

# OEL (HOLDINGS) LIMITED

(Company Registration No: 198403368H)

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## Third Quarter and Nine Months Financial Statement and Dividend Announcement for the Period Ended 30.09.2016

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

	Group					
	3Q 2016 S\$'000	3Q 2015 S\$'000	Change %	YTD Sept 16 S\$'000	YTD Sept 15 S\$'000	Change %
<b><u>Continuing Operations</u></b>						
Revenue	518	683	-24.2%	1,682	2,057	-18.2%
Cost of sales	(454)	*(449)	1.1%	(1,461)	(5,337)	-72.6%
Gross profit/ (loss)	64	234	-72.6%	221	(3,280)	NM
Other operating income	1,194	44	NM	426	100	NM
Distribution costs	(4)	(6)	-33.3%	(6)	(40)	-85.0%
Administrative expenses	(446)	(603)	-26.0%	(1,483)	(1,864)	-20.4%
Other operating expenses	(183)	(1,181)	-84.5%	(599)	(4,101)	-85.4%
Finance costs	(6)	(5)	20.0%	(16)	(17)	-5.9%
Profit/ (loss) before tax	619	(1,517)	NM	(1,457)	(9,202)	-84.2%
Income tax **	-	-	NA	(201)	-	NM
Profit/ (loss) for the period	619	(1,517)	NM	(1,658)	(9,202)	-82.0%
Profit/ (loss) attributable to: Owners of the Company	619	(1,517)	NM	(1,658)	(9,202)	-82.0%

NM = Not meaningful

NA = Not applicable

\* Net of reversal of provisions not required

\*\* Under provision of income tax of prior years

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

Group						
3Q 2016 S\$'000	3Q 2015 S\$'000	Change %	YTD Sept 16 S\$'000	YTD Sept 15 S\$'000	Change %	
Loss for the period is stated after (charging) crediting the following:						
Depreciation of property, plant and equipment	(383)	(460)	-16.7%	(1,119)	(1,070)	4.6%
Foreign currency exchange adjustment gain/ (loss), net	1,188	(926)	NM	400	(2,782)	NM
Property, plant and equipment written off	(5)	(24)	-79.2%	(13)	(24)	-45.8%
Gain on disposal of property, plant and equipment	24	17	41.2%	76	32	NM
Interest income	-	2	NM	1	13	-92.3%
Interest expenses	(6)	(5)	20.0%	(16)	(17)	-5.9%
Under provision of tax in prior years	-	-	NA	(201)	-	NM
Project costs written off	-	-	NA	-	(3,820)	NM
Bad debts write off	1	-	NM	1	-	NM

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

Group						
3Q 2016 S\$'000	3Q 2015 S\$'000	Change %	YTD Sept 16 S\$'000	YTD Sept 15 S\$'000	Change %	
Profit/ (loss) for the period	619	(1,517)	NM	(1,658)	(9,202)	-82.0%
Other comprehensive (loss)/ profit :						
Item that may be reclassified subsequently to profit or loss						
- exchange differences on translation of foreign operations	(1,116)	694	NM	(218)	3,056	NM
Total comprehensive loss for the period	(497)	(823)	-39.6%	(1,876)	(6,146)	-69.5%
Total comprehensive loss attributable to:						
Owners of the Company	(497)	(823)	-39.6%	(1,876)	(6,146)	-69.5%

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>Group</b>		<b>Company</b>	
	<b>30.09.2016</b>	<b>31.12.2015</b>	<b>30.09.2016</b>	<b>31.12.2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and bank balances	824	1,534	665	1,295
Trade receivables	157	154	11	24
Other receivables	1,886	1,673	259	30
Other current assets	3,000	3,000	-	-
Inventories	6,133	6,136	-	-
<b>Total current assets</b>	<b>12,000</b>	<b>12,497</b>	<b>935</b>	<b>1,349</b>
<b>Non-current assets:</b>				
Associates	-	-	-	-
Other non-current assets	12	12	38	38
Property, plant and equipment	8,750	9,854	4,628	4,773
Investment property	3,741	3,741	3,741	3,741
<b>Total non-current assets</b>	<b>12,503</b>	<b>13,607</b>	<b>8,407</b>	<b>8,552</b>
<b>Total assets</b>	<b>24,503</b>	<b>26,104</b>	<b>9,342</b>	<b>9,901</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Trade payables	8,264	8,841	270	268
Other payables	2,397	2,409	1,482	1,465
Income tax payables	141	-	141	-
Finance leases	33	33	33	33
Bank loans	1,000	500	1,000	500
<b>Total current liabilities</b>	<b>11,835</b>	<b>11,783</b>	<b>2,926</b>	<b>2,266</b>

	<b>Group</b>		<b>Company</b>	
	<b>30.09.2016</b>	<b>31.12.2015</b>	<b>30.09.2016</b>	<b>31.12.2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current liabilities:</b>				
Finance leases	8	33	8	33
Income tax payables	24	-	24	-
Deferred tax liabilities	288	288	288	288
Total non-current liabilities	320	321	320	321
<b>Capital and reserves:</b>				
Share capital	38,754	38,530	38,754	38,530
Reserves	(26,406)	(24,530)	(32,658)	(31,216)
Equity attributable to owners of the Company	12,348	14,000	6,096	7,314
Net equity	12,348	14,000	6,096	7,314
<b>Total liabilities and equity</b>	<b>24,503</b>	<b>26,104</b>	<b>9,342</b>	<b>9,901</b>

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

Amount repayable in one year or less, or on demand

As at 30.09.2016		As at 31.12.2015	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
1,033	-	533	-

Amount repayable after one year

As at 30.09.2016		As at 31.12.2015	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
8	-	33	-

**Details of any collateral**

The above secured borrowings are secured by a property and 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.**

	<b>Group</b>			
	<b>3Q 2016</b>	<b>3Q 2015</b>	<b>YTD Sept 16</b>	<b>YTD Sept 15</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit/ (loss) before tax	619	(1,517)	(1,457)	(9,202)
Adjustments for:				
Bad debts written off	1	-	1	-
Depreciation of property, plant and equipment	383	460	1,119	1,070
Gain on disposal of property, plant and equipment	(24)	(17)	(76)	(32)
Property, plant and equipment written off	5	24	13	24
Interest expense	6	5	16	17
Interest income	-	(2)	(1)	(13)
Project costs written off	-	-	-	3,000
Operating gain/ (loss) before movements in working capital	990	(1,047)	(385)	(5,136)
Trade receivables	120	41	35	93
Other receivables	11	349	18	3,313
Inventories	1	1	3	13
Trade payables	(510)	196	(567)	(793)
Other payables	(925)	26	(353)	(1,490)
Cash used in operations	(313)	(434)	(1,249)	(4,000)
Interest paid	(6)	(5)	(16)	(17)
Interest received	-	2	1	13
Net cash used in operating activities	(319)	(437)	(1,264)	(4,004)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(10)	(8)	(10)	(8)
Purchase of available-for-sale investment	-	-	-	(12)
Proceeds on disposal of property, plant and equipment	31	17	83	36
Net cash from investing activities	21	9	73	16

	<b>Group</b>			
	<b>3Q 2016</b>	<b>3Q 2015</b>	<b>YTD</b>	<b>YTD</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>Sept 16</b>	<b>Sept 15</b>
			<b>S\$'000</b>	<b>S\$'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase (decrease) in bank loans	500	329	500	(40)
Repayment of obligations under finance leases	(8)	(8)	(25)	(25)
Restricted cash	-	(1)	597	2,843
Net cash from financing activities	492	320	1,072	2,778
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	194	(108)	(119)	(1,210)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	417	498	712	1,593
Effect of exchange rate changes on the balance of cash held in foreign currencies	(12)	46	6	53
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	599	436	599	436

Represented by :

	<b>30.09.2016</b>	<b>30.09.2015</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	824	2,221
Less: Restricted cash*	(225)	(1,785)
	<u>599</u>	<u>436</u>

Restricted cash mainly comprises the retention sum which forms part of the cash proceeds from the disposal of the distribution business in financial year 2013 and is expected to be released to the Company upon fulfillment of all obligations.

**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	ATTRIBUTABLE TO OWNERS OF THE COMPANY	
							TOTAL
Balance at 01.01.2015	38,530	(1,956)	6,539	(182)	(22,503)	20,428	20,428
<b>Total comprehensive (loss)/income for the year</b>							
Loss for the year	-	-	-	-	(9,468)	(9,468)	(9,468)
Other comprehensive income for the year	-	3,040	-	-	-	3,040	3,040
Total	-	3,040	-	-	(9,468)	(6,428)	(6,428)
Balance at 31.12.2015	38,530	1,084	6,539	(182)	(31,971)	14,000	14,000
Balance at 01.01.2016	38,530	1,084	6,539	(182)	(31,971)	14,000	14,000
<b>Total comprehensive (loss)/Income for the period</b>							
Issuance of ordinary shares	224	-	-	-	-	224	224
Loss for the period	-	-	-	-	(1,658)	(1,658)	(1,658)
Other comprehensive loss for the period	-	(218)	-	-	-	(218)	(218)
Total	224	(218)	-	-	(1,658)	(1,652)	(1,652)
Balance at 30.09.2016	38,754	866	6,539	(182)	(33,629)	12,348	12,348



COMPANY (S\$'000)	SHARE CAPITAL	REVALUATION RESERVE	SHARE ISSUE RESERVE	ACCUMULATED LOSSES	TOTAL
Balance at 01.01.2015	38,530	6,539	(182)	(25,572)	19,315
<b>Total comprehensive (loss)/Income for the period</b>					
Loss for the period	-	-	-	(12,001)	(12,001)
Total	-	-	-	(12,001)	(12,001)
<b>Transactions with owners, recognised directly in equity</b>					
Balance at 31.12.2015	38,530	6,539	(182)	(37,573)	7,314
Balance at 01.01.2016	38,530	6,539	(182)	(37,573)	7,314
<b>Total comprehensive (loss)/Income for the period</b>					
Issuance of ordinary shares	224	-	-	-	224
Loss for the period	-	-	-	(1,442)	(1,442)
Total	224	-	-	(1,442)	(1,218)
Balance at 30.09.2016	38,754	6,539	(182)	(39,015)	6,096

- 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.**

On 15 July 2016, the Company issued 20,357,894 ordinary shares as part of the consideration arising from the completion of the proposed acquisition of 51% of the shares in Allied Resources Limited. On 30 September 2016, the proposed acquisition was terminated and risks and rewards associated with the 20,357,894 ordinary shares have been assigned to the Group. For further details, please refer to the Company's announcements.

- 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.**

	30.09.2016	31.12.2015
Total number of shares excluding treasury shares	688,624,561	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 30 September 2016 and 31 December 2015. The Company does not have any treasury shares as at 30 September 2016 and 31 December 2015.

- 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 compared with those used in the audited financial statements for the year ended 31 December 2015.

- 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**

	<b>Group</b>			
	<b>3Q 2016</b>	<b>3Q 2015</b>	<b>YTD Sept 2016</b>	<b>YTD Sept 2015</b>
Profit/ (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	0.09 cents	(0.23) cents	(0.25) cents	(1.38) cents
(ii) On a fully diluted basis*	0.09 cents	(0.23) cents	(0.25) cents	(1.38) cents

Note: The net earnings per share for the three months ended 30 September 2016 and YTD September 2016 is calculated based on weighted average number of shares 685,526,621 (3Q2015: 668,266,667) and 674,061,980 (YTD September 2015: 668,266,667) respectively in issue during the period.

\* 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.**

	<b>Group</b>	
	30.09.2016	31.12.2015
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	1.79 cents	2.09 cents

  

	<b>Company</b>	
	30.09.2016	31.12.2015
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	0.89 cents	1.09 cents

Note: The net asset value per ordinary share is calculated based on the issued share capital of 688,624,561 ordinary shares as at 30 September 2016 (31 December 2015: 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 mainly from providing ship repairs services. The Group also continues to derive rental income from leasing of its property at No. 8 Aljunied Avenue 3 in Singapore.

#### **Revenue**

The Group posted revenue of S\$0.52 million in 3<sup>rd</sup> Quarter 2016 ("3Q2016") as compared to S\$0.68 million in 3<sup>rd</sup> Quarter 2015 ("3Q2015"). In nine months ended 30 September 2016 ("YTD 3Q2016"), the Group recorded revenue of S\$1.68 million as compared to S\$2.06 million in 30 September 2015 ("YTD 3Q2015").

Revenue from the Shipyard operations amounted to S\$0.27 million in 3Q2016 and S\$0.94 million in YTD 3Q2016. The Property Management recorded rental income of S\$0.25 million in 3Q2016 and S\$0.74 million in YTD 3Q2016.

#### **Gross Profit/(Loss)**

The Group posted a gross profit of S\$0.06 million in 3Q2016 as compared to S\$0.23 million in 3Q2015. The lower gross profit was due to the lower revenue from the Shipyard operations.

In YTD 3Q2016, the Group recorded a gross profit of S\$0.22 million compared to a gross loss of S\$3.28 million in YTD 3Q2015. The gross profit in YTD 3Q2016 was due to the absence of write-offs of projects costs of S\$3.82 million in the corresponding period.

#### **Other Operating Income**

The Group registered other operating income of S\$1.19 million in 3Q2016 as compared to S\$0.04 million in 3Q2015. The increase was mainly attributed to the unrealised foreign exchange gain.

In YTD 3Q2016, the Group registered other operating income of S\$0.43 million as compared to S\$0.10 million in YTD 3Q2015. The higher other operating income was due to unrealised foreign exchange gain.

#### **Operating Expenses**

Operating expenses comprise mainly distribution, administrative and other operating expenses. In 3Q2016, total operating expenses amounted to S\$0.63 million as compared to S\$1.79 million in 3Q2015. The decrease in operating expenses in this quarter was due to further cost reductions implemented, which includes reduction in manpower and operating expenses. The absence of unrealised exchange loss of S\$0.93 million also contributed to lower operating expenses.

In YTD 3Q2016, total operating expenses amounted to S\$2.09 million as compared to S\$6.0 million in YTD 3Q2015. The lower total operating expenses in YTD 3Q2016 was due to no unrealised exchange loss, reduction in legal and professional fees, lower manpower and other operating costs due to implementation of cost saving measures.

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

The Group reported a profit of S\$0.62 million in 3Q2016 as compared to a loss of S\$1.5 million in 3Q2015 due to the higher other operating income as a result of the unrealised exchange gain and lower operating expenses.

In YTD 3Q2016, the Group incurred a loss of S\$1.7 million as compared to S\$9.2 million in the corresponding period. The lower loss was attributed mainly to absence of write offs for the Shipyard operation's assets, unrealised exchange gain, reduction in legal and professional fee, reduction in manpower cost and operating expenses due to cost saving measures.

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

As a result of the above, the Group recorded a loss attributable to owners of the Company of S\$1.7 million for YTD 3Q2016 as compared to a loss of S\$9.2 million for YTD 3Q2015.

## **REVIEW OF WORKING CAPITAL, ASSETS AND LIABILITIES**

The Group's current assets decreased to S\$12.0 million as at 30 September 2016 from S\$12.5 million as at 31 December 2015 due mainly to a reduction in cash and bank balances and an increase in other receivables as a result of the issuance of 20,357,894 new shares.

Current liabilities stood relatively the same at S\$11.8 million as at 30 September 2016 and 31 December 2015.

Based on the above, the Group had positive working capital (total current assets less total current liabilities) of S\$0.17 million as at 30 September 2016.

## **REVIEW OF CASH FLOW STATEMENT**

Cash flow from operating activities was a net cash outflow of S\$1.3 million as compared to a net cash outflow of S\$4.0 million for the same corresponding period of last year. The net cash outflow was mainly due to the losses incurred by the Group.

**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 cost-containment measures for its Shipyard operations. It is also exploring various options for its Shipyard operations, including repair work, outsourcing and provision of other services.

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 three months ended 30 September 2016.

**13 Interested person transactions (“IPTs”)**

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 the three months ended 30 September 2016.

**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 to comply with the Exchange’s listing rules from all the Directors and Executive Officers of the Company.

**15 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 financial statements for the period ended 30 September 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Jeffrey Hing Yih Peir  
Managing Director

Renny Yeo Ah Kiang  
Lead Independent Non-Executive Director

**BY ORDER OF THE BOARD**

**CHANG AI LING**  
**COMPANY SECRETARY**  
**9 November 2016**

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: 63816757