change %	FY 2019 S\$'000	FY 2018 S\$'000	Change %
(85)	(85)	NA	(339)	(338)	0.3%
(78)	-	NA	(298)	-	NA
(19)	(9)	NM	(62)	(29)	NM
(12)	-	NA	(46)	-	NA
-	-	NA	102	(105)	NM

1(a)(iii) Statement of Other Comprehensive Income

Loss for the period

Other comprehensive (loss)/ income:

Item that will not be reclassified subsequently to profit or loss

- Revaluation of property

- Income tax relating to component of other comprehensive income that will not be reclassified subsequently

Total comprehensive loss for the period

Total comprehensive loss attributable to:

Owners of the Company

Group					
4Q 2019 S\$'000	4Q 2018 S\$'000	Change %	FY 2019 S\$'000	FY 2018 S\$'000	Change %
(281)	(206)	36.4%	(955)	(519)	84.0%
(4)	35	NM	(4)	35	NM
1	(6)	NM	1	(6)	NM
(284)	(177)	60.5%	(958)	(490)	95.5%
(284)	(177)	60.5%	(958)	(490)	95.5%

NM = Not meaningful

NA = Not applicable

1(b)(i) A Consolidated Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

B) STATEMENT OF FINANCIAL POSITION

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets:				
Cash and bank balances	3	21	3	21
Other receivables	98	32	102	35
Total current assets	101	53	105	56
Non-current assets:				
Other non-current assets	-	-	26	26
Property, plant and equipment	7,975	8,317	7,975	8,317
Right-of-use asset	7,361	-	7,361	-
Total non-current assets	15,336	8,317	15,362	8,343
Total assets	15,437	8,370	15,467	8,399
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables	121	119	121	119
Other payables	274	166	273	165
Income tax payables	-	104	-	104
Loan from a director	747	50	747	50
Bank loans	1,050	1,150	1,050	1,150
Current portion of lease liabilities	241	-	241	-
Total current liabilities	2,433	1,589	2,432	1,588
Non-current liabilities:				
Deferred tax liabilities	280	281	280	281
Lease liabilities	7,220	-	7,220	-
Total non-current liabilities	7,500	281	7,500	281
Capital and reserves:				
Share capital	38,530	38,530	38,530	38,530
Reserves	(33,026)	(32,030)	(32,995)	(32,000)
Net equity	5,504	6,500	5,535	6,530
Total liabilities and equity	15,437	8,370	15,467	8,399

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31.12.2019		As at 31.12.2018	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
1,050	747*	1,150	50*

Amount repayable after one year

As at 31.12.2019		As at 31.12.2018	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The above borrowing of S\$1.05 million as at 31 December 2019 and S\$1.15 million as at 31 December 2018 were secured by a property of the Company.

* The unsecured borrowing of S\$0.75 million as at 31 December 2019 and S\$0.05 million as at 31 December 2018 were the loan owing to a director who was also a controlling shareholder of the Company. He had ceased to be the controlling shareholder of the Company on 20 December 2019. The new Purchasers as defined in the announcement dated 20 December 2019 have undertaken to procure the repayment by the Company, part of the loan owing to the said director amounting to S\$606,000 by 5 March 2020. Please refer to the Company's announcement dated 20 December 2019 for more details.

1(c) A Consolidated Statement of Cash Flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Operating activities

Loss before tax

Adjustments for:

Depreciation of property, plant and equipment

Depreciation of right-of-use asset

Interest expense

Interest expenses on lease liabilities

Operating cash flows before movements in working capital

Other receivables

Trade payables

Other payables

Net cash used in operations

Income tax

Interest paid

Net cash used in operating activities

Financing activities

Proceeds from bank borrowings

Loan from a director of the Company

Repayment of bank borrowings

Repayment of lease liabilities

Net cash generated from financing activities

Net decrease in cash and cash equivalents

Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the year

Group	
2019	2018
\$'000	\$'000
(1,057)	(414)
(1,057)	(414)
339	338
298	-
62	29
46	-
(312)	(47)
(66)	6
2	(11)
104	(380)
(272)	(432)
(2)	(5)
(59)	(26)
(333)	(463)
-	250
697	50
(100)	(100)
(282)	-
315	200
(18)	(263)
21	284
3	21

1(d)(i) A Statement of Changes in Equity (for the issuer and group) showing either (i) all changes in equity or (ii) changes inequity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP	SHARE CAPITAL	CURRENCY TRANSLATION RESERVE	REVALUATION RESERVE	SHARE ISSUE RESERVE	ACCUMULATED LOSSES	TOTAL
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 01.01.2018	38,530	-	7,853	(182)	(39,141)	7,060
Reclassification to profit or loss on disposal of subsidiary	-	-	-	-	(70)	(70)
Loss for the year	-	-	-	-	(519)	(519)
Other comprehensive income for the year, net of tax						
Net surplus on revaluation of leasehold building	-	-	29	-	-	29
Total	-	-	29	-	(519)	(490)
Balance at 31.12.2018	38,530	-	7,882	(182)	(39,730)	6,500
Balance at 01.01.2019	38,530	-	7,882	(182)	(39,730)	6,500
Effect on adoption of SFRS(I)16	-	-	-	-	(38)	(38)
Loss for the year	-	-	-	-	(955)	(955)
Other comprehensive loss for the year, net of tax						
Net loss on revaluation of leasehold building	-	-	(3)	-	-	(3)
Total	-	-	(3)	-	(955)	(958)
Balance at 31.12.2019	38,530	-	7,879	(182)	(40,723)	5,504

COMPANY	SHARE CAPITAL	REVALUATION RESERVE	SHARE ISSUE RESERVE	ACCUMULATED LOSSES	TOTAL
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 01.01.2018	38,530	7,853	(182)	(39,113)	7,088
Loss for the year	-	-	-	(587)	(587)
Other comprehensive income for the year, net of tax					
Net surplus on revaluation of leasehold building	-	29	-	-	29
Total	-	29	-	(587)	558
Balance at 31.12.2018	38,530	7,882	(182)	(39,700)	6,530
Balance at 01.01.2019	38,530	7,882	(182)	(39,700)	6,530
Effect on adoption of SFRS(I)16	-	-	-	(38)	(38)
Loss for the year	-	-	-	(954)	(954)
Other comprehensive loss for the year, net of tax					
Net loss on revaluation of leasehold building	-	(3)	-	-	(3)
Total	-	(3)	-	(954)	(957)
Balance at 31.12.2019	38,530	7,879	(182)	(40,692)	5,535

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no movement in the issued capital of the Company since 31 December 2018. The Company has no outstanding convertible securities as at 31 December 2019 and as at 31 December 2018. The Company holds no treasury shares or subsidiary holdings as at 31 December 2019 and as at 31 December 2018.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year.**

	31.12.2019	31.12.2018
Total number of shares excluding treasury shares	668,266,667	668,266,667

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, cancellation and/or use of treasury shares as at 31 December 2019. The Company did not hold any treasury shares as at 31 December 2019.

- 1(d)(v) A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

The Company did not have any subsidiary holdings as at 31 December 2019.

- 2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have neither been audited nor reviewed by our auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 December 2018 except as explained in Note 5 below.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effects of, the change.**

The Group has adopted Singapore Financial Reporting Standards (International) ["SFRS(I)"] 16 Leases effective on 1 January 2019. The Group has adopted the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for leases will be measured on transition as if the new rules had always been applied.

Right-of-use assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

The right-of-use asset as at 31 December 2019 was related to the lease of land at No. 8 Aljunied Avenue 3, Singapore. Accordingly, there was a corresponding increase in lease liabilities. The lease liabilities relate to the present value of future lease payments due to JTC.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group			
	4Q 2019	4Q 2018	FY 2019	FY 2018
Earnings (Loss) per ordinary share for the period after deducting any provision for preference dividends:-				
(i) Based on weighted average number of ordinary shares in issue	(0.04) cent	(0.03) cent	(0.14) cent	(0.08) cent
(ii) On a fully diluted basis*	(0.04) cent	(0.03) cent	(0.14) cent	(0.08) cent

Note: The net earnings per share for the three months 4Q 2019 and FY 2019 is calculated based on 668,266,667 ordinary shares in issue (4Q2018 and FY 2018: 668,266,667).

NA = not applicable

* There are neither any instruments that are convertible into ordinary shares of the Company nor any share options outstanding.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	Group	
	31.12.2019	31.12.2018
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	0.82 cent	0.97 cent

	Company	
	31.12.2019	31.12.2018
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	0.83 cent	0.98 cent

Note: The net asset value per ordinary share is calculated based on the issued share capital of 668,266,667 ordinary shares as at 31 December 2019 (31 December 2018: 668,266,667 ordinary shares).

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Revenue

The Group earned rental income from leasing part of its property at No. 8 Aljunied Avenue 3 Singapore.

The Group generated revenue of S\$0.06 million in the 4th Quarter 2019 ("4Q2019") compared to S\$0.07 million in the 4th Quarter 2018 ("4Q2018"). For the twelve months ended 31 December 2019 ("FY2019"), the Group recorded revenue of S\$0.18 million compared to S\$0.74 million for the corresponding period ended 31 December 2018 ("FY2018").

The lower revenue was due to lower rental rates, reduced leased area and absence of revenue in January 2019 as the new tenancy commenced on 1 February 2019.

Other Operating Income

Other operating income for the Company remained stable at S\$0.01 million in 4Q2019 and 4Q2018. Other operating income for the Group also remained relatively stable at S\$0.03 million for FY2019 and FY2018.

Operating Expenses

Operating expenses comprised of mainly administrative and other operating expenses.

In 4Q2019, total operating expenses amounted to S\$0.31 million as compared to S\$0.28 million in 4Q2018. The higher total operating expenses in 4Q2019 was due to higher professional fee incurred in 4Q2019 due to the change in controlling shareholder.

The total operating expenses remained stable at S\$1.16 million in FY2019 and S\$1.15 million in FY 2018. In 4Q2019 and FY2019 the Group incurred higher finance cost due to higher borrowings and additional interest expense on lease liabilities. The interest expense on lease liabilities was incurred following the adoption of SFRS(I) 16 Leases.

Loss from Operations

The Group reported a loss of S\$0.28 million in 4Q2019 and S\$0.21 million 4Q2018.

For FY2019 and FY2018, the Group reported a loss S\$0.96 million and S\$0.52 million respectively.

The higher loss in 4Q2019 and FY2019 was due to a combination of lower revenue, higher professional fee and higher finance costs and write back of the provision of income tax no longer required.

LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

As a result of the above, the Group reported a loss attributable to owners of the Company of S\$0.28 million in 4Q2019 and S\$0.96 million in FY2019 as compared to a loss of S\$0.21 million in 4Q2018 and S\$0.52 million in FY2018.

REVIEW OF WORKING CAPITAL, ASSETS AND LIABILITIES

The Group's current assets increased from S\$0.05 million as at 31 December 2018 to S\$0.10 million as at 31 December 2019. This increase was due to higher deposits and prepayments.

The Group's current liabilities stood at S\$2.43 million as at 31 December 2019 and S\$1.59 million as at 31 December 2018. The increase in current liabilities in FY2019 was attributable mainly to an increase in other payables, higher loan from a director and the right-of-use asset following the adoption of SFRS(I) 16 Lease on 1 January 2019. Increased liability was recognized as a current liability in the statements of financial position.

The Group's non-current liabilities increased from S\$0.28 million as at 31 December 2018 to S\$7.50 million as at 31 December 2019. The increase was due to the recognition of lease liabilities following the adoption of SFRS(I) 16.

As at 31 December 2019, the Group has net current liabilities of S\$2.33 million. The Company recently announced a change of controlling shareholder and a change of Chief Executive Officer ("CEO"). Please refer to the announcements on 20 December 2019 and 20 January 2020 respectively for more details.

On 23 January 2020, the Company entered into a loan agreement with the controlling shareholder pursuant to which the controlling shareholder has agreed to provide the Company an interest-free loan of S\$1,190,000 subject to the terms and conditions of the loan agreement. Please refer to the announcement on 23 January 2020 for more details.

The Group is also considering fund raising activities to improve its working capital. Based on the foregoing, the Board is of the opinion that the Group is able to operate as a going concern and able to meet its obligations as and when they fall due and the Group's working capital is sufficient to meet its present requirement and for the next twelve months.

REVIEW OF CASH FLOW STATEMENT

Cash flow from operating activities for FY2019 and FY2018 was a net cash outflow of S\$0.33 million and S\$0.46 million respectively.

- 9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

- 10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The existing lease of property at No 8 Aljunied Avenue 3, Singapore has been extended by the existing tenant to 31st July 2020.

The Group recently announced a change of controlling shareholder on 20 December 2019 and appointment of Chief Executive Officer (“CEO”) of the Company on 20 January 2020. For further details on the Group’s plans please refer to Note 8 under “Review of Working Capital, Assets and Liabilities”. The Group is currently exploring several business plans and will update shareholders in due course.

- 11 Dividend**

(a) Current Financial Period Reported On

Any dividend proposed for the current financial period reported on? None

Name of dividend	NA
Dividend Type	NA
Dividend Amount per Share (in cents)	NA
Dividend Rate (in %)	NA
Tax Rate	NA

(b) Corresponding Period of the Immediately Preceding Financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

Name of dividend	NA
Dividend Type	NA
Dividend Amount per Share (in cents)	NA
Dividend Rate (in %)	NA
Tax Rate	NA

(c) Whether the dividend is before tax, net of tax or tax exempt?

Not applicable.

(d) Date payable

Not applicable.

(e) Records date

Not applicable.

12 If no dividend has been declared / recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the financial year ended 31 December 2019 as the Company was in a loss-making position.

13 If the Group has obtained a general mandate from shareholders for Interested Person Transaction (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Listing Manual (Section B: Rules of Catalist). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a general mandate from shareholders for interested person transactions (“IPTs”). There were no IPTs of S\$100,000 or more for the twelve months ended 31 December 2019.

14 Confirmation by the Board pursuant to Rule 720(1) of the Listing Manual (Section B: Rules of Catalist)

On behalf of the Board of Directors of the Company, we hereby confirm that we have procured all the required undertakings to comply with Rule 720(1) of the Listing Manual (Section B: Rules of Catalist) from all the Directors and Executive Officers of the Company.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15 Segmented revenue and results for operating segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group’s revenue from operations in FY2019 and FY2018 was derived from the leasing of property which operates in Singapore. Revenue from leasing of property in financial year 2019 and 2018 were earned from one customer.

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to Note 8, under “Revenue” for the review of performance.

17 A breakdown of sales.

	Group		
	FY 2019 S\$'000	FY 2018 S\$'000	Change %
Sales reported for first half year	66	443	-85.1%
Operating loss after tax before deducting non-controlling interests reported for first half year	(521)	(254)	NM
Sales reported for second half year	114	295	-61.4%
Operating loss after tax before deducting non-controlling interests reported for second half year	(434)	(265)	63.8%

18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Total Annual Net Dividend

	FY 2019 S\$	FY 2018 S\$
Ordinary	Nil	Nil
Preference	Nil	Nil

19 Confirmation pursuant to Rule 704(10) of the Listing Manual (Section B: Rules of Catalyst)

The Company confirms that no one is occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or Chief Executive Officer or substantial shareholders of the Company.

BY ORDER OF THE BOARD

ZHAO XIN
CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR
29 JANUARY 2020

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: -

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