

OEL (HOLDINGS) LIMITED

(Company Registration No: 198403368H)

First Quarter Financial Statement and Dividend Announcement for the Period Ended 31.03.2017

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 period.

1(a)(i) Statement of Comprehensive Income

	Group		
	1Q 2017	1Q 2016	Change
	S\$'000	S\$'000	%
		(Re-presented)	
<u>Continuing Operations</u>			
Revenue	255	250	2.0%
Other operating income	82	11	NM
Administrative expenses	(417)	(296)	40.9%
Other operating expenses	(184)	(151)	21.9%
Finance costs	(9)	(5)	80.0%
Loss before tax	(273)	(191)	42.9%
Income tax expenses *	(4)	(201)	-98.0%
Loss for the period	(277)	(392)	-29.3%

Discontinued Operations**

Loss for the period from discontinued operations

	-	(1,626)	NM
Loss for the period	(277)	(2,018)	-86.3%
Loss attributable to:			
Owners of the Company	(277)	(2,018)	-86.3%

NM = Not meaningful

* Under provision of income tax of prior years

** The Group's shipyard operations were disposed on 6 January 2017, therefore contribution to 2017's profit or loss is not material. Details on events leading up to the disposal are described on note 12 (page 56) of the 2016 annual report.

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

Continuing Operations

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

Depreciation of property, plant and equipment

Foreign currency exchange adjustment gain

Loss on disposal of property, plant and equipment

Interest expenses

Under provision of tax in prior years

Group		
1Q 2017 S\$'000	1Q 2016 S\$'000	Change %
(49)	(52)	-5.8%
-	35	NM
(47)	-	NM
(9)	(5)	80.0%
(4)	(201)	-98.0%

Discontinued operations

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

Depreciation of property, plant and equipment

Foreign currency exchange adjustment loss

Property, plant and equipment written off

Gain on disposal of property, plant and equipment

Group		
1Q 2017 S\$'000	1Q 2016 S\$'000	Change %
-	(318)	NM
-	(1,020)	NM
-	(4)	NM
-	36	NM

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

Loss for the period from continuing operation

Loss for the period from discontinued operation

Other comprehensive loss:

Item that may be reclassified subsequently to profit or loss

- exchange differences on translation of foreign operations

Total comprehensive loss for the period

Total comprehensive loss attributable to:

Owners of the Company

Group		
1Q 2017 S\$'000	1Q 2016 S\$'000	Change %
(277)	(392)	-29.3%
-	(1,626)	NM
-	1,018	NM
(277)	(1,000)	-72.3%
(277)	(1,000)	-72.3%

NM = Not meaningful

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.

	Group		Company	
	31.03.2017	31.12.2016	31.03.2017	31.12.2016
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets:				
Cash and bank balances	282	245	282	245
Trade receivables	15	4	15	4
Other receivables	57	24	56	24
Assets of disposal group classified as held for sale	-	9,045	-	-
Total current assets	354	9,318	353	273
Non-current assets:				
Associates	-	-	-	-
Other non-current assets	-	6	26	32
Property, plant and equipment	4,404	4,576	4,404	4,576
Investment property	3,741	3,741	3,741	3,741
Total non-current assets	8,145	8,323	8,171	8,349
Total assets	8,499	17,641	8,524	8,622
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables	141	143	141	143
Other payables	557	558	553	556
Income tax payables	98	129	98	129
Finance leases	-	33	-	33
Bank loans	1,000	1,000	1,000	1,000
Liabilities of disposal group classified as held for sale	-	9,045	-	-
Total current liabilities	1,796	10,908	1,792	1,861
Non-current liabilities:				
Deferred tax liabilities	288	288	288	288
Total non-current liabilities	288	288	288	288
Capital and reserves:				
Share capital	38,530	38,530	38,530	38,530
Reserves	(32,115)	(32,085)	(32,086)	(32,057)
Net equity	6,415	6,445	6,444	6,473
Total liabilities and equity	8,499	17,641	8,524	8,622

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

Amount repayable in one year or less, or on demand

As at 31.03.2017		As at 31.12.2016	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
1,000	-	1,033	-

Amount repayable after one year

As at 31.03.2017		As at 31.12.2016	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

As at 31 March 2017 the above secured borrowings are secured by a property of 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.

	Group	
	1Q 2017	1Q 2016
	\$'000	\$'000
Operating activities		
Loss before tax from continuing operations	(273)	(191)
Loss from discontinued operation	-	(1,626)
	(273)	(1,817)
Adjustments for:		
Depreciation of property, plant and equipment	49	370
Impairment of non-current asset	6	-
Interest expense	9	5
Loss /(gain) on disposal of property, plant and equipment	47	(36)
Property, plant and equipment written off	-	4
Operating cash flows before movements in working capital	(162)	(1,474)
Trade receivables	(11)	(67)
Other receivables	(33)	(24)
Inventories	-	2
Trade payables	(2)	269
Other payables	(1)	768
Cash generated used in operations	(209)	(526)
Income tax paid	(35)	-
Interest paid	(9)	(5)
Interest received		-
Net cash used in operating activities	(253)	(531)

	Group	
	1Q 2017	1Q 2016
	\$'000	\$'000
Investing activities		
Proceeds on disposal of property, plant and equipment	76	37
Net cash generated from investing activities	76	37
Financing activities		
Repayment of obligations under finance leases	(33)	(8)
Restricted cash	-	597
Net cash (used in) generated from financing activities	(33)	589
Net (decrease)/ increase in cash and cash equivalents	(210)	95
Cash and cash equivalents at beginning of the year	245	712
Effect of exchange rate changes on the balance of cash and bank balances held in foreign currencies	247	26
Cash and cash equivalents at end of the year	282	833

Cash and cash equivalents consist of :	31.03.2017	31.03.2016
	SS'000	SS'000
Cash and bank balances	282	833
Less: Restricted cash*	-	(225)
Add: Included in disposal group held for sale	-	225
Cash and cash equivalents at end of the year	282	833

Restricted cash mainly comprises the retention sum which forms part of the cash proceeds from the disposal of the distribution business in 2013.

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 (S\$'000)	SHARE CAPITAL	CURRENCY TRANSLATION RESERVE	REVALUATION RESERVE	SHARE ISSUE RESERVE	ACCUMULATED LOSSES	TOTAL
Balance at 01.01.2016	38,530	1,084	6,539	(182)	(31,971)	14,000
Total comprehensive loss for the year						
Loss for the year	-	-	-	-	(6,224)	(6,224)
Other comprehensive loss for the year	-	(1,331)	-	-	-	(1,331)
Total	-	(1,331)	-	-	(6,224)	(7,555)
Balance at 31.12.2016	38,530	(247)	6,539	(182)	(38,195)	6,445
Balance at 01.01.2017	38,530	(247)	6,539	(182)	(38,195)	6,445
Total comprehensive loss for the period						
Loss for the period	-	247	-	-	(277)	(30)
Total	-	247	-	-	(277)	(30)
Balance at 31.03.2017	38,530	-	6,539	(182)	(38,472)	6,415

COMPANY (S\$'000)	SHARE CAPITAL	REVALUATION RESERVE	SHARE ISSUE RESERVE	ACCUMULATED LOSSES	TOTAL
Balance at 01.01.2016	38,530	6,539	(182)	(37,573)	7,314
Total comprehensive loss for the year					
Loss for the year	-	-	-	(841)	(841)
Total	-	-	-	(841)	(841)
Transactions with owners, recognised directly in equity					
Balance at 31.12.2016	38,530	6,539	(182)	(38,414)	6,473
Balance at 01.01.2017	38,530	6,539	(182)	(38,414)	6,473
Total comprehensive loss for the period					
Loss for the period	-	-	-	(29)	(29)
Total	-	-	-	(29)	(29)
Balance at 31.03.2017	38,530	6,539	(182)	(38,443)	6,444

- 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 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 2016. The company has no outstanding convertible securities as at 31 March 2017.

In 2015, the Group entered into a conditional sale and purchase agreement with an individual to acquire 51% of Allied Resources Limited (the "proposed acquisition"). The proposed acquisition would have given the Group access to two oilfields in Jilin, China. In 2016, the Company issued 20,357,894 new ordinary shares to the individual as partial consideration towards effecting the proposed acquisition (the "new shares"). Shortly thereafter, the plan for the proposed acquisition was terminated. As part of the termination agreement between the individual and the Group, all rights, interests and benefits of the new shares were transferred back to the Group. Accordingly, the new shares have been accounted for as treasury shares. As no consideration was exchanged for the issue and transfer in the arrangements above, the value of share capital remains unchanged, and no value has been allocated to treasury shares. The treasury shares accounted for 2.96% of the total number of shares issued as at 31 March 2017.

- 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.**

	31.03.2017	31.12.2016
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 March 2017.

- 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 does not have any subsidiary holdings as at 31 March 2017.

- 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.**

Except for the adoption of revised Financial Reporting Standards ("FRS") 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 those used in the audited financial statements for the year ended 31 December 2016.

- 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 2016. The adoption of these new/revised FRSs and INT FRSs does not result in significant 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	
1Q 2017	1Q 2016
(0.04) cents	(0.06) cents
(0.04) cents	(0.06) cents

Discontinued 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	
1Q 2017	1Q 2016
NM	(0.24) cents
NM	(0.24) cents

Note: The net earnings per share for the three months ended 31 March 2017 is calculated based on 668,266,667 ordinary shares in issue (31 March 2016: 668,266,667).

The 20,357,894 ordinary shares issued in year 2016 (accounted for effectively as treasury shares) are excluded from the computations above.

NM = not meaningful

* 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	
31.03.2017	31.12.2016
0.96 cents	0.96 cents

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

Company	
31.03.2017	31.12.2016
0.96 cents	0.97 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 2017 (31 December 2016: 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 earn rental income from leasing of its property at No. 8 Aljunied Avenue 3 in Singapore.

Revenue

The Group posted revenue of S\$0.26 million in the first quarter ended 31 March 2017 ("1Q2017") as compared to S\$0.25 million in the first quarter ended 31 March 2016 ("1Q2016").

Other Operating Income

The Group registered other operating income of S\$0.08 million in 1Q2017 as compared to S\$0.01 million in 1Q2016.

The higher operating income in 1Q2017 was attributed mainly to recovery of bad debts previously provided for.

Operating Expenses

Operating expenses comprise mainly administrative and other operating expenses. In 1Q2017, total operating expenses amounted to S\$0.60 million compared to S\$0.45 million in 1Q2016. The increase in total operating expenses in 1Q2017 was attributed mainly to reclassification of all the accumulated exchange losses in respect of the disposal of the Group's foreign shipyard operations. .

Loss from Continuing Operations

The Group reported a loss of S\$0.28 million in 1Q2017 as compared to S\$0.39 million in 1Q2016. The higher loss in 1Q2016 was due to income tax of prior year.

DISCONTINUED OPERATIONS

The Group incurred a loss of S\$1.63 million in 1Q2016 from the discontinued shipyard operation.

LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

As a result of the above, the Group recorded a loss attributable to owners of company of S\$0.28 million 1Q2017 compared to a loss of S\$2.02 million in 1Q2016.

REVIEW OF WORKING CAPITAL, ASSETS AND LIABILITIES

The Group's current assets decreased to S\$0.35 million as at 31 March 2017 from S\$9.32 million as at 31 December 2016 and current liabilities decreased to S\$1.80 million as at 31 March 2017 from S\$10.91 million as at 31 December 2016.

The decrease in current assets and liabilities was due to the disposal of shipyard operations (classified as disposal group held for sale as at 31 December 2016). Details on events leading up to the disposal are described on note 12 (page 56) of the 2016 annual report.

As at 31 March 2017, the Group has net current liabilities of S\$1.44 million. Management is confident that the property management business will generate sufficient cash flows to cover operating costs and service interest payments, and the lenders will be supportive of the Group's continuing business

REVIEW OF CASH FLOW STATEMENT

Cash flow from operating activities was a net cash outflow of S\$0.25 million as compared to a net cash outflow of S\$0.53 million for the same corresponding period of last year.

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 generate rental income from the property management. The Group will continue to explore and evaluate strategic business opportunities, including but not limited to strategic investments, partnerships, or mergers and acquisitions, that have potential to 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 first quarter ended 31 March 2017.

13 Interested person transactions

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 first quarter ended 31 March 2017.

14. Confirmation by the Board pursuant to Rule 720(1) of the Listing Manual

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

15 Confirmation pursuant to Rule 705(5) of the Listing Manual (Section B: Rules of Catalist)

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 financial statements for the period ended 31 March 2017 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

TAN CHING CHEK
COMPANY SECRETARY
15 May 2017

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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