

# OEL (HOLDINGS) LIMITED

(Company Registration No: 198403368H)

---

## Unaudited Financial Statement and Dividend Announcement for the First Quarter Ended 31.03.2015

---

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTER YEAR RESULTS

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

1(a)(i) Statement of Comprehensive Income

	<b>Group</b>		
	<b>Three months ended</b>		
	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b><u>Continuing operations</u></b>			
Revenue	859	898	-4.3%
Cost of sales	(4,410)	** 114	NM
Gross (loss) profit	(3,551)	1,012	NM
Other operating income	611	1,995	-69.4%
Distribution costs	(19)	(105)	-81.9%
Administrative expenses	(742)	(3,424)	-78.3%
Other operating expenses	(695)	(299)	132.4%
Finance costs	(7)	(19)	-63.2%
Loss before tax	(4,403)	(840)	424.2%
Income tax	-	957	-100.0%
(Loss) profit for the period	(4,403)	117	NM
<b><u>Discontinued operations</u></b>			
Loss for the period from discontinued operations	-	(82)	-100.0%
<b>(Loss) Profit for the period</b>	<b>(4,403)</b>	<b>35</b>	<b>NM</b>
<b>(Loss) Profit attributable to:</b>			
Owners of the Company	(4,403)	76	NM
Non-controlling interests	-	(41)	-100.0%
	<b>(4,403)</b>	<b>35</b>	<b>NM</b>

\*\* included reversal of commission expense during the period.

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

**Continuing operations**

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

Depreciation of property, plant and equipment	(317)	(333)	-4.8%
Foreign currency exchange adjustment gain, net	578	412	40.3%
Interest income	8	14	-42.9%
Gain on disposal of property, plant and equipment	-	35	-100.0%
Project costs written off	(3,820)	-	NM

<b>Group</b>		
<b>Three months ended</b>		
<b>31.03.2015</b>	<b>31.03.2014</b>	<b>Change</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>

**Discontinued operations**

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

Depreciation of property, plant and equipment	-	(86)	-100.0%
Foreign currency exchange adjustment gain, net	-	4	-100.0%

<b>Three months ended</b>		
<b>31.03.2015</b>	<b>31.03.2014</b>	<b>Change</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>

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

(Loss) Profit for the period	(4,403)	35	NM
Other comprehensive loss:			
Item that may be reclassified subsequently to profit or loss			
- exchange differences on translation of foreign operations	(189)	(263)	-28.1%
Total comprehensive loss for the period	(4,592)	(228)	1,914.0%

<b>Group</b>		
<b>Three months ended</b>		
<b>31.03.2015</b>	<b>31.03.2014</b>	<b>Change</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>

Total comprehensive loss attributable to:

Owners of the Company	(4,592)	(187)	2,355.6%
Non-controlling interests	-	(41)	-100.0%
	(4,592)	(228)	1,914.0%

NM=Not meaningful

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

	Group		Company	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	5,440	6,221	5,125	5,982
Trade receivables	3,514	7,355	29	40
Other receivables	2,402	5,152	8,680	9,358
Inventories	6,153	6,162	-	-
Total current assets	17,509	24,890	13,834	15,380
<b>Non-current assets</b>				
Associates	-	-	-	26
Available-for-sale investments	24	12	24	12
Property, plant and equipment	12,043	12,327	4,910	4,961
Investment property	3,741	3,741	3,741	3,741
Total non-current assets	15,808	16,080	8,675	8,740
<b>Total assets</b>	<b>33,317</b>	<b>40,970</b>	<b>22,509</b>	<b>24,120</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade payables	12,385	12,104	186	168
Other payables	4,237	7,388	2,549	3,587
Current portion of finance leases	33	33	33	33
Income tax payable	-	-	-	-
Current portion of bank loans	357	540	357	540
Total current liabilities	17,012	20,065	3,125	4,328

	Group		Company	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current liabilities:</b>				
Finance leases	58	66	58	66
Deferred tax liabilities	411	411	411	411
Total non-current liabilities	469	477	469	477
<b>Capital, reserves and non-controlling interests</b>				
Share capital	38,530	38,530	38,530	38,530
Reserves	(22,694)	(18,102)	(19,615)	(19,215)
Equity attributable to owners of the Company	15,836	20,428	18,915	19,315
Non-controlling interests	-	-	-	-
Total equity	15,836	20,428	18,915	19,315
<b>Total liabilities and equity</b>	33,317	40,970	22,509	24,120

#### Review of working capital, assets and liabilities

The Group's current assets decreased to S\$17.5 million as at 31 March 2015 from S\$24.9 million as at 31 December 2014 due mainly to a reduction in trade and other receivables.

Current liabilities decreased to S\$17.0 million as at 31 March 2015 from S\$20.1 million as at 31 December 2014, attributed mainly to a decrease in trade and other payables.

Based on the above, the Group had positive working capital (total current assets less total current liabilities) of S\$0.5 million at the end of March 2015.

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

Amount repayable in one year or less, or on demand

As at 31.03.2015		As at 31.12.2014	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
33	357	33	540

Amount repayable after one year

As at 31.03.2015		As at 31.12.2014	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
58	-	66	-

**Details of any collateral**

The above secured borrowings are secured by certain plant and equipment of the Group and the Company.

**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 period.**

	Three months ended	
	31.03.2015 S\$'000	31.03.2014 S\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(4,403)	(922)
Adjustments for:		
Depreciation of property, plant and equipment	317	419
Gain on disposal of property, plant and equipment	-	(35)
Interest expense	7	38
Interest income	(8)	(14)
Project costs written off	3,000	-
Operating loss before movements in working capital	(1,087)	(514)
Trade receivables	885	1,912
Other receivables	2,757	115
Inventories	9	(537)
Trade payables	175	(5,641)
Other payables	(3,319)	(3,078)
Cash used in operations	(580)	(7,743)
Income tax refund	-	402
Interest paid	(7)	(38)
Interest received	8	14
Net cash used in operating activities	(579)	(7,365)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-	(1,093)
Purchase of available-for-sale investment	(12)	-
Proceeds on disposal of property, plant and equipment	-	187
Net cash used in investing activities	(12)	(906)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in bank loans	(183)	(435)
Repayment of obligations under finance leases	(8)	(32)
Restricted cash	2,371	1,219
Net cash from financing activities	2,180	752
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,589</b>	<b>(7,519)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>1,593</b>	<b>16,918</b>
Effect of exchange rate changes on the balance of cash and bank balances held in foreign currencies	1	3
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>3,183</b>	<b>9,402</b>

Three months ended	
31.03.2015	31.03.2014
S\$'000	S\$'000

Represented by :  
CASH AND CASH EQUIVALENTS

Cash and bank balances	5,440	15,767
Less: Restricted cash*	(2,257)	(6,365)
	<u>3,183</u>	<u>9,402</u>

\*Restricted cash mainly comprises the balance of the retention sum of S\$1.78 million which forms part of the cash proceeds from the disposal of the Distributionship business in 2013 and fixed deposits placed with financial institutions as collaterals for the issuance of banker's guarantees.

#### Review of Cash Flow Statement

Cash flow from operating activities was a net cash outflow of S\$0.58 million compared to a net cash outflow of S\$7.37 million for the same corresponding period of last year. The net cash outflow was mainly due to the losses in the Shipyard operations and settlement of trade and other payables.

The net increase in cash and cash equivalents was mainly due to release of the restricted cash during the period.

**1(d)(i) A Statement of Changes in Equity (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity 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 (S\$'000)	SHARE CAPITAL	CURRENCY TRANSLATION RESERVE	ASSET REVALUATION RESERVE	CAPITAL RESERVE	SHARE ISSUE RESERVE	RETAINED EARNINGS (ACCUMULATED LOSSES)	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance at 01.01.2014	38,530	1,237	6,397	-	(182)	(83)	45,899	474	46,373
<b>Total comprehensive (loss) income for the period</b>									
Profit for the period	-	-	-	-	-	76	76	(41)	35
Other comprehensive (loss) income for the period	-	(263)	-	-	-	-	(263)	-	(263)
Balance at 31.03.2014	38,530	974	6,397	-	(182)	(7)	45,712	433	46,145
Balance at 01.01.2015	38,530	(1,956)	6,539	-	(182)	(22,503)	20,428	-	20,428
<b>Total comprehensive loss for the period</b>									
Loss for the period	-	-	-	-	-	(4,403)	(4,403)	-	(4,403)
Other comprehensive loss for the period	-	(189)	-	-	-	-	(189)	-	(189)
Balance at 31.03.2015	38,530	(2,145)	6,539	-	(182)	(26,906)	15,836	-	15,836



COMPANY (S\$'000)	SHARE CAPITAL	ASSET REVALUATION RESERVE	SHARE ISSUE RESERVE	RETAINED EARNINGS (ACCUMULATED LOSSES)	TOTAL EQUITY
Balance at 01.01.2014	38,530	6,397	(182)	10,122	54,867
Total comprehensive income for the period	-	-	-	484	484
Balance at 31.03.2014	<u>38,530</u>	<u>6,397</u>	<u>(182)</u>	<u>10,606</u>	<u>55,351</u>
Balance at 01.01.2015	38,530	6,539	(182)	(25,572)	19,315
Total comprehensive loss for the period	-	-	-	(400)	(400)
Balance at 31.03.2015	<u>38,530</u>	<u>6,539</u>	<u>(182)</u>	<u>(25,972)</u>	<u>18,915</u>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.**

There is no change in the Company's share capital since the end of the immediately preceding financial year. The Company has no outstanding convertible securities as at 31 March 2015 and 31 December 2014.

- 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.**

	31.03.2015	31.12.2014
Total number of shares excluding treasury shares	668,266,667	668,266,667

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

There were no sales, transfers, disposal, cancellation and/ or use of treasury shares as at 31 March 2015 and 31 December 2014. The Company does not have any treasury shares as at 31 March 2015 and 31 December 2014.

- 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 qualifications 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.**

As disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as compared with those used in the audited financial statements for the year ended 31 December 2014.

- 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 all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2015. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current period or prior years.

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

**Continuing operations**

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
- (ii) On a fully diluted basis\*

Group Figures	
31.03.2015	31.03.2014
(0.66) cents	0.02 cents
(0.66) cents	0.02 cents

**Discontinued operations**

Earnings per ordinary share for the period after deducting any provision for preference dividends:-

- (i) Based on weighted average number of ordinary shares in issue
- (ii) On a fully diluted basis\*

Group Figures	
31.03.2015	31.03.2014
0.00 cents	(0.01) cents
0.00 cents	(0.01) cents

Note: The net earnings per share for the six months ended 31 March 2015 is calculated based on 668,266,667 (31 March 2014: 668,266,667) ordinary shares in issue.

\* 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 period.**

Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on

Group Figures	
31.03.2015	31.12.2014
2.37 cents	3.06 cents

Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on

Company Figures	
31.03.2015	31.12.2014
2.83 cents	2.89 cents

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 March 2015 (31 December 2014: 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.**

#### CONTINUING OPERATIONS

The Group continues to operate its Shipyard. The Group also receives rental income from leasing of its property at No. 8 Aljunied Avenue 3 in Singapore ("Property Management"). The Group's equity interest in a biofuel business in Singapore was reduced from 25% to 0.25% following a rights issue undertaken by the Biofuel company in February 2015.

#### **Revenue**

Revenue was S\$0.86 million as compared to S\$0.90 million in 1Q2014.

The Shipyard operations posted revenue of S\$0.68 million, mainly from providing ship repair services. Group revenue also comprised rental income of S\$0.18 million from the Property Management segment.

#### **Gross loss**

The Group posted a gross loss of S\$3.55 million compared to a gross profit of S\$1.0 million in 1Q2014. The loss was attributed to the write-off of project costs of S\$0.82 million following the final award in an Arbitration Proceeding ordered by the Arbitral Tribunal which was announced by the Company on 21 April 2015 and write-off of other project costs of S\$3.0 million as a result of a review of the recoverable amounts in the period.

#### **Other operating income**

The Group registered other operating income of S\$0.64 million as compared to S\$2.0 million in 1Q2014. In 1Q2014, other operating income included negotiated discounts received of approximately S\$1.5 million for amounts owing to certain suppliers of the Shipyard operations.

#### **Operating expenses**

Operating expenses comprise mainly distribution, administrative and other operating expenses. Total operating expenses was S\$1.46 million compared to S\$3.83 million in 1Q2014 as a consequence of lower legal and professional fees and cost cutting measures.

#### **Loss from Continuing Operations**

The loss was mainly attributed to the write-off of project costs and other legal costs resulting from the final award in an Arbitration Proceedings ordered by the Arbitral Tribunal which was announced by the Company on 21 April 2015 and write-off of other project costs as a result of a review of the recoverable amounts in the period.

#### DISCONTINUED OPERATIONS

#### **Loss from discontinued operations**

In 1Q2014, the Group recorded loss of S\$82,000 from discontinued operations. This loss was attributed mainly to the Biofuel business.

#### PROFIT / LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The Group recorded a loss attributable to owners of the company of S\$4.4 million, compared to a profit of S\$76,000 in 1Q2014.

**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 Group continues to execute and improve the cost-containment measures for its Shipyard operations. It is also exploring various options including repair work, outsourcing and other services to improve the results of the Shipyard operations.

As part of its efforts to explore new business avenues, the Group has on 23 September 2014 entered into a non-binding memorandum of understanding (MOU) to acquire a stake of between 60% and 100% in Allied Resources Limited. Allied Resources owns 50% interests in Qian An Oilfield Development Co. Ltd. (Qian An) which is jointly owned with PetroChina Company Limited. Qian An is principally engaged in the exploration, development and production of oil and natural gas from two oil fields in Jilin, China. The oil fields are currently in production. The Group has entered into an agreement on 5 February 2015 to extend the validity of the MOU for five months from 23 January 2015. On 30 April 2015, the Group has entered into a Supplemental Agreement to the MOU (Supplemental MOU). Under the Supplemental MOU, the Group intends to acquire 51% of the entire issued share capital of Allied Resources for a consideration of approximately S\$19.9 million, in cash and shares and the validity of the MOU has been extended for six months from 23 January 2015. The Company will continue to keep shareholders apprised on any material developments on this proposed acquisition.

The Group continues to explore and evaluate strategic business opportunities, including but not limited to strategic investments, partnerships, or mergers and acquisitions, that could add a new business pillar and generate value for shareholders.

**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) Books closure date**

Not applicable.

**12 If no dividend has been declared / recommended, a statement to that effect.**

No dividend has been declared or recommended for the three months ended 31 March 2015.

**13 Interested person transactions**

The Company does not have a general mandate from shareholders for the interested person transactions. There were no IPTs of S\$100,000 or more for 1Q2015.

**14 Confirmation pursuant to Rule 705(5) of the Listing Manual (Section B: Rules of Catalyst)**

The Board hereby confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited first quarter financial statements for the period ended 31 March 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Low Beng Tin  
Managing Director

**BY ORDER OF THE BOARD**

**CAROLINE YEO POH NOI / DERICK LIM**  
**COMPANY SECRETARIES**  
**14 MAY 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