

OEL (HOLDINGS) LIMITED

(Company Registration No: 198403368H)

Third Quarter and Nine Months Financial Statement and Dividend Announcement for the Period Ended 30.09.2018

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					
	3Q 2018 S\$'000	3Q 2017 S\$'000	Change %	YTD Sept 2018 S\$'000	YTD Sept 2017 S\$'000	Change %
<u>Continuing Operations</u>						
Revenue	221	221	NA	664	709	-6.3%
Other operating income	6	26	-76.9%	19	278	-93.2%
Administrative expenses	(100)	(115)	-13.0%	(337)	(464)	-27.4%
Other operating expenses	(179)	(143)	25.2%	(534)	(478)	11.7%
Finance costs	(7)	(6)	16.7%	(20)	(22)	-9.1%
(Loss)/profit before tax	(59)	(17)	NM	(208)	23	NM
Income tax expenses *	-	-	NA	(105)	(4)	NM
(Loss)/ profit for the period	(59)	(17)	NM	(313)	19	NM
<u>Discontinued Operations**</u>						
Loss for the period from discontinued operations	-	-	NA	-	(247)	NM
Loss for the period	(59)	(17)	NM	(313)	(228)	37.3%
Loss attributable to:						
Owners of the Company	(59)	(17)	NM	(313)	(228)	37.3%

NM = Not meaningful

NA = Not applicable

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

Depreciation of property, plant and equipment
 Loss on disposal of property, plant and equipment
 Interest expenses
 Under provision of tax in prior years

Group					
3Q 2018 S\$'000	3Q 2017 S\$'000	Change %	YTD Sept 2018 S\$'000	YTD Sept 2017 S\$'000	Change %
(84)	(43)	95.3%	(253)	(136)	86.0%
-	-	NA	-	(47)	NA
(7)	(6)	16.7%	(20)	(22)	-9.1%
-	-	NA	(105)	(4)	NM

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

(Loss)/profit for the period from continuing operations
 Loss for the period from discontinued operations
 Other comprehensive loss:
 Item that will not be reclassified subsequently to profit or loss
 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					
3Q 2018 S\$'000	3Q 2017 S\$'000	Change %	YTD Sept 2018 S\$'000	YTD Sept 2017 S\$'000	Change %
(59)	(17)	NM	(313)	19	NM
-	-	NA	-	(247)	NA
(59)	(17)	NM	(313)	(228)	37.3%
(59)	(17)	NM	(313)	(228)	37.3%

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) STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30.9.2018	31.12.2017	30.9.2018	31.12.2017
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets:				
Cash and bank balances	65	284	65	284
Other receivables	32	38	34	39
Total current assets	97	322	99	323
Non-current assets:				
Associate	-	-	-	-
Other non-current assets	-	-	26	26
Property, plant and equipment	8,368	8,620	8,368	8,620
Investment property	-	-	-	-
Total non-current assets	8,368	8,620	8,394	8,646
Total assets	8,465	8,942	8,493	8,969
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables	130	130	130	130
Other payables	379	474	378	473
Income tax payables	104	3	104	3
Finance leases	-	-	-	-
Bank loans	900	1,000	900	1,000
Liabilities of disposal group classified as held for sale	-	-	-	-
Total current liabilities	1,513	1,607	1,512	1,606
Non-current liabilities:				
Deferred tax liabilities	275	275	275	275
Total non-current liabilities	275	275	275	275
Capital and reserves:				
Share capital	38,530	38,530	38,530	38,530
Reserves	(31,853)	(31,470)	(31,824)	(31,442)
Net equity	6,677	7,060	6,706	7,088
Total liabilities and equity	8,465	8,942	8,493	8,969

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

Amount repayable in one year or less, or on demand

As at 30.09.2018		As at 31.12.2017	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
900	-	1,000	-

Amount repayable after one year

As at 30.09.2018		As at 31.12.2017	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The above 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			
	3Q 2018	3Q 2017	YTD Sept 2018	YTD Sept 2017
	\$'000	\$'000	\$'000	\$'000
Operating activities				
(Loss)/profit before tax from continuing operations	(59)	(17)	(208)	23
Loss from discontinued operations	-	-	-	(247)
	(59)	(17)	(208)	(224)
Adjustments for:				
Depreciation of property, plant and equipment	84	43	253	136
Impairment of non-current asset	-	-	-	6
Interest expense	7	6	20	22
Loss on disposal of property, plant and equipment	-	-	-	47
Reclassification of cumulative currency translation loss on disposal of foreign subsidiary	-	-	-	247
Operating cash flows before movements in working capital	32	32	65	234
Trade receivables	-	(1)	-	(6)
Other receivables	(59)	(12)	(64)	(12)
Trade payables	3	(2)	-	(4)
Other payables	(18)	(54)	(94)	(76)
Cash (used in) generated from operations	(42)	(37)	(93)	136
Income tax paid	-	(37)	(4)	(109)
Interest paid	(7)	(6)	(20)	(22)
Net cash (used in)/ from operating activities	(49)	(80)	(117)	5

	Group		Group	
	3Q 2018	3Q 2017	YTD Sept 2018	YTD Sept 2017
	\$'000	\$'000	\$'000	\$'000
Investing activities				
Proceeds on disposal of property, plant and equipment	-	-	-	76
Net cash from investing activities	-	-	-	76
Financing activities				
Repayment of obligations under finance leases	-	-	-	(33)
Repayment of bank loan	-	-	(100)	(150)
Net cash used in financing activities	-	-	(100)	(183)
Net decrease in cash and cash equivalents	(49)	(80)	(217)	(102)
Cash and cash equivalents at beginning of the year	114	223	282	245
Cash and cash equivalents at end of the year	65	143	65	143

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 01.01.2017	38,530	(247)	7,582	(182)	(38,736)	6,947
Reclassification to profit or loss on disposal of foreign subsidiary	-	247	-	-	-	247
Total comprehensive income (loss) for the year						
Loss for the year	-	-	-	-	(405)	(405)
Other comprehensive income for the year, net of tax	-	-	271	-	-	271
Total	-	-	271	-	(405)	(134)
Balance at 31.12.2017	38,530	-	7,853	(182)	(39,141)	7,060
Balance at 01.01.2018	38,530	-	7,853	(182)	(39,141)	7,060
Total comprehensive loss for the year						
Reclassification to profit or loss on disposal of subsidiary	-	-	-	-	(70)	(70)
Loss for the period	-	-	-	-	(313)	(313)
Total	-	-	-	-	(383)	(383)
Balance at 30.09.2018	38,530	-	7,853	(182)	(39,524)	6,677

COMPANY	SHARE CAPITAL	REVALUATION RESERVE	SHARE ISSUE RESERVE	ACCUMULATED LOSSES	TOTAL
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 01.01.2017	38,530	7,582	(182)	(38,955)	6,975
Total comprehensive income (loss) for the year					
Loss for the year	-	-	-	(158)	(158)
Other comprehensive income for the year, net of tax	-	271	-	-	271
Total	-	271	-	(158)	113
Balance at 31.12.2017	38,530	7,853	(182)	(39,113)	7,088
Balance at 01.01.2018	38,530	7,853	(182)	(39,113)	7,088
Total comprehensive loss for the year					
Loss for the period	-	-	-	(382)	(382)
Total	-	-	-	(382)	(382)
Balance at 30.09.2018	38,530	7,853	(182)	(39,495)	6,706

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 2017. The Company has no outstanding convertible securities as at 30 September 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.

	30.09.2018	31.12.2017
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 30 September 2018. The Company did not hold any treasury shares as at 30 September 2018.

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 30 September 2018.

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 2017.

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 2018. 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)/ 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			
3Q 2018	3Q 2017	YTD Sept 2018	YTD Sept 2017
(0.01) cent	(0.003) cent	(0.05) cent	0.003 cent
(0.01) cent	(0.003) cent	(0.05) cent	0.003 cent

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		Group	
3Q 2018	3Q 2017	YTD Sept 2018	YTD Sept 2017
NA	NA	NA	(0.04) cent
NA	NA	NA	(0.04) cent

Note: The net earnings per share for the three months ended 30 September 2018 is calculated based on 668,266,667 ordinary shares in issue (30 September 2017: 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 period.

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

Group	
30.09.2018	31.12.2017
1.00 cent	1.06 cents

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

Company	
30.09.2018	31.12.2017
1.00 cent	1.06 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 30 September 2018 (31 December 2017: 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 earned rental income from the partial leasing of its property at No. 8 Aljunied Avenue 3 in Singapore.

Revenue

The Group generated revenue of S\$0.22 million in the 3rd Quarter 2018 ("3Q2018") and 3rd Quarter 2017 ("3Q2017"). For nine months ended 30 September 2018 ("YTD 3Q2018"), the Group recorded revenue of S\$0.66 million as compared to S\$0.71 million for the nine months ended 30 September 2017 ("YTD 3Q2017").

The lower revenue was due to lower rental rates.

Other Operating Income

The Group registered other operating income of S\$0.006 million in 3Q2018 as compared to S\$0.026 million in 3Q2017. In YTD 3Q2018, the Group registered other operating income of S\$0.019 million as compared to S\$0.28 million in YTD 3Q2017.

The higher operating income in 3Q2017 and YTD 3Q2017 was attributed mainly to recovery of bad debts previously provided for.

Operating Expenses

Operating expenses comprise mainly administrative and other operating expenses.

In 3Q2018, total operating expenses amounted to S\$0.28 million as compared to S\$0.26 million in 3Q2017. In YTD 3Q2018, total operating expenses amounted to S\$0.87 million as compared to S\$0.94 million in YTD 3Q2017. The decrease in total operating expenses in YTD 3Q2018 was attributed mainly to lower professional fee, reduction in directors' fees and salary and wages and absence of the loss on disposal of fixed assets, which partially offset the increase in depreciation of property, plant and equipment.

(Loss)/ profit from Continuing Operations

The Group reported a loss of S\$0.06 million and S\$0.02 million in 3Q2018 and 3Q2017 respectively.

In YTD 3Q2018, the Group reported a loss of S\$0.31 million as compared to a profit of S\$0.02 million in YTD 3Q2017. The loss in YTD 3Q2018 was attributed mainly to lower revenue, lower other operating income and under provision of tax for prior year.

DISCONTINUED OPERATIONS

In YTD 3Q2017, the Group reported a loss of S\$0.25 million due to the reclassification of cumulative currency translation loss on disposal of its foreign subsidiary.

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\$0.06 million in 3Q2018 as compared to a loss of S\$0.02 million in 3Q2017.

In YTD 3Q2018, the Group posted a loss of S\$0.31 million as compared to a loss of S\$0.23 million in YTD 3Q2017. The higher loss in YTD 3Q2018 was attributed mainly to lower revenue, lower other operating income and under provision of tax for prior year. These were partially offset by lower total operating expenses.

REVIEW OF WORKING CAPITAL, ASSETS AND LIABILITIES

The Group's current assets decreased to S\$0.10 million as at 30 September 2018 from S\$0.32 million as at 31 December 2017. The decrease was attributed mainly to the net cash used in operating activities and partial repayment of bank loans.

The Group's current liabilities decreased to S\$1.51 million as at 30 September 2018 from S\$1.61 million as at 31 December 2017 mainly due to partial repayment of payables and bank loans, offset by higher provision of tax for prior year.

As at 30 September 2018, the Group has net current liabilities of S\$1.42 million. Management will continue to manage its cash flow conservatively. The Group is exploring and evaluating business opportunities to improve its cash flow and is dependent on the bank's continued support to continue in business. A director who is also the controlling shareholder of the Company has given a letter of undertaking to provide continuing financial support to the Company to meet its working capital requirements.

REVIEW OF CASH FLOW STATEMENT

Cash flow from operating activities for YTD 3Q2018 was a net cash outflow of S\$0.12 million as compared to a net cash inflow of S\$0.005 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 leasing of the partial property has expired on 31 October 2018. The Group is looking for alternatives and sources to generate revenue and shall 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 third quarter ended 30 September 2018.

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 Catalyst). 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 third quarter ended 30 September 2018.

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

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 Catalyst) 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 of Directors 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 2018 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

TAN CHING CHEK
COMPANY SECRETARY
13 November 2018

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 Shervyn Essex (Registered Professional, RHT Capital Pte. Ltd.)
Address: 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619
Tel: 6381 6757